

Adams County, Illinois

Quincy, Illinois

Financial Report

Year ended November 30, 2017

WIPFLi^{LLP}
CPAs and Consultants

Adams County, Illinois

Year Ended November 30, 2017

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Adams County, Illinois

Year Ended November 30, 2017

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Independent Auditor's Report

To the County Board
Adams County, Illinois, Illinois
Quincy, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Adams County, Illinois (the "County"), as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Adams County, Illinois, as of November 30, 2017, 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. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, during the year ended November 30, 2017. Statement No. 75 changed how post employment benefits are recognized and measured on the statement of net position and the footnotes related to the OPEB of the County participates in. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis and required supplementary information on pages 5 through 20 and 74 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The schedules listed as supplementary information on pages 85 through 108 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 18, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Wipfli LLP

May 18, 2018
Sterling, Illinois

Adams County, Illinois

Management Discussion and Analysis

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

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2017 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 FY2017

- The County's assets exceeded its liabilities at the close of the fiscal year by \$46,741,437 (net position). Of this amount \$(5,661,031) (unrestricted net position) may be used to meet the County's ongoing obligations.
- The County's total net position decreased by \$6,742,825 during fiscal year 2017 as reported in the statement of activities.
- The County's major revenue consisted of \$9,154,959 in property tax distributions, \$8,214,349 in charges for services, and \$3,042,182 in operating grants and contributions.
- At the close of fiscal year 2017, the County's governmental funds reported combined ending fund balances of \$16,006,289, an decrease of \$(3,115,707) in comparison to the prior year.
- At the end of fiscal year 2017, the unassigned fund balance in the General Fund was \$3,443,139, which is 23.8% of total general fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

Adams County, Illinois

Management Discussion and Analysis

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

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

Fund Financial Statements

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

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

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

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major funds, (the General Fund, Ambulance Services Fund, Capital Expenses Fund, and Motor Fuel Tax Fund). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Fund. The County maintains one proprietary fund. Proprietary funds are reported in the same way as the government-wide financial statements. Internal Service Funds are a type of proprietary fund and provide service to other funds in the County. The County's internal service fund accounts for the health insurance premiums for the County employees.

Adams County, Illinois

Management Discussion and Analysis

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

Notes to the Financial Statements

These provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

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

Supplementary Information

This information as discussed earlier in connection with the General Fund, non-major governmental funds, and agency funds is presented immediately following the required supplementary information on pensions and other postemployment benefit plans other than pensions.

Adams County, Illinois

Management Discussion and Analysis

Government-Wide Financial Analysis

As previously addressed, net position may serve the purpose over time as a useful indicator of financial position. To that end, the County's assets exceeded its liabilities by \$46,741,437 for FY2017.

The following table represents a condensed Statement of Net Position of the County for governmental activities as of November 30, 2017 and 2016.

Condensed Statement of Net Position Governmental Activities

November 30	2017	2016
Total current assets	21,401,987	20,811,554
Noncurrent Assets	45,658,748	47,069,255
Total assets	67,060,735	67,880,809
Deferred outflows of resources	7,506,054	7,856,717
Total assets and deferred outflows of resources	74,566,789	75,737,526
Current liabilities	1,929,029	2,225,434
Noncurrent liabilities	20,928,554	18,379,575
Total liabilities	22,857,583	20,605,009
Deferred inflows of resources	4,967,769	66,842
Total liabilities and deferred inflows of resources	27,825,352	20,671,851
Net position:		
Net investment in capital assets	39,587,891	41,504,255
Restricted	12,814,577	14,120,486
Unrestricted	(5,661,031)	(559,066)
Total net position	46,741,437	55,065,675

At November 30, 2017, the County reports positive balances in Net investment in capital assets and Restricted categories, and a negative balance in the Unrestricted category of net position.

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

Adams County, Illinois

Management Discussion and Analysis

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

Condensed Statement of Activities Governmental Activities

For the Years Ended November 30,	2017	2016
Revenues:		
Program revenues:		
Charges for services	8,214,349	8,717,249
Operating grants and contributions	3,042,182	2,835,723
Capital grants and contributions	1,241,971	1,389,735
General revenue:		
Property taxes	9,154,959	8,919,506
Sales Tax	2,172,880	2,217,078
Public Safety Taxes	1,761,338	1,947,887
Income taxes	1,821,460	1,930,431
Other Taxes	2,274,122	2,209,145
Interest Income	98,666	81,740
Miscellaneous	317,158	116,779
Total revenues	30,099,085	30,365,273
Expenses:		
General control and administration	4,586,168	4,740,021
Public safety	3,801,282	3,965,642
Judiciary and courts	4,780,017	4,754,873
Corrections	3,423,276	3,495,368
Highways and bridges	9,843,578	9,452,998
Public health	8,674,753	8,496,065
Public welfare	680,631	600,249
Education	373,764	307,441
Interest on long-term debt	678,441	235,091
Total expenses	36,841,910	36,047,748
Change in net position	(6,742,825)	(5,682,475)
Net position - beginning	55,065,675	60,748,150
Implementation of GASB 75	(1,581,413)	0
Net position - beginning, restated	53,484,262	60,748,150
Net position, ending	46,741,437	55,065,675

The County's 2017 total revenues come from a variety of sources including 30% from property taxes, and 28% comes from some other type of tax. Another 27% comes from fees charged for services.

Adams County, Illinois

Management Discussion and Analysis

The County's 2017 expenses cover a range of services, with about 28% related to highways and bridges. Public health accounts for 24%. Another 12% is each from general control and administration, and 13% from judiciary and courts expenses. Public safety expenses account for another 10%.

Net position decreased \$6,742,825 over the previous year. For the fiscal year ended November 30, 2017 revenues from governmental activities totaled \$30,099,085. Tax revenues \$17,184,759 or 58% represent the largest source.

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

For the year ended November 30, 2017

	Total Cost of Service	Net Cost of Service
General control and administration	4,586,168	(3,264,539)
Public safety	3,801,282	(3,415,066)
Judiciary and courts	4,780,017	(2,244,951)
Corrections	3,423,276	(2,299,678)
Highways and bridges	9,843,578	(8,426,955)
Public health	8,674,753	(2,959,383)
Public welfare	680,631	(680,631)
Education	373,764	(373,764)
Interest on long-term debt	678,441	(678,441)
Total governmental activities	36,841,910	(24,343,408)

For the year ended November 30, 2016

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

Adams County, Illinois

Management Discussion and Analysis

For the fiscal year ended November 30, 2017 expenses for governmental activities totaled \$36,841,910. Highway and bridges expenses accounted for \$9,843,578 or 28% of the governmental activities total. Various funds established for the County Highway Department account for these expenditures.

Public health expenses represented \$8,674,753 (24%) of the total governmental activities expenditures in 2017. Expenses related to the Health Department.

General control and administrative expenses totaled for \$4,586,168 or 12% of the governmental activities total. These expenses are used for the operations of departments conducting such functions as administrative and financial functions, elections, document recording and retrieval, and assessment of property.

Judiciary and courts expenses represented \$4,780,017 (13%) in 2017. Expenses relating to the circuit court, public defender, court services, probation services, and the State's Attorney relate to this function.

Public Safety (10% of the total) accounted for \$3,801,282 in expenses during 2017. The highest percentage of public safety is directly tied to the operations of the Sheriff's Department. The animal control and emergency service function is also part of this activity group.

Corrections (8% of the total) accounted for \$3,423,276 in expenses during 2017. These expenses are directly tied to the operations of the County jail.

Public welfare expenses represented \$680,631 (2%) of the total governmental expenses activity. Expenses relate to mentally deficient persons.

Education expenses totaled \$373,764 (1%) in expenses during 2017. 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 \$16,006,289, an decrease of \$(3,115,707) 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 \$3,433,139. 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 23.8% of total general fund expenses.

Adams County, Illinois

Management Discussion and Analysis

The fund balance of the General Fund decreased by \$1,728,269 before transfers and other financing sources 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 2017 continue to be property taxes and intergovernmental sources. Intergovernmental revenues for 2017 were \$8,021,346 compared with budgeted amount of \$8,330,329. The variance is the result of the County receiving less State Income Tax revenue than expected.

Expenditures

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

General control and administration expenditures for 2017 were \$3,518,041 compared with budgeted amount of \$3,738,134. The County over budgeted for medical insurance and contingencies.

Ambulance Services Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2017 continue to be charges for services and property taxes. Charges for services were \$2,664,011 compared to budgeted amount of \$2,897,500. The variance is a result of the County collecting less ambulance fees than expected.

Expenditures

Public health expenditures for 2017 were \$3,749,954 compared to budgeted amount of \$3,310,016. The variance is a result of the County under budgeting for Ambulance staff salaries and collection expenses.

Adams County, Illinois

Management Discussion and Analysis

Capital Expenses Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2017 continue to be intergovernmental revenue. Intergovernmental revenue for 2017 was \$5,766,404 compared to budgeted amount of \$5,980,000. The variance is due to the County over budgeting for expected public safety sales tax revenues.

Expenditures

Public safety expenditures for 2017 were \$2,634,684 compared to budgeted amount of \$10,500,000. The variance is a result of the County over budgeting for expenses related to work performed on the new jail during the fiscal year.

Motor Fuel Tax Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2017 continue to be intergovernmental revenue. Intergovernmental revenue for 2017 was \$1,231,031 compared to budgeted amount of \$1,300,000. The variance is a result of the County receiving less state payments than expected.

Expenditures

Highway and bridges expenditures for 2017 were \$1,614,484 compared to budgeted amount of \$4,500,000. The variance is due to the County over budgeting for road and bridge construction and road and bridge maintenance.

Adams County, Illinois

Management Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities at year end totaled \$45,658,748 (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 \$4,726,054 of capital asset additions recorded during the year and \$6,136,561 of depreciation charges were expensed on the total capital assets. More detailed information can be found in Note 4 of the financial statements.

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

- Work in Progress = \$2,588,337
- Buildings and Improvements = \$1,516,526

Net Book Value of Capital Assets at November 30,	2017	2016
Land and other nondepreciable assets	4,566,053	2,467,291
Buildings and improvements	12,090,654	11,030,438
Vehicles	745,983	837,750
Furniture, fixtures, and equipment	683,208	907,373
Infrastructure	27,572,850	31,826,403
Total	45,658,748	47,069,255

Debt Administration

At November 30, 2017, the County had \$6,609,175 in governmental activities long term debt which consisted of general obligation bonds and accrued compensated absences. Amounts due next year on these obligations are \$471,228. See Note 11 for details of debt.

Outstanding Debt at November 30,	2017	2016
Bonds Payable	5,270,857	5,565,000
Notes Payable	800,000	0
Accrued compensated absences	538,318	517,547
Total	6,609,175	6,082,547

Adams County, Illinois

Management Discussion and Analysis

Economic Factors

The local economic outlook is good. The County continues to enjoy low unemployment. Numerous construction projects are underway or near completion, including:

- Knapheide Manufacturing Company is nearing completion of an 188,000 square foot factory expansion and expects to add 250 jobs.
- Quincy Public Schools is investing \$89 million to build five new schools.
- The County began construction of the new \$35 million jail that will continue into 2019.

Agriculture remains stagnant due to low commodity prices. Projections for 2018 indicated that crop prices are expected to worsen which will squeeze margins. This impacts demand for large capital expenses such as replacing larger equipment or expanding fixed facilities.

Consumer trends in online shopping will continue to negatively impact county sales tax and public safety tax as these are not normally collected on these transactions.

The State of Illinois still poses the largest potential financial impact County. The Illinois Department of Revenue reported that Personal Property Replacement Tax allocations will decline almost 24% from the 2017 tax allocation. In 2017 the County also saw decreases in County Retailers Occupational Tax, State Use Tax, County Sales Tax, and Video Gaming Tax. State Income Tax revenue increased only because the County received additional distributions since the state had fallen behind in prior years.

As of February 9, 2018 there remains \$8.7 billion in unpaid state vouchers. The only good news is that the backlog was as high as \$16.7 billion in November 2017 before the state issued \$6 billion in General Obligation bonds to pay down a portion of this backlog. The backlog is expected to continue causing delays in receiving state reimbursements and other revenue. Some reimbursements continue to take six to nine months.

Next Year's Budget and Rates

On November 14, 2017 the Adams County Board approved the Adams County's Government budget for the 2017-2018 fiscal year.

REVENUE. The projected revenue budget for all funds increased by \$1,435,577 to \$47,203,200. . This is a 3.1% increase from the initial FY 2016-2017 budget.

General Fund. The projected General Fund revenue budget increased by \$420,950 to \$13,699,379. This is a 3.2% increase from FY 2016-2017.

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

Adams County, Illinois

Management Discussion and Analysis

Taxes. Anticipated tax revenue from taxes is \$9,160,000 or 66.9% of all revenue sources. This includes real estate property taxes and state-shared sources including sales tax, use tax, income tax, retailers' occupational tax, and personal property replacement tax:

- ◆ 20.4% from real estate property taxes (\$2,800,000)
- ◆ 16.3% from the county portion of state sales tax collected (\$2,230,000)
- ◆ 16.1% from state income tax (\$2,200,000)
- ◆ 8.0% from County Retailers Occupation Tax and State Use Tax (\$1,100,000)
- ◆ 5.6% from state payments received in lieu of Personal Property Replacement Tax (\$770,000)
- ◆ 0.4% from video gaming tax (\$60,000).

Other revenue. 15.3% will come from licenses and fees, interest, grants and other enterprise revenue. Anticipated revenue of \$2,097,471 includes:

- ◆ 9.0% in earnings from the County Clerk and Recorder, Sheriff, Circuit Clerk, and Animal Warden (\$1,232,000)
- ◆ 4.9% in fines, fees and licenses (\$671,271)
- ◆ 1.4% in cell tower leases, bank interest, inmate room and board, inmate commissary sales, bank interest and other miscellaneous revenue (\$194,200).

Reimbursements. 15.6% will come from state and federal reimbursements. Anticipated revenue of \$2,137,808 includes:

- ◆ 12.5% from salary reimbursements for the State's Attorney office, probation officers, detention center officers, and the Supervisor of Assessments (\$1,711,308)
- ◆ 3.1% from other reimbursements (\$426,500)

Transfers from Special Revenue Funds. 2.2% will come from transfers from nine county special revenue funds (\$304,100). State statutes direct the creation of most special revenue accounts and establish the collection of specific fees to support either specific court costs or large automation equipment purchases for a specific county office or task. These accounts include several automation funds, the law library fund, the animal control fund, arrestees medical fund, and other court funds.

Bond Proceeds. The revenue budget includes \$10,000,000 in bond proceeds to support construction of a new county jail, the same amount as in the 2017 budget. The County did not require any bonds in 2017 because of delays in starting construction. See additional discussion under "New Debt, Jail Construction Bond."

Adams County, Illinois

Management Discussion and Analysis

EXPENSES. The projected expense budget for all funds increased by \$21,059,683 to \$74,419,613. This is a 39.5% increase from the initial FY 2016-2017 budget. Most of this increase is due to a \$19 million capital expense increase to construct a new jail. Construction began in November 2017 and the projected completion date is late 2019.

General Fund. The General Fund's projected total expense budget is \$14,567,648. This reflects a 2.1% increase over the initial FY2016-2017 budget (\$14,263,775) but a 7% decrease over the final expense budget (\$15,670,862). Major changes include:

- ◆ **Ambulance Building.** In March 2017, the County Board approved a \$1,400,000 capital budget to construct a new ambulance station. This expense was not in the original budget and was a one-time expense.
- ◆ **Capital Expenses.** The capital budget includes \$57,000 for courthouse roof repairs and \$147,000 for sheriff vehicles.
- ◆ **Law Enforcement.** The Sheriff law enforcement budget increased by \$129,985, with most of the increase due to higher personnel costs for Chief Deputies, Sergeants and other security officers.
- ◆ **Corrections.** Personnel costs for corrections/jail personnel also increased by \$123,829 for corrections officers, and by \$40,000 for inmate medical costs.
- ◆ **27 Pay Periods.** Most salary expense accounts experienced a slight increase because the 2018 fiscal year has 27 pay periods. The first pay date was on December 1, 2017 and the 27th pay period will be November 30, 2018. This caused slight increases in accounts for wage employees that are paid by the hour. There will be no increase for those employees who are paid a fixed annual salary as it will be divided equally over the 27 pay periods. This situation will not occur again until 2029.

Capital Project (Jail). Construction of the new jail began in November 2017. The County budgeted \$29,000,000 for the construction expenditures in 2018. Other budgeted costs include \$415,000 for design consultants and a county project representative.

Special Revenue Funds.

- ◆ **Coroner Electronic/Foresic Equipment Fund.** Budgeted expenditures increased from \$14,000 to \$38,000 to cover the purchase of a new van.
- ◆ **Court Document Storage Fund.** Budgeted expenditures added a \$100,000 transfer to County General to pay for salaries.
- ◆ **County Bridge Fund.** Budgeted expenditures added \$500,000 for County projects and reduced \$275,000 from the County share with Federal and State account.

Adams County, Illinois

Management Discussion and Analysis

- ◆ **Geographic Information Systems Fund.** Budgeted expenditures reduced \$10,000 in salaries, maintenance, images and flood plain mapping.
- ◆ **Motor Fuel Tax Fund.** Budgeted expenditures increased \$200,000 including a \$500,000 increase in road and bridge maintenance costs, a \$200,000 reduction in road and bridge construction and a \$100,000 reduction in salaries.
- ◆ **Township Bridge Fund.** Budgeted expenditures increased \$190,000 for bridge construction and engineering.
- ◆ **Ambulance Fund.** Budgeted expenditures increased \$738,746 (22%) to \$4,055,849. This increase included \$441,275 to pay for additional ambulance staff and related medical insurance costs and \$220,000 to pay for debt service on the loan for the ambulance building construction.

LEVY. On December 12, 2017 the Adams County Board approved a property tax levy of 0.79343 per \$100 of equalized assessed valuation (EAV) for the 2017 tax year (taxes payable in 2018). This will increase the total tax collections by \$361,667 (3.96%)

Although the levy rate only increased by 0.43% compared to the levy for the 2016 tax year (0.79006, certified rate), the total real estate EAV increased by \$43,050,642 (3.72%) to \$1,197,223,356.

The table below lists the budget amounts for the 2016 and the 2017 tax years, the difference for each fund compared to the 2016 tax year, and the calculated levy rate:

	2017	2016	Difference	Percent	Levy
General	2,800,000	2,550,069	249,931	9.80 %	0.23387
Bonds and Interest	0	0	0	0.00 %	0.00000
Pension/IMRF	1,425,878	1,359,994	65,884	4.84 %	0.11910
County Highway	1,077,593	1,038,756	38,837	3.74 %	0.09001
County Bridge/Joint Bridge	598,612	577,086	21,526	3.73 %	0.05000
TB Care & Treatment	74,200	74,200	0	0.00 %	0.00620
Federal Aid Matching	538,797	519,378	19,419	3.74 %	0.04500
County Health Department	200,000	187,460	12,540	6.69 %	0.01671
Tort Judgment/Liability	400,000	400,000	0	0.00 %	0.03341
Social Security	1,025,075	1,117,545	(92,470)	(8.27)%	0.08562
Extension Education	134,000	134,000	0	0.00 %	0.01119
Ambulance	700,000	500,000	200,000	40.00 %	0.05847
Development Disability	525,000	679,000	(154,000)	(22.68)%	0.04385
Total	9,499,155	9,137,488	361,667	3.96 %	0.79343

Ambulance Fund. The County increased the Ambulance levy by 40% to \$700,000. The additional \$200,000 is intended to pay debt service on the ambulance building loan (see discussion under "New Debt: Ambulance Building Loan.")

Adams County, Illinois

Management Discussion and Analysis

Developmental Disability. The County decreased the Developmental Disability levy by 23% to \$525,000. Transitions of Western Illinois is the only County-supported recipient of developmental disability funds and did not require all of the tax revenue the County levied for and collected during the 2016 tax year (taxes payable in 2017). Transitions is expected to hold the excess in reserve and spend it in 2018.

NEW DEBT.

General Obligation Refunding Bond. On March 16, 2017 the County issued a \$5,150,000 general obligation refunding bond (Alternate Revenue Source), Series 2017, for the purpose of refunding portions of the County's outstanding general obligation bonds (Alternate Revenue Source), Series 2008. The County Board approved the refunding bonds on October 11, 2016. This refunding bond reduced the interest rate by approximately 2% which will save \$569,477 in interest over the remaining life of the bond.

The County has chosen not to levy separately for this bond but pledges a portion of its sales tax revenue to pay the principal and interest payments.

Ambulance Building Loan. In 2017 the County constructed a new ambulance building to house the three Quincy-based ambulances for a total cost of \$1.517 million. On June 13, 2017 the County Board approved a 2-year \$800,000 loan at 2.69% to finance the construction of the new ambulance building. The General Fund paid the remainder of the construction costs from the General Fund which included an unexpected \$659,000 revenue received in November 2016 from Ameren for completion of the Illinois Great Rivers high-voltage power line. The Board added \$200,000 to the Ambulance Fund levy for debt service on this loan.

Jail Construction Bond. In December 2017 the County approved \$25 million in general obligation bonds to be issued in three series. On December 28, 2017 the County received the first \$10,000,000 in bond proceeds for the first series 2017. It expects to issue two additional series of \$10,000,000 before the end of 2018 and \$5,000,000 in 2019. A 0.25% Public Safety Safety tax revenue will repay these bonds.

OTHER ISSUES. The following discusses selected funds and issues:

Ambulance Fund. The financial condition of the Ambulance Fund is poor.

The table below shows budgeted and actual revenues and expenditures for the Ambulance Fund from 2014 through January 2018:

Year	Final Budget			Actual		
	Revenue	Expenses	Difference	Revenue	Expenses	Difference
2014	3,232,892	3,221,659	11,233	3,520,875	3,447,749	73,126
2015	3,288,148	3,249,199	38,949	3,460,676	3,524,986	(64,310)
2016	3,504,500	3,412,843	91,657	3,223,043	3,588,521	(365,478)
2017	3,410,650	3,310,016	100,634	3,257,586	3,749,954	(492,368)
2018	3,708,150	4,055,849	(347,699)	453,871	772,907	(319,036)

Adams County, Illinois

Management Discussion and Analysis

- Serious shortfalls occurred in 2016 and 2017. Actual revenues did not meet budget in both years,. However, actual expenditures were significantly greater than budget.
- In 2018 the County Board approved a deficit budget for the Ambulance Fund. Appropriated expenditures are expected to be \$347,699 higher than budgeted revenue.
- For the first two months of 2018 actual expenses have outstripped revenue by over \$319,000.

This fund is comingled with the County General Fund and 39 other special revenue funds in a single checkbook. Since most of these funds have positive fund balances, each provides a passive loan to the Ambulance Fund. This hasn't been an immediate issue but the County Board and Ambulance Board must address this soon.

Capital Project-New Jail. During 2017 the County expended \$2,634,684 towards construction of the new jail. Most expenses were for acquiring additional properties, building demolition on the acquired properties, and finalizing the building design. Construction began in November 2017. Construction will continue through most of 2019 and the construction contract is \$33,322,492.

Through February 2018 the County collected \$4,292,859 from a 0.25% public safety tax that began in July 2015. In March 2017 the City of Quincy paid \$4 million to the County for their portion of the jail to relocate the city police headquarters. In December 2017 the County also received \$10 million in the first of three series general obligation bonds that will eventually total \$25 million. The County plans to levy separately for any additional funds.

The public safety sales tax is beginning to trend slightly lower as the online purchases increase through Amazon.com and other online merchants. Recent monthly tax distributions appear to be approximately 5% lower than in previous years. This tax is only collected on purchases of general merchandise that occur within Adams County. Although this is not an immediate concern, there is a potential that continued decreases could impact to debt service down the road which could require additional real estate tax.

Adams County, Illinois

Management Discussion and Analysis

Requests for Information

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

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

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

Basic Financial Statements

Adams County, Illinois

Statement of Net Position

November 30, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Governmental Activities
Cash and cash equivalents	18,004,957
Investments	0
Receivables, net of allowance for uncollectibles:	
Due from State of Illinois	2,085,122
Property taxes receivable	0
Accounts receivable	1,224,138
Loans	0
Inventory	87,770
Total current assets	21,401,987
Capital assets:	
Land and other nondepreciable assets	4,566,053
Depreciable property and equipment, net of depreciation	41,092,695
Total capital assets	45,658,748
Deferred outflows of resources -	
Deferred outflows of pension resources	7,428,137
Deferred outflows of other postemployment benefit resources	77,917
Total deferred outflows of resources	7,506,054
Total assets and deferred outflows of resources	74,566,789
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities:	
Accounts payable	428,923
Accrued payroll	972,977
Funds held in trust for others	4,868
Accrued interest payable	51,033
Notes payable, current portion (net premiums)	913
Bonds payable, current portion	470,315
Total current liabilities	1,929,029
Long-term liabilities:	
Accrued compensated absences	538,318
Notes payable, noncurrent portion	799,087
Bonds payable, noncurrent portion (net premiums)	4,800,542
Accrued other post-employment benefits	1,665,426
Net pension liability	13,125,181
Total long-term liabilities	20,928,554
Total liabilities	22,857,583
Deferred inflows of resources -	
Deferred inflows of pension resources	224,005
Deferred lease payments	4,000,000
Deferred inflows of other postemployment benefit resources	265,296
Unamortized gain on refunding	457,103
Deferred grant revenues	21,365
Total deferred inflows of resources	4,967,769
Total liabilities and deferred inflows of resources	27,825,352
NET POSITION	
Net investment in capital assets	39,587,891
Restricted	12,814,577
Unrestricted	(5,661,031)
Total net position	46,741,437

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Statement of Activities

For the Year Ended November 30, 2017

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	4,586,168	1,136,329	176,109	9,191	(3,264,539)
Public safety	3,801,282	279,865	106,351	0	(3,415,066)
Judiciary and courts	4,780,017	1,697,144	837,922	0	(2,244,951)
Corrections	3,423,276	220,365	903,233	0	(2,299,678)
Highways and bridges	9,843,578	108,866	74,977	1,232,780	(8,426,955)
Public health	8,674,753	4,771,780	943,590	0	(2,959,383)
Public welfare	680,631	0	0	0	(680,631)
Education	373,764	0	0	0	(373,764)
Interest on long-term debt	678,441	0	0	0	(678,441)
Total governmental activities	36,841,910	8,214,349	3,042,182	1,241,971	(24,343,408)
General revenues:					
Taxes:					
Property taxes					9,154,959
Sales taxes					2,172,880
Public safety taxes					1,761,338
Income taxes					1,821,460
Other taxes					2,274,122
Interest income					98,666
Miscellaneous					317,158
Total general revenues					17,600,583
Change in net position					(6,742,825)
Net position - beginning					55,065,675
Implementation of GASB 75					(1,581,413)
Net position - beginning, restated					53,484,262
Net position - ending					46,741,437

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Governmental Funds

Balance Sheet

November 30, 2017

ASSETS	General	Ambulance Services	Capital Expenses	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	1,517,697	115,116	4,163,334	3,959,017	8,205,700	17,960,864
Investments	0	0	0	0	0	0
Receivables, net of allowance:						
Due from State of Illinois	1,420,241	0	440,838	94,026	130,017	2,085,122
Property taxes receivable	0	0	0	0	0	0
Accounts receivable	223,934	712,786	0	0	287,418	1,224,138
Loans	0	0	0	0	0	0
Inventory	0	0	0	0	87,770	87,770
Due from other funds	1,049,212	0	0	0	0	1,049,212
Total assets	4,211,084	827,902	4,604,172	4,053,043	8,710,905	22,407,106
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	158,532	22,187	30,280	0	141,396	352,395
Accrued payroll	469,502	147,666	0	24,753	331,056	972,977
Accrued compensated absences	0	0	0	0	0	0
Funds held in trust for others	0	0	0	0	4,868	4,868
Due to other funds	0	998,997	0	0	50,215	1,049,212
Total liabilities	628,034	1,168,850	30,280	24,753	527,535	2,379,452
Deferred inflows of resources -						
Deferred lease payments	0	0	4,000,000	0	0	4,000,000
Deferred grant revenues	0	0	0	0	21,365	21,365
Total deferred inflows of resource:	0	0	4,000,000	0	21,365	4,021,365
Fund balances:						
Nonspendable	0	0	0	0	87,770	87,770
Restricted	0	0	573,892	4,028,290	8,124,625	12,726,807
Committed	149,911	0	0	0	0	149,911
Assigned	0	0	0	0	0	0
Unassigned	3,433,139	(340,948)	0	0	(50,390)	3,041,801
Total fund balances	3,583,050	(340,948)	573,892	4,028,290	8,162,005	16,006,289
Total liabilities, deferred inflows of resources and fund balances	4,211,084	827,902	4,604,172	4,053,043	8,710,905	22,407,106

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Reconciliation of the Balance Sheet to the Statement of Net Position November 30, 2017

Total fund balances - governmental funds	16,006,289
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.	
	(32,435)
Accrued long-term employee benefits are not due and payable in the current period and therefore are not reported as liabilities of the funds, but are included as liabilities and deferred items in the statement of net position	
Accrued net pension liability and related deferred resources	(5,921,049)
Accrued other post employment benefits liability and related deferred resources	(1,852,805)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Net book value of assets reported.	
	45,658,748
Economic gain on refunding revenue is amortized over the life of the bonds in the governmental activities, but recognized as revenue when received in the governmental funds.	
	(457,103)
Long-term liabilities not due and payable with the current resources are not reported in the funds:	
Accrued compensated absences	(538,318)
Accrued interest payable	(51,033)
Notes payable	(800,000)
Bonds payable, net of premiums	<u>(5,270,857)</u>
Total net position - governmental activities	<u><u>46,741,437</u></u>

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended November 30, 2017

	General	Ambulance Services	Capital Expenses	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	2,554,846	500,932	0	0	6,099,181	9,154,959
Intergovernmental revenue	7,748,223	80,455	1,761,338	1,232,780	1,491,157	12,313,953
Charges for services	903,027	3,186,321	0	0	2,004,114	6,093,462
Fees and fines	1,266,029	0	0	0	781,993	2,048,022
Licenses and permits	50,773	0	0	0	22,092	72,865
Interest	46,485	483	17,404	24,326	9,968	98,666
Other revenue	134,793	4,799	0	58,088	119,477	317,157
Total revenues	12,704,176	3,772,990	1,778,742	1,315,194	10,527,982	30,099,084
Expenditures:						
Current:						
General control and administration	3,434,267	0	0	0	831,832	4,266,099
Public safety	3,111,704	0	0	0	518,988	3,630,692
Judiciary and court related	3,159,483	0	0	0	1,123,138	4,282,621
Corrections	2,937,806	0	0	0	484,795	3,422,601
Highways and bridges	0	0	0	1,615,268	2,732,340	4,347,608
Public health	0	3,752,019	0	0	4,011,167	7,763,186
Public welfare	0	0	0	0	680,631	680,631
Education	192,251	0	0	0	161,025	353,276
Debt service:						
Principal	0	0	0	0	370,000	370,000
Interest	0	0	0	0	224,518	224,518
Capital outlay	1,596,934	0	2,468,601	0	660,519	4,726,054
Total expenditures	14,432,445	3,752,019	2,468,601	1,615,268	11,798,953	34,067,286
Excess (deficiency) of revenues over expenditures	(1,728,269)	20,971	(689,859)	(300,074)	(1,270,971)	(3,968,202)
Other financing sources and (uses)						
Transfers in	266,464	0	0	0	1,066,000	1,332,464
Transfers out	(1,066,000)	0	0	0	(266,464)	(1,332,464)
Proceeds from long-term debt	800,000	0	0	0	5,150,000	5,950,000
Premium on issuance of bonds	0	0	0	0	136,842	136,842
Payment to refunded bonds escrow agent	0	0	0	0	(5,234,347)	(5,234,347)
Total other financing sources (uses)	464	0	0	0	852,031	852,495
Net change in fund balance	(1,727,805)	20,971	(689,859)	(300,074)	(418,940)	(3,115,707)
Fund balances, beginning of year	5,310,855	(361,919)	1,263,751	4,328,364	8,580,945	19,121,996
Fund balances (deficit), end of year	3,583,050	(340,948)	573,892	4,028,290	8,162,005	16,006,289

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, 2017

Net change in fund balance - Governmental funds	(3,115,707)
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.	67,167
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Donated capital assets are only reported in the statement of activities. This is the amount by which depreciation expense exceeds newly capitalized fixed assets in the period.	(1,410,507)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Proceeds from note payable	(800,000)
Issuance of refunding bonds	(5,150,000)
Payment of refunding bonds	5,195,000
Gain on refunding	(488,311)
Premium on bond issuance	(136,842)
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.	370,000
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	26,542
Change in other post-employment benefits	(1,061)
Amortization of bond premiums and discounts	15,985
Amortization of gain on refunding	31,208
Change in non current accrued compensated absences	(20,771)
Change in net pension liability and deferred pension sources	<u>(1,325,528)</u>
Change in net position of governmental activities	<u><u>(6,742,825)</u></u>

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Proprietary Funds
Statement of Net Position
November 30, 2017

	Internal Service Fund Medical Insurance
ASSETS	
Cash in banks	44,093
Due from other funds	0
Total assets	44,093
LIABILITIES	
Accrued payroll	2,128
Accounts payable	0
Claims payable	74,400
Total liabilities	76,528
NET POSITION	
Unrestricted (deficit)	(32,435)
Total net position	(32,435)

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, 2017

	<u>Internal Service Fund Medical Insurance</u>
Operating revenues -	
Contribution	2,269,957
Total operating revenues	2,269,957
Operating expenses -	
Health insurance premiums	2,203,906
Total operating expenses	2,203,906
Operating income (loss)	66,051
Non-operating income (loss)	1,116
Income (loss) before other financing sources (uses)	67,167
Other financing sources (uses):	
Transfers in	0
Transfers out	0
Total other financing sources (uses)	0
Change in net position	67,167
Net position (deficit), beginning of year	(99,602)
Net position (deficit), end of year	(32,435)

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Proprietary Funds

Statement of Cash Flows

For the Year Ended November 30, 2017

	<u>Internal Service Fund Medical Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from employees and Board	2,269,957
Payment to suppliers	(2,309,801)
Net cash provided by (used in) operating activities	(39,844)
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	1,116
Net cash provided by investing activities	1,116
Net increase (decrease) in cash	(38,728)
Cash, beginning of year	82,821
Cash, end of year	44,093
RECONCILIATION:	
Net operating income (loss)	\$66,051
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in operating assets and liabilities:	
Receivables	0
Advances from other funds	0
Accounts payable and claims payable	(105,895)
Net cash provided by (used in) operating activities	(39,844)

See Accompanying Notes to Financial Statements.

Adams County, Illinois
Statement of Fiduciary Net Position
November 30, 2017

	Agency Funds
ASSETS	
Cash in banks	3,764,207
Investments	14,189
Accounts receivable	7
Due from other governments	133,986
Total assets	3,912,389
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities:	
Accounts payable	314,418
Agency funds due to others	3,597,971
Total liabilities	3,912,389

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

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

Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

Proprietary:

- **Internal Service Fund** - This fund accounts for financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County administers the following internal service fund:

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

Fiduciary:

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

Measurement Focus and Basis of Accounting

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

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

Use of Estimates

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

Budgetary Basis of Accounting

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Basis of Accounting (Continued)

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

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

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

Cash and Investments

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

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

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

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

Accounts Receivable

The County's property tax is levied each year on all taxable real property located in the County. The 2016 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2017. The County must file its tax levy by the last Tuesday of December each year. The 2016 levy was approved on December 13, 2016. The 2017 levy was approved on December 12, 2017.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

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

Property taxes are collected by the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2016 became due and payable in two installments, generally in July 2017 and September 2017. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Receivables at November 30, 2017, are net of allowance for uncollectable. The allowance for uncollectable in the ambulance fund was \$475,191 at November 30, 2017.

Inventories and Prepaid Items

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

Prepaid items represent payments made by the County for which benefits extend beyond November 30, 2017. The costs of governmental fund type prepaid items are recorded as expenditures when consumed rather than when purchased.

Capital Assets

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

The County's sick leave policy allows employees to earn sick leave hours at various rates, based on years of employment. Upon separation, any unused sick leave hours will be applied towards years of service for the employee's retirement benefit with I.M.R.F. No monetary obligation exists except at the Health Dept. Health Department employees have the option to turn in sixty (60) days of sick leave and be paid for thirty (30) days at their current wage rate or to apply the balance of unused sick leave over the sixty (60) days to the employee's retirement benefit with I.M.R.F.

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

Pension Plan

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

Other Post-Employment ("OPEB") Obligations

The County's net OPEB Obligation is recognized as a liability and OPEB expense is expensed, as determined by the County's actuary, in the government-wide financial statements and proprietary fund financial statements.

Long-Term Obligations

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations (Continued)

premium or discount.

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

Net Position

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

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

Fund Balances

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

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

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

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

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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

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

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

Note 2: Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the year ended November 30, 2017, expenditures exceeded appropriations in the following funds (the legal level of budgetary control) by:

Fund	Amount
Probation Services	13,654
Recorders Equipment	10,721
Court Appointed Special Advocates	76,868
IMRF	61,826
Ambulance Services	439,938
Tuberculosis Treatment Board	1,438
Cooperative Extension	2,033
Developmentally Disabled	88,093
Jail Commissary	2,425
Animal Control	94

Adams County, Illinois

Notes to Financial Statements

Note 2: Stewardship, Compliance and Accountability (Continued)

Deficit Fund Equity/Net Position

As of November 30, 2017, the Law Library, Flood Control, Medical Insurance Net Position, and Ambulance Services funds had deficit fund balances/net position in the amount of \$876, \$49,514, \$32,435, and \$340,948, respectively.

Note 3: Cash and Investments

Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County has a deposit policy for custodial credit risk. As of November 30, 2017, the County's bank balance was \$21,824,554 and the entire balance was insured and collateralized with securities in the County's name.

Investments

As of November 30, 2017, the County had the following investments:

	Fair Value		
	Statement of	Statement of	
	Net Position	Fiduciary Net	Total
	Position		
Illinois Funds Money Market Fund	0	14,189	14,189

Adams County, Illinois

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

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

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

Investment Type	Remaining Maturity (in Years)			Total
	12 Months or Less	1-5 Years	5-10 Years	
Local Government Investment Pool	14,189	0	0	14,189

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

Investment Type	AAAm	Aa	Unrated	Total
Local Government Investment Pool	14,189	0	0	14,189

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, 2017, there are no investments with custodial credit risk in that all of its investments are insured.

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

Adams County, Illinois

Notes to Financial Statements

Note 4: Capital Assets

Capital asset balances and activity for the year ended November 30, 2017, were as follows:

Governmental Activities:	Balance 11/30/16	Increases	Decreases and Transfers	Balance 11/30/17
Capital assets, not being depreciated:				
Land	669,633	0	0	669,633
Work in progress	1,797,658	2,588,337	(489,575)	3,896,420
Total capital assets, not being depreciated	2,467,291	2,588,337	(489,575)	4,566,053
Capital assets, being depreciated:				
Buildings and improvements	20,096,934	1,516,526	0	21,613,460
Vehicles	5,037,307	265,021	(182,280)	5,120,048
Furniture, fixtures and equipment	4,814,229	0	0	4,814,229
Infrastructure	105,140,655	364,036	489,575	105,994,266
Total capital assets, being depreciated	135,089,125	2,145,583	307,295	137,542,003
Accumulated depreciation:				
Buildings and improvements	(9,066,496)	(456,310)	0	(9,522,806)
Vehicles	(4,199,557)	(348,922)	174,414	(4,374,065)
Furniture, fixtures and equipment	(3,906,856)	(224,165)	0	(4,131,021)
Infrastructure	(73,314,252)	(5,107,164)	0	(78,421,416)
Total accumulated depreciation	(90,487,161)	(6,136,561)	174,414	(96,449,308)
Total capital assets, being depreciated, net	44,601,964	(3,990,978)	481,709	41,092,695
Governmental activities capital assets, net	47,069,255	(1,402,641)	(7,866)	45,658,748

Depreciation expense was charged to the governmental functions as follows:

Governmental activities:	
General control and administration	204,254
Judiciary and court	133,119
Public health	271,362
Public safety	164,908
Highways and bridges	5,362,918
Total depreciation expense, governmental activities	6,136,561

Adams County, Illinois

Notes to Financial Statements

Note 5: Loans Receivable

The County has net loans receivable with area businesses in the amount of \$0 at November 30, 2017. The following is a summary of changes in loans receivable for the year ended November 30, 2017:

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

Note 6: Retirement Plans

Illinois Municipal Retirement Fund

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

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

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

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

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

Regular Personnel (Non-SLEP)

Employees Covered by the Benefit Terms - At December 31, 2016, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	231
Inactive plan member entitled to but not yet receiving benefits	145
Active employees	257
<hr/>	
Total	633

Contributions - As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2016 was 11.87%. For the fiscal year ended November 30, 2017, the County contributed \$1,427,995 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

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

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

<i>Asset Class</i>	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	6.85 %
International Equity	17 %	6.75 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	5.75 %
Alternative Investments	9 %	2.65-7.35%
Cash Equivalents	1 %	2.25 %
Total	100 %	

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Changes to Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2016	66,284,189	56,789,394	9,494,795
Changes for the year:			
Service Cost	1,228,587	0	1,228,587
Interest on the total pension liability	4,898,125	0	4,898,125
Differences between expected and actual experience of the total pension liability	803,166	0	803,166
Changes in assumptions	(177,598)	0	(177,598)
Contributions - employer	0	1,486,917	(1,486,917)
Contributions - employees	0	591,156	(591,156)
Net investment income	0	3,886,658	(3,886,658)
Benefit payments, including refunds of employee contributions	(2,831,057)	(2,831,057)	0
Other (net transfer)	0	195,425	(195,425)
Net Changes	3,921,223	3,329,099	592,124
Balance at December 31, 2016	70,205,412	60,118,493	10,086,919

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	19,719,024	10,086,919	2,265,693

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the year ended November 30, 2017, the County recognized pension expense of \$1,427,995. At November 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	859,718	0
Changes in assumptions	749,896	140,051
Net difference between projected and actual earnings on pension plan investments	2,976,048	0
Total deferred amounts to be recognized in pension expense in future periods	4,585,662	140,051
Pension contributions made subsequent to the measurement date	1,260,086	0
Total deferred amounts related to pensions	5,845,748	140,051

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

Year Ending November 30:	Net Deferred Outflows of Resources
2018	1,663,234
2019	1,584,161
2020	1,031,346
2021	166,870
2022	0
Thereafter	0
Total	4,445,611

Sheriff's Law Enforcement (SLEP):

Employees Covered by the Benefit Terms - At December 31, 2016, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	21
Inactive plan member entitled to but not yet receiving benefits	4
Active employees	28
Total	53

Contributions - As set by statute, the County's Sheriff's Law Enforcement Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2016 was 21.86%. For the fiscal year ended November 30, 2017, the County contributed \$365,976 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Actuarial assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

<i>Asset Class</i>	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	6.85 %
International Equity	17 %	6.75 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	5.75 %
Alternative Investments	9 %	2.65-7.35%
Cash Equivalents	1 %	2.25 %
Total	100 %	

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Changes to Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2016	14,772,126	11,870,179	2,901,947
Changes for the year:			
Service Cost	338,965	0	338,965
Interest on the total pension liability	1,097,284	0	1,097,284
Differences between expected and actual experience of the total pension liability	433,367	0	433,367
Changes in assumptions	(44,279)	0	(44,279)
Contributions - employer	0	401,428	(401,428)
Contributions - employees	0	142,787	(142,787)
Net investment income	0	839,610	(839,610)
Benefit payments, including refunds of employee contributions	(544,071)	(544,071)	0
Other (net transfer)	0	304,643	(304,643)
Net Changes	1,281,266	1,144,397	136,869
Balance at December 31, 2016	16,053,392	13,014,576	3,038,816

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

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	5,444,172	3,038,816	1,091,767

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

For the year ended November 30, 2017, the County recognized pension expense of \$365,976. At November 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	541,394	45,570
Changes in assumptions	89,930	37,681
Net difference between projected and actual earnings on pension plan investments	617,051	0
Total deferred amounts to be recognized in pension expense in future periods	1,248,375	83,251
Pension contributions made subsequent to the measurement date	321,742	0
Total deferred amounts related to pensions	1,570,117	83,251

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

Year Ending November 30:	Net Deferred Outflows of Resources
2018	335,914
2019	335,914
2020	303,545
2021	94,459
2022	54,090
Thereafter	41,202
Total	1,165,124

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Elected County Officials (ECO):

Employees Covered by the Benefit Terms - At December 31, 2016, the following employees were covered by the benefit terms:

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

Contributions - As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2016 was 0.00%. For the fiscal year ended November 30, 2017, the County contributed \$0 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

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

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

<i>Asset Class</i>	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	6.85 %
International Equity	17 %	6.75 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	5.75 %
Alternative Investments	9 %	2.65-7.35%
Cash Equivalents	1 %	2.25 %
Total	100 %	

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

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

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Changes to Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2016	272,737	272,782	(45)
Changes for the year:			
Service Cost	0	0	0
Interest on the total pension liability	20,455	0	20,455
Differences between expected and actual experience of the total pension liability	(24,051)	0	(24,051)
Contributions - employer	0	0	0
Contributions - employees	0	0	0
Net investment income	0	20,455	(20,455)
Benefit payments, including refunds of employee contributions	0	0	0
Other (net transfer)	0	(23,542)	23,542
Net Changes	(3,596)	(3,087)	(509)
Balance at December 31, 2016	269,141	269,695	(554)

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

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	16,800	(554)	(16,071)

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

For the year ended November 30, 2017, the County recognized pension expense of \$0. At November 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	0	0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	12,272	703
Total deferred amounts to be recognized in pension expense in future periods	12,272	703
Pension contributions made subsequent to the measurement date	0	0
Total deferred amounts related to pensions	12,272	703

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

Year Ending November 30:	Net Deferred Outflows of Resources
2018	4,104
2019	4,105
2020	3,535
2021	(175)
2022	0
Thereafter	0
Total	11,569

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits

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

Benefits Provided. The County does not pay any portion of the health insurance premiums for retirees; however, the retired employee receives an implicit benefit of a lower health care premium, which is spread among the cost of active employee premiums. Because the State prohibits local governments from separately rating active employees and retirees, the County charges both groups an equal, blended premium rate. Although both groups are charged the same rate, GAAP requires the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability. However, the County's contributions to the plan are based on actuarial valuations prepared using the blended rate premium that is actually charged.

Employees Covered by the Benefit Terms. At November 30, 2017, the following employees were covered by the benefit terms:

Active Employees	280
Inactive Employees Currently Receiving Benefits	13
<hr/>	
Net OPEB, end of year	293
<hr/>	

Total OPEB Liability

The County's total OPEB Liability of \$1,665,426 was measured as of November 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions. The total OPEB liability in the November 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.27%
Salary Rate Increase	3.00%
Inflation Rate	2.50%

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

Health Care Trend	Medical Plan Trends has an initial rate of 3.04% that ultimately increases to 6.00%, and then down to 5.00% over 10 years.
Mortality	Rates from the December 31, 2016 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Retirement Rates	Rates from the December 31, 2016 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Withdrawal Rates	Rates from the December 31, 2016 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Disability Rates	Rates from the December 31, 2016 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Starting Per Capita Costs	Starting per capita costs are based on COBRA rates. The rates are developed for actives and pre-Medicare retirees. According to GASB 45, when an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, rates were estimated for retirees as if they were rated on a stand-alone basis, and were adjusted to reflect the difference between the Insurance Year and the Fiscal Year. These costs were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (morbidity). Costs for Medicare eligible do not exhibit the active/retiree subsidization as seen for pre-Medicare medical and are not adjusted. It is assumed that there is no liability to the County for Medicare eligible retirees receiving coverage on a pay-all basis. This treatment follows generally accepted actuarial practice.
Retiree Contribution	Medical Plan - Pre-Medicare: Retiree \$7,741 and Spouse \$9,706
Morbidity	Under Age 65: 4.00%
Coverage Status	Active employees are assumed to continue into retirement at their current coverage level as that in the active medical plan.
Election at Retirement	20% of future retirees will elect medical coverage at retirement

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

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

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

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

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

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

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

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

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

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

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

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

Discount Rate. The County does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 3.27% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of January 17, 2018.

Changes to Net OPEB Liability.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of 11/30/2016	1,851,744	0	1,851,744
Service Cost	72,986	0	72,986
Interest on Total OPEB Liability	58,744	0	58,744
Difference Between Expected & Actual Experience	(11,095)	0	(11,095)
Changes of Assumptions and Other Inputs	16,068	0	16,068
Benefit Payments	(110,554)	0	(110,554)
Other Changes	(212,467)	0	(212,467)
Net Changes	(186,318)	0	(186,318)
Balances as of 11/30/2017	1,665,426	0	1,665,426

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.27 percent) or 1-percentage-point higher (4.27 percent) than the current discount rate:

	1% Lower (2.27%)	Current Discount (3.27%)	1% Higher (4.27%)
Total OPEB Liability	1,792,533	1,665,426	1,548,610

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Lower (5.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.0% decreasing to 5.0%)	1% Higher (7.0% decreasing to 6.0)
Total OPEB Liability	1,506,962	1,665,426	1,852,120

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

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

For the year ended November 30, 2017, the County recognized OPEB expense of \$111,614. At November 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	0	10,019
Changes of assumptions	77,917	255,277
Total	77,917	265,296

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

Fiscal Year ended November 30:

2018	(20,116)
2019	(20,116)
2020	(20,116)
2021	(20,116)
2022	(20,116)
Thereafter	(86,799)
Total	(187,379)

Note 8: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the County carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the County's insurance coverage in fiscal 2017.

The County has retained a portion of the risk of loss for its health care programs. A third-party administrator is responsible for the approval, processing, and payment of claims, after which the County is billed for reimbursement. Purchased stop-loss coverage pays health insurance claims in excess of \$80,000 per individual with an unlimited maximum benefit per individual per life time and aggregate stop loss at a minimum of \$2,523,896 over an annual liability period.

Adams County, Illinois

Notes to Financial Statements

Note 8: Risk Management (Continued)

A reconciliation of health claims payable due for fiscal year ended November 30, 2017, 2016, and 2015 is as follows:

	2017	2016	2015
Claims payable, beginning of year	166,885	100,659	143,496
Add: estimated claims incurred	2,217,316	2,354,584	2,369,794
Less: claims paid	(2,309,801)	(2,288,358)	(2,412,631)
Total	74,400	166,885	100,659

This liability is reported in the Internal Service Fund at November 30, 2017 based on the requirements of accounting principles generally accepted in the United States of America which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Note 9: Intergovernmental Lessor Agreement with City of Quincy

During fiscal year 2017, the County entered into an intergovernmental agreement to lease space to the City of Quincy for the Quincy Police Department. The County is going to construct a new police department for the City as part of the County's new Detention Facility. The County is responsible for all liability and obligations in connection with the construction and maintenance or repair to the facility. Upon completion of the building, the City will pay the County \$1 annually for 20 years for the leased and shared space. In addition, the City paid the County \$4,000,000 for to the construction of the police department within the County's Detention Facility. The City will pay the County \$200,000 on completion of the building for future maintenance costs on common areas. After those maintenance fees have been expended the City will pay for 50% of the maintenance costs of common areas. Due to the nature of the agreement, the \$4,000,000 is shown as deferred lease payments on the Statement of Net Position and will be amortized over the 20 year lease period when construction is completed.

Adams County, Illinois

Notes to Financial Statements

Note 10: Leases

The County leases software under an operating lease agreement which expires in 2020. Total lease expense paid for November 30, 2017 was \$44,100. The following is a schedule of future minimum lease payments under operating leases at November 30, 2017:

	Operating Leases
2018	44,100
2019	44,100
2020	33,075
Total	121,275

Note 11: Long-Term Obligations

General Obligation Bonds - The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds outstanding at November 30, 2017 are as follows:

Governmental Activities:

General Obligation Bonds	Sales Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 11/30/17
Series 2008-Alt Rev	9/25/08	8,180,000	3.250-4.375	2/15/2028	0
Series 2017 - Refund	3/16/17	5,150,000	2.00-3.00	2/15/2028	5,150,000
Total					5,150,000

Alternative Revenue Source Series 2008 Bonds

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. The Series 2017 bond was used to refund the Series 2008 Alternate Revenue bonds.

Adams County, Illinois

Notes to Financial Statements

Note 11: Long-Term Obligations (Continued)

Series 2017 Refunding of Series 2008 Bonds

On March 16, 2017, Adams County entered an agreement to issue \$5,150,000 of Series 2017 Refunding Bonds at a variable interest rate of (2-3%). The Refunding Bonds are being used to fully defease the Series 2008 Alternate Revenue bonds.

The County must pledge future sales tax revenues to repay the Series 2017. The bonds are payable through fiscal year 2/15/2028. Total principal and interest remaining on these bonds is \$5,940,450, payable through fiscal year 2/15/2028. For the current year, principal and interest paid and total pledged revenues were \$700,222 and \$5,017,959, respectively. The following is a schedule of debt payments due over the life of the bond:

Year Ended November 30,	Principal	Interest
2018	455,000	135,950
2019	470,000	126,700
2020	475,000	117,250
2021	485,000	105,225
2022	495,000	90,525
2023-2027	2,745,000	214,425
2028	25,000	375
Total	5,150,000	790,450

Adams County, Illinois

Notes to Financial Statements

Note 11: Long-Term Obligations (Continued)

Note Payables - During fiscal year 2017, the County issued a note payable of \$800,000 to be used towards the construction costs of the new ambulance building with an interest rate of 2.690%. The loan repayments are to begin in fiscal year 2018, with a balloon payment to be made in fiscal year 2019. The following is a schedule of payments over the life of the note:

<i>Years Ended November 30,</i>	Principal	Interest
2018	913	21,819
2019	799,087	21,794
Total	800,000	43,613

Long term liability activity for the year ended November 30, 2017 is as follows:

Governmental activities:	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Bonds payable:					
General obligation bonds	5,565,000	0	(5,565,000)	0	0
Refunding bonds	0	5,150,000	0	5,150,000	455,000
Unamortized premium on bonds	0	136,842	(15,985)	120,857	15,315
Notes payable - Ambulance	0	800,000	0	800,000	913
Accrued compensated absences	517,547	872,884	(852,113)	538,318	0
Total	6,082,547	6,959,726	(6,433,098)	6,609,175	471,228

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$1,156,651,510. As of November 30, 2017, the County had \$66,507,462 of remaining legal debt margin.

Note 12: Debt Defeasance

Current year defeasance

In March 2017, the County defeased the series 2008 bonds by placing the proceeds of the Series 2017 general obligation refunding bond issue in an irrevocable trust fund. During the year ended November 30, 2017, the County refunded \$5,195,000 of the general obligation bonds. The decrease in cash flow requirements as a result of the economic gain or loss is the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate and adjusted for additional cash paid. The County had an economic gain of \$488,311 which will be amortized through 2028. The aggregate difference in debt service between the refunding debt and the refunded debt resulted in a savings of \$485,988.

Adams County, Illinois

Notes to Financial Statements

Note 13: Net Position

Net position reported on the government wide statement of net position at November 30, 2017:

Governmental Activities:

Land and other nondepreciable assets	4,566,053
Other capital assets, net of accumulated depreciation	41,092,695
Less: related long-term debt outstanding	(6,070,857)
<hr/>	
Total net investment in capital assets	39,587,891
<hr/>	
Restricted:	
State statutes and enabling legislation	11,731,793
Debt services	527,379
Externally imposed by grantors	555,405
<hr/>	
Total restricted	12,814,577
<hr/>	
Unrestricted	(5,661,031)
<hr/>	
Governmental activities capital assets, net	46,741,437
<hr/> <hr/>	

Adams County, Illinois

Notes to Financial Statements

Note 14: Fund Balance

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

Adams County, Illinois

Notes to Financial Statements

Note 14: Fund Balance (Continued)

Nonspendable Fund Balance

Nonmajor Funds - Inventory:	
Health Department	87,770
<hr/>	
Total nonspendable fund balance	87,770
<hr/>	

Restricted Fund Balance

Major Funds:

State statutes and enabling legislation:

Capital Expenses	573,892
Motor Fuel Tax	4,028,290

Non-Major Funds:

State statutes and enabling legislation:

Coroners' Fees	33,931
Probation	170,456
State Attorney Record Automation	13,776
Sex Offender Management	2,800
Court Finance	41,643
Electronic Citation	16,926
Circuit Clerk Operation	46,414
Court Automation	80,348
Court Document	169,395
Maintenance & Child Support	126
Drug Enforcement	30,913
Arrestees Medical Costs	1,449
Drug Traffic Prevention	76,727
DUI Equipment	11,264
County Clerk Equipment	29,954
Recorder GIS	19,932
Recorders Equipment	118,896
Tax Sale Automation	5,000
Social Security	758,571
Liability Insurance	535,141
Tuberculosis Treatment	20,529
County Highway	1,809,931
Health Department	951,976
County Bridge	652,166
Matching Tax	455,044
Road District Revolving	173,523
GIS	73,597
IMRF	577,081
Jail Commissary	141,296
Animal Control	22,004

Adams County, Illinois

Notes to Financial Statements

Note 14: Fund Balance (Continued)

Motel Operators	1,032
Court Appointed Special Advocates	0
Externally imposed by grantors:	
IDPA Reconciliation Grant	1,900
Economic Loan	510,642
Federal and State Grants	42,863
States Attorney A.R.I. Grant	0
Bond agreement -	
Debt Service	527,379
<hr/>	
Total restricted fund balance	12,726,807
<hr/>	
Committed Fund Balance	
Major Funds -	
General Fund -	
Working Cash	149,911
<hr/>	
Unassigned Fund Balance	
Major Fund -	
General Fund	3,433,139
Ambulance Services	(340,948)
Non-Major Fund -	
Flood Control	(49,514)
Law Library	(876)
<hr/>	
Total unassigned fund balance	3,041,801
<hr/>	

Adams County, Illinois

Notes to Financial Statements

Note 15: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on November 30, 2017, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Ambulance Fund	998,997
General Fund	Nonmajor funds	50,215
Total		1,049,212

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

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

Interfund transfers at November 30, 2017, were as follows:

Fund	Transfer In	Transfer Out
Major fund -		
General Fund	266,464	1,066,000
Nonmajor governmental funds	1,066,000	266,464
Total	1,332,464	1,332,464

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

Note 16: Contingencies

From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations. As of November 30, 2017, the County is not aware of any contingencies that need to be disclose.

Adams County, Illinois

Notes to Financial Statements

Note 17: Impact of Pending Accounting Principles

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

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

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

GASB Statement No. 85, *Omnibus 2017*, addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other post-employment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County has not determined the effect of this Statement.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County has not determined the effect of this Statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The County has not determined the effect of this Statement.

Adams County, Illinois

Notes to Financial Statements

Note 18: Construction and Other Significant Commitments

The County has entered into several agreements with multiple vendors and contractors for work relating to the construction of the new jail. In October 2015, the County entered into an agreement with Hellmuth, Obata & Kassabaum, Inc. (HOK) for the design and architecture related to the new jail. The contract is for a total sum of \$1,600,000. In July 2017, the County entered into an agreement with Sid Wilson to provide oversight of the construction of the new jail. The term of the contract is two years, and compensation is to be provided of \$85,000 per year of the contract. In October 2017, the County entered into an agreement with Williams Brothers Construction, Inc. for the construction portion of the new jail. The contract is for a total sum of \$32,550,000, and is expected to be completed during fiscal year 2019. As of November 30, 2017, there has been \$3,776,684 spent towards the new jail.

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

Note 19: Subsequent Events

In August 2017, the County received a letter from the Illinois Department of Commerce & Economic Opportunity relating to the closing of the account associated with their revolving loan funds. In January 2018, the County returned \$511,095 to the Illinois Department of Commerce & Economic Opportunity, closing out the County's Revolving Loan Fund. In February 2018, the County received confirmation from the Illinois Department of Commerce & Economic Opportunity of the return of the funds and the official closing of the Revolving Loan Fund account.

In December 2017, the County issued Series 2017 General Obligation Bonds with a value of \$10,000,000. There is a variable interest rate ranging from 2.45-4.30% during the term. Principal and interest payments are to be made on December 26 of every year with the first payment being made in 2018 and last payment in 2037.

In February 2018, the County entered into a contract with County Contractors, Inc. in the amount of \$391,754 for construction of a precast pre-stressed concrete deck beam bridge to replace the existing four barrel box culvert carrying County Highway 57 over Possum Hollow Creek. This project is expected to be started during Summer 2018

In March 2018, the County entered into a contract with Reyhan Bros., Inc. DBA Sangamo Construction Co. in the amount of \$673,570 for the improvement of the bridge carrying County Highway 51 over Fall Creek Gorge. This project is expected to be started and completed during fiscal year 2018.

Required Supplementary Information

Adams County, Illinois

General Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	2,310,000	2,550,069	2,583,023	32,954
Intergovernmental revenue	8,330,329	8,330,329	8,021,346	(308,983)
Charges for services	933,500	933,500	923,198	(10,302)
Fees and Fines	1,384,800	1,384,801	1,390,544	5,743
Licenses and permits	49,200	49,200	49,043	(157)
Interest	47,500	47,500	47,105	(395)
Other revenue	9,900	159,900	134,902	(24,998)
Total revenues	13,065,229	13,455,299	13,149,161	(306,138)
Expenditures:				
Current:				
General control and administration	3,933,111	3,738,134	3,518,041	220,093
Public safety	3,086,093	3,215,794	3,102,125	113,669
Judiciary and court related	3,157,604	3,184,209	3,170,068	14,141
Corrections	2,784,824	2,807,223	2,884,812	(77,589)
Highways and bridges	0	0	0	0
Public health	0	1,423,459	1,516,526	(93,067)
Public welfare	0	0	0	0
Education	220,557	220,557	191,974	28,583
Total expenditures	13,182,189	14,589,376	14,383,546	205,830
Excess (deficiency) of revenues over expenditures	(116,960)	(1,134,077)	(1,234,385)	(100,308)
Other financing sources and (uses):				
Transfers in	213,200	313,200	266,464	(46,736)
Transfers out	(1,081,486)	(1,081,486)	(1,066,000)	15,486
Proceeds from long-term debt	0	800,000	800,000	0
Net change in fund balance	(985,246)	(1,102,363)	(1,233,921)	(131,558)
Adjustment from budgetary basis to generally accepted accounting principles basis			(493,884)	
Fund balances, beginning of year			5,160,944	
Fund balances, end of year			3,433,139	
GAAP fund balances for General Revenue Funds:				
General Fund			3,433,139	
Working Cash			149,911	
GAAP fund balances for General Revenue Funds			3,583,050	

See Notes to Required Supplementary Information.

Adams County, Illinois

Ambulance Services Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	500,000	500,000	507,033	7,033
Intergovernmental revenue	0	0	80,455	80,455
Charges for services	2,897,500	2,897,500	2,664,011	(233,489)
Interest	150	150	617	467
Other revenue	12,000	13,000	5,470	(7,530)
Total revenues	3,409,650	3,410,650	3,257,586	(153,064)
Expenditures:				
Public health	3,317,103	3,310,016	3,749,954	(439,938)
Excess (deficiency) of revenues over expenditures	92,547	100,634	(492,368)	(593,002)
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	92,547	100,634	(492,368)	(593,002)
Adjustment from budgetary basis to generally accepted accounting principles basis			513,339	
Fund balance, beginning of year			(361,919)	
Fund balance (deficit), end of year			(340,948)	

See Notes to Required Supplementary Information.

Adams County, Illinois

Capital Expenses Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	1,780,000	5,980,000	5,766,404	(213,596)
Charges for services	0	0	0	0
Interest	5,000	5,000	17,404	12,404
Other revenue	0	0	0	0
Total revenues	1,785,000	5,985,000	5,783,808	(201,192)
Expenditures:				
Public safety	10,500,000	10,500,000	2,634,684	7,865,316
Excess (deficiency) of revenues over expenditures	(8,715,000)	(4,515,000)	3,149,124	7,664,124
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(8,715,000)	(4,515,000)	3,149,124	7,664,124
Adjustment from budgetary basis to generally accepted accounting principles basis			(3,838,983)	
Fund balance (deficit), beginning of year			1,263,751	
Fund balance, end of year			573,892	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	1,300,000	1,300,000	1,231,031	(68,969)
Charges for services	0	0	0	0
Interest	20,000	20,000	24,326	4,326
Other revenue	0	0	58,088	58,088
Total revenues	1,320,000	1,320,000	1,313,445	(6,555)
Expenditures:				
Highways and bridges	4,500,000	4,500,000	1,614,484	2,885,516
Excess (deficiency) of revenues over expenditures	(3,180,000)	(3,180,000)	(301,039)	2,878,961
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(3,180,000)	(3,180,000)	(301,039)	2,878,961
Adjustment from budgetary basis to generally accepted accounting principles basis			965	
Fund balance (deficit), beginning of year			4,328,364	
Fund balance, end of year			4,028,290	

See Notes to Required Supplementary Information.

Adams County, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

IMRF Regular Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Calendar year ending December 31,										
Total pension liability:										
Service cost	1,228,587	1,251,139	1,310,213							
Interest on the total pension liability	4,898,125	4,654,900	4,263,097							
Benefit changes	0	0	0							
Difference between expected and actual experience	803,166	111,581	425,844							
Assumption changes	(177,598)	84,388	1,848,429							
Benefit payments and refunds	(2,831,057)	(2,680,903)	(2,341,378)							
Net change in total pension liability	3,921,223	3,421,105	5,506,205							
Total pension liability - beginning	66,284,189	62,863,084	57,356,879							
Total pension liability - ending (a)	70,205,412	66,284,189	62,863,084							
Plan fiduciary net position:										
Employer contributions	1,486,917	1,400,068	1,413,904							
Employee contributions	591,156	558,886	546,536							
Pension plan net investment income	3,886,658	284,823	3,301,536							
Benefit payments and refunds	(2,831,057)	(2,680,903)	(2,341,378)							
Other	195,425	(98,990)	90,899							
Net change in plan fiduciary net position	3,329,099	(536,116)	3,011,497							
Plan fiduciary net position - beginning	56,789,394	57,325,510	54,314,013							
Plan fiduciary net position - ending (b)	60,118,493	56,789,394	57,325,510							
Net pension liability(asset) - Ending (a) - (b)	10,086,919	9,494,795	5,537,574							
Plan fiduciary net position as a percentage of total pension liability	85.63%	85.68%	91.19%							
Covered valuation payroll	12,060,091	11,693,312	11,474,354							
Net pension liability as a percentage of covered valuation payroll	83.64%	81.20%	48.26%							

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

Adams County, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

IMRF SLEP Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability:										
Service cost	338,965	308,632	322,860							
Interest on the total pension liability	1,097,284	1,040,864	952,626							
Benefit changes	0	0	0							
Difference between expected and actual experience	433,367	(65,512)	323,728							
Assumption changes	(44,279)	20,683	141,684							
Benefit payments and refunds	(544,071)	(549,893)	(527,585)							
Net change in total pension liability	1,281,266	754,774	1,213,313							
Total pension liability - beginning	14,772,126	14,017,352	12,804,039							
Total pension liability - ending (a)	16,053,392	14,772,126	14,017,352							
Plan fiduciary net position:										
Employer contributions	401,428	356,023	345,293							
Employee contributions	142,787	128,005	121,810							
Pension plan net investment income	839,610	60,563	697,238							
Benefit payments and refunds	(544,071)	(549,893)	(527,585)							
Other	304,643	(270,000)	48,357							
Net change in plan fiduciary net position	1,144,397	(275,302)	685,113							
Plan fiduciary net position - beginning	11,870,179	12,145,481	11,460,368							
Plan fiduciary net position - ending (b)	13,014,576	11,870,179	12,145,481							
Net pension liability(asset) - Ending (a) - (b)	3,038,816	2,901,947	1,871,871							
Plan fiduciary net position as a percentage of total pension liability	81.07%	80.36%	86.65%							
Covered valuation payroll	1,754,782	1,706,726	1,542,910							
Net pension liability as a percentage of covered valuation payroll	173.17%	170.03%	121.32%							

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

Adams County, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

IMRF ECO Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability:										
Service cost	0	0	0							
Interest on the total pension liability	20,455	20,696	19,824							
Benefit changes	0	0	0							
Difference between expected and actual experience	(24,051)	(23,902)	(24,571)							
Assumption changes	0	0	16,365							
Benefit payments and refunds	0	0	0							
Net change in total pension liability	(3,596)	(3,206)	11,618							
Total pension liability - beginning	272,737	275,943	264,325							
Total pension liability - ending (a)	269,141	272,737	275,943							
Plan fiduciary net position:										
Employer contributions	0	0	0							
Employee contributions	0	0	0							
Pension plan net investment income	20,455	1,288	16,124							
Benefit payments and refunds	0	0	0							
Other	(23,542)	13,835	(22,790)							
Net change in plan fiduciary net position	(3,087)	15,123	(6,666)							
Plan fiduciary net position - beginning	272,782	257,659	264,325							
Plan fiduciary net position - ending (b)	269,695	272,782	257,659							
Net pension liability(asset) - Ending (a) - (b)	(554)	(45)	18,284							
Plan fiduciary net position as a percentage of total pension liability	100.21%	100.02%	93.37%							
Covered valuation payroll	0	0	0							
Net pension liability as a percentage of covered valuation payroll	0.00%	0.00%	0.00%							

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

Adams County, Illinois

Required Supplementary Information

Multiyear Schedule of IMRF Contributions

(schedule to be built prospectively from 2015)

Multiyear Schedule of Contributions (IMRF – Non-SLEP)

Last 10 Fiscal Years

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2017	1,427,995	1,427,995	0	12,405,607	11.51%
2016	1,370,662	1,370,662	0	11,545,005	11.87%
2015	1,401,556	1,401,556	0	11,723,083	11.96%

* Estimated based on contribution rate of 11.51% and covered valuation payroll of \$12,405,607

Multiyear Schedule of Contributions (IMRF – SLEP)

Last 10 Fiscal Years

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2017	365,976	365,976	0	1,743,259	20.99%
2016	366,967	366,967	0	1,684,741	21.78%
2015	355,404	355,404	0	1,699,581	20.91%

* Estimated based on contribution rate of 20.99% and covered valuation payroll of \$1,743,259.

Multiyear Schedule of Contributions (IMRF –ECO)

Last 10 Fiscal Years

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2017	0	0	0	0	0.00%
2016	0	0	0	0	0.00%
2015	0	0	0	0	0.00%

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

Adams County, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

(schedule to be built prospectively from 2017)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fiscal year ending November 30,										
Total OPEB liability:										
Service cost	72,986									
Interest on the total OPEB liability	58,745									
Changes of benefit terms	0									
Difference between expected and actual experience	(11,095)									
Changes of assumption or other inputs	16,068									
Contributions - employer	0									
Contributions - active & inactive employees	0									
Net investment income	0									
Benefit payments	(110,554)									
Other changes	(212,468)									
Net change in total pension liability	(186,318)									
Total pension liability - beginning	1,851,744									
Total pension liability - ending (a)	1,665,426									
Covered-employee payroll	Not Available									
Total OPEB Liability as a percentage of covered-employee payroll	Not Available									

Changes of benefit terms. Amounts presented reflect no change in the retirees' share of health insurance premiums.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2017	3.27%
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The County implemented GASB Statement No. 75 in November 30, 2017.

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 \$439,938.

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate for IMRF *

Valuation date:

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

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method Aggregate Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period).

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).

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

Wage Growth 3.50%

Supplementary Information

Adams County, Illinois

General Fund

Combining Balance Sheet

November 30, 2017

ASSETS	County General	Working Cash	Total General
Cash and cash equivalents	1,367,786	149,911	1,517,697
Investments	0	0	0
Receivables, net of allowance for uncollectibles:			
Due from State of Illinois	1,420,241	0	1,420,241
Property taxes receivable	0	0	0
Accounts receivable	223,934	0	223,934
Loans	0	0	0
Inventory	0	0	0
Due from other funds	1,049,212	0	1,049,212
Total assets	4,061,173	149,911	4,211,084
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	158,532	0	158,532
Accrued payroll	469,502	0	469,502
Accrued compensated absences	0	0	0
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
Total liabilities	628,034	0	628,034
Deferred inflows of resources -			
None	0	0	0
Fund balances:			
Nonspendable	0	0	0
Restricted	0	0	0
Committed	0	149,911	149,911
Assigned	0	0	0
Unassigned	3,433,139	0	3,433,139
Total fund balances	3,433,139	149,911	3,583,050
Total liabilities, deferred inflows of resources, and fund balances	4,061,173	149,911	4,211,084

Adams County, Illinois

General Fund

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

For the Year Ended November 30, 2017

	County General	Working Cash	Total General
Revenues:			
Property taxes	2,554,846	0	2,554,846
Intergovernmental revenue	7,748,223	0	7,748,223
Charges for services	903,027	0	903,027
Fees and fines	1,266,029	0	1,266,029
Licenses and permits	50,773	0	50,773
Interest	46,485	0	46,485
Other revenue	134,793	0	134,793
Total revenues	12,704,176	0	12,704,176
Expenditures:			
Current:			
General control and administration	3,514,675	0	3,514,675
Public safety	3,111,704	0	3,111,704
Judiciary and court related	3,159,483	0	3,159,483
Corrections	2,937,806	0	2,937,806
Highways and bridges	0	0	0
Public health	1,516,526	0	1,516,526
Public welfare	0	0	0
Education	192,251	0	192,251
Total expenditures	14,432,445	0	14,432,445
Excess (deficiency) of revenues over expenditures	(1,728,269)	0	(1,728,269)
Other financing sources and (uses):			
Transfers in	266,464	0	266,464
Transfers out	(1,066,000)	0	(1,066,000)
Proceeds from long-term debt	800,000	0	800,000
Net change in fund balance	(1,727,805)	0	(1,727,805)
Fund balances, beginning of year	5,160,944	149,911	5,310,855
Fund balances, end of year	3,433,139	149,911	3,583,050

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

November 30, 2017

ASSETS	Total Nonmajor Governmental	Special Revenue Funds			
		Coroners' Fees	Probation	States Attorney Record Automation	States Attorney A.R.I. Grant
Cash and cash equivalents	8,205,700	32,281	162,113	13,491	0
Investments	0	0	0	0	0
Receivables, net of allowance					
Due from State of Illinois	130,017	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	287,418	1,650	18,130	285	0
Loans	0	0	0	0	0
Inventory	87,770	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	8,710,905	33,931	180,243	13,776	0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	141,396	0	9,787	0	0
Accrued payroll	331,056	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	4,868	0	0	0	0
Due to other funds	50,215	0	0	0	0
Total liabilities	527,535	0	9,787	0	0
Deferred inflows of resources -					
Deferred grant revenues	21,365	0	0	0	0
Fund balances:					
Nonspendable	87,770	0	0	0	0
Restricted	8,124,625	33,931	170,456	13,776	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	(50,390)	0	0	0	0
Total fund balances	8,162,005	33,931	170,456	13,776	0
Total liabilities, deferred inflows of resources and fund balances	8,710,905	33,931	180,243	13,776	0

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds			
	Sex Offender Management	Court Finance	Electronic Citation	Circuit Clerk Operation
Cash and cash equivalents	2,800	43,176	16,438	45,272
Investments	0	0	0	0
Receivables, net of allowance				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	0	5,401	488	1,142
Loans	0	0	0	0
Inventory	0	0	0	0
Due from other funds	0	0	0	0
Total assets	2,800	48,577	16,926	46,414
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	6,934	0	0
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	0	6,934	0	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	2,800	41,643	16,926	46,414
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	2,800	41,643	16,926	46,414
Total liabilities, deferred inflows of resources and fund balances	2,800	48,577	16,926	46,414

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds				
	Law Library	Court Automation	Court Document	Maintenance & Child Support	IDPA Reconciliation Grant
Cash and cash equivalents	0	76,553	158,025	126	10
Investments	0	0	0	0	0
Receivables, net of allowance					
Due from State of Illinois	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	4,290	3,810	11,370	0	1,890
Loans	0	0	0	0	0
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	4,290	80,363	169,395	126	1,900
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	0	15	0	0	0
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0
Due to other funds	5,166	0	0	0	0
Total liabilities	5,166	15	0	0	0
Deferred inflows of resources -					
None	0	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	0	80,348	169,395	126	1,900
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	(876)	0	0	0	0
Total fund balances	(876)	80,348	169,395	126	1,900
Total liabilities, deferred inflows of resources and fund balances	4,290	80,363	169,395	126	1,900

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds			
	Drug Enforcement	Arrestees Medical Costs	Drug Traffic Prevention	DUI Equipment
Cash and cash equivalents	28,244	813	76,727	11,016
Investments	0	0	0	0
Receivables, net of allowance:				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	2,669	636	0	248
Loans	0	0	0	0
Inventory	0	0	0	0
Prepaid expense	0	0	0	0
Total assets	30,913	1,449	76,727	11,264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	0	0	0
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	0	0	0	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	30,913	1,449	76,727	11,264
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	30,913	1,449	76,727	11,264
Total liabilities, deferred inflows of resources and fund balances	30,913	1,449	76,727	11,264

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds			
	County Clerk Equipment	Recorder GIS	Recorders Equipment	Tax Sale Automation
Cash and cash equivalents	29,147	19,093	113,745	5,000
Investments	0	0	0	0
Receivables, net of allowance				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	807	839	5,222	0
Loans	0	0	0	0
Inventory	0	0	0	0
Due from other funds	0	0	0	0
Total assets	29,954	19,932	118,967	5,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	0	71	0
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	0	0	71	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	29,954	19,932	118,896	5,000
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	29,954	19,932	118,896	5,000
Total liabilities, deferred inflows of resources and fund balances	29,954	19,932	118,967	5,000

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds			
	Social Security	Liability Insurance	Tuberculosis Treatment	Cooperative Extension
Cash and cash equivalents	815,802	535,652	25,244	0
Investments	0	0	0	0
Receivables, net of allowance for uncollectibles:				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	192	5	10	0
Loans	0	0	0	0
Inventory	0	0	0	0
Prepaid expense	0	0	0	0
Total assets	815,994	535,657	25,254	0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	516	0	0
Accrued payroll	57,423	0	4,725	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	57,423	516	4,725	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	758,571	535,141	20,529	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	758,571	535,141	20,529	0
Total liabilities, deferred inflows of resources and fund balances	815,994	535,657	25,254	0

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds				
	Developmentally Disabled	County Highway	County Health	County Bridge	Matching Tax
Cash and cash equivalents	0	1,860,399	794,219	631,776	479,349
Investments	0	0	0	0	0
Receivables, net of allowance for uncollectibles:					
Due from State of Illinois	0	0	118,784	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	0	15,177	158,795	20,390	0
Loans	0	0	0	0	0
Inventory	0	0	87,770	0	0
Prepaid expense	0	0	0	0	0
Total assets	0	1,875,576	1,159,568	652,166	479,349
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	0	34,077	36,815	0	24,024
Accrued payroll	0	31,568	61,642	0	281
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	0	65,645	98,457	0	24,305
Deferred inflows of resources -					
Deferred grant revenues	0	0	21,365	0	0
Fund balances:					
Nonspendable	0	0	87,770	0	0
Restricted	0	1,809,931	951,976	652,166	455,044
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances	0	1,809,931	1,039,746	652,166	455,044
Total liabilities, deferred inflows of resources and fund balances	0	1,875,576	1,159,568	652,166	479,349

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

ASSETS	Special Revenue Funds					
	Flood Control	Road District Revolving	GIS	IMRF	Economic Loan	Jail Commissary
Cash and cash equivalents	0	174,619	78,028	729,695	510,642	144,619
Investments	0	0	0	0	0	0
Receivables, net of allowance for uncollectibles:						
Due from State of Illinois	0	0	0	11,233	0	0
Property taxes receivable	0	0	0	0	0	0
Accounts receivable	0	8,746	15,552	277	0	1,545
Loans	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
Total assets	0	183,365	93,580	741,205	510,642	146,164
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	5,208	389	18,143	0	0	0
Accrued payroll	0	9,453	1,840	164,124	0	0
Accrued compensated absences	0	0	0	0	0	0
Funds held in trust	0	0	0	0	0	4,868
Due to other funds	44,306	0	0	0	0	0
Total liabilities	49,514	9,842	19,983	164,124	0	4,868
Deferred inflows of resources -						
None	0	0	0	0	0	0
Fund balances:						
Nonspendable	0	0	0	0	0	0
Restricted	0	173,523	73,597	577,081	510,642	141,296
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned	(49,514)	0	0	0	0	0
Total fund balances	(49,514)	173,523	73,597	577,081	510,642	141,296
Total liabilities, deferred inflows of resources and fund balances	0	183,365	93,580	741,205	510,642	146,164

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2017

	Special Revenue Funds				Debt Service
	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service
ASSETS					
Cash and cash equivalents	20,418	183	43,606	0	527,379
Investments	0	0	0	0	0
Receivables, net of allowance for uncollectibles:					
Due from State of Illinois	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	1,586	849	0	5,417	0
Loans	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid expense	0	0	0	0	0
Total assets	22,004	1,032	43,606	5,417	527,379
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	0	0	0	5,417	0
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0
Due to other funds	0	0	743	0	0
Total liabilities	0	0	743	5,417	0
Deferred inflows of resources -					
None	0	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	22,004	1,032	42,863	0	527,379
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances	22,004	1,032	42,863	0	527,379
Total liabilities, deferred inflows of resources and fund balances	22,004	1,032	43,606	5,417	527,379

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended November 30, 2017

	Total Nonmajor Governmental	Special Revenue Funds			
		Coroners' Fees	Probation	States Attorney Record Automation	States Attorney A.R.I. Grant
Revenues:					
Property taxes	6,099,181	0	0	0	0
Intergovernmental revenue	1,491,157	0	0	0	15,347
Charges for services	2,004,114	16,710	0	0	0
Fees and fines	781,993	0	223,369	4,174	0
Licenses and permits	22,092	0	0	0	0
Interest	9,968	0	0	0	0
Other revenue	119,477	0	0	0	0
Total revenues	10,527,982	16,710	223,369	4,174	15,347
Expenditures:					
Current:					
General control and administration	831,832	4,212	0	0	0
Public safety	518,988	0	0	0	0
Judiciary and court related	1,123,138	0	264,668	0	15,347
Corrections	484,795	0	0	0	0
Highways and bridges	2,732,340	0	0	0	0
Public health	4,011,167	0	0	0	0
Public welfare	680,631	0	0	0	0
Education	161,025	0	0	0	0
Debt service:					
Principal	370,000	0	0	0	0
Interest	224,518	0	0	0	0
Capital outlay	660,519	0	0	0	0
Total expenditures	11,798,953	4,212	264,668	0	15,347
Excess (deficiency) of revenues over expenditures	(1,270,971)	12,498	(41,299)	4,174	0
Other financing sources and (uses):					
Transfers in	1,066,000	0	0	0	0
Transfers out	(266,464)	0	(96,000)	0	0
Proceeds from long-term debt	5,150,000	0	0	0	0
Premium on issuance of bonds	136,842	0	0	0	0
Payment to refunded bonds escrow agent	(5,234,347)	0	0	0	0
Net change in fund balance	(418,940)	12,498	(137,299)	4,174	0
Fund balances, beginning of year	8,580,945	21,433	307,755	9,602	0
Fund balances, end of year	8,162,005	33,931	170,456	13,776	0

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds			
	Sex Offender Management	Court Finance	Electronic Citation	Circuit Clerk Operation
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	0	0	0	0
Charges for services	0	0	6,830	0
Fees and fines	0	62,959	0	15,347
Licenses and permits	1,410	0	0	0
Interest	0	0	0	0
Other revenue	0	0	0	0
Total revenues	1,410	62,959	6,830	15,347
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	877	0	0	0
Judiciary and court related	0	66,025	0	7,229
Corrections	0	0	0	0
Highways and bridges	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	877	66,025	0	7,229
Excess (deficiency) of revenues over expenditures	533	(3,066)	6,830	8,118
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	533	(3,066)	6,830	8,118
Fund balances, beginning of year	2,267	44,709	10,096	38,296
Fund balances, end of year	2,800	41,643	16,926	46,414

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds				
	Law Library	Court Automation	Court Document	Maintenance & Child Support	IDPA Reconciliation Grant
Revenues:					
Property taxes	0	0	0	0	0
Intergovernmental revenue	0	0	0	0	9,261
Charges for services	0	57,134	0	108	0
Fees and fines	38,441	0	130,757	0	0
Licenses and permits	0	0	0	0	0
Interest	0	0	0	0	0
Other revenue	0	2,530	0	0	0
Total revenues	38,441	59,664	130,757	108	9,261
Expenditures:					
Current:					
General control and administration	0	0	0	0	0
Public safety	0	0	0	0	0
Judiciary and court related	44,702	35,590	4,941	0	0
Corrections	0	0	0	0	0
Highways and bridges	0	0	0	0	0
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Education	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	44,702	35,590	4,941	0	0
Excess (deficiency) of revenues over expenditures	(6,261)	24,074	125,816	108	9,261
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	0	(100,000)	0	(7,370)
Net change in fund balance	(6,261)	24,074	25,816	108	1,891
Fund balances, beginning of year	5,385	56,274	143,579	18	9
Fund balances (deficit), end of year	(876)	80,348	169,395	126	1,900

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds			
	Drug Enforcement	Arrestees Medical Costs	Drug Traffic Prevention	DUI Equipment
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	0	0	0	0
Charges for services	0	10,330	0	0
Fees and fines	23,313	0	61,607	10,115
Licenses and permits	0	0	0	0
Interest	0	0	350	0
Other revenue	0	0	0	0
Total revenues	23,313	10,330	61,957	10,115
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	4,903	0	7,362	10,839
Judiciary and court related	0	0	0	0
Corrections	0	31,136	0	0
Highways and bridges	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	4,903	31,136	7,362	10,839
Excess (deficiency) of revenues over expenditures	18,410	(20,806)	54,595	(724)
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	(10,000)	0	0	0
Net change in fund balance	8,410	(20,806)	54,595	(724)
Fund balances, beginning of year	22,503	22,255	22,132	11,988
Fund balances, end of year	30,913	1,449	76,727	11,264

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes

in Fund Balances

Nonmajor Governmental Funds

(Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds				
	County Clerk Equipment	Recorder GIS	Recorders Equipment	Tax Sale Automation	Social Security
Revenues:					
Property taxes	0	0	0	0	1,119,606
Intergovernmental revenue	0	0	0	0	2,642
Charges for services	13,466	10,834	63,183	0	0
Fees and fines	0	0	0	10,498	0
Licenses and permits	0	0	0	0	0
Interest	0	0	0	0	523
Other revenue	0	0	0	0	0
Total revenues	13,466	10,834	63,183	10,498	1,122,771
Expenditures:					
Current:					
General control and administration	3,751	0	41,012	17,063	89,329
Public safety	0	0	0	0	173,349
Judiciary and court related	0	0	0	0	227,779
Corrections	0	0	0	0	171,551
Highways and bridges	0	0	0	0	83,651
Public health	0	0	0	0	368,847
Public welfare	0	0	0	0	0
Education	0	0	0	0	10,081
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	3,751	0	41,012	17,063	1,124,587
Excess (deficiency) of revenues over expenditures	9,715	10,834	22,171	(6,565)	(1,816)
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	(18,000)	(14,000)	0	0	0
Net change in fund balance	(8,285)	(3,166)	22,171	(6,565)	(1,816)
Fund balances, beginning of year	38,239	23,098	96,725	11,565	760,387
Fund balances, end of year	29,954	19,932	118,896	5,000	758,571

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds			
	Liability Insurance	Tuberculosis Treatment	Cooperative Extension	Developmentally Disabled
Revenues:				
Property taxes	400,813	74,393	134,304	680,314
Intergovernmental revenue	1,364	0	0	0
Charges for services	0	2,295	0	0
Fees and fines	0	0	0	0
Licenses and permits	0	0	0	0
Interest	187	33	62	317
Other revenue	0	0	0	0
Total revenues	402,364	76,721	134,366	680,631
Expenditures:				
Current:				
General control and administration	484,660	0	0	0
Public safety	0	0	0	0
Judiciary and court related	0	0	0	0
Corrections	0	0	0	0
Highways and bridges	0	0	0	0
Public health	0	86,459	0	0
Public welfare	0	0	0	680,631
Education	0	0	134,366	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	484,660	86,459	134,366	680,631
Excess (deficiency) of revenues over expenditures	(82,296)	(9,738)	0	0
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(82,296)	(9,738)	0	0
Fund balances, beginning of year	617,437	30,267	0	0
Fund balances, end of year	535,141	20,529	0	0

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds				
	County Highway	County Health	County Bridge	Matching Tax	Flood Control
Revenues:					
Property taxes	1,040,689	187,833	578,227	520,405	0
Intergovernmental revenue	74,977	936,464	0	0	61,649
Charges for services	1,435	1,583,164	20,390	0	0
Fees and fines	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Interest	486	691	271	242	0
Other revenue	75,896	41,051	0	0	0
Total revenues	1,193,483	2,749,203	598,888	520,647	61,649
Expenditures:					
Current:					
General control and administration	0	0	0	0	0
Public safety	0	0	0	0	0
Judiciary and court related	0	0	0	0	0
Corrections	0	0	0	0	0
Highways and bridges	885,222	0	246,822	992,324	64,135
Public health	0	2,949,310	0	0	0
Public welfare	0	0	0	0	0
Education	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	152,075	0	355,224	128,548	0
Total expenditures	1,037,297	2,949,310	602,046	1,120,872	64,135
Excess (deficiency) of revenues over expenditures	156,186	(200,107)	(3,158)	(600,225)	(2,486)
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Net change in fund balance	156,186	(200,107)	(3,158)	(600,225)	(2,486)
Fund balances (deficit), beginning of year	1,653,745	1,239,853	655,324	1,055,269	(47,028)
Fund balances (deficit), end of year	1,809,931	1,039,746	652,166	455,044	(49,514)

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds				
	Road District Revolving	GIS	IMRF	Economic Loan	Jail Commissary
Revenues:					
Property taxes	0	0	1,362,597	0	0
Intergovernmental revenue	0	0	373,696	0	0
Charges for services	87,041	0	0	0	54,066
Fees and fines	0	201,413	0	0	0
Licenses and permits	0	0	0	0	0
Interest	1,087	551	636	1,988	954
Other revenue	0	0	0	0	0
Total revenues	88,128	201,964	1,736,929	1,988	55,020
Expenditures:					
Current:					
General control and administration	0	37,227	146,896	334	0
Public safety	0	0	285,065	0	36,593
Judiciary and court related	0	0	374,572	0	0
Corrections	0	0	282,108	0	0
Highways and bridges	95,984	226,641	137,561	0	0
Public health	0	0	606,551	0	0
Public welfare	0	0	0	0	0
Education	0	0	16,578	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	24,672
Total expenditures	95,984	263,868	1,849,331	334	61,265
Excess (deficiency) of revenues over expenditures	(7,856)	(61,904)	(112,402)	1,654	(6,245)
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Net change in fund balance	(7,856)	(61,904)	(112,402)	1,654	(6,245)
Fund balances, beginning of year	181,379	135,501	689,483	508,988	147,541
Fund balances, end of year	173,523	73,597	577,081	510,642	141,296

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2017

	Special Revenue Funds				Debt Service
	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service
Revenues:					
Property taxes	0	0	0	0	0
Intergovernmental revenue	0	6,566	9,191	0	0
Charges for services	0	0	0	77,128	0
Fees and fines	0	0	0	0	0
Licenses and permits	20,682	0	0	0	0
Interest	0	0	0	0	1,590
Other revenue	0	0	0	0	0
Total revenues	20,682	6,566	9,191	77,128	1,590
Expenditures:					
Current:					
General control and administration	0	5,561	1,787	0	0
Public safety	0	0	0	0	0
Judiciary and court related	0	0	0	82,285	0
Corrections	0	0	0	0	0
Highways and bridges	0	0	0	0	0
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Education	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	370,000
Interest	0	0	0	0	224,518
Capital outlay	0	0	0	0	0
Total expenditures	0	5,561	1,787	82,285	594,518
Excess (deficiency) of revenues over expenditures	20,682	1,005	7,404	(5,157)	(592,928)
Other financing sources and (uses):					
Transfers in	0	0	0	0	1,066,000
Transfers out	(21,094)	0	0	0	0
Proceeds from long-term debt	0	0	0	0	5,150,000
Premium on issuance of bonds	0	0	0	0	136,842
Payment to refunded bonds escrow agent	0	0	0	0	(5,234,347)
Net change in fund balance	(412)	1,005	7,404	(5,157)	525,567
Fund balances, beginning of year	22,416	27	35,459	5,157	1,812
Fund balances, end of year	22,004	1,032	42,863	0	527,379

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the year ended November 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
County Collector Tax Funds				
Assets -				
Cash	1,213,716	78,856,364	79,961,434	108,646
Accounts Receivable	10,950	0	10,950	0
Total assets	1,224,666	78,856,364	79,972,384	108,646
Liabilities -				
Agency funds due to others	1,224,666	78,856,364	79,972,384	108,646
Township Motor Fuel Tax				
Assets -				
Cash	1,672,220	1,916,192	1,843,315	1,745,097
Accounts Receivable	72,015	0	72,015	0
Due from other governments	134,334	133,986	134,334	133,986
Total assets	1,878,569	2,050,178	2,049,664	1,879,083
Liabilities -				
Accounts payable	78,295	313,276	78,295	313,276
Agency funds due to others	1,800,274	1,736,902	1,971,369	1,565,807
Total liabilities	1,878,569	2,050,178	2,049,664	1,879,083
Township Bridge Fund				
Assets -				
Cash	239,207	1,300	0	240,507
Liabilities -				
Agency funds due to others	239,207	1,300	0	240,507
Sheriff Accounts				
Assets -				
Cash	5,638	3,933	3,933	5,638
Liabilities -				
Agency funds due to others	5,638	3,933	3,933	5,638

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Condemnation Proceeds Fund				
Assets -				
Cash	3,500	0	3,500	0
Liabilities -				
Agency funds due to others	3,500	0	3,500	0
Unclaimed Money Fund				
Assets -				
Cash	12,705	4,239	1,442	15,502
Accounts Receivable	5	7	5	7
Total assets	12,710	4,246	1,447	15,509
Liabilities -				
Accounts payable	0	1,142	0	1,142
Agency funds due to others	12,705	3,104	1,447	14,362
Total liabilities	12,705	4,246	1,447	15,504
Circuit Clerk				
Assets -				
Cash	1,233,243	4,078,524	4,123,635	1,188,132
Liabilities -				
Agency funds due to others	1,233,243	4,078,524	4,123,635	1,188,132
Adams County Benevolent Fund				
Assets -				
Cash	0	0	0	0
Liabilities -				
Agency funds due to others	0	0	0	0
County Clerk				
Assets -				
Cash	122,949	1,819,405	1,815,943	126,411
Investments	17,651	14,189	17,651	14,189
Total assets	140,600	1,833,594	1,833,594	140,600
Liabilities -				
Agency funds due to others	140,600	1,833,594	1,833,594	140,600

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
West Central Task Force				
Assets -				
Cash	254,947	238,156	188,388	304,715
Liabilities -				
Agency funds due to others	254,947	238,156	188,388	304,715
Chief Judge				
Assets -				
Cash	4,458	5,244	5,106	4,596
Liabilities -				
Agency funds due to others	4,458	5,244	5,106	4,596
Marriage & Civil Union Fund				
Assets -				
Cash	1,531	1,028	1,575	984
Liabilities -				
Agency funds due to others	1,531	1,028	1,575	984
Probation Restitution				
Assets -				
Cash	1,022	0	0	1,022
Liabilities -				
Agency funds due to others	1,022	0	0	1,022

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Safe Kids Coalition				
Assets -				
Cash	29,675	4,765	12,185	22,255
Liabilities -				
Agency funds due to others	29,675	4,765	12,185	22,255
Association of Highway Commissioners				
Assets -				
Cash	702	0	0	702
Liabilities -				
Agency funds due to others	702	0	0	702
All Agency Funds				
Assets:				
Cash in banks	4,795,513	86,929,150	87,960,456	3,764,207
Investment	17,651	14,189	17,651	14,189
Accounts Receivable	82,970	7	82,970	7
Due from other governments	134,334	133,986	134,334	133,986
Total assets	5,030,468	87,077,332	88,195,411	3,912,389
Liabilities:				
Accounts payable	78,295	314,418	78,295	314,418
Agency funds due to others	4,952,173	86,762,914	88,117,116	3,597,971
Total liabilities	5,030,468	87,077,332	88,195,411	3,912,389

Adams County, Illinois

Quincy, Illinois

Report on Federal Awards

Year ended November 30, 2017

WIPFLi^{LLP}
CPAs and Consultants

Adams County, Illinois

Year Ended November 30, 2017

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Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the County Board
Adams County
Quincy, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, (the “County”), as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated May 18, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002.

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 which are described in the accompanying schedule of findings and questioned costs as item 2017-003.

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 them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the 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 18, 2018



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

To the County Board
Adams County
Quincy, Illinois

Report on Compliance for Each Major Federal Program

We have audited Adams County, Illinois’ (the “County”) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2017. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility for Compliance

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Adams County, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2017.

Other Matters

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph 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 described 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 2017-004.

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.

Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise Adams County, Illinois' basic financial statements. We have issued our report thereon dated May 18, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic

financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Wipfli LLP

Sterling, Illinois
May 18, 2018

Adams County, Illinois

Schedule of Expenditures of Federal Awards

For the year ended November 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Illinois State Board of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2017-4220-00	\$9,411	\$0
School Breakfast Program	10.553	2018-4220-00	2,111	0
Total CFDA 10.553			11,522	0
Food Commodities (non-cash)	10.555	2017-01001005P00	8,588	0
National School Lunch Program	10.555	2017-4210-00	18,757	0
National School Lunch Program	10.555	2018-4210-00	4,189	0
Total CFDA 10.555			31,534	0
Illinois Department of Public Health				
Summer Food Service Program for Children	10.559	55280001C	400	0
Total CFDA 10.559			400	0
Total Child Nutrition Cluster			43,456	0
Illinois Department of Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
WIC Administration	10.557	FCSVQ00682	114,559	0 (M)
WIC Administration	10.557	FCSWQ00682	115,295	0 (M)
WIC Vouchers (non-cash)	10.557	SFY17-376000379	447,240	0 (M)
WIC Vouchers (non-cash)	10.557	SFY18-376000379	130,737	0 (M)
Total CFDA 10.557			807,831	0
Illinois Department of Human Services				
WIC Farmers Market Nutrition Program	10.572	FCSWQ00695	1,000	0
Total CFDA 10.572			1,000	0
Total U.S. Department of Agriculture			\$852,287	\$0
U.S. Department of Justice				
Illinois Criminal Justice Information Authority				
Edward Byrne Memorial Justice Assistance Grant	16.738	414019	\$80,031	\$80,031
Edward Byrne Memorial Justice Assistance Grant	16.738	415719	26,677	26,677
Total U.S. Department of Justice			\$106,708	\$106,708

Adams County, Illinois

Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Environmental Protection Agency				
Illinois Department of Public Health Performance Partnership Grants Potable Water Supply	66.605	75380106E	\$38	\$0
Total Environmental Protection Agency			\$38	\$0
 U.S. Department of Health and Human Services				
National Association of City and County Health Officials				
Medical Reserve Corps Small Grant Program	93.008	MRC 18-10187	\$7,769	\$0
Total CFDA 93.008			7,769	0
Illinois Department of Public Health				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				
Bioterrorism Preparedness	93.074	77180001E	24,438	0
Bioterrorism Preparedness	93.074	87180001F	30,362	0
Ebola Virus Disease	93.074	SFY17	4,739	0
Total CFDA 93.074			59,539	0
Illinois Department of Public Health				
Immunization Cooperative Agreement	93.268	75180008E	15,965	0
Illinois Department of Healthcare and Family Services				
Child Support Enforcement	93.563	SFY17	3,837	0
Child Support Enforcement	93.563	SFY18	3,533	0
Total CFDA 93.563			7,370	0
Illinois Department of Human Services				
Title XX Block Grant	93.667	FCSVU03851	95,400	0
Title XX Block Grant	93.667	FCSWU03851	32,833	0
Total CFDA 93.667			128,233	0
Illinois Department of Healthcare and Family Services				
Medical Assistance Program	93.778	FY2017	1,680	0
Southern Illinois University School of Medicine				
HIV Care Formula Grants				
HIV Prevention Formula Grants	93.917	SIUSUB17	1,587	0
Illinois Public Health Association Fund				
HIV Prevention Activities	93.940	17-186-01	6,847	0

Adams County, Illinois

Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued):				
Illinois Department of Public Health				
Maternal and Child Health Services Block Grants				
Dental Sealants	93.994	73480107E	902	0
Teen Pregnancy Prevention	93.994	76380042E	28,029	0
Total CFDA 93.994			28,931	0
Total U.S. Department of Human Services			\$257,921	\$0
U.S. Department of Homeland Security				
Illinois Emergency Management Agency				
Emergency Management Performance Grant	97.042	17EMAADAMS	\$6,890	\$0
Total U.S. Department of Homeland Security			\$6,890	\$0
Total federal awards expended			\$1,223,844	\$106,708

(M) - Audited as a major federal program.

Adams County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 1 Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Adams County, Illinois (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the compliance requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The County elected to use the 10% de minimis indirect cost rate during the year ended November 30, 2017.

Note 2 Significant Accounting Policies

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

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

Note 3 Noncash Assistance

As reported on the Schedule of Expenditures of Federal Awards, the County dispensed noncash assistance in the form of food commodities and WIC food instruments. During the year ended November 30, 2017, 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	\$8,588
WIC vouchers (food instruments)	10.557	577,977
		<u>\$585,565</u>

Note 4 Other Federal Award Information

The County did not receive or administer any insurance, loans or loan guarantees during the fiscal year ended November 30, 2017.

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	X Yes No

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

A. Internal Control

Finding 2017-001

Criteria – Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition – The County does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with GAAP.

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

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 staff.

Auditor's Recommendation – Management should continue to review and approve the annual financial statements and the related footnote disclosures.

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

Finding 2017-002

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

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

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

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

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

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

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings (continued)

B. Compliance Finding

Finding 2017-003

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

Condition – During Circuit Clerk case testing, there were two cases that were not properly assessed according to State statutes. The amounts of fees not properly assessed were insignificant to the financial statement.

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

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

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

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

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

Finding 2017-004

Department of Agriculture, passed through the Illinois Department of Human Services

Finding: Eligibility

WIC Administration CFDA No. 10.557

<u>Federal Grantor/ Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Illinois Department of Human Services	FCSVQ00682	07/01/2016 – 06/30/2017
	FCSWQ00682	07/01/2017 – 06/30/2018

Questioned costs – None

Condition – Applications to receive WIC assistance are screened at the Health Department to determine participant eligibility. Each application must be approved by at least two Adams County employees as required by the County's internal control procedures. Procedures should be in place that provides reasonable assurance that all required documentation is in the applicants file before eligibility of individuals for services is determined.

Adams County, Illinois

Schedule of Findings and Questioned Costs

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

A. Internal Control

Finding 2017-004

Our testing included a non-statistical sample of 40 individuals receiving WIC assistance. Out of the sample of 40, two applications were missing a second signature showing proof that application was reviewed by someone besides the WIC employees.

Criteria – WIC benefit eligibility is determined at the County level, not the state level. There should be at least two different employees so that each application is reviewed by someone independent of its preparation.

Cause – There was a lack of quality control process over eligibility determinations.

Effects or Potential Effects – Due to the lack of review, there could be potential recipients of services that are not eligible.

Auditor's Recommendation – We recommend that the County properly implement their internal controls to prevent ineligible applicants from receiving benefits.

B. Compliance Finding

None

County of Adams
Office of County Treasurer

Terry E. Asher
County Treasurer/ Collector
tasher@co.adams.il.us
(217) 277-2223

507 Vermont St Ste G12
Quincy, Illinois 62301-2998

Phone: (217)-277-2245
Fax: (217)-277-2000

Finding 2017-001 – Financial Statement Preparation

Corrective Action Plan

The County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

Person(s) Responsible: County Management and County Board

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

Finding 2017-002 – Segregation of Duties

Corrective Action Plan

The County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

Person(s) Responsible: County Management and County Board

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

LORI R. GESCHWANDNER
ADAMS COUNTY CIRCUIT COURT CLERK
521 VERMONT STREET
QUINCY, IL 62301
PHONE (217) 277-2100

Finding 2017-003 - Assessment of Fees

Corrective Action Plan

We will make every effort possible to review fees that are assessed to ensure that all fees are being assessed to cases correctly.

Person(s) Responsible: Circuit Clerk

Timing for Implementation: This finding is expected to be resolved by 6/1/18.



5/7/2018

Adams County, Illinois
Schedule of Findings and Questioned Costs
Finding 2017-004 Corrective Action Plan

Finding 2017-004 – WIC Administration Eligibility Internal Control

Condition – Applications to receive WIC assistance are screened at the Health Department to determine participant eligibility. Each application must be approved by at least two Adams County Employees as required by the County's internal control procedures. Procedures should be in place that provides reasonable assurance that all required documentation is in the applicants file before eligibility of individuals for services is determined.

Finding – Testing included a non-statistical sample of 40 individuals receiving WIC assistance. Out of the sample of 40, two applications were missing a second signature showing proof that application was reviewed by someone besides the WIC employees.

Auditor's Recommendation – County properly implement internal controls to prevent ineligible applicants from receiving benefits.

Corrective Action - Starting May 2018, there is a designated employee to verify that all certification forms are signed by two staff members. We will monitor this through monthly quality assurance logs. Going forward there should not be any issues regarding signatures.

Person(s) Responsible: WIC Coordinator and WIC Staff

Timing for Implementation: This finding is expected to be resolved for the fiscal year ending November 30, 2018.

Jerrod C. Welch, MPA, CPHA
Public Health Administrator

C: WIPFLI
Adams County Treasurer's Office
WIC Supervisor/Director of Clinical Services

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings

November 30, 2016

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 2016-001

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 2017.

Item 2016-002

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 2017.

Item 2016-003

The jail commissary trial balance and bank accounts' reconciliations for November 2016 were not made available during audit fieldwork. When the information was received, the trial balance did not properly reconcile. This finding has been resolved for 2017.

B. Compliance Finding

None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

None

B. Compliance Finding

None

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings (continued)

November 30, 2015

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

A. Internal Control

Item 2015-001

The County does not prepare the financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP). It was determined by County management and its Board of Director's that engaging with the external audit firm is the most economical and appropriate manner to prepare the financial statements and related disclosures in accordance with GAAP. The County has not completed its corrective action plan. This is a repeat finding for 2016.

Item 2015-002

The County does not have proper segregation of duties over the functions of processing and recording financial transactions due to limited personnel. The County's management and County Board will supervise and review accounting information to help prevent and detect errors. The County has not completed its corrective action plan. This is a repeat finding for 2016.

Item 2015-003

During Circuit Clerk case testing, there were two cases that were not properly assessed according to State statutes. Both cases were corrected by the Circuit Clerk's Office. The amounts of fees not properly assessed were insignificant to the financial statements. This finding has been resolved for 2016.

Item 2015-004

The jail commissary trial balance and bank accounts' reconciliations for November 2015 were not made available during audit fieldwork. When the information was received, the trial balance did not properly reconcile. This is a repeat finding for 2016.

B. Compliance Finding

None

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings (continued)

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

Item 2015-005

The County does not have a system in place for identifying federal financial assistance that will enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without complete administrative oversight from one office or designated individual. The County will establish a centralized grant identification system with one office or individual, who will be responsible for obtaining the requisite information from the various departments for the grants it administers. The County has not completed its corrective action plan. This finding has been resolved for 2016.

B. Compliance Finding

None