

Adams County, Illinois
Quincy, Illinois

Financial Report
Year Ended November 30, 2014

Adams County, Illinois

Year Ended November 30, 2014

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Adams County, Illinois

Year Ended November 30, 2014

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Independent Auditor's Report

To the County Board
Adams County, Illinois
Quincy, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, (the "County") as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of November 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

The County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended November 30, 2014. Statement No. 65 changed the classifications of certain items on the statement of net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 4 through 17 and 53 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adams County, Illinois' financial statements as a whole. The schedules listed as supplementary information on pages 60 through 81 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2015, on our consideration of Adams County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Adams County, Illinois' internal control over financial reporting and compliance.

Wipac LLP

Sterling, Illinois
May 19, 2015

**Management Discussion And Analysis
(Unaudited)**

Adams County, Illinois

Management Discussion and Analysis

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

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2014 and the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the basic financial statements, notes to the financial statements, required and supplementary information.

FINANCIAL HIGHLIGHTS FOR FY2014

- The County's assets exceeded its liabilities at the close of the fiscal year by \$66.7 million (net position). Of this amount \$3.2 million (unrestricted net position) may be used to meet the County's ongoing obligations.
- The County's total net position decreased by \$3.1 million during fiscal year 2014 as reported in the statement of activities.
- The County's major revenue consisted of \$9.1 million in property tax distributions, \$7.8 million in charges for services, and \$4.0 million in operating grants and contributions.
- At the close of fiscal year 2014, the County's governmental funds reported combined ending fund balances of \$17.5 million, an increase of \$0.9 million in comparison to the prior year.
- At the end of fiscal year 2014, the unassigned fund balance in the General Fund was \$4.0 million, which is 32.4% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

The statement of activities presents information that shows how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

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

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The County's Governmental Funds during the reporting period use the modified accrual basis of accounting and activities are converted to the accrual basis of accounting for government-wide financial statement reporting purposes.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

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

Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

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

Fiduciary Funds. The County also maintains a number of fiduciary funds in the form of agency funds, which are used to account for resources - almost exclusively cash and investments - held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds. The fiduciary fund financial statement can be found on page 29 of this report.

Notes to the Financial Statements

These provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 30 through 52 of this report.

Required Supplementary Information

This information addresses the County's budgetary comparison schedules of major funds, the IMRF (Illinois Municipal Retirement Fund) Schedule of Funding Progress, SLEP (Sheriff's Law Enforcement Personnel) Schedule of Funding Progress and the postemployment benefit plans other than pension plans Schedule of Funding Progress. The County adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Debt Service Fund, and Internal Service Fund. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. The IMRF and SLEP pension schedules have been provided to present the County's progress in funding its obligation to provide pension benefits to County employees through the IMRF system. Required supplementary information can be found on pages 53 through 59 of this report.

Supplementary Information

This information as discussed earlier in connection with the General Fund, non-major governmental funds, and agency funds is presented immediately following the required supplementary information on pensions and other postemployment benefit plans other than pensions. Supplementary information can be found on pages 60 through 81 of this report.

Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously addressed, net position may serve the purpose over time as a useful indicator of financial position. To that end, the County's assets exceeded its liabilities by \$66.7 million for FY2014.

The following table represents a condensed Statement of Net Position of the County for governmental activities as of November 30, 2014 and 2013.

Net Position (in millions) Governmental Activities November 30		
	2014	2013
Current assets	\$19.2	\$18.2
Noncurrent assets	56.2	60.6
Total assets	75.4	78.8
Current liabilities	1.9	1.9
Long term liabilities	6.8	7.1
Total liabilities	8.7	9.0
Deferred inflows of resources	0.0	0.0
Total liabilities and deferred inflows of resources	8.7	9.0
Net position:		
Net investment in capital assets	50.0	54.0
Restricted	13.5	12.6
Unrestricted	3.2	3.2
Total net position	\$66.7	\$69.8

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

Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

Changes in Net Position (in millions)		
Governmental Activities		
For the year ended November 30		
	2014	2013
Revenues:		
Program revenues:		
Charge for services	\$7.8	\$7.8
Operating grants and contributions	4.0	4.1
Capital grants and contributions	1.8	1.5
General revenue:		
Local property taxes	9.1	9.1
Sales taxes	2.2	2.3
State income taxes	1.9	2.1
Other taxes	2.2	2.1
Unrestricted investment earnings	0.1	0.1
Miscellaneous	0.2	0.0
Total revenues	29.3	29.1
Expenses:		
General control and administration	4.4	4.4
Public safety	3.8	4.0
Judiciary and courts	4.0	3.8
Corrections	3.1	2.9
Highways and bridges	8.3	8.1
Public health	7.5	7.4
Public welfare	0.6	0.7
Education	0.4	0.3
Interest on long-term debt	0.3	0.3
Total expenses	32.4	31.9
Change in net position	(3.1)	(2.8)
Net position, beginning of year	69.8	72.6
Net position, ending	\$66.7	\$69.8

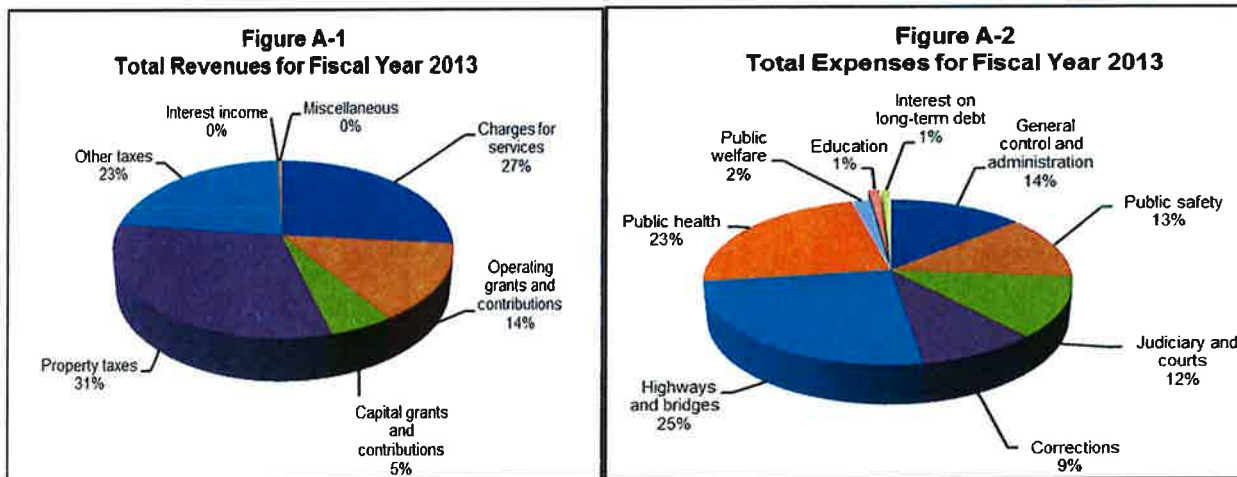
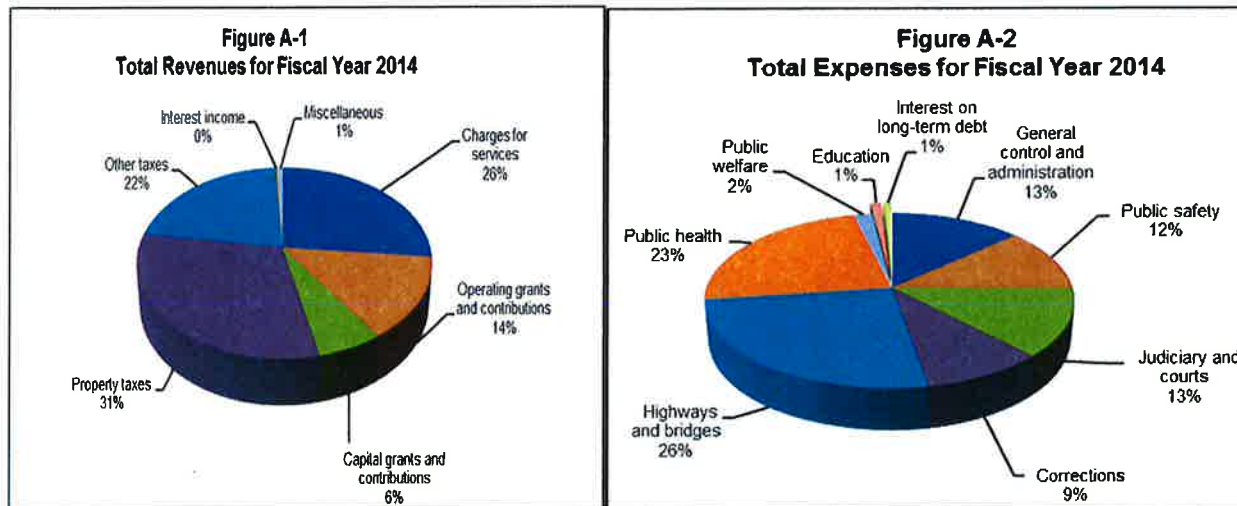
Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The County's 2014 total revenues (Figure A-1) come from a variety of sources including 31% from property taxes, and 22% comes from some other type of tax. Another 26% comes from fees charged for services.

The County's 2014 expenses (Figure A-2) cover a range of services, with about 26% related to highways and bridges. Public health accounts for 23%. Another 14% is from general control and administration. Public safety and judiciary and courts expenses account for 12% each.



Net position decreased \$3.1 million over the previous year. For the fiscal year ended November 30, 2014 revenues from governmental activities totaled \$29.3 million. Tax revenues (\$15.4 million, or 53%) represent the largest source.

Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

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

For the year ended November 30, 2013		
	Total cost of service (in millions)	Net cost of service (in millions)
General control and administration	\$4.4	(\$3.0)
Public safety	4.0	(2.6)
Judiciary and courts	3.8	(1.2)
Corrections	2.9	(2.2)
Highways and bridges	8.1	(6.2)
Public health	7.4	(2.2)
Public welfare	0.7	(0.6)
Education	0.4	(0.3)
Interest on long-term debt	0.3	(0.3)
Total governmental activities	\$31.9	\$18.6

For the fiscal year ended November 30, 2014 expenses for governmental activities totaled \$32.4 million. Highway and bridges expenses accounted for \$8.3 million or 26% of the governmental activities total. Various funds established for the County Highway Department account for these expenditures.

Public health expenses represented \$7.5 million (23%) of the total governmental activities expenditures in 2014. Expenses related to the Health Department.

General and administrative expenses totaled for \$4.4 million or 14% of the governmental activities total. These expenses are used for the operations of departments conducting such functions as administrative and financial functions, elections, document recording and retrieval, and assessment of property.

Adams County, Illinois

Management Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Public Safety (12% of the total) accounted for \$3.8 million in expenses during 2014. The highest percentage of public safety is directly tied to the operations of the Sheriff's Department. The animal control and emergency service function is also part of this activity group.

Judiciary and courts expenses represented \$4.0 million (13%) in 2014. Expenses relating to the circuit court, public defender, court services, probation services, and the State's Attorney relate to this function.

Corrections (9% of the total) accounted for \$3.1 million in expenses during 2014. These expenses are directly tied to the operations of the County jail.

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

Education expenses totaled \$0.4 million (1%) in expenses during 2014. These expenses related to the Regional Office of Education and Cooperative Extension.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year the County's governmental funds reported combined ending fund balances of \$17.5 million, an increase of \$0.9 million in comparison with the previous fiscal year.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$4.0 million. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenses. Unassigned fund balance represents 32.4% of total general fund expenses.

The fund balance of the General Fund increased by \$0.7 million before transfers during the current fiscal year.

Budgetary Highlights

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

General Fund Budgetary Variances

Revenues

The most significant revenue sources for all funds during fiscal year 2014 continue to be property taxes and intergovernmental sources. Intergovernmental revenues on page 53 for 2014 were \$7,822,459 compared with budgeted amount of \$7,637,166. The variance is the result of the County receiving more State sales tax than anticipated.

Adams County, Illinois

Management Discussion and Analysis

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

General Fund Budgetary Variances (continued) Revenues (continued)

Charges for services on page 53 for 2014 were \$715,444 compared with budgeted amount of \$882,300. The variance is the result of the County receiving less Recorder earnings than anticipated.

Expenditures

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

General control and administration expenditures on page 53 for 2014 were \$3,365,193 compared with budgeted amount of \$3,646,569. The County over budgeted for medical insurance and contingencies.

Corrections expenses on page 53 for 2014 were \$2,688,888 compared with budgeted amount of \$2,496,867. The County under budgeted for correctional officer salaries and prisoner medical expenditures.

Illinois Municipal Retirement Fund Budgetary Variances

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

Ambulance Services Fund Budgetary Variances Revenues

The most significant revenue sources during fiscal year 2014 continue to be charges for services and property taxes. Charges for services on page 55 for 2014 were \$2,886,291 compared to budgeted amount of \$2,613,200. The variance is a result of the County collecting more ambulance fees than expected.

Expenditures

Public health expenditures on page 55 for 2014 were \$3,447,750 compared to budgeted amount of \$3,108,217. The variance is a result of the County under budgeting for Ambulance staff salaries and collection expenses.

Health Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2014 continue to be intergovernmental revenue and charges for services. Intergovernmental revenue on page 56 for 2014 was \$1,349,605 compared to budgeted amount of \$1,746,408. The variance is a result of the County receiving less grant revenue than expected. Charges for services for 2014 was \$1,046,747 compared to budgeted amount of \$1,210,000. The variance is due to the County collecting less dental income than expected.

Expenditures

Public health expenditures on page 56 for 2014 were \$3,008,579 compared to budgeted amount of \$3,265,143. The variance is a result of the County over budgeting for salaries, immunization doses, dental expenditures, and nursing expenditures.

Adams County, Illinois

Management Discussion and Analysis

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

Motor Fuel Tax Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2014 continue to be intergovernmental revenue. Intergovernmental revenue on page 57 for 2014 was \$1,762,859 compared to budgeted amount of \$1,314,000. The variance is a result of the County receiving more state payments than expected.

Expenditures

Highway and bridges expenditures on page 57 for 2014 were \$1,831,463 compared to budgeted amount of \$4,700,000. The variance is due to the County over budgeting for road and bridge construction and road and bridge maintenance.

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

- From a fund perspective, overall fund expenditures increased by 0.49% in 2014 compared with 2013.
- Within the General Fund, the functions which reflected the largest portion of total expenditures within the General Fund are general control and administration and judiciary and court related. Judiciary and court related and corrections function expenditures increased over 2013. The function which reflected the largest increase over 2013 was judiciary and court related.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets

The County's investment in capital assets for its governmental activities at year end totaled \$56.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and highway infrastructure such as roads and bridges. There were \$1.8 million of capital asset additions recorded during the year and \$6.1 million of depreciation charges were expensed on the total capital assets. More detailed information can be found in Note 5 of the financial statements.

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

- Infrastructure = \$1,244,671
- Vehicles = \$316,591
- Machinery & Equipment = \$152,395

Net Book Value of Capital Assets at November 30 (in millions)		
	2014	2013
Land and other nondepreciable assets	\$0.8	\$1.2
Buildings and improvements	11.9	12.4
Vehicles	1.0	1.0
Furniture, fixtures and equipment	1.2	1.4
Infrastructure	41.3	44.6
Total	\$56.2	\$60.6

Adams County, Illinois

Management Discussion and Analysis

Debt Administration

At November 30, 2014, the County had \$6.3 million in governmental activities long term debt which consisted of general obligation bonds. Amounts due next year on these obligations are \$0.3 million. See Note 12 for details of debt.

Outstanding Debt at November 30 (in millions)		
	2014	2013
Bonds payable	\$6.3	\$6.6
Accrued compensated absences	0.6	0.6
	\$6.9	\$7.2

NEXT YEAR'S BUDGET AND RATES

On November 18, 2014 the Adams County Board approved the Adams County's Government budget for the 2014-2015 fiscal year.

REVENUE - The projected revenue budget for all funds decreased by \$515,069 to \$34,497,946. This is a 1.47% decrease from FY 2013-2014.

The projected General Fund revenue budget increased by only \$11,358 to \$13,610,200. This is a 0.08% increase compared to 2013-2014.

The revenue structure of the General Fund is diversified so that the operation of the county is not overly dependent on any one source. Major General Fund revenue sources include:

Taxes - 64.4% of the projected General Fund revenue will come from real estate property taxes and state-shared sources including sales tax, use tax, income tax, retailers occupational tax, and personal property replacement tax. Budgeted tax revenue from taxes is \$8,770,000 that includes:

- 20.6% from real estate property taxes (\$2,800,000).
- 16.0% from the county portion of state sales tax collected (\$2,180,000)
- 14.8% from state income tax (\$2,020,000)
- 13.0% from other state taxes such as use tax, retailers occupational tax, video gaming tax, and payment in lieu of Personal Property Replacement Tax (\$1,770,000)

Real estate property tax revenue is expected to increase only 1% to \$2,800,000. Revenue from State-shared sources is expected to increase 3.6% to \$5,970,000.

Adams County, Illinois

Management Discussion and Analysis

NEXT YEAR'S BUDGET AND RATES (continued)

Other revenue - 17.5% of the projected revenue budget will come from licenses and fees, interest, grants and other enterprise revenue. This includes:

- 9.2% in earnings from the County Clerk and Recorder, Sheriff, Circuit Clerk, and Animal Warden (\$1,246,100)
- 6.3% in fines, fees and licenses (\$860,620)
- 2.0% in cell tower leases, bank interest, prisoner room and board, inmate commissary sales, bank interest and other miscellaneous revenue (\$276,830)

Reimbursements - 14.5% of the projected revenue budget will come from state and federal reimbursements. This includes:

- 11.6% from salary reimbursements for the State's Attorney office, Drug Task Force, probation officers, detention center officers, election judges and the Supervisor of Assessments (\$1,584,699)
- 2.9% from other reimbursements (\$393,000)

Transfers from Special Revenue Funds - 3.5% of the projected General Fund revenue budget will come from transfers from fifteen county special revenue accounts (\$478,951). State statutes direct the creation of most special revenue accounts and establish the collection of specific fees to support either specific court costs or large equipment purchases for a specific county office or task. These accounts include several automation funds, the law library fund, animal control fund, document storage fund, prisoner medical fund, and other court funds.

EXPENSES - The General Fund's projected expense budget is \$13,816,428. This reflects a 1.5% increase over the FY 2013-2014 budget.

The Capital Expense budget is \$3,159,075 (22.9% of budgeted expenses) and is a 1.4% increase over the FY 2013-2014 capital budget. The largest capital expense is \$170,000 for six new vehicles and \$50,000 for HVAC equipment for the Adams County Courthouse.

LEVY - On December 9, 2014 the Adams County Board approved a property tax levy of 0.85242 per \$100 of equalized assessed valuation (EAV) for the 2014 tax year (taxes payable in 2015). This is a decrease of the levy for the 2013 tax year (0.88262).

The total real estate EAV increased by \$36,317,937 to \$1,062,954,575. This is a 3.54% increase for the 2014 tax year. The new levy rate will maintain total tax collections at the same amount as the 2013 tax year (\$9,060,728).

Adams County, Illinois

Management Discussion and Analysis

NEXT YEAR'S BUDGET AND RATES (continued)

The table below lists the levy amounts for the 2013 and the 2014 tax years, the difference for each fund compared to the 2013 tax year, and the levy rate:

	2014	2013	Difference	Percent	Levy
General	\$2,869,978	\$2,771,934	\$98,044	3.42%	0.2700
Bonds and Interest					0.0000
Pension/IMRF	1,304,697	1,362,302	(57,605)	-4.42%	0.1227
County Highway	956,660	923,956	32,704	3.42%	0.0900
County Bridge/Joint Bridge	478,330	461,978	16,352	3.42%	0.0450
TB Care & Treatment	56,000	92,000	(36,000)	-64.29%	0.0053
Federal Aid Matching	478,330	461,978	16,352	3.42%	0.0450
County Health Department	250,000	225,000	25,000	10.00%	0.0235
Tort Judgment/Liability	387,568	481,313	(93,745)	-24.19%	0.0365
Social Security	1,045,165	1,046,267	(1,102)	-0.11%	0.0983
Extension Education	134,000	134,000	0	0.00%	0.0126
Ambulance	500,000	500,000	0	0.00%	0.0470
Development Disability	600,000	600,000	0	0.00%	0.0565
Total	\$9,060,728	\$9,060,728			0.8524

The following discusses selected funds:

Bonds and Interest. The County has a General Obligation Bond that was issued in 2008. Principal and interest payments totaling approximately \$590,000 annually are paid from the General Fund and are not levied for separately.

Pension/IMRF. Pension/IMRF expenses decreased because earnings increased in the IMRF fund.

Tort Judgment/Liability. The Tort and Liability expenses was reduced because to better reflect the actual workers compensation and liability premium. Claims continued to remain low during 2014.

ECONOMIC FACTORS

Although the local economic has remained steady, the State's economic health has not improved. The Illinois Comptroller reported that the backlog of bills totaled almost \$6.5 billion on December 31, 2014 and is expected to increase. Projected revenues are expected to remain weak with the reduction in income tax rates beginning on January 1, 2015. (Source: Comptroller's Quarterly, January 2015).

Adams County, Illinois

Management Discussion and Analysis

ECONOMIC FACTORS (continued)

With the election of Bruce Rauner as the new Governor in November 2014, there is a strong push to reduce state expenses.

"Today Illinois still has a large backlog of unpaid bills, the worst-funded pension systems in the nation, and a multi-billion dollar budget deficit. Additionally, since this tax increase, Illinois' credit rating has been downgraded five times and Illinois now has the worst credit rating of any state in the nation.

Faced with a growing gap between revenue and expenditure growth, our only short-term solution is to reduce spending to a level Illinois' economy can afford. Raising taxes in order to spend more will make the budget problem worse over time, as evidenced by the recent tax increase."

(Source: Illinois State Budget Fiscal Year 2016)

The largest potential impact to County revenue is expected to be from reductions in revenue that the state shares with local governments. The state currently shares eight percent of state income tax receipts with local governments. Governor Rauner's fiscal year 2016 budget plan proposes to reduce this rate to four percent. The County received nearly \$1.9 million in fiscal year 2014 and expects to receive \$2.02 million in 2015. If approved, this could reduce the County's local share of income tax revenues by approximately \$200,000 for FY 2015 and by approximately \$1 million for FY 2016. The county has few, if any options to fill this revenue gap.

The State is also considering sweeping the balances in special funds designated for road construction and other uses into the state's general fund. This could reduce the amount of funds received by other County special funds such as road district funds.

Even if funds are budgeted, the State may not make payments if funds run out before the end of their fiscal year. The County revenue budget should assume that the state will not pay some reimbursements and revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and potential creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Terry Asher, County Treasurer
Adams County, Illinois
507 Vermont Street
Quincy, IL 62301-2998
Phone number (217) 277-2245
Email treasurer@adams.co.il.us

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

Basic Financial Statements

Adams County, Illinois

Statement of Net Position

November 30, 2014

ASSETS	Governmental Activities
Cash and cash equivalents	\$16,223,410
Investments	0
Receivables, net of allowance for uncollectibles:	
Due from State of Illinois	1,847,391
Accounts receivable	1,010,026
Loans	15,220
Inventory	113,031
Total current assets	19,209,078
Capital assets:	
Land and other nondepreciable assets	815,150
Depreciable property and equipment, net of depreciation	55,403,855
Total capital assets	56,219,005
Total assets	75,428,083
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities:	
Accounts payable	658,064
Accrued payroll	738,558
Accrued compensated absences	95,042
Funds held in trust for others	6,591
Accrued interest payable	86,841
Bonds payable, current portion	340,000
Total current liabilities	1,925,096
Long-term liabilities:	
Accrued compensated absences	486,858
Bonds payable, noncurrent portion	5,920,000
Accrued other post-employment benefits	179,503
IMRF pension obligation	221,680
Total long-term liabilities	6,808,041
Total liabilities	8,733,137
Deferred inflows of resources:	
Unavailable grant revenue	7,009
Unavailable property taxes	0
Total deferred inflows of resources	7,009
Total liabilities and deferred inflows of resources	8,740,146
NET POSITION	
Net investment in capital assets	49,959,005
Restricted	13,514,493
Unrestricted	3,214,439
Total net position	\$66,687,937

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Statement of Activities

For the year ended November 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General control and administration	\$4,353,496	\$995,636	\$192,506	\$31,096	(\$3,134,258)
Public safety	3,786,729	256,152	761,630	13,633	(2,755,314)
Judiciary and courts	4,081,779	2,162,384	459,683	0	(1,459,712)
Corrections	3,092,108	107,300	794,494	0	(2,190,314)
Highways and bridges	8,338,010	30,533	259,727	1,727,756	(6,319,994)
Public health	7,514,371	4,271,598	1,568,713	0	(1,674,060)
Public welfare	600,889	0	0	0	(600,889)
Education	377,844	0	0	0	(377,844)
Interest on long-term debt	274,087	0	0	0	(274,087)
Total governmental activities	\$32,419,313	\$7,823,603	\$4,036,753	\$1,772,485	(18,786,472)

General revenues:

Taxes:	
Property taxes	9,094,176
Sales taxes	2,195,506
Income taxes	1,898,696
Other taxes	2,240,301
Interest income	79,351
Miscellaneous	194,275
Total general revenues	15,702,305
Change in net position	(3,084,167)
Net position - beginning of year	69,772,104
Net position - ending	\$66,687,937

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Governmental Funds

Balance Sheet

November 30, 2014

ASSETS	General	Special Illinois Municipal Retirement
Cash and cash equivalents	\$2,908,806	\$1,195,744
Investments	0	0
Receivables, net of allowance:		
Due from State of Illinois	1,550,219	15,281
Accounts receivable	198,989	619
Loans	0	0
Inventory	60,266	0
Due from other funds	41,824	0
Total assets	\$4,760,104	\$1,211,644
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$229,698	\$0
Accrued payroll	288,766	142,315
Accrued compensated absences	51,919	0
Funds held in trust for others	0	0
Due to other funds	400	0
Total liabilities	570,783	142,315
Deferred inflows of resources -		
Unavailable grant revenue	0	0
Unavailable property taxes	0	0
Fund balances:		
Nonspendable	60,266	0
Restricted	0	1,069,329
Committed	149,911	0
Assigned	0	0
Unassigned	3,979,144	0
Total fund balances	4,189,321	1,069,329
Total liabilities, deferred inflows of resources and fund balances	\$4,760,104	\$1,211,644

See Accompanying Notes to Financial Statements.

Revenue Funds

Ambulance	Health Department	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
\$38,275	\$632,520	\$3,855,162	\$7,236,789	\$15,867,296
0	0	0	0	0
0	168,959	95,329	17,603	1,847,391
334,316	376,604	0	99,498	1,010,026
0	0	0	15,220	15,220
0	52,765	0	0	113,031
0	0	0	0	41,824
\$372,591	\$1,230,848	\$3,950,491	\$7,369,110	\$18,894,788

\$32,908	\$62,428	\$0	\$188,130	\$513,164
172,972	37,565	22,227	74,713	738,558
2,864	21,375	10,915	7,969	95,042
0	0	0	6,591	6,591
362	32,747	0	8,715	42,224
209,106	154,115	33,142	286,118	1,395,579

0	7,009	0	0	7,009
0	0	0	0	0

0	52,765	0	0	113,031
163,485	1,016,959	3,917,349	7,082,992	13,250,114
0	0	0	0	149,911
0	0	0	0	0
0	0	0	0	3,979,144
163,485	1,069,724	3,917,349	7,082,992	17,492,200

\$372,591	\$1,230,848	\$3,950,491	\$7,369,110	\$18,894,788
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See Accompanying Notes to Financial Statements.

Adams County, Illinois

Reconciliation of the Balance Sheet to the Statement of Net Position

November 30, 2014

Total fund balances - governmental funds	\$17,492,200
Amounts reported for governmental activities in the statement of net position are different because:	
An internal service fund is used to account for county and employee health insurance premiums. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
	211,614
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$134,605,681 and the accumulated depreciation of \$78,386,676.	
	56,219,005
Long-term liabilities not due and payable with the current resources are not reported in the funds:	
Accrued compensated absences	(486,858)
Accrued interest payable	(86,841)
Bonds payable	(6,260,000)
Other post-employment benefits	(179,503)
IMRF pension obligation	<u>(221,680)</u>
Total net position - governmental activities	<u><u>\$66,687,937</u></u>

Adams County, Illinois

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended November 30, 2014

	General	Special Illinois Municipal Retirement
Revenues:		
Property taxes	\$2,781,972	\$1,367,291
Intergovernmental revenue	7,843,039	366,352
Charges for services	719,334	0
Fees and fines	1,574,456	0
Licenses and permits	44,960	0
Interest	49,210	393
Other revenue	9,291	0
Total revenues	13,022,262	1,734,036
Expenditures:		
Current:		
General control and administration	3,329,341	158,116
Public safety	2,930,831	289,684
Judiciary and court related	2,980,650	389,786
Corrections	2,645,822	296,244
Highways and bridges	0	155,403
Public health	0	635,569
Public welfare	0	0
Education	209,805	21,448
Debt service:		
Principal	0	0
Interest	0	0
Capital outlay	193,207	0
Total expenditures	12,289,656	1,946,250
Excess (deficiency) of revenues over expenditures	732,606	(212,214)
Other financing sources and (uses)		
Transfers in	415,035	0
Transfers out	(689,161)	0
Total other financing sources and (uses)	(274,126)	0
Net change in fund balance	458,480	(212,214)
Fund balances (deficit), beginning of year	3,730,841	1,281,543
Fund balances, end of year	\$4,189,321	\$1,069,329

See Accompanying Notes to Financial Statements.

Revenue Funds

Ambulance	Health Department	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
\$502,190	\$226,625	\$0	\$4,216,098	\$9,094,176
115,692	1,516,035	1,784,774	504,216	12,130,108
3,086,523	1,185,075	0	224,087	5,215,019
0	0	0	967,981	2,542,437
0	0	0	21,187	66,147
158	988	19,396	9,206	79,351
17,933	3,275	0	163,776	194,275
<u>3,722,496</u>	<u>2,931,998</u>	<u>1,804,170</u>	<u>6,106,551</u>	<u>29,321,513</u>
0	0	0	657,026	4,144,483
0	0	0	360,576	3,581,091
0	0	0	559,130	3,929,566
0	0	0	159,253	3,101,319
0	0	771,701	2,036,196	2,963,300
3,318,263	2,961,468	0	421,704	7,337,004
0	0	0	600,889	600,889
0	0	0	147,236	378,489
0	0	0	325,000	325,000
0	0	0	267,024	267,024
174,511	0	1,063,879	376,460	1,808,057
<u>3,492,774</u>	<u>2,961,468</u>	<u>1,835,580</u>	<u>5,910,494</u>	<u>28,436,222</u>
<u>229,722</u>	<u>(29,470)</u>	<u>(31,410)</u>	<u>196,057</u>	<u>885,291</u>
0	0	0	757,631	1,172,666
0	0	0	(483,505)	(1,172,666)
0	0	0	274,126	0
<u>229,722</u>	<u>(29,470)</u>	<u>(31,410)</u>	<u>470,183</u>	<u>885,291</u>
<u>(66,237)</u>	<u>1,099,194</u>	<u>3,948,759</u>	<u>6,612,809</u>	<u>16,606,909</u>
<u>\$163,485</u>	<u>\$1,069,724</u>	<u>\$3,917,349</u>	<u>\$7,082,992</u>	<u>\$17,492,200</u>

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the year ended November 30, 2014

Net change in fund balance - Governmental funds	\$885,291
Amounts reported for governmental activities in the statement of activities are different because:	
An internal service fund is used to account for county and employee health insurance premiums. The net revenue of the internal service fund is reported with governmental activities.	153,563
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Donated capital assets are only reported in the statement of activities. This is the amount by which depreciation expense of \$6,097,078 exceeds new capitalized assets of \$1,808,057 for the period.	(4,289,021)
Contributed capital assets (land, buildings and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements	13,633
The net effect of various transactions involving capital assets (i.e. disposals and sales) is to decrease net position	(62,644)
Principal payments on bonds payable are reported in governmental funds as expenditures However, only the interest on bonds payables are recorded in the statement of activities. This is the amount of principal payments in the period.	325,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	
Change in accrued interest payable	(7,063)
Change in other post-employment benefits	(71,021)
Change in IMRF pension obligation	(5,191)
Vacation and compensated pay for employees is expensed in the statement of activities. However, since these amounts will not be paid from current resources, this expense is not recorded in the governmental funds. This is the amount by which vacation and compensated pay increased over the prior period.	(26,714)
Change in net position of governmental activities	<u><u>(\$3,084,167)</u></u>

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Proprietary Funds

Statement of Net Position

November 30, 2014

	Internal Service Fund Medical Insurance
ASSETS	
Cash in banks	\$356,114
Due from other funds	400
Total assets	356,514
LIABILITIES	
Accrued payroll	1,404
Claims payable	143,496
Total liabilities	144,900
NET POSITION	
Unrestricted	211,614
Total net position	\$211,614

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

For the year ended November 30, 2014

	Internal Service Fund Medical Insurance
Operating revenues - Contribution	\$2,320,043
Total operating revenues	2,320,043
Operating expenses - Health insurance premiums	2,168,472
Total operating expenses	2,168,472
Operating income (loss)	151,571
Non-operating income (loss)	1,992
Income (loss) before other financing sources (uses)	153,563
Other financing sources (uses):	
Transfers in	0
Transfers out	0
Total other financing sources (uses)	0
Change in net position	153,563
Net position, beginning of year	58,051
Net position, end of year	\$211,614

Adams County, Illinois

Proprietary Funds

Statement of Cash Flows

For the year ended November 30, 2014

	Internal Service Fund Medical Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from employees and Board	\$2,320,043
Payment to suppliers	(2,287,972)
Net cash provided by (used in) operating activities	32,071
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
	0
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in	0
Transfers out	0
Net cash provided by noncapital financing activities	0
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	1,992
Net cash provided by investing activities	1,992
Net increase (decrease) in cash	34,063
Cash, beginning of year	322,451
Cash, end of year	\$356,514
RECONCILIATION:	
Net operating income (loss)	\$151,571
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in operating assets and liabilities:	
Receivables	0
Accounts payable and claims payable	(119,500)
Net cash provided by (used in) operating activities	\$32,071

See Accompanying Notes to Financial Statements.

Adams County, Illinois
Statement of Fiduciary Net Position
November 30, 2014

ASSETS	Agency Funds
Cash in banks	\$3,617,575
Investments	1,794
Accounts receivable	25,443
Due from other governments	129,729
Total assets	3,774,541
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities:	
Accounts payable	289,660
Agency funds due to others	3,458,203
Deferred inflows of resources - Unavailable grant revenue	26,678
Total liabilities and deferred inflows of resources	\$3,774,541

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Introduction

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

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

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Financial Reporting Entity

The County is governed by a twenty-one member County Board. The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. Based on these criteria, the County is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

Basis of Presentation – Government-wide Financial Statements

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

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

General Fund - This fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Department and accounted for in the general fund include general control and administration, public safety, judiciary and court related, corrections, and education.

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

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

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

Measurement Focus and Basis of Accounting

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Budgetary Basis of Accounting

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

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

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

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Cash and Cash Equivalents

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

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

Inventories and Prepaid Items

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Investments

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

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

Capital Assets

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

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

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Flow Assumption

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

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Board has by resolution authorized an official of the County Board to assign fund balance. The County Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Program Revenues

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

Property Taxes

The County's property tax is levied each year on all taxable real property located in the County. The 2013 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2014. The County must file its tax levy by the last Tuesday of December each year. The 2013 levy was approved on December 10, 2013. The 2014 levy was approved on December 9, 2014.

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

Property taxes are collected by the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2013 became due and payable in two installments, generally in July 2014 and September 2014. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

Compensated Absences

Vacation

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

Sick Leave

Under terms of its various employee agreements, the County has a potential long-term liability for sick leave. Various employee agreements state that upon retirement, an employee may turn in sixty (60) days of sick leave and be paid for thirty (30) days at their current wage rate. The balance of unused sick leave over the sixty (60) days may be added to the employee's retirement benefit with I.M.R.F. As of November 30, 2014, there was no reasonable method to estimate the potential liability because it is unknown how many employees seeking retirement would elect the option to be paid for the thirty (30) days of unused sick leave at their current wage rate.

Adams County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Note 2 Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the year ended November 30, 2014, expenditures exceeded appropriations in the following funds (the legal level of budgetary control) by:

<u>Fund</u>	<u>Amount</u>
Coroner's Fees	\$11,191
Recorders Equipment	\$1,735
Tax Sale Automation	\$9,976
Court Appointed Special Advocates	\$40,729
Ambulance	\$339,533
Cooperative Extension	\$1,706
Developmentally Disabled	\$889
Flood Control	\$7,435
Jail Commissary	\$6,538
Motor Operators Tax	\$368

Deficit Fund Equity

As of November 30, 2014, there were no funds with deficit fund balances.

Note 3 Cash Deposit with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of November 30, 2014, the County's bank balance was \$20,336,618 and the entire balance was insured and collateralized with securities in the County's name.

Adams County, Illinois

Notes to Financial Statements

Note 4 Investments

As of November 30, 2014, the County had the following investments:

	Fair Value		
	Governmental Activities	Statement of Fiduciary Net Position	Total
Illinois Funds Money Market Fund	\$0	\$1,794	\$1,794

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

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

Investment Type	Remaining Maturity (in Years)			Total
	12 Months or Less	1-5 Years	5-10 Years	
External investment pool	\$1,794	\$0	\$0	\$1,794

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

Investment Type	Total as of November 30, 2014	AAAm	Aa	Unrated
External investment pool	\$1,794	\$1,794	\$0	\$0

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

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

As of November 30, 2014, there are no investments with custodial credit risk in that all of its investments are insured.

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

Adams County, Illinois

Notes to Financial Statements

Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2014 is as follows:

Governmental activities:	Balance 11/30/2013	Increases	Decreases and Transfers	Balance 11/30/2014
Capital assets, not being depreciated -				
Land	\$669,633	\$0	\$0	\$669,633
Work in Progress	554,425	88,927	(497,835)	145,517
Total capital assets, not being depreciation	1,224,058	88,927	(497,835)	815,150
Capital assets, being depreciated:				
Buildings and Improvements	20,059,680	19,106	0	20,078,786
Vehicles	4,623,622	316,591	(304,250)	4,635,963
Furniture, fixtures and equipment	4,983,824	152,395	(532,125)	4,604,094
Infrastructure	102,729,182	1,244,671	497,835	104,471,688
Total capital assets, being depreciated:	132,396,308	1,732,763	(338,540)	133,790,531
Accumulated depreciation:				
Buildings and Improvements	(7,711,600)	(449,636)	0	(8,161,236)
Vehicles	(3,609,504)	(307,773)	304,250	(3,613,027)
Furniture, fixtures and equipment	(3,604,721)	(310,367)	469,481	(3,445,607)
Infrastructure	(58,137,504)	(5,029,302)	0	(63,166,806)
Total accumulated depreciation	(73,063,329)	(6,097,078)	773,731	(78,386,676)
Total capital assets, being depreciated, net	59,332,979	(4,364,315)	435,191	55,403,855
Governmental activities capital assets, net	\$60,557,037	(\$4,275,388)	(\$62,644)	\$56,219,005

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General control and administration	\$216,924
Judiciary and court	145,244
Public health	266,141
Public safety	167,773
Highways and bridges	5,300,996
Total depreciation expense, governmental activities	\$6,097,078

Adams County, Illinois

Notes to Financial Statements

Note 6 Loans Receivable

The County has net loans receivable with area businesses in the amount of \$15,220 at November 30, 2014. The following is a summary of changes in loans receivable for the year ended November 30, 2014:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Loans Receivable:				
Forklift of Liberty	\$18,744	\$0	(\$3,524)	\$15,220
Newcomb	40,175	0	(40,175)	0
Salamone	41,373	0	(41,373)	0
Williams Tri-State Enterprises	25,000	0	(25,000)	0
Allowance for doubtful accounts	(106,548)	0	106,548	0
Governmental activity loans receivable	\$18,744	\$0	(\$3,524)	\$15,220

Note 7 Pension and Retirement Systems

Illinois Municipal Retirement Fund

Plan Description. The County's defined benefit pension plan for Regular and Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provision are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained online at www.imrf.org.

Non-Sheriff's Law Enforcement Personnel (Non-SLEP):

Funding Policy. As set by statute, the Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 12.55 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by the statute.

Adams County, Illinois

Notes to Financial Statements

Note 7 Pension and Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Non-Sheriff's Law Enforcement Personnel (Non-SLEP) (continued)

Annual Pension Cost. The required contribution rate for calendar year 2013 was \$1,396,110. For calendar year ending December 31, 2013, the County's annual pension cost and net pension obligation to the regular employees IMRF plan are:

Annual required contribution	\$1,396,110
Interest on net IMRF pension obligation	14,122
Adjustment to annual required contribution	(9,607)
Annual pension cost	1,400,625
Annual contributions made	(1,396,110)
Increase in IMRF pension obligation	4,515
Net IMRF pension obligation, beginning of year	188,292
Net IMRF pension obligation, end of year	\$192,807

The IMRF fund will liquidate the IMRF obligation in future years.

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the County's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$1,400,625	100%	\$192,807
12/31/12	1,327,953	100%	188,292
12/31/11	1,314,477	95%	183,883

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 78.83 percent funded. The actuarial accrued liability for benefits was \$35,145,358 and the actuarial value of assets was \$27,705,254, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,440,104. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$11,124,381 and the ratio of the UAAL to the covered payroll was 67 percent.

Adams County, Illinois

Notes to Financial Statements

Note 7 Pension and Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Non-Sheriff's Law Enforcement Personnel (Non-SLEP) (continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Sheriff's Law Enforcement Personnel (SLEP)

Funding Policy. As set by statute, the Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 21.65 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by the statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$351,224. For calendar year ending December 31, 2013, the County's annual pension cost and net pension obligation to the SLEP employees IMRF plan are:

Annual required contribution	\$351,224
Interest on net IMRF pension obligation	2,115
Adjustment to annual required contribution	(1,439)
Annual pension cost	351,900
Annual contributions made	(351,224)
Increase in IMRF pension obligation	676
Net IMRF pension obligation, beginning of year	28,197
Net IMRF pension obligation, end of year	\$28,873

The IMRF fund will liquidate the IMRF obligation in future years.

Adams County, Illinois

Notes to Financial Statements

Note 7 Pension and Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Sheriff's Law Enforcement Personnel (SLEP) (continued)

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the County's Sheriff Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

THREE-YEAR TREND INFORMATION FOR THE SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
12/31/13	\$351,900	100%	\$28,873
12/31/12	340,519	100%	28,197
12/31/11	332,168	100%	27,542

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 73.16 percent funded. The actuarial accrued liability for benefits was \$7,966,676 and the actuarial value of assets was \$5,828,744, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,137,932. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,622,284 and the ratio of the UAAL to the covered payroll was 132 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 8 Other Post-Employment Benefits

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

As of the latest valuation performed December 1, 2012, the plan has 21 retirees receiving benefits and has a total of 303 active participants, of which 238 are not yet eligible to receive benefits.

Adams County, Illinois

Notes to Financial Statements

Note 8 Other Post-Employment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation. For fiscal year 2014, the County's annual OPEB cost for the plan was \$129,894. The County's annual OPEB cost, for percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended November 30, 2014, were as follows:

Annual required contribution	\$131,090
Interest on net OPEB	4,339
Adjustment to annual required contribution	(5,535)
Annual OPEB cost	129,894
Contributions made	(58,873)
Increase in net OPEB obligation	71,021
Net OPEB, beginning of year	108,482
Net OPEB, end of year	\$179,503

THREE-YEAR TREND INFORMATION FOR THE POSTRETIREMENT HEALTH PLAN

Fiscal Year Ending	Annual OPEB Cost	Percentage Of OPEB Contributed	Net OPEB Obligation
11/30/14	\$129,894	45%	\$179,503
11/30/13	130,516	45%	108,482
11/30/12	88,571	80%	36,839

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

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

The County's contribution rate in effect for the fiscal year 2014 was 45%. All contributions made to the plan are from retirees and their beneficiaries.

Actuarial Methods and Assumptions. Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Adams County, Illinois

Notes to Financial Statements

Note 8 Other Post-Employment Benefits (continued)

The entry age normal actuarial cost method was used in the December 1, 2012 valuation. The method used to determine actuarial value of assets was not applicable due to no plan assets. The plan's unfunded accrued actuarial liability is being amortized as a level percentage of projected payroll on an open 30-year basis.

Discount rate. The discount rate as of December 1, 2012 is 4.0 percent.

Mortality. Life expectancy was based on mortality tables developed by the 2012 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.

Retirement rates. The probability of retirement in future projection periods were based on the 2012 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees

Starting Participant per capita costs. Starting per capita costs were developed on an experience-rating basis using historic claim experience. Premium equivalent rates were developed and were adjusted to reflect that for a pre-Medicare retiree group. The results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (morbidity). Starting costs includes administration expenses. Costs for Medicare eligible do not exhibit the active/retiree subsidization as seen for pre-Medicare medical and are not adjusted. It is assumed that there is no liability to the County for Medicare eligible retirees receiving coverage on a pay-all basis.

Health Care Trend Rate. The initial rate of 7.5% for Health Care grading uniformly over 10 years to a 5% ultimate rate for the medical plan.

Participation/election assumption. The percentage reflects the participants who will choose retiree coverage when eligible. The assumption is that 25% of eligible active employees are assumed to elect retiree coverage when eligible.

Marital status. The assumption is that 30% of employees are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

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

Tier I IMRF Regular employees:

- At least 55 years old and have at least 8 years of credited service, or
- At least 60 years old and have at least 35 years of credited service years

Tier II IMRF Regular employees:

- At least 62 years old and have at least 10 years of credited service, or
- At least 67 years old and have at least 35 years of credited service years

Tier I IMRF SLEP employees:

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

Tier II IMRF SLEP employees:

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

Adams County, Illinois

Notes to Financial Statements

Note 9 Construction and Other Significant Commitments

Construction commitments. There are no construction commitments as of November 30, 2014

Note 10 Risk Management

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

Health insurance – The County is self-insured for \$80,000 per individual per year with an unlimited maximum benefit per individual per life time and aggregate stop loss at a minimum of \$1,958,122 over an annual liability period.

A reconciliation of health and dental claims payable due for fiscal year ended November 30, 2014, 2013 and 2012 is as follows:

	2014	2013	2012
Claims payable, beginning of year	\$263,000	\$361,503	\$298,695
Add: estimated claims incurred	2,168,468	2,080,650	2,152,765
Less: claims paid	(2,287,972)	(2,179,153)	(2,089,957)
Claims payable, end of year	\$143,496	\$263,000	\$361,503

This liability is reported in the Internal Service Fund at November 30, 2014 based on the requirements of accounting principles generally accepted in the United States of America which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Adams County, Illinois

Notes to Financial Statements

Note 11 Lease Obligations

Operating lease

The County leases software under an operating lease agreement which expires in 2015. Total lease expense paid for November 30, 2014 was \$42,000. The following is a schedule of future minimum lease payments under operating leases at November 30, 2014:

Fiscal Year Ended November 30,	Operating Leases
2015	\$42,000

Note 12 Long-Term Debt

General Obligation Bonds - The County issues general obligation bonds provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds outstanding at November 30, 2014 are as follows:

Governmental Activities:

General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates To Maturity	Final Maturity	Outstanding 11/30/14
Series 2008-Alt Rev	9/25/08	\$8,180,000	3.250 – 4.375	2028	\$6,260,000

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

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

The County must pledge future sales tax revenues to repay the Series 2008. The bonds are payable through fiscal year 2028. Total principal and interest remaining on these bonds is \$8,287,986, payable through fiscal year 2028. For the current year, principal and interest paid and total pledged revenues were \$592,024 and \$3,280,466, respectively. The following is a schedule of debt payments due over the life of the bond:

Year Ending November 30,	Principal	Interest
2015	\$340,000	\$253,724
2016	355,000	239,824
2017	370,000	225,324
2018	385,000	210,224
2019	400,000	194,524
2018 - 2024	2,245,000	711,015
2025 - 2028	2,165,000	193,351
Total	\$6,260,000	\$2,027,986

Adams County, Illinois

Notes to Financial Statements

Note 12 Long-Term Debt (continued)

Long term liability activity for the year ended November 30, 2014 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$6,585,000	\$0	(\$325,000)	\$6,260,000	\$340,000
Accrued compensated absences	629,722	932,213	(980,035)	581,900	95,042
Totals	\$7,214,722	\$932,213	(\$1,305,035)	\$6,841,900	\$435,042

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$1,026,636,638. As of November 30, 2014 the County had \$59,031,607 of remaining legal debt margin.

Note 13 Net Position

Net position reported on the government wide statement of net position at November 30, 2014:

Governmental Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	\$815,150
Other capital assets, net of accumulated depreciation	55,403,855
Less: related long-term debt outstanding	(6,260,000)
Total net investment in capital assets	49,959,005
Restricted:	
State statutes and enabling legislation	12,969,066
Debt services	2,565
Externally imposed by grantors	542,862
Total restricted	13,514,493
Unrestricted	3,214,439
Total governmental activities net position	\$68,687,937

Note 14 Fund Balance

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

Adams County, Illinois

Notes to Financial Statements

Note 14 Fund Balance (continued)

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

Nonspendable Fund Balance

Major Funds – Inventory:

General Fund	\$60,266
Health Department	52,765

Total nonspendable fund balance	\$113,031
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Adams County, Illinois

Notes to Financial Statements

Note 14 Fund Balance (continued)

Restricted Fund Balance

Major Funds:

State statutes and enabling legislation:	
Illinois Municipal Retirement	\$1,069,329
Ambulance	163,485
Health Department	1,016,959
Motor Fuel Tax	3,917,349

Non-Major Funds

State statutes and enabling legislation:	
Coroners' Fees	13,084
Probation	306,048
States Attorney Record Automation	7,546
Law Library	18,929
Court Finance	105,470
Circuit Clerk Operation	23,164
Court Automation	45,884
Court Document	148,875
Maintenance & Child Support	147
Drug Enforcement	7,193
Arrestees Medical Costs	15,736
Drug Traffic Prevention	5,904
DUI Equipment	16,690
County Clerk Equipment	50,408
Recorder GIS	29,332
Recorders Equipment	85,366
Tax Sale Automation	20,032
Social Security	724,862
Liability Insurance	678,255
Tuberculosis Treatment	51,749
County Highway	1,596,914
County Bridge	1,085,581
Matching Tax	954,944
Flood Control	9,530
Road District Revolving	221,137
GIS	216,094
Jail Commissary	76,740
Animal Control	21,841
Motel Operators Tax	110
Externally imposed by grantors:	
IDPA Reconciliation Grant	12,120
Economic Loan	502,681
Federal and State Grants	28,061
Bond agreement-	
Debt Service	2,565

Total restricted fund balance	\$13,250,114
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Committed Fund Balance

Major Funds -

General Fund-	
Working Cash	\$149,911

Adams County, Illinois

Notes to Financial Statements

Note 14 Fund Balance (continued)

Unassigned Fund Balance

Major Funds - General Fund	\$3,979,144
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Note 15 Interfund Receivables and Payables

Individual fund interfund receivable and payable balances. Balances at November 30, 2014 were as follows:

Receivable Fund	Payable Fund	Amount
General fund	Health Department fund	\$32,747
General fund	Ambulance fund	362
General fund	Nonmajor funds	8,715
Medical Insurance fund	General fund	400
		<hr/> \$42,224 <hr/>

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

Note 16 Interfund Transfers

Below are the interfund transfers as of November 30, 2014:

Fund	Transfer In	Transfer Out
Major funds - General	\$415,035	\$689,161
Nonmajor governmental funds	757,631	483,505
	<hr/> \$1,172,666 <hr/>	<hr/> \$1,172,666 <hr/>

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

Note 17 Contingencies

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

Adams County, Illinois

Notes to Financial Statements

Note 18 Impact of Pending Accounting Principles

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The County is required to implement this standard for the fiscal year ending November 30, 2015. The County has not yet determined the full impact that adoption of GASB Statement 68 will have on the financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The County is required to implement this standard for the fiscal year ending November 30, 2015. The County has not yet determined the full impact that adoption of GASB Statement 71 will have on the financial statements.

Note 19 New Reporting Standard

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The County has implemented this statement in the year ended November 30, 2014.

**Required Supplementary Information
(Unaudited)**

Adams County, Illinois

General Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2014

	Budgeted Amounts		Variance with Final Budget
	Original and Final	Actual	
Revenues:			
Property taxes	\$2,772,543	\$2,781,972	\$9,429
Intergovernmental revenue	7,637,166	7,822,459	185,293
Charges for services	882,300	715,444	(166,856)
Fees and Fines	1,623,120	1,488,824	(134,296)
Licenses and permits	49,100	47,620	(1,480)
Interest	56,000	49,210	(6,790)
Other revenue	16,900	9,291	(7,609)
Total revenues	13,037,129	12,914,820	(122,309)
Expenditures:			
Current:			
General control and administration	3,646,569	3,365,193	281,376
Public safety	3,090,509	3,088,638	1,871
Judiciary and court related	3,016,648	2,975,214	41,434
Corrections	2,496,867	2,688,888	(192,021)
Highways and bridges	0	0	0
Public health	0	0	0
Public welfare	0	0	0
Education	230,484	230,456	28
Total expenditures	12,481,077	12,348,389	132,688
Excess (deficiency) of revenues over expenditures	556,052	566,431	10,379
Other financing sources and (uses):			
Transfers in	523,751	415,035	(108,716)
Transfers out	(1,062,586)	(592,324)	470,262
Net change in fund balance	\$17,217	389,142	\$371,925
Adjustment from budgetary basis to generally accepted accounting principles basis		69,338	
Fund balances, beginning of year		3,580,930	
Fund balances, end of year		\$4,039,410	
GAAP fund balances for General Revenue Funds:			
General Fund		\$4,039,410	
Working Cash		149,911	
GAAP fund balances for General Revenue Funds		\$4,189,321	

See Notes to Required Supplementary Information.

Adams County, Illinois

Illinois Municipal Retirement Fund
 Budgetary Comparison Schedule
 Required Supplementary Information
 For the year ended November 30, 2014

	Budgeted Amounts		Variance with Final Budget
	Original and Final	Actual	
Revenues:			
Property taxes	\$1,452,000	\$1,367,291	(\$84,709)
Intergovernmental revenue	389,133	369,541	(19,592)
Charges for services	0	0	0
Fees and Fines	0	0	0
Licenses and permits	0	0	0
Interest	0	393	393
Other revenue	0	0	0
Total revenues	1,841,133	1,737,225	(103,908)
Expenditures:			
Current:			
General control and administration	157,617	151,866	5,751
Public safety	288,771	278,234	10,537
Judiciary and court related	388,558	374,379	14,179
Corrections	295,310	284,534	10,776
Highways and bridges	154,914	149,261	5,653
Public health	633,567	610,448	23,119
Public welfare	0	0	0
Education	21,381	20,601	780
Total expenditures	1,940,118	1,869,323	70,795
Excess (deficiency) of revenues over expenditures	(98,985)	(132,098)	(33,113)
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	(\$98,985)	(132,098)	(\$33,113)
Adjustment from budgetary basis to generally accepted accounting principles basis		(80,116)	
Fund balances, beginning of year		1,281,543	
Fund balances, end of year		\$1,069,329	

See Notes to Required Supplementary Information.

Adams County, Illinois

Ambulance Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2014

	Budgeted Amounts		Variance with Final Budget
	Original and Final	Actual	
Revenues:			
Property taxes	\$500,000	\$502,190	\$2,190
Intergovernmental revenue	0	114,692	114,692
Charges for services	2,613,200	2,886,291	273,091
Interest	0	158	158
Other revenue	5,000	17,546	12,546
Total revenues	3,118,200	3,520,877	402,677
Expenditures:			
Public health	3,108,217	3,447,750	(339,533)
Excess (deficiency) of revenues over expenditures	9,983	73,127	63,144
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	\$9,983	73,127	\$63,144
Adjustment from budgetary basis to generally accepted accounting principles basis		156,595	
Fund balance (deficit), beginning of year		(66,237)	
Fund balance, end of year		\$163,485	

See Notes to Required Supplementary Information.

Adams County, Illinois
 Health Department Fund
 Budgetary Comparison Schedule
 Required Supplementary Information
 For the year ended November 30, 2014

	Budgeted Amounts		
	Original and Final	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$225,000	\$226,625	\$1,625
Intergovernmental revenue	1,726,408	1,349,605	(376,803)
Charges for services	1,210,000	1,046,747	(163,253)
Interest	1,000	988	(12)
Other revenue	5,000	2,801	(2,199)
Total revenues	3,167,408	2,626,766	(540,642)
Expenditures:			
Public health	3,265,143	3,008,579	256,564
Excess (deficiency) of revenues over expenditures	(97,735)	(381,813)	(284,078)
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	<u>(\$97,735)</u>	<u>(381,813)</u>	<u>(284,078)</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		352,343	
Fund balance, beginning of year		1,099,194	
Fund balance, end of year		\$1,069,724	

See Notes to Required Supplementary Information.

Adams County, Illinois

Motor Fuel Tax Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2014

	Budgeted Amounts		
	Original and Final	Actual	Variance with Final Budget
Revenues:			
Intergovernmental revenue	\$1,314,000	\$1,762,859	\$448,859
Interest	26,000	19,396	(6,604)
Total revenues	1,340,000	1,782,255	442,255
Expenditures -			
Highways and bridges	4,700,000	1,831,463	2,868,537
Excess (deficiency) of revenues over expenditures	(3,360,000)	(49,208)	3,310,792
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	<u>(\$3,360,000)</u>	<u>(49,208)</u>	<u>\$3,310,792</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		17,798	
Fund balance, beginning of year		<u>3,948,759</u>	
Fund balance, end of year		<u><u>\$3,917,349</u></u>	

See Notes to Required Supplementary Information.

Adams County, Illinois

Required Supplementary Information

Schedule of IMRF Funding Progress and Other Postemployment Benefit Funding Progress

Schedule of IMRF Funding Progress:

Regular:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$27,705,254	\$35,145,358	\$7,440,104	78.83%	\$11,124,381	66.88%
12/31/12	25,343,804	33,875,560	8,531,756	74.81%	11,178,579	76.32%
12/31/11	24,446,264	33,045,164	8,598,900	73.98%	11,308,959	76.04%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$32,920,034. On a market basis, the funded ratio would be 93.67%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Adams County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Sheriff's Law Enforcement Personnel (SLEP):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$5,828,744	\$7,966,676	\$2,137,932	73.16%	\$1,622,284	131.79%
12/31/12	4,803,032	7,206,456	2,403,424	66.65%	1,593,362	150.84%
12/31/11	4,050,245	6,419,090	2,368,845	63.10%	1,530,739	154.75%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$6,929,073. On a market basis, the funded ratio would be 86.98%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Adams County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Schedule of Other Postemployment Benefit Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
11/30/14	No valuation performed					
11/30/13	0	1,342,479	1,342,479	0.0%	N/A	N/A
11/30/12	No valuation performed					

Adams County, Illinois

Notes to Required Supplementary Information

Note 1 Basis of Accounting

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

Note 2 Excess of Disbursements Over Appropriations

The major fund of Ambulance Services Fund has excess of disbursements over appropriations of \$339,533.

Supplementary Information

Adams County, Illinois

General Fund

Combining Balance Sheet

November 30, 2014

ASSETS	County General	Working Cash	Total General
Cash and cash equivalents	\$2,908,806	\$0	\$2,908,806
Investments	0	0	0
Receivables, net of allowance for uncollectibles:			
Due from State of Illinois	1,550,219	0	1,550,219
Accounts receivable	198,989	0	198,989
Loans	0	0	0
Inventory	60,266	0	60,266
Due from other funds	(108,087)	149,911	41,824
Total assets	\$4,610,193	\$149,911	\$4,760,104
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$229,698	\$0	\$229,698
Accrued payroll	288,766	0	288,766
Accrued compensated absences	51,919	0	51,919
Funds held in trust for others	0	0	0
Due to other funds	400	0	400
Total liabilities	570,783	0	570,783
Deferred inflows of resources -			
Unavailable property taxes	0	0	0
Fund balances:			
Nonspendable	60,266	0	60,266
Restricted	0	0	0
Committed	0	149,911	149,911
Assigned	0	0	0
Unassigned	3,979,144	0	3,979,144
Total fund balances	4,039,410	149,911	4,189,321
Total liabilities, deferred inflows of resources, and fund balances	\$4,610,193	\$149,911	\$4,760,104

Adams County, Illinois

General Fund

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

For the year ended November 30, 2014

	County General	Working Cash	Total General
Revenues:			
Property taxes	\$2,781,972	\$0	\$2,781,972
Intergovernmental revenue	7,843,039	0	7,843,039
Charges for services	719,334	0	719,334
Fees and fines	1,574,456	0	1,574,456
Licenses and permits	44,960	0	44,960
Interest	49,210	0	49,210
Other revenue	9,291	0	9,291
Total revenues	13,022,262	0	13,022,262
Expenditures:			
Current:			
General control and administration	3,348,447	0	3,348,447
Public safety	3,104,932	0	3,104,932
Judiciary and court related	2,980,650	0	2,980,650
Corrections	2,645,822	0	2,645,822
Highways and bridges	0	0	0
Public health	0	0	0
Public welfare	0	0	0
Education	209,805	0	209,805
Total expenditures	12,289,656	0	12,289,656
Excess (deficiency) of revenues over expenditures	732,606	0	732,606
Other financing sources and (uses):			
Transfers in	415,035	0	415,035
Transfers out	(689,161)	0	(689,161)
Net change in fund balance	458,480	0	458,480
Fund balances, beginning of year	3,580,930	149,911	3,730,841
Fund balances, end of year	\$4,039,410	\$149,911	\$4,189,321

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

November 30, 2014

ASSETS	Total Nonmajor Governmental	Coroners' Fees	Probation
Cash and cash equivalents	\$7,236,789	\$10,734	\$300,648
Investments	0	0	0
Receivables, net of allowance			
Due from State of Illinois	17,603	0	0
Accounts receivable	99,498	2,350	19,152
Loans	15,220	0	0
Inventory	0	0	0
Due from other funds	0	0	0
Total assets	\$7,369,110	\$13,084	\$319,800

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities:			
Accounts payable	\$188,130	\$0	\$13,752
Accrued payroll	74,713	0	0
Accrued compensated absences	7,969	0	0
Funds held in trust for others	6,591	0	0
Due to other funds	8,715	0	0
Total liabilities	286,118	0	13,752
Deferred inflows of resources -			
Unavailable property taxes	0	0	0
Fund balances:			
Nonspendable	0	0	0
Restricted	7,082,992	13,084	306,048
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total fund balances	7,082,992	13,084	306,048
Total liabilities, deferred inflows of resources and fund balances	\$7,369,110	\$13,084	\$319,800

Special Revenue Funds

States Attorney Record Automation	Law Library	Court Finance	Circuit Clerk Operation	Court Automation	Court Document	Maintenance & Child Support
\$7,546	\$19,373	\$99,531	\$22,193	\$43,004	\$137,893	\$147
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,341	7,488	971	3,702	10,982	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$7,546	\$22,714	\$107,019	\$23,164	\$46,706	\$148,875	\$147
\$0	\$3,785	\$1,549	\$0	\$822	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,785	1,549	0	822	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
7,546	18,929	105,470	23,164	45,884	148,875	147
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
7,546	18,929	105,470	23,164	45,884	148,875	147
\$7,546	\$22,714	\$107,019	\$23,164	\$46,706	\$148,875	\$147

Adams County, Illinois

Combining Balance Sheet
 Nonmajor Government Funds
 (Continued)
 November 30, 2014

ASSETS	IDPA Reconciliation Grant	Drug Enforcement	Arrestees Medical Costs
Cash and cash equivalents	\$9,117	\$6,124	\$15,736
Investments	0	0	0
Receivables, net of allowance:			
Due from State of Illinois	0	0	0
Accounts receivable	3,003	1,069	0
Loans	0	0	0
Inventory	0	0	0
Prepaid expense	0	0	0
Total assets	\$12,120	\$7,193	\$15,736
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Accrued payroll	0	0	0
Accrued compensated absences	0	0	0
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
Total liabilities	0	0	0
Deferred inflows of resources -			
Unavailable property taxes	0	0	0
Fund balances:			
Nonspendable	0	0	0
Restricted	12,120	7,193	15,736
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total fund balances	12,120	7,193	15,736
Total liabilities, deferred inflows of resources and fund balances	\$12,120	\$7,193	\$15,736

Special Revenue Funds

Drug Traffic Prevention	DUI Equipment	County Clerk Equipment	Recorder GIS	Recorders Equipment	Tax Sale Automation
\$12,815	\$15,802	\$49,367	\$28,557	\$80,790	\$20,478
0	0	0	0	0	0
0	0	0	0	0	0
0	888	1,041	775	4,576	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$12,815	\$16,690	\$50,408	\$29,332	\$85,366	\$20,478
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,911	0	0	0	0	446
6,911	0	0	0	0	446
0	0	0	0	0	0
0	0	0	0	0	0
5,904	16,690	50,408	29,332	85,366	20,032
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,904	16,690	50,408	29,332	85,366	20,032
\$12,815	\$16,690	\$50,408	\$29,332	\$85,366	\$20,478

Adams County, Illinois

Combining Balance Sheet
 Nonmajor Government Funds
 (Continued)
 November 30, 2014

	Special		
ASSETS	Social Security	Liability Insurance	Tuberculosis Treatment
Cash and cash equivalents	\$764,854	\$678,255	\$54,223
Investments	0	0	0
Receivables, net of allowance for uncollectibles:			
Due from State of Illinois	0	0	0
Accounts receivable	0	0	0
Loans	0	0	0
Inventory	0	0	0
Prepaid expense	0	0	0
Total assets	\$764,854	\$678,255	\$54,223
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Accrued payroll	39,992	0	2,474
Accrued compensated absences	0	0	0
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
Total liabilities	39,992	0	2,474
Deferred inflows of resources -			
Unavailable property taxes	0	0	0
Fund balances:			
Nonspendable	0	0	0
Restricted	724,862	678,255	51,749
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total fund balances	724,862	678,255	51,749
Total liabilities, deferred inflows of resources and fund balances	\$764,854	\$678,255	\$54,223

Revenue Funds

Cooperative Extension	Developmentally Disabled	County Highway	County Bridge	Matching Tax	Flood Control
\$0	\$0	\$1,655,735	\$1,117,560	\$1,000,488	\$10,350
0	0	0	0	0	0
0	0	0	0	0	0
0	0	17,949	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$0	\$0	\$1,673,684	\$1,117,560	\$1,000,488	\$10,350

\$0	\$0	\$44,623	\$31,979	\$39,817	\$820
0	0	24,178	0	5,727	0
0	0	7,969	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	76,770	31,979	45,544	820

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

0	0	0	0	0	0
0	0	1,596,914	1,085,581	954,944	9,530
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,596,914	1,085,581	954,944	9,530

\$0	\$0	\$1,673,684	\$1,117,560	\$1,000,488	\$10,350
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Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2014

		Special
	Road District Revolving	GIS
ASSETS		
Cash and cash equivalents	\$233,019	\$207,364
Investments	0	0
Receivables, net of allowance for uncollectibles:		
Due from State of Illinois	0	0
Accounts receivable	0	14,640
Loans	0	0
Inventory	0	0
Due from other funds	0	0
Total assets	\$233,019	\$222,004
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$9,540	\$5,910
Accrued payroll	2,342	0
Accrued compensated absences	0	0
Funds held in trust	0	0
Due to other funds	0	0
Total liabilities	11,882	5,910
Deferred inflows of resources -		
Unavailable property taxes	0	0
Fund balances:		
Nonspendable	0	0
Restricted	221,137	216,094
Committed	0	0
Assigned	0	0
Unassigned	0	0
Total fund balances	221,137	216,094
Total liabilities, deferred inflows of resources and fund balances	\$233,019	\$222,004

Revenue Funds						Debt Service
Economic Loan	Jail Commissary	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service
\$487,461	\$113,137	\$20,107	\$0	\$11,816	\$0	\$2,565
0	0	0	0	0	0	0
0	0	0	0	17,603	0	0
0	0	1,734	1,172	0	4,665	0
15,220	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$502,681	\$113,137	\$21,841	\$1,172	\$29,419	\$4,665	\$2,565
\$0	\$29,806	\$0	\$1,062	\$0	\$4,665	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	6,591	0	0	0	0	0
0	0	0	0	1,358	0	0
0	36,397	0	1,062	1,358	4,665	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
502,681	76,740	21,841	110	28,061	0	2,565
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
502,681	76,740	21,841	110	28,061	0	2,565
\$502,681	\$113,137	\$21,841	\$1,172	\$29,419	\$4,665	\$2,565

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended November 30, 2014

	Total Nonmajor Governmental	Coroners' Fees	Probation
Revenues:			
Property taxes	\$4,216,098	\$0	\$0
Intergovernmental revenue	504,216	0	0
Charges for services	224,087	14,676	0
Fees and fines	967,981	0	353,453
Licenses and permits	21,187	0	0
Interest	9,206	0	0
Other revenue	163,776	0	0
Total revenues	6,106,551	14,676	353,453
Expenditures:			
Current:			
General control and administration	657,026	11,191	0
Public safety	360,576	0	0
Judiciary and court related	559,130	0	149,543
Corrections	159,253	0	0
Highways and bridges	2,036,196	0	0
Public health	421,704	0	0
Public welfare	600,889	0	0
Education	147,236	0	0
Debt service:			
Principal	325,000	0	0
Interest	267,024	0	0
Capital outlay	376,460	0	24,276
Total expenditures	5,910,494	11,191	173,819
Excess (deficiency) of revenues over expenditures	196,057	3,485	179,634
Other financing sources and (uses):			
Transfers in	757,631	0	0
Transfers out	(483,505)	0	(96,000)
Net change in fund balance	470,183	3,485	83,634
Fund balances, beginning of year	6,612,809	9,599	222,414
Fund balances, end of year	\$7,082,992	\$13,084	\$306,048

Special Revenue Funds

States Attorney Record Automation	Law Library	Court Finance	Circuit Clerk Operation	Court Automation	Court Document	Maintenance & Child Support
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	5,350	0	0
0	0	0	0	0	0	0
5,611	40,565	100,912	11,932	54,387	160,479	147
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
5,611	40,565	100,912	11,932	59,737	160,479	147
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	44,231	48,996	1,921	36,579	22,927	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	44,231	48,996	1,921	36,579	22,927	0
5,611	(3,666)	51,916	10,011	23,158	137,552	147
0	0	0	0	0	0	0
(5,000)	(5,000)	(50,000)	0	(25,000)	(180,000)	0
611	(8,666)	1,916	10,011	(1,842)	(42,448)	147
6,935	27,595	103,554	13,153	47,726	191,323	0
\$7,546	\$18,929	\$105,470	\$23,164	\$45,884	\$148,875	\$147

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

(Continued)

For the year ended November 30, 2014

	IDPA Reconciliation Grant	Drug Enforcement	Special Arrestees Medical Costs
Revenues:			
Property taxes	\$0	\$0	\$0
Intergovernmental revenue	18,360	0	0
Charges for services	0	0	13,506
Fees and fines	0	6,872	0
Licenses and permits	0	0	0
Interest	0	0	0
Other revenue	0	0	0
Total revenues	18,360	6,872	13,506
Expenditures:			
Current:			
General control and administration	0	0	0
Public safety	0	0	0
Judiciary and court related	0	0	0
Corrections	0	0	0
Highways and bridges	0	0	0
Public health	0	0	0
Public welfare	0	0	0
Education	0	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Capital outlay	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over expenditures	18,360	6,872	13,506
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	(20,351)	(4,000)	(10,000)
Net change in fund balance	(1,991)	2,872	3,506
Fund balances, beginning of year	14,111	4,321	12,230
Fund balances, end of year	\$12,120	\$7,193	\$15,736

Revenue Funds

Drug Traffic Prevention	DUI Equipment	County Clerk Equipment	Recorder GIS	Recorders Equipment	Tax Sale Automation
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	15,906	11,041	62,077	0
4,762	11,204	0	0	0	12,484
0	0	0	0	0	0
62	0	0	0	0	0
0	0	0	0	0	0
4,824	11,204	15,906	11,041	62,077	12,484
0	0	22,412	0	35,235	14,976
0	5,073	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	5,073	22,412	0	35,235	14,976
4,824	6,131	(6,506)	11,041	26,842	(2,492)
0	0	0	0	0	0
0	0	0	0	0	0
4,824	6,131	(6,506)	11,041	26,842	(2,492)
1,080	10,559	56,914	18,291	58,524	22,524
\$5,904	\$16,690	\$50,408	\$29,332	\$85,366	\$20,032

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

(Continued)

For the year ended November 30, 2014

	Social Security	Liability Insurance	Special Tuberculosis Treatment
Revenues:			
Property taxes	\$1,047,397	\$484,836	\$93,537
Intergovernmental revenue	2,818	8,247	0
Charges for services	0	0	0
Fees and fines	0	0	0
Licenses and permits	0	0	0
Interest	302	139	26
Other revenue	0	0	0
Total revenues	1,050,517	493,222	93,563
Expenditures:			
Current:			
General control and administration	84,999	467,970	0
Public safety	155,727	0	0
Judiciary and court related	209,539	0	0
Corrections	159,253	0	0
Highways and bridges	83,541	0	0
Public health	341,666	0	80,038
Public welfare	0	0	0
Education	11,530	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Capital outlay	0	0	0
Total expenditures	1,046,255	467,970	80,038
Excess (deficiency) of revenues over expenditures	4,262	25,252	13,525
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	4,262	25,252	13,525
Fund balances, beginning of year	720,600	653,003	38,224
Fund balances, end of year	\$724,862	\$678,255	\$51,749

Revenue Funds

Cooperative Extension	Developmentally Disabled	County Highway	County Bridge	Matching Tax	Flood Control
\$135,667	\$600,716	\$927,324	\$463,667	\$462,954	\$0
0	0	93,321	0	109,388	59,752
0	0	639	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
39	173	267	133	135	0
0	0	9,052	142,254	12,470	0
135,706	600,889	1,030,603	606,054	584,947	59,752
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	906,098	101,099	564,849	76,700
0	0	0	0	0	0
0	600,889	0	0	0	0
135,706	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	82,465	78,131	191,588	0
135,706	600,889	988,563	179,230	756,437	76,700
0	0	42,040	426,824	(171,490)	(16,948)
0	0	96,837	3,611	38,480	26,379
0	0	0	(26,379)	(3,611)	0
0	0	138,877	404,056	(136,621)	9,431
0	0	1,458,037	681,525	1,091,565	99
\$0	\$0	\$1,596,914	\$1,085,581	\$954,944	\$9,530

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

(Continued)

For the year ended November 30, 2014

	Road District Revolving	Special GIS
Revenues:		
Property taxes	\$0	\$0
Intergovernmental revenue	0	0
Charges for services	29,894	0
Fees and fines	0	205,173
Licenses and permits	0	0
Interest	1,482	1,068
Other revenue	0	0
Total revenues	31,376	206,241
Expenditures:		
Current:		
General control and administration	0	0
Public safety	0	0
Judiciary and court related	0	0
Corrections	0	0
Highways and bridges	116,171	187,738
Public health	0	0
Public welfare	0	0
Education	0	0
Debt service:		
Principal	0	0
Interest	0	0
Capital outlay	0	0
Total expenditures	116,171	187,738
Excess (deficiency) of revenues over expenditures	(84,795)	18,503
Other financing sources and (uses):		
Transfers in	0	0
Transfers out	(38,480)	0
Net change in fund balance	(123,275)	18,503
Fund balances, beginning of year	344,412	197,591
Fund balances, end of year	\$221,137	\$216,094

Revenue Funds							Debt Service
Economic Loan	Jail Commissary	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	0	0	7,646	199,334	0	0	
0	30,954	0	0	0	45,394	0	
0	0	0	0	0	0	0	
0	0	21,187	0	0	0	0	
4,297	449	0	0	0	0	634	
0	0	0	0	0	0	0	
4,297	31,403	21,187	7,646	199,334	45,394	634	
1	0	0	7,536	12,441	0	265	
0	31,538	0	0	168,238	0	0	
0	0	0	0	0	45,394	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	325,000	
0	0	0	0	0	0	267,024	
0	0	0	0	0	0	0	
1	31,538	0	7,536	180,679	45,394	592,289	
4,296	(135)	21,187	110	18,655	0	(591,655)	
0	0	0	0	0	0	592,324	
0	0	(19,684)	0	0	0	0	
4,296	(135)	1,503	110	18,655	0	669	
498,385	76,875	20,338	0	9,406	0	1,896	
\$502,681	\$76,740	\$21,841	\$110	\$28,061	\$0	\$2,565	

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the year ended November 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
County Collector Tax Funds				
Assets -				
Cash	\$178,522	\$71,234,159	\$71,302,959	\$109,722
Liabilities -				
Agency funds due to others	\$178,522	\$71,234,159	\$71,302,959	\$109,722
Motor Fuel Tax Township Road Districts Fund				
Assets -				
Cash	\$1,390,729	\$2,428,412	\$1,967,222	\$1,851,919
Accounts Receivable	0	25,443	0	25,443
Due from other governments	110,983	129,729	110,983	129,729
Total assets	\$1,501,712	\$2,583,584	\$2,078,205	\$2,007,091
Liabilities -				
Accounts payable	\$97,227	\$289,660	\$97,227	\$289,660
Agency funds due to others	1,404,485	2,293,924	1,980,978	1,717,431
Total liabilities	\$1,501,712	\$2,583,584	\$2,078,205	\$2,007,091
Township Bridge Fund				
Assets -				
Cash	\$303,964	\$3,556	\$14,832	\$292,688
Liabilities -				
Accounts payable	\$14,832	\$0	\$14,832	\$0
Agency funds due to others	289,132	3,556	0	292,688
Total liabilities	\$303,964	\$3,556	\$14,832	\$292,688
Sheriff Accounts (DARE & Calendar)				
Assets -				
Cash	\$1,343	\$2,678	\$2,341	\$1,680
Liabilities -				
Agency funds due to others	\$1,343	\$2,678	\$2,341	\$1,680

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Condemnation Proceeds Fund				
Assets -				
Cash	\$4,000	\$0	\$0	\$4,000
Liabilities -				
Agency funds due to others	\$4,000	\$0	\$0	\$4,000
Unclaimed Money Fund				
Assets -				
Cash	\$15,125	\$77	\$7	\$15,195
Liabilities -				
Agency funds due to others	\$15,125	\$77	\$7	\$15,195
Circuit Clerk				
Assets -				
Cash	\$958,990	\$5,042,061	\$5,040,628	\$960,423
Liabilities -				
Agency funds due to others	\$958,990	\$5,042,061	\$5,040,628	\$960,423
Adams County Benevolent Fund				
Assets -				
Cash	\$3,940	\$19	\$0	\$3,959
Liabilities -				
Agency funds due to others	\$3,940	\$19	\$0	\$3,959
County Clerk				
Assets -				
Cash	\$229,125	\$1,623,356	\$1,728,607	\$123,874
Investments	4,709	7,540	10,455	1,794
Total assets	\$233,834	\$1,630,896	\$1,739,062	\$125,668
Liabilities -				
Agency funds due to others	\$233,834	\$1,630,896	\$1,739,062	\$125,668

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
West Central Task Force				
Assets -				
Cash	\$186,211	\$312,408	\$282,839	\$215,780
Liabilities -				
Agency funds due to others	\$186,211	\$285,730	\$282,839	\$189,102
Deferred inflows of resources -				
Unavailable grant revenue	0	26,678	0	\$26,678
Total liabilities and deferred inflows of resources	\$186,211	\$312,408	\$282,839	\$215,780
Chief Judge				
Assets -				
Cash	\$4,895	\$3,000	\$2,721	\$5,174
Liabilities -				
Agency funds due to others	\$4,895	\$3,000	\$2,721	\$5,174
Marriage & Civil Union Fund				
Assets -				
Cash	\$2,666	\$1,271	\$1,575	\$2,362
Liabilities -				
Agency funds due to others	\$2,666	\$1,271	\$1,575	\$2,362
Probation Restitution				
Assets -				
Cash	\$0	\$1,134	\$112	\$1,022
Liabilities -				
Agency funds due to others	\$0	\$1,134	\$112	\$1,022

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Safe Kids Coalition				
Assets -				
Cash	\$0	\$51,550	\$21,773	\$29,777
Liabilities -				
Agency funds due to others	\$0	\$51,550	\$21,773	\$29,777
All Agency Funds				
Assets:				
Cash in banks	\$3,279,510	\$80,703,681	\$80,365,616	\$3,617,575
Investment	4,709	7,540	10,455	1,794
Accounts Receivable	0	25,443	0	25,443
Due from other governments	110,983	129,729	110,983	129,729
Total assets	\$3,395,202	\$80,866,393	\$80,487,054	\$3,774,541
Liabilities:				
Accounts payable	\$112,059	\$289,660	\$112,059	\$289,660
Agency funds due to others	3,283,143	80,550,055	80,374,995	3,458,203
Deferred inflows of resources -				
Unavailable grant revenue	0	26,678	0	26,678
Total liabilities and deferred inflows of resources	\$3,395,202	\$80,866,393	\$80,487,054	\$3,774,541

Adams County, Illinois

Quincy, Illinois

Report On Federal Awards

Year Ended November 30, 2014

Adams County, Illinois

Year Ended November 30, 2014

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

To the County Board
Adams County
Quincy, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, (the "County") as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated May 19, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, and 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings and questioned costs as item 2014-004.

Responses to Findings

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

Purpose of This Report

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

Wipfli LLP

Sterling, Illinois
May 19, 2015

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance

To the County Board
Adams County
Quincy, Illinois

Report on Compliance for Each Major Federal Program

We have audited Adams County, Illinois' (the "County") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2014. The County's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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

Auditor's Responsibility

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

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

Opinion

In our opinion, Adams County, Illinois, complied, in all material respects, with the types of compliance requirements referred to above the could have a direct and material effect on each of its major federal programs for the year ended November 30, 2014.

Other Matters

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2014-005.

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

The 2013 comparative information in the schedule of expenditures of federal awards was subjected to the auditing procedures applied by us and our audit report dated May 5, 2014 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2013 financial statements taken as a whole.

Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois (the "County"), as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise County's basic financial statements. We have issued our report thereon dated May 19, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Wipfli LLP

Sterling, Illinois
May 19, 2015

Adams County, Illinois
 Schedule of Expenditures of Federal Awards
 For the year ended November 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2013 Expenditures	2014 Expenditures
U.S. Department of Agriculture				
Illinois State Board of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2013-4220-00	\$8,775	\$0
School Breakfast Program	10.553	2014-4220-00	2,209	9,402
School Breakfast Program	10.553	2015-4220-00	0	2,192
Total CFDA 10.553			10,984	11,594
Food Commodities (non-cash)	10.555	2013-01001005P00	1,332	0
Food Commodities (non-cash)	10.555	2014-01001005P00	0	3,887
National School Lunch Program	10.555	2013-4210-00	17,560	0
National School Lunch Program	10.555	2014-4210-00	4,384	18,686
National School Lunch Program	10.555	2015-4210-00	0	4,361
Total CFDA 10.555			23,276	26,934
Illinois Department of Public Health				
Summer Food Service Program for Children	10.559	35280141A	700	0
Summer Food Service Program for Children	10.559	45280135B	0	500
Total CFDA 10.559			700	500
Total Child Nutrition Cluster			34,960	39,028
Illinois Department of Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
WIC Administration	10.557	FCSRE00682	135,185	0
WIC Administration	10.557	FCSSQ00682	131,177	139,738 (M)
WIC Administration	10.557	FCSTQ00682	0	117,762 (M)
WIC Vouchers (non-cash)	10.557	SFY13-376000379	797,154	0
WIC Vouchers (non-cash)	10.557	SFY14-376000379	180,449	579,315 (M)
WIC Vouchers (non-cash)	10.557	SFY15-376000379	0	183,966 (M)
Total CFDA 10.557			1,243,965	1,020,781
Illinois Department of Human Services				
WIC Farmers Market Nutrition Program	10.572	FCSSQ00695	1,000	0
WIC Farmers Market Nutrition Program	10.572	FCSTQ00695	0	1,000
Total CFDA 10.572			1,000	1,000
Total U.S. Department of Agriculture			\$1,279,925	\$1,060,809
Department of Housing and Urban Development				
Illinois Department of Commerce and Economic Opportunity				
Community Development Block Grants				
Midwest-Public Assistance & Infrastructure	14.228	08-302001	\$410,019	\$164,183
Total Department of Housing and Urban Development			\$410,019	\$164,183
U.S. Department of Justice				
Illinois Department of Human Services				
Juvenile Justice and Delinquency Prevention	16.540	FCSRE01707	\$1,130	\$0
Juvenile Justice and Delinquency Prevention	16.540	FCSSR03220	190	810
Total CFDA 16.540			1,320	810
Illinois Criminal Justice Information Authority				
Edward Byrne Memorial Justice Assistance Grant	16.738	411019	88,926	106,711
Total U.S. Department of Justice			\$90,246	\$107,521

See Notes to Schedule of Federal Awards.

Adams County, Illinois

Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2013 Expenditures	2014 Expenditures
U.S. Department of Transportation				
Illinois Department of Transportation				
Highway Planning and Construction - CH 7	20.205	AL10238	\$13,898	\$0
Highway Planning and Construction - CH 27	20.205	AL13220	0	29,078
Total CFDA 20.205			13,898	29,078
Illinois Department of Transportation				
Alcohol Impaired Driving Countermeasures Incentive	20.601	AL-13-279	21,134	0
Illinois Department of Transportation				
Highway Safety Project - Local Alcohol Program	20.616	AL-14-0231	5,718	41,209
Highway Safety Project - Local Alcohol Program	20.616	AL-15-0199	0	3,735
Total CFDA 20.616			5,718	44,944
Illinois Emergency Management Agency				
Interagency Hazardous Materials Public Sector Training and and Planning Grants:				
Hazardous Materials Emergency Preparedness Training and Planning	20.703	3HMEPADAMS12	8,650	0
Total U.S. Department of Transportation			\$49,400	\$74,022
Environmental Protection Agency				
Illinois Department of Public Health				
Performance Partnership Grants				
Potable Water Supply	66.605	35382001A	\$238	\$0
Potable Water Supply	66.605	45382001B	0	38
Total Environmental Protection Agency			\$238	\$38
Election Assistance Commission				
Illinois Board of Elections				
Help America Vote Act Requirements Payments	90.401	376000379	\$0	\$17,603
Total Election Assistance Commission			\$0	\$17,603
U.S. Department of Health and Human Services				
Direct award				
Medical Reserve Corps Small Grant Program	93.008	MRC 12-0187	\$4,000	\$0
Medical Reserve Corps Small Grant Program	93.008	MRC 14-0187	0	2,925
Medical Reserve Corps Small Grant Program	93.008	MRC 14-0187C	0	13,566
Total CFDA 93.008			4,000	16,491
Illinois Department of Public Health				
Public Health Emergency Preparedness				
Bioterrorism Preparedness	93.069	27180001	19,513	0
Illinois Department of Public Health				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				
Bioterrorism Preparedness	93.074	37180001A	41,484	0
Bioterrorism Preparedness	93.074	47180001B	24,320	33,375
Bioterrorism Preparedness	93.074	57180001C	0	23,873
Total CFDA 93.074			65,804	57,248
Illinois Department of Human Services				
Substance Abuse & Mental Health Services	93.243	FCSRE01821	68,056	0
Substance Abuse & Mental Health Services	93.243	FCSSP01821	22,821	77,179
Substance Abuse & Mental Health Services	93.243	FCSTP01821	0	39,383
Total CFDA 93.243			90,877	116,562
Illinois Department of Public Health				
Immunization Cooperative Agreement	93.268	25180008	5,232	0
Immunization Cooperative Agreement	93.268	35180032A	29,087	913
Immunization Cooperative Agreement	93.268	45180018B	0	35,000
Total CFDA 93.268			34,319	35,913
Direct award				
Drug-Free Communities Support Program Grants	93.276	5H79-SP012308-10	101,950	0
Illinois Public Health Association				
State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges				
In-Person Counseling Services	93.525	IP-14-149-001	26,938	61,900
In-Person Counseling Services	93.525	IP-15-149-001	0	54,519
Total CFDA 93.525			26,938	116,419

See Notes to Schedule of Federal Awards

Adams County, Illinois

Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2013 Expenditures	2014 Expenditures
Illinois Department of Public Health Community Transformation Grants and National Dissemination and Support for Community Transformation Grants We Choose Health Community Grant	93.531	not provided	56	0
Illinois Department of Human Services Temporary Assistance for Needy Families Teen Reach	93.558	FCSSR03365	0	116,160
Illinois Department of Healthcare and Family Services Child Support Enforcement	93.563	SFY14	5,899	10,529
Child Support Enforcement	93.563	SFY15	0	3,768
Total CFDA 93.563			5,899	14,297
Illinois Department of Human Services Social Service Block Grant Family Case Management / Downstate	93.667	FCSSU03006	11,700	0
Illinois Department of Healthcare and Family Services Medical Assistance Program	93.778	SFY13	66,022	0
Southern Illinois University School of Medicine HIV Care Formula Grants HIV Prevention Formula Grants	93.917	25780058	2,360	0
HIV Prevention Formula Grants	93.917	SIUSUB13	6,676	3,518
HIV Prevention Formula Grants	93.917	SIUSUB14	0	8,176
Total CFDA 93.917			9,036	11,694
Sangamon County Health Department HIV Prevention Activities	93.940	13-0301	3,043	0
HIV Prevention Activities	93.940	13-0301A - 2013	1,696	130
HIV Prevention Activities	93.940	13-0301A - 2014	0	1,925
Total CFDA 93.940			4,739	2,055
Illinois Department of Public Health Maternal and Child Health Services Block Grants Coordinated School Health	93.994	46080116B	8,920	17,580
Coordinated School Health	93.994	56380041C	0	10,191
Oral Health Needs Assessment and Planning	93.994	43480149B	0	1,000
Dental Sealants	93.994	43480101B	500	7,716
Illinois Department of Human Services Teen Pregnancy Prevention	93.994	FCSRE00939	13,117	0
Total CFDA 93.994			22,537	36,487
Total U.S. Department of Human Services			\$463,390	\$523,326
U.S. Department of Homeland Security Illinois Emergency Management Agency Disaster Grants - Public Assistance	97.036	FEMA-4116-001-99001-00	\$136,409	\$0
Illinois Emergency Management Agency Emergency Management Performance Grant	97.042	13EMAADAMS	28,120	1,737
Emergency Management Performance Grant	97.042	14EMAADAMS	0	28,571
Total CFDA 97.042			28,120	30,308
Direct Award Assistance to Firefighters Grant	97.044	EMW-2012-F0-2920	0	42,974
Total U.S. Department of Homeland Security			\$164,529	\$73,282
Total federal awards expended			\$2,457,747	\$2,020,784

(M) - Audited as a major federal program.

See Notes to Schedule of Federal Awards.

Adams County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 1 Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Adams County (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2 Significant Accounting Policies

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

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

Note 3 Subrecipient Payments

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, Adams County passed through the following federal funds to subrecipients during the year ended November 30, 2014:

<u>Subrecipient:</u>	<u>CFDA</u>	<u>Amount</u>
West Central Illinois Drug Task Force	16.738	\$106,711
Concord Township Road District	14.228	4,204
Houston Township Road District	14.228	26,623
Indian Grave Drainage District	14.228	8,806
Liberty Township Road District	14.228	1,887
McKee Township Road District	14.228	2,188
Mill Creek Water District	14.228	2,154
City of Quincy	14.228	2,557
Richfield Road District	14.228	15,195
Riverside Township Road District	14.228	14,411
Ursa Township Road District	14.228	34,934
Total		\$219,670

Adams County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 4 Noncash Assistance

As reported on the Schedule of Expenditures of Federal Awards, Adams County dispensed noncash assistance in the form of food commodities and WIC food instruments. During the year ended November 30, 2014, the County received and used/expended the following non-cash assistance. These values are included in the determination of Federal awards expended.

Non-cash assistance type:	CFDA	Value
Food commodities	10.555	\$3,887
WIC vouchers (food instruments)	10.557	763,281
		<hr/>
		\$767,168

Note 5 Other Federal Award Information

Adams County did not receive or administer any insurance, loans or loan guarantees during the fiscal year ended November 30, 2014.

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified		
<hr/>			
<u>Internal control over financial reporting:</u>			
Material weakness(es) identified?	Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	X	Yes	None reported
Noncompliance material to financial statements noted?	Yes	X	None reported

Federal Awards

Type of auditor’s report issued on compliance for programs:	Unmodified		
<hr/>			
<u>Internal control over major programs:</u>			
Material weakness(es) identified?	Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	X	Yes	None reported
Noncompliance material to financial statements noted?	Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes	X	No

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
<hr/>	
Auditee qualified as a low-risk auditee?	Yes X No

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

A. Internal Control

Finding 2014-001

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

Cause – Due to the complexity of several of the footnote disclosures, management does not currently possess the expertise to accurately prepare the financial statements and related disclosures for accuracy and completeness in accordance with the accounting principles generally accepted in the United States of America.

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

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

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

Finding 2014-002

Condition and Criteria – There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel. Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

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

Effects or Potential Effects – Without adequate segregation of duties, the likelihood that unauthorized or false transactions will be prevented or detected in a timely fashion is significantly diminished which may result in misstated financial statements.

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

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings (continued)

Finding 2014-002 (continued)

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

Finding 2014-003

Condition – The County has several funds and bank accounts that are not recorded in the accounting system.

Effects – The County's accounting system is incomplete.

Cause – The information for these accounts are not flowing through the Treasurer's Office to be recorded.

Recommendation – The County should add these accounts to its system in order to have complete records and ensure proper reporting.

View of responsible officials and planned corrective actions – The County respectfully disputes this finding. The County Treasurer placed these accounts on the books in response to last year's finding 2013-003 according to the auditor's instructions received at the time. However, the auditor appears to have wanted additional reporting requirements but did not communicate these to the County Treasurer. We will work with the auditors to determine the exact plan of action to resolve this issue. The anticipated completion date is November 30, 2015.

B. Compliance Finding

Finding 2014-004

Condition and Criteria – The County over expended its budget in various funds.

Cause – The County over expended its budget in various funds during the fiscal year

Effects or Potential Effects – The County was not in compliance with state budgeting laws.

Auditor's Recommendation – The County in the future should budget adequate resources to cover actual expenditures.

View of responsible officials and planned corrective actions – There is no anticipated completion date for this item.

Adams County, Illinois

Schedule of Findings and Questioned Costs

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

A. Internal Control

Finding 2014-005

Applicable to all federal awards.

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

Condition - The County, except the Health Department, does not have a complete system in place for compiling the Schedule of Expenditures of Federal Awards. Currently, each Department separately manages individual County grants.

Questioned Costs – None.

Cause – The County has not designated one office or individual to compile the information necessary for the schedule of expenditures of federal awards.

The County has not designated accounting codes to record state and federal grants which makes it difficult to identify which grants are state and federal.

Effects or Potential Effects – The lack of a complete system to compile the schedule of expenditures of federal awards could result in federal grants not being properly accounted for on the schedule.

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

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

A. Compliance Finding

None

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings

November 30, 2013

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

- A. Internal Control

- Item 2013-001

- The County does not prepare the financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP). It was determined by County management and its Board of Director's that engaging with the external audit firm is the most economical and appropriate manner to prepare the financial statements and related disclosures in accordance with GAAP. The County has not completed its corrective action plan. This is a repeat finding for 2014.

- Item 2013-002

- The County does not have proper segregation of duties over the functions of processing and recording financial transactions due to limited personnel. The County's management and County Board will supervise and review accounting information to help prevent and detect errors. The County has not completed its corrective action plan. This is a repeat finding for 2014.

- Item 2013-003

- The County has several funds and bank accounts that are not recorded in the accounting system. These funds consist of County and Agency funds. The County has not completed its corrective action plan. This is a repeat finding for 2014.

- B. Compliance Finding

- Item 2013-004

- The County over expended its budget in several funds. This is a repeat finding for 2014.

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings (continued)

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

Item 2013-005

The County does not have a system in place for identifying federal financial assistance that will enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without complete administrative oversight from one office or designated individual. The County will establish a centralized grant identification system with one office or individual, who will be responsible for obtaining the requisite information from the various departments for the grants it administers. The County has not completed its corrective action plan. This is a repeat finding for 2014.

B. Compliance Finding

None

November 30, 2012

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

A. Internal Control

Item 2012-001

There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel. The County's management and County Board will supervise and review accounting information to help prevent and detect errors. The County has not completed its corrective action plan. This is a repeat finding for 2013.

B. Compliance Finding

Item 2012-002

The County over expended its budget in several funds. This is a repeat finding for 2014.

II. Findings and Questioned Costs for Federal Awards

None