

Lee County, Illinois

Dixon, Illinois

Financial Report

Year Ended November 30, 2015

Lee County, Illinois

Year Ended November 30, 2015

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Lee County, Illinois

Year Ended November 30, 2015

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Independent Auditor's Report

To the County Board
Lee County, Illinois
Dixon, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Illinois, (the "County") as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Lee County Emergency Telephone System were not audited in accordance with *Government Auditing Standards*.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lee County, Illinois, as of November 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the required supplementary information on pages 47 through 61 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although no a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 page 62 through 91 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 were 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 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.

The schedule of assessed valuations, tax levies, tax extensions, and tax rates have not be subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
May 3, 2016

Basic Financial Statements

Lee County, Illinois

Statement of Net Position

November 30, 2015

ASSETS	Primary Government Governmental Activities	Component Unit
Cash, deposits, and investments	\$17,804,990	\$1,056,775
Inventory	34,783	0
Prepaid expenses	0	18,446
Property taxes receivable	6,435,083	0
Accounts receivable	630,360	17,659
Due from the State	1,859,237	0
Surcharge receivables	0	131,165
Total current assets	26,764,453	1,224,045
Noncurrent assets:		
Land and other nondepreciable assets	1,717,158	17,200
Depreciable property and equipment, net of depreciation	15,303,226	707,887
Net pension asset	0	594
Total noncurrent assets	17,020,384	725,681
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of pension resources	2,460,981	28,370
LIABILITIES		
Current liabilities:		
Accounts payable	\$1,050,728	9,065
Accrued payroll	328,958	2,236
Other liabilities	12,165	0
Accrued compensated absences due within one year	119,034	1,190
Capital lease payable	99,775	0
Total current liabilities	1,610,660	12,491
Noncurrent liabilities -		
Accrued compensated absences	712,210	7,118
Other post-employment benefits	1,245,204	0
Net pension liability	1,494,742	0
Capital lease payable	108,266	0
Total noncurrent liabilities	3,560,422	7,118
DEFERRED INFLOWS OF RESOURCES		
Unavailable property taxes	6,435,083	0
NET POSITION		
Net investment in capital assets	16,812,343	725,087
Restricted	9,468,888	0
Unrestricted	8,358,422	1,233,400
Total net position	\$34,639,653	\$1,958,487

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Statement of Activities

For the year ended November 30, 2015

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government	
					Governmental Activities	Component Unit
Primary government:						
Governmental activities:						
General government	\$5,722,396	\$1,512,166	\$1,657,114	\$51,752	(\$2,501,364)	\$0
Public safety	4,460,153	568,771	24,480	0	(3,866,902)	0
Judiciary and court related	3,698,822	1,171,594	615,619	0	(1,911,609)	0
Public health and welfare	1,807,432	1,306,390	544,917	0	43,875	0
Highways and street	4,575,570	411,773	264,095	1,275,208	(2,624,494)	0
Interest	4,030	0	0	0	(4,030)	0
Total primary government	\$20,268,403	\$4,970,694	\$3,106,225	\$1,326,960	(10,864,524)	0
Component unit:						
Emergency telephone system board	\$494,010	\$456,430				(37,580)
General revenues:						
Taxes:						
Property taxes					6,133,036	0
Sales taxes					1,297,515	0
Income taxes					1,414,368	0
Other taxes					831,507	0
Interest income					38,210	140
Miscellaneous					599,072	8,198
Total general revenues					10,313,708	8,338
Change in net position					(550,816)	(29,242)
Net position - beginning of year (restated)					35,190,469	1,987,729
Net position - ending					\$34,639,653	\$1,958,487

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Governmental Funds

Balance Sheet

November 30, 2015

ASSETS	General	County Highway
Cash, deposits, and investments	\$8,937,283	\$974,158
Inventory	34,783	0
Property taxes receivable	2,796,257	640,500
Accounts receivable	332,401	15,320
Due from the State	881,371	0
Due from other funds	461,062	0
Total assets	\$13,443,157	\$1,629,978
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$69,736	\$144,183
Accrued payroll	135,104	24,153
Accrued compensated absences	77,099	17,066
Accrued interest	2,160	0
Due to others	10,005	0
Due to other funds	0	576
Total liabilities	294,104	185,978
Deferred inflows of resources -		
Unavailable property taxes	2,796,257	640,500
Fund balances:		
Nonspendable	34,783	0
Restricted	1,793,508	803,500
Committed	0	0
Assigned	6,152,366	0
Unassigned	2,372,139	0
Total fund balances	10,352,796	803,500
Total liabilities, deferred inflows of resources and fund balances	\$13,443,157	\$1,629,978

See Accompanying Notes to Financial Statements.

County Health	Illinois Municipal Retirement	Social Security	Rural Transportation	Other Governmental Funds	Total Governmental Funds
\$852,042	\$503,815	\$1,033,814	\$311,825	\$4,433,517	\$17,046,454
0	0	0	0	0	34,783
556,000	725,000	475,000	0	885,360	6,078,117
29,750	0	0	4,382	236,319	618,172
184,972	0	0	558,994	233,900	1,859,237
0	0	0	0	1,802	462,864
\$1,622,764	\$1,228,815	\$1,508,814	\$875,201	\$5,790,898	\$26,099,627

\$20,823	\$0	\$0	\$516,639	\$281,886	\$1,033,267
18,309	131,539	13,248	1,731	4,874	328,958
23,321	0	0	1,548	0	119,034
0	0	0	0	0	2,160
0	0	0	0	0	10,005
0	165,709	45,804		250,775	462,864
62,453	297,248	59,052	519,918	537,535	1,956,288

556,000	725,000	475,000	0	885,360	6,078,117
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0	0	0	0	0	34,783
1,004,311	206,567	974,762	355,283	4,581,865	9,719,796
0	0	0	0	0	0
0	0	0	0	0	6,152,366
0	0	0	0	(213,862)	2,158,277
1,004,311	206,567	974,762	355,283	4,368,003	18,065,222

\$1,622,764	\$1,228,815	\$1,508,814	\$875,201	\$5,790,898	\$26,099,627
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See Accompanying Notes to Financial Statements.

Lee County, Illinois

Reconciliation of the Balance Sheet to the Statement of Net Position For the year ended November 30, 2015

Total fund balances - governmental funds	\$18,065,222
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.	753,263
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$36,818,988 and the accumulated depreciation of \$19,798,604.	
	17,020,384
Compensated absences not due and payable from current resources are not reported in the governmental funds.	(712,210)
Net pension liability and related deferred outflows are not due and payable with the current resources so not reported in the funds.	966,239
Other post employment benefits are not due and payable with the current resources so not reported in the funds.	(1,245,204)
Capital leases not due and payable from current resources are not reported in governmental funds.	<u>(208,041)</u>
Total net position - governmental activities	<u><u>\$34,639,653</u></u>

Lee County, Illinois

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended November 30, 2015

	General	County Highway
Revenues:		
Property taxes	\$2,492,176	\$640,807
Intergovernmental revenue	4,015,079	264,095
Licenses and permits	166,446	0
Charges for services	2,729,386	411,773
Interest	30,664	1,034
Other revenue	66,997	37,075
Total revenues	9,500,748	1,354,784
Expenditures:		
Current:		
General control and administration	2,626,425	0
Public safety	3,875,832	0
Judiciary and court related	2,301,808	0
Public health and welfare	123,146	0
Highways and streets	0	1,281,388
Debt service:		
Principal	118,622	0
Interest	4,030	0
Capital outlay	313,561	358,280
Total expenditures	9,363,424	1,639,668
Excess (deficiency) of revenues over expenditures	137,324	(284,884)
Other financing sources and (uses):		
Transfers in	1,430,221	380,531
Transfers out	(1,831,091)	0
Proceeds from capital lease	235,988	0
Total other financing sources (uses)	(164,882)	380,531
Net change in fund balance	(27,558)	95,647
Fund balances, beginning of year	10,380,354	707,853
Fund balances, end of year	\$10,352,796	\$803,500

See Accompanying Notes to Financial Statements.

County Health	Illinois Municipal Retirement	Social Security	Rural Transportation	Other Governmental Funds	Total Governmental Funds
\$556,398	\$600,010	\$600,010	\$0	\$886,301	\$5,775,702
553,421	55,000	0	1,594,355	1,442,873	7,924,823
103,982	0	0	0	30,728	301,156
188,707	0	0	56,005	859,037	4,244,908
2,154	0	0	90	4,181	38,123
21,984	0	0	206,658	263,111	595,825
1,426,646	655,010	600,010	1,857,108	3,486,231	18,880,537
0	155,151	90,089	1,705,732	376,406	4,953,803
0	366,263	209,057	0	81,064	4,532,216
0	259,745	148,258	0	664,221	3,374,032
1,411,552		65,717	0	252,652	1,853,067
0	0	60,940	0	2,599,612	3,941,940
0	0		0	0	118,622
0	0		0	0	4,030
0	0		0	708,421	1,380,262
1,411,552	781,159	574,061	1,705,732	4,682,376	20,157,972
15,094	(126,149)	25,949	151,376	(1,196,145)	(1,277,435)
0	0	0	0	0	1,810,752
0	0	0	(19,661)	0	(1,850,752)
0	0	0	0	0	235,988
0	0	0	(19,661)	0	195,988
15,094	(126,149)	25,949	131,715	(1,196,145)	(1,081,447)
989,217	332,716	948,813	223,568	5,564,148	19,146,669
\$1,004,311	\$206,567	\$974,762	\$355,283	\$4,368,003	\$18,065,222

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the year ended November 30, 2015

Net change in fund balance - Governmental funds	(\$1,081,447)
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.	218,155
Repayment of debt principle is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position - capital debt obligation principle payments.	118,622
The issuance of capital leases are shown in the fund financial statements as other financing sources but are recorded as long-term liabilities on the government-wide statements.	(235,988)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Donated capital assets are only reported in the statement of activities. This is the amount by which depreciation expense of \$1,519,720 exceeds new capitalized assets of \$1,380,262 for the period.	(139,458)
Some expenses reported in the Statement of Activities do not require use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in non current accrued compensated absences	(11,051)
Change in net pension liability and deferred pension sources	744,661
Change in other post employment obligation	(216,062)
Contributed capital assets (land, buildings and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements	51,752
Change in net position of governmental activities	<u><u>(\$550,816)</u></u>

Lee County, Illinois

Proprietary Fund

Statement of Net Position

November 30, 2015

ASSETS	Internal Service Funds
Cash, deposits, and investments	\$758,536
Property taxes receivable	356,966
Accounts receivable	12,188
Total assets	\$1,127,690
LIABILITIES	
Accounts payable	\$17,461
Total liabilities	17,461
Deferred inflows of resources - Unavailable property taxes	356,966
Total liabilities and deferred inflows of resources	374,427
NET POSITION	
Unrestricted	753,263
Total net position	753,263
Amounts reported for business-type activities in the Statement of Net Position are different because -	
Such amounts are included in governmental net position	(753,263)
Total net position of business-type activities	\$0

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

For the year ended November 30, 2015

Internal Service Funds

Operating revenues:	
Employee contribution	\$424,630
Board contribution	1,315,244
Revenue from insurance claims	3,247
Total operating revenues	1,743,121
Operating expenses -	
Health insurance premiums	1,579,142
Insurance and bonds	343,245
Total operating expenses	1,922,387
Net operating income (loss)	(179,266)
Nonoperating revenues:	
General property taxes	357,334
Interest income	87
Non-operating income (loss)	357,421
Net income before other financing sources (uses)	178,155
Other financing sources (uses):	
Transfers in	40,000
Total other financing sources (uses)	40,000
Change in net position	218,155
Net position, beginning of year	535,108
Net position, end of year	\$753,263
Amounts reported for business-type activities in the Statement of Activities are different because -	
The net revenue of the internal service fund is reported with governmental activities	(218,155)
Change in net position of business-type activities	(\$218,155)

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Proprietary Fund

Statement of Cash Flows

For the year ended November 30, 2015

	<u>Internal Service Fund Health Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from employees and Board	\$1,744,720
Payment to suppliers	(1,934,926)
Net cash flows from operating activities	(190,206)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
	0
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in	40,000
Property taxes	357,334
Interest income	87
Net cash flows from noncapital financing activities	397,421
CASH FLOWS FROM INVESTING ACTIVITIES	
	0
Net increase (decrease) in cash	207,215
Cash, beginning of year	551,321
Cash, end of year	\$758,536
RECONCILIATION:	
Net operating income (loss)	(\$179,266)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Receivables	1,599
Increase (decrease) in:	
Accounts payable	(12,539)
Net cash provided by (used in) operating activities	(\$190,206)

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Statement of Fiduciary Net Position

November 30, 2015

ASSETS	Agency Funds
Cash, deposits, and investments	\$2,614,053
Accounts receivable	68,131
Due from other governments	404,012
Total assets	\$3,086,196
LIABILITIES	
Accounts payable	\$16,603
Agency funds due to others	3,069,593
Total liabilities	\$3,086,196

See Accompanying Notes to Financial Statements.

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Introduction

Lee County was organized in 1839 and is divided into 22 townships and 16 municipalities. The County seat is located in the City of Dixon. The County provides services to its more than 34,735 residents in many areas, including law enforcement, administration of justice, community enrichment and development, and human services.

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

Description of Government-wide Financial Statements

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

Financial Reporting Entity

The County is governed by a twenty-four 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.

Discretely Component Unit – Lee County Emergency Telephone System Board

The component unit column in the combined financial statements includes the financial data of the Lee County Emergency Telephone System Board (ETSB). It is reported in a separate column to emphasize that it is legally separate from the County. The ETSB provides a significant amount of services to more than just the County. The Lee County Board Chairman, with the advice and consent of the Lee County Board, appoints board members to the ETSB. The members of ETSB are then responsible for planning the 911 emergency system receiving monies imposed under an established surcharge, and authorizing disbursements. The geographic area served by ETSB is the same as Lee County. The Treasurer of Lee County maintains the funds and invests or disburses them at the direction of ETSB. Lee County has the responsibility for approving the rate of the surcharge which funds the activities of ETSB and, therefore, has the ability to impose its will on that Board. Separate financial statements of ETSB are prepared. Complete financial statements for ETSB may be obtained by writing to: Lee County ETSB, E911 Center, 316 S. Hennepin Avenue, Dixon, Illinois, 61021.

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Other Entity Considerations

The County Board Chairman and County Board may make appointments of the governing boards of a number of drainage, public water, and sanitary districts. Even though the County Board may appoint a majority of the members of the respective districts, the members do not serve at the discretion of the County Board, that is, they can be removed only for cause. There are no indications that the County Board can impose its will over these districts and therefore has no financial accountability. These units are not considered component units of Lee County, Illinois

Basis of Presentation – Government-wide Financial Statements

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

Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

General – 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.

County Highway Fund – This fund is used to account for the revenues and expenditures associated with streets and highways in Lee County. Financing is provided by an annual property tax levy and charges for services.

County Health Fund – This fund is used to account for the revenues and expenditures associated with providing public health services to the citizens of the County. Financing is provided by an annual property tax levy, licenses and permits, state grants, charges for services and federal financial assistance.

Illinois Municipal Retirement Fund – This fund is used to account for the revenues and expenditures associated with the Illinois Municipal Retirement pension plan. Financing is provided by an annual property tax levy.

Social Security Fund – This fund is used to account for the revenues and expenditures associated with the cost of County employees participating in the Social Security system. Financing is provided by an annual property tax levy.

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Rural Transportation Fund – This fund is used to account for the revenues and expenditures associated with the cost of running the rural transportation routes throughout the County. Financing is provided by grants.

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

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

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

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

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

Under the Governmental Accounting Standards Board (GASB) issued Statement 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, the County may report any governmental or enterprise fund (but not internal service funds or fiduciary funds) as a major fund if the County's officials believe the fund is "particularly important to financial statement users". The County has chosen to include the County Health Fund, Social Security Fund, and Rural Transportation Fund as major funds even though the funds calculations do not classify it as major funds. The County views these funds particularly important to the financial users.

Measurement Focus and Basis of Accounting

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

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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

Use of Estimates

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

Budgetary Basis of Accounting

Annual budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles (GAAP) basis consistent with generally accepted accounting principles.

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.

Cash and Cash Equivalents

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

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

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Investments

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

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

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of deed stamps. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Capital Assets

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

Infrastructure	15 - 30 years
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years

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

Net Position Flow Assumption

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

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

Note 1 Summary of Significant Accounting Policies (continued)

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Program Revenues

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

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Property Taxes

The County's property tax is levied each year on all taxable real property located in the County. The 2014 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2015. The County must file its tax levy by the last Tuesday of December each year. The 2014 levy was approved on October 21, 2014. The 2015 levy was approved on November 17, 2015.

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

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

Compensated Absences

The County accrues accumulated unpaid sick leave, vacation days, and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

The County permits use of sick days if needed and an accumulation of unused days. After an employee accumulates 60 days sick leave, said employee will be paid for one-half of such accumulated days in excess of 60 days. This payment is to be made in December following the close of the fiscal year in which the excess days are accumulated. The balance owed to County employees at November 30, 2015, for one-half of accumulated days in excess of 60 days is shown as a current liability of the funds.

Vacation

As of November 30, 2015, the County has an estimated liability to its employees for accumulated vacation days in the amount of \$225,594.

Sick Leave

As of November 30, 2015, the County has an estimated liability to its employees for 50% of the accumulated sick days in the amount of \$605,650.

Pensions

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

Lee County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Note 2 Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

<u>Fund</u>	<u>Amount</u>
General Fund	\$163,190
Animal Control Fund	\$226,489
Indemnity Fund	\$13,941
IMRF Fund	\$18,733
Circuit Clerk Automation Fund	\$106,122
Social Security Fund	\$3,590
County Tourism Promotion Fund	\$43,744
Drug Forfeiture Fund	\$4,449
County Special Bridge Fund	\$7,193
Federal Aid Secondary Matching Fund	\$268,443
County Motor Fuel Tax Fund	\$48,246
JJC Council Fund	\$847
Drug Street Fine Fund	\$1,064
Rural Transportation Grant Fund	\$366,677
Police Vehicle Fund	\$1,691
Coroner Fund	\$1,781
Sheriff Tow Fund	\$5,000

Deficit Fund Equity

As of November 30, 2015, the JJC Council Fund (\$37,116) and the Animal Control Fund (\$176,746) had deficit fund balances.

Note 3 Cash Deposit with Financial Institutions

Primary Government

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of November 30, 2015, the County's bank balance was \$20,345,874 and the entire balance was insured and collateralized with securities in the County's name.

Lee County, Illinois

Notes to Financial Statements

Note 3 Cash Deposit with Financial Institutions (continued)

Component Unit (ETSB)

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, ETSB's deposits may not be returned to it. ETSB does not have a deposit policy for custodial credit risk. As of November 30, 2015, ETSB's bank balance was \$1,067,192 and the entire balance was insured and collateralized.

Note 4 Investments

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

	Fair Value		
	Governmental Activities	Statement of Fiduciary Net Position	Total
Illinois Funds Money Market Fund	\$195,793	\$118,469	\$314,262

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 Months)			Total
	12 Months or Less	13-24 Months	25-60 Months	
External investment pool	\$314,262	0	0	\$314,262

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

Investment Type	Total as of November 30, 2015	AAAm	Aa	Unrated
External investment pool	\$314,262	\$314,262	0	0

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

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

Lee County, Illinois

Notes to Financial Statements

Note 4 Investments (continued)

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

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

Note 5 Capital Assets

Primary Government

The governmental activities capital asset activity of the county (primary government) for the year ended November 30, 2015 is as follows:

Governmental activities:	Balance 11/30/2014	Increases	Decreases and Transfers	Balance 11/30/2015
Capital assets, not being depreciated:				
Land	\$1,479,668	\$0	\$0	\$1,479,668
Construction in progress	0	237,490	0	237,490
Total capital assets, not being depreciated	1,479,668	237,490	0	1,717,158
Capital assets, being depreciated:				
Building and building improvements	18,000,536	218,464	0	18,219,000
Equipment	6,728,078	684,048	95,608	7,316,518
Infrastructure	9,274,300	292,012	0	9,566,312
Total capital assets, being depreciated:	34,002,914	1,194,524	95,608	35,101,830
Accumulated depreciation:				
Building and building improvements	8,239,187	704,956	0	8,944,143
Equipment	5,562,710	478,684	95,608	5,945,786
Infrastructure	4,572,595	336,080	0	4,908,675
Total accumulated depreciation	18,374,492	1,519,720	95,608	19,798,604
Total capital assets, being depreciated, net	15,628,422	(325,196)	0	15,303,226
Governmental activities capital assets, net	\$17,108,090	(\$87,706)	\$0	\$17,020,384

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$241,436
Public safety	115,433
Highways and streets	689,571
Public health and welfare	12,712
Judiciary and Court Related	460,568
Total depreciation expense, governmental activities	\$1,519,720

Lee County, Illinois

Notes to Financial Statements

Note 5 Capital Assets (continued)

Component Unit (ETSB)

Capital asset activity for the year ended November 30, 2015, was as follows:

Governmental activities:	Balance 11/30/2014	Increases	Decreases and Transfers	Balance 11/30/2015
Capital assets, not being depreciated				
Construction in progress	\$0	\$17,200	\$0	\$17,200
Capital assets, being depreciated:				
Building	81,269	0	0	81,269
Building improvements	669,357	0	0	669,357
Equipment and furniture	1,280,184	0	0	1,280,184
Total capital assets, being depreciated:	2,030,810	0	0	2,030,810
Less accumulated depreciation for:				
Building	37,725	2,491	0	40,216
Building improvements	307,578	17,031	0	324,609
Equipment and furniture	886,824	71,274	0	958,098
Total accumulated depreciation	1,232,127	90,796	0	1,322,923
Total capital assets, being depreciated, net	798,683	90,796	0	707,887
Governmental activities capital assets, net	\$798,683	\$73,596	\$0	\$725,087

Depreciation expense was charged to governmental functions as follows:

Governmental activities:

Emergency telephone system board	\$90,796
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Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems

Lee County Regular Plan (Plan) is comingled with Lee County and Lee County Emergency Telephone System Board.

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

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

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

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

Regular Personnel:

Employees Covered by the Benefit Terms – The County's covered employees are comingled with the Plan employees. At the December 31st 2014 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	160
Active employees	124
<hr/>	
Total	432
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Contributions - Employees are required to contribute 4.5 percent of their annual pay as set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

Regular Personnel (continued):

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

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

Changes in Net Pension Liability

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2014	\$27,821,387	\$28,937,741	(\$1,116,354)
Service costs	582,656	0	582,656
Interest on total pension liability	2,062,792	0	2,062,792
Difference between expected and actual experience	84,600	0	84,600
Changes in assumptions	1,037,038	0	1,037,038
Employer contributions	0	530,595	(530,595)
Employee contributions	0	243,828	(243,828)
Net investment income	0	1,751,684	(1,751,684)
Benefit payments – net of refunds	(1,217,652)	(1,217,652)	0
Administrative expense	0	0	0
Other changes	0	156,065	(156,065)
Net changes	2,549,434	1,464,520	1,084,914
Balances as of December 31, 2014	\$30,370,821	\$30,402,261	(\$31,440)

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

Regular Personnel (continued):

Net pension liability was allocated based on the percentage of the calendar year 2014 contributions.

	County	ETSB	Total
Balance January 1, 2014	(\$1,095,278)	(\$21,076)	(\$1,116,354)
Net changes	1,064,432	20,482	1,084,914
Balances as of December 31, 2014	(\$30,846)	(\$594)	(\$31,440)

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

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
Plan's proportionate share of the net Pension liability	\$4,076,224	(\$31,440)	(\$3,382,480)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2014, the Plan recognized pension expense of \$549,091. At November 30, 2015, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$55,824	\$0
Changes in assumptions	684,292	0
Net difference between projected and actual earnings	326,302	0
Employer contributions subsequent to the measurement date	470,778	0
Total	\$1,537,196	0

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

Regular Personnel (continued):

Deferred outflows and inflows were allocated based on the percentage of the calendar year 2014 contributions.

	County	ETSB	Total
Deferred outflows	(\$1,508,826)	(\$28,370)	(\$1,537,196)
Deferred inflows	0	0	0
Net Deferred (outflows)/inflows	(\$1,508,826)	(\$28,370)	(\$1,537,196)

The Plan reported \$470,778 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2015	\$463,098
2016	440,169
2017	81,576
2018	81,575
2019	0

Payable to the Pension Plan

At November 30, 2015, the Plan reported a payable of \$45,993 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

	County	ETSB	Total
Payable at November 30, 2015	\$45,203	\$790	\$45,993

Sheriff's Law Enforcement (SLEP):

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

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	3
Active employees	31
Total	53

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

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

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

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

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.5%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-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 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 RF-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

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

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

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

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2014	\$14,430,407	\$13,556,707	\$873,700
Service costs	401,921	0	401,921
Interest on total pension liability	1,077,999	0	1,077,999
Difference between expected and actual experience	333,763	0	333,763
Changes in assumptions	217,716	0	217,716
Employer contributions	0	428,412	(428,412)
Employee contributions	0	150,732	(150,732)
Net investment income	0	828,882	(828,882)
Benefit payments – net of refunds	(516,093)	(516,093)	0
Administrative expense	0	0	0
Other changes	0	(28,515)	28,515
Net changes	1,515,306	863,418	651,888
Balances as of December 31, 2014	\$15,945,713	\$14,420,125	\$1,525,588

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

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

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

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net Pension liability	\$3,868,220	\$1,525,588	\$(379,539)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2014, the County recognized pension expense of \$458,614. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$284,664	\$0
Changes in assumptions	185,689	0
Net difference between projected and actual earnings	151,333	0
Employer contributions subsequent to the measurement date	330,469	0
Total	\$952,155	\$0

The County reported \$330,469 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2015	\$118,959
2016	118,959
2017	118,959
2018	118,959
2019	81,126
Thereafter	64,724

Lee County, Illinois

Notes to Financial Statements

Note 6 Pension and Retirement Systems (continued)

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

Payable to the Pension Plan

At November 30, 2015, the County reported a payable of \$54,889 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

Note 7 Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The plan, available to all eligible County employees, permits them to defer a portion of their salary until future years. Payments to the plan are made by County employees only. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During the current year, \$104,193 of contributions were made to the plan.

It is the opinion of the County that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

Note 8 Other Post-Employment Benefits

Plan Description

In addition to providing the pension benefits described in Note 6, the County provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan (Retiree Healthcare Program). The benefits, benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the County's governmental activities.

Benefits Provided

The County provides continued health insurance coverage at a reduced rate to all eligible retirees, which creates a subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the County's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree cannot participate in the plan.

Lee County, Illinois

Notes to Financial Statements

Note 8 Other Post-Employment Benefits (continued)

Membership

At November 30, 2013, membership (most recent actuarial valuation date) consisted of:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	142
<hr/>	
Total	147
<hr/>	
Participating employers	1

Funding Policy

The County is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Premium cost sharing arrangements vary depending on the bargaining unit and date of retirement. Qualified retirees pay a percentage of the premium cost for single and dependent coverage based on Medicare status and family status.

Annual OPEB Costs and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County had an actuarial valuation performed for the plan as of November 30, 2013 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2015.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
November 30, 2015	\$257,127	\$41,065	15.97	\$1,245,204
November 30, 2014	265,703	40,052	15.07	1,029,142
November 30, 2013	265,703	40,052	15.07	803,491

Lee County, Illinois

Notes to Financial Statements

Note 8 Other Post-Employment Benefits (continued)

Annual OPEB Costs and Net OPEB Obligation (continued)

The annual required contribution for the year ended November 30, 2015, was calculated as follows:

Service cost	\$164,666
Amortization of unfunded actuarial accrued liability	90,818
Interest cost	10,219
<hr/>	
Total annual required contribution	\$265,703
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Annual required contribution	\$265,703
Interest on net OPEB obligation	25,729
Adjustment to annual required contribution	(34,305)
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Annual OPEB cost	257,127
<hr/>	
Contributions made	(41,065)
<hr/>	
Increase in net OPEB obligation	216,062
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Net OPEB obligation, beginning of year	1,029,142
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Net OPEB obligation, end of year	\$1,245,204

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

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

In the November 30, 2013 actuarial valuation, the entry-age normal cost method was used. The actuarial assumptions included a discount rate of 4.0 percent, salary increases comprised of a wage inflation component of 4.0 percent and an ultimate healthcare trend rate of 8.0 percent initially and an ultimate rate of 6.0 percent. The calculations assume a level-percentage-of-pay 30-year open amortization period for retirees.

The actuarial value of assets was not determined as the County has not advance funded its obligation.

Note 9 Risk Management

Lee County, Illinois

Notes to Financial Statements

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance for general liability, workers' compensation, property insurance and other risks accounted for in the Liability Insurance Fund. There have been no significant reductions in coverage from the prior year. Settlements have not exceeded coverage in the past three years.

Note 10 Long-Term Debt

The County obtained a capital lease for three Chevrolet Impalas and one Ford Interceptor dated March 20, 2014. The lease is payable in annual installments of \$27,787 with the final payment due in April 2016.

The County obtained a capital lease for one Dodge Ram dated September 13, 2013. The lease is payable in annual installments of \$7,714 with the final payment due in September 2015.

The County obtained a capital lease for four Chevrolet Impalas and one Ford Police Interceptor dated April 2, 2013. The lease is payable in annual installments of \$33,823 with the payment due in April 2015.

The County obtained a capital lease for two Ford SUVs. The lease is payable in annual installments of \$16,669 with the final payment due in March 2017.

The County obtained a capital lease for three Ford Explorers. The lease is payable in annual installments of \$23,627 with the final payment due in October 2017.

The County obtained a capital lease for two Ford SUVs. The lease is payable in annual installments of \$13,989 with the final payment due in March 2018.

The County obtained a capital lease for portable radios and accessories. The lease is payable in annual installments of \$22,047 with the final payment due in June 2018.

Amortization of leased machinery and equipment under capital assets is included with depreciation expense.

Annual debt service requirements to maturity are as follows:

Fiscal Year Ended November 30,	Principal	Interest
2016	\$99,775	\$4,344
2017	73,296	3,035
2018	34,970	1,066
	\$208,041	\$8,445

Lee County, Illinois

Notes to Financial Statements

Note 10 Long-Term Debt (continued)

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

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Capital lease payable	\$90,675	\$235,988	(\$118,622)	\$208,041	\$99,775
Compensated absences	754,872	684,193	(607,821)	831,244	119,034
Other post-employment benefits	1,029,142	257,127	(41,065)	1,245,204	0
Governmental activity Long-term liabilities	<u>\$1,874,689</u>	<u>\$1,177,308</u>	<u>(\$767,508)</u>	<u>\$2,284,489</u>	<u>\$218,809</u>

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$703,127,600. As of November 30, 2015, the County had \$40,429,837 remaining legal debt margin.

Note 11 Net Position

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

Primary Government:

Governmental Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$1,717,158
Other capital assets, net of accumulated depreciation	15,303,226
Less: related long-term debt outstanding	(208,041)

Total net investment in capital assets	16,812,343
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Restricted:

State statutes and enabling legislation	9,122,178
Externally imposed by grantors	346,710

Total restricted	9,468,888
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Unrestricted	8,358,422
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Total governmental activities net position	<u>\$34,639,653</u>
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Lee County, Illinois

Notes to Financial Statements

Note 11 Net Position (continued)

Component Unit (ETSB)

Governmental Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$17,200
Other capital assets, net of accumulated depreciation	707,887
Less: related long-term debt outstanding	(0)

Total net investment in capital assets	725,087
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Unrestricted	1,233,400
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Total component unit	\$1,958,487
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Note 12 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 no committed balance at year end.

Lee County, Illinois

Notes to Financial Statements

Note 12 Fund Balance (continued)

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The County has assigned balances at year end that are listed below.

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.

Primary Government:

Nonspendable Fund Balance

Major Funds:

General – inventory	\$34,783
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Restricted Fund Balance

Major Funds:

State statutes and enabling legislation:

General – solid waste management	\$1,793,508
County Highway	803,500
County Health	1,004,311
Illinois Municipal Retirement	206,567
Social Security	974,762

Externally imposed by grantors:

Rural Transportation	355,283
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Non-Major Funds:

State statutes and enabling legislation:

Special Recording Automation	111,697
Vital Records Automation	2,150
County Collector Automation	19,377
County Tourism Promotion	11,059
Indemnity	378,984
G.I.S. Recording Fees	78,319
Child Support Enforcement Program	133,423
Probation Services	132,911
Court Document Storage	290,894
Circuit Clerk Automation Fee	183,621
Circuit Clerk Operations	52,704
Law Library	94,059
Drug Forfeiture	8,345
Home Confinement	13,077
JJC Youth Diversion	13,467
Title IV E	324
Drug Street Fine	6,191
Marriage	7,349
Drug Court	49,355
Domestic Violence	4,901

Lee County, Illinois

Notes to Financial Statements

Note 12 Fund Balance (continued)

State's Attorney Collection	6,371
State's Attorney Records Automation	9,623
Social Services for Senior Citizens	9,030
Tuberculosis Sanatorium	67,109
Veterans Assistance	150,591
Lee County Cooperative Extension Service	7,842
Arrestee's Medical Costs	8,392
Mental Health	26,440
Pet Population	33,568
County Special Bridge	684,778
Federal Aid Secondary Matching	1,217,571
County Motor Fuel Tax	728,519
Police Vehicle	2,930
Coroner	18,142
Sheriff Tow	18,404
Externally imposed by grantors:	
Grant	686
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Total restricted fund balance	\$9,719,796

Assigned Fund Balance

Major Funds:	
General – Capital Projects Account	\$6,077,704
General – Capital Improvement Replacement Account	74,662
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Total assigned fund balance	\$6,152,366

Unassigned Fund Balance

Major Funds:	
General Fund	\$2,372,139
Nonmajor Funds:	
JJC Council	(37,116)
Animal Control	(176,746)
<hr/>	
Total unassigned fund balance	\$2,158,277

Component Unit (ETSB)

Nonspendable Fund Balance

Major Funds:	
General – Prepaid expenses	\$18,446

Unassigned Fund Balance

Major Funds-	
General	\$1,193,108

Lee County, Illinois

Notes to Financial Statements

Note 13 Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$461,062	\$0
County Highway	0	576
IMRF Fund	0	165,709
Social Security Fund	0	45,804
Nonmajor Funds	1,802	250,775
	<u>\$462,864</u>	<u>\$462,864</u>

The outstanding loans were made to simplify cash flows within the County. The loans will be repaid as soon as funding is available.

Note 14 Interfund Transfers

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major funds -		
General	\$1,430,221	\$1,831,091
County Highway	380,531	0
Rural Transportation	0	19,661
Proprietary fund-	0	0
Nonmajor	40,000	0
	<u>\$1,850,752</u>	<u>\$1,850,752</u>

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

Note 15 Construction and Other Significant Commitments

The County is currently implementing Full Court Enterprise/Full Case Software. The total cost of the project is approximately \$540 thousand. As of November 30, 2015, the County has spent \$215 thousand. This project is scheduled to be completed during fiscal year 2016

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.

Lee County, Illinois

Notes to Financial Statements

Note 17 Solid Waste Management Host Fees

The County entered into an agreement with Allied Waste Industries on June 1, 1994 to allow disposing of waste in the landfill in exchange for host fee payments. The Agreement provides that Allied Waste Industries is to pay Lee County a quarterly fee for the amount of waste dumped into the landfill. The contract states that the term of the contract is until the later of June 1, 2014 or the landfill permanently ceases to accept waste for disposal. The County is involved in a declaratory judgment action with Allied Waste seeking a court option on the rights and responsibilities of the contract. In the Second Amendment and the Third Amendment to the Agreement executed on November 18, 2008 and March 20, 2012, there is a clause that states that Allied Waste will have capacity to dispose of the County's waste until October 15, 2022. In the current year, the County collected, on a case basis, \$944,627 in host fees, but this amount does not include payment from the previous year tonnage.

Note 18 Impact of Pending Account Principles

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

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

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

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

Lee County, Illinois

Notes to Financial Statements

Note 18 Impact of Pending Account Principles (continued)

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

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

Note 19 New Reporting Standard

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

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

Note 20 Restatement of Beginning Net Position

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

	Governmental Activities
Balance at December 1, 2014	\$34,968,891
Add beginning net pension asset for IMRF	221,578
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Balance at December 1, 2014, as restated	\$35,190,469

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

Required Supplementary Information

Lee County, Illinois

General Fund

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues:			
Taxes:			
General property taxes	\$2,601,375	\$2,492,176	(\$109,199)
Sales tax	450,000	428,213	(21,787)
Supplemental county retail taxes	700,000	756,267	56,267
Increased use tax	200,000	215,014	15,014
	3,951,375	3,891,670	(59,705)
Intergovernmental revenues:			
State income tax	1,300,000	1,394,339	94,339
Personal property replacement tax	375,000	417,425	42,425
ESDA grant revenue	17,000	19,375	2,375
FEMA	22,000	21,945	(55)
Gaming and pull tabs	20,000	16,089	(3,911)
Aid to dependent children	0	7,865	7,865
County employee salaries	575,950	545,656	(30,294)
Elections	16,100	30,641	14,541
	2,326,050	2,453,335	127,285
Licenses and permits:			
Liquor licenses	50,290	51,560	1,270
Zoning fees	75,000	44,606	(30,394)
Raffle permit	0	235	235
Rabies tags	65,000	55,546	(9,454)
	190,290	151,947	(38,343)
Revenue from services:			
County clerk	510,000	539,165	29,165
Public defender	1,500	3,247	1,747
Chief county assessment officer	1,500	1,170	(330)
Clerk of the circuit court	550,000	596,649	46,649
Animal impoundment fees	600	6,133	5,533
State's attorney	19,000	18,281	(719)
County sheriff	63,000	77,356	14,356
ETSB reimbursement	112,300	126,671	14,371
ETSB overtime credit	3,000	606	(2,394)
Impoundment fees	3,000	0	(3,000)
Court system fees	27,666	26,769	(897)
Bailiff - court security	74,385	70,940	(3,445)
County traffic fee	85,728	105,750	20,022
County's share of drug fines	1,500	1,587	87
Township assessment reimbursement	16,000	3,316	(12,684)
State's attorney second chance	10,000	8,604	(1,396)
Village of Paw Paw police protection	50,000	60,266	10,266
	1,529,179	1,646,510	117,331

See Notes to Required Supplementary Information.

Lee County, Illinois

General Fund

(Continued)

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues (continued)			
Revenue from use of money and property:			
Interest on investments	3,000	1,572	(1,428)
Royalty income	3,000	2,385	(615)
Rent - health department	0	1	1
Rent - JTPA	7,200	7,200	0
Rent - law enforcement center	120,000	123,671	3,671
Rent - courthouse room	500	300	(200)
	133,700	135,129	1,429
All other sources:			
Tourism Admin Fee	1,600	2,326	726
Toxicology	500	360	(140)
Laredo/tapestry	28,500	32,362	3,862
Work release fees	2,000	9,849	7,849
Penalties and costs on delinquent taxes	125,000	109,326	(15,674)
Miscellaneous	15,000	57,398	42,398
	172,600	211,621	39,021
Total revenues	8,303,194	8,490,212	187,018
Expenditures:			
General control and administration:			
County clerk's office	730,724	699,970	30,754
County treasurer's office	163,933	161,062	2,871
Courthouse	728,905	601,419	127,486
County board	153,145	169,063	(15,918)
Insurance and bonds	900,000	995,821	(95,821)
Accounting and auditing	44,500	48,530	(4,030)
Computer service	125,514	141,556	(16,042)
Assessments/property records	262,092	256,247	5,845
	3,108,813	3,073,668	35,145

See Notes to Required Supplementary Information.

Lee County, Illinois

General Fund

(Continued)

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	<u>Budget</u> Original	Actual	Variance with Final Budget
Expenditures (continued):			
County development:			
Zoning office	78,878	72,519	6,359
Regional planning commission	6,146	1,193	4,953
	<u>85,024</u>	<u>73,712</u>	<u>11,312</u>
Public safety:			
County sheriff's office	3,215,201	3,479,574	(264,373)
County coroner	123,271	149,962	(26,691)
Rabies control	75,500	64,553	10,947
ESDA	64,077	61,712	2,365
	<u>3,478,049</u>	<u>3,755,801</u>	<u>(277,752)</u>
Judiciary and court related:			
Circuit clerk's office	410,343	377,571	32,772
States attorney	688,758	691,795	(3,037)
Public defender	175,383	175,159	224
Presiding judge (Jacobson)	184,800	215,671	(30,871)
Associate judge (Beckman)	38,341	37,324	1,017
Associate judge (Ackert)	4,700	3,443	1,257
Probation office	504,561	482,526	22,035
Circuit judge	69,620	68,819	801
Jury certificates	10,000	21,720	(11,720)
	<u>2,086,506</u>	<u>2,074,028</u>	<u>12,478</u>
All other:			
Superintendent of education service region	60,850	60,977	(127)
Sick pay	112,932	107,178	5,754
Contingencies	50,000	0	50,000
	<u>223,782</u>	<u>168,155</u>	<u>55,627</u>
Total expenditures	8,982,174	9,145,364	(163,190)
Excess (deficiency) of revenues over (under) expenditures	(678,980)	(655,152)	23,828

See Notes to Required Supplementary Information.

Lee County, Illinois

General Fund

(Continued)

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	<u>Budget</u> <u>Original</u>	Actual	Variance with Final Budget
Expenditures (continued):			
Other financing sources (uses):			
Transfers in	674,517	619,661	(54,856)
Capital lease acquisition	0	235,988	235,988
Transfers out	(40,000)	(144,060)	(104,060)
<u>Total other financing sources (uses)</u>	<u>634,517</u>	<u>711,589</u>	<u>77,072</u>
Net change in fund balance	<u>(\$44,463)</u>	56,437	<u>\$100,900</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		44,795	
<u>Fund balances, beginning of year</u>		<u>2,305,690</u>	
<u>Fund balances, end of year</u>		<u>\$2,406,922</u>	
GAAP fund balance for General Fund:			
General Account		\$2,406,922	
Solid Waste Management Account		1,793,508	
Capital Projects Account		6,077,704	
Capital Improvement Replacement Account		74,662	
<u>GAAB fund balance for General Fund</u>		<u>\$10,352,796</u>	

See Notes to Required Supplementary Information.

Lee County, Illinois

County Highway Fund

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues:			
Taxes -			
Property taxes	\$640,500	\$640,807	\$307
Intergovernmental revenue -			
MFT - County engineer salary	103,212	264,095	160,883
Charges for services:			
Receipts from services	422,000	260,380	(161,620)
Engineering	40,000	151,393	111,393
	462,000	411,773	(50,227)
Revenue from use of money and property -			
Interest	300	1,032	732
Other revenue	50,000	21,755	(28,245)
Total revenues	1,256,012	1,339,462	83,450
Expenditures -			
Highway and streets:			
Salary - county superintendent	103,212	103,556	(344)
Salary - overtime	30,000	25,320	4,680
Salary - others	680,174	680,115	59
Furniture and equipment	387,500	261,731	125,769
Maintaining machinery and equipment	70,000	78,862	(8,862)
Utilities	27,000	14,423	12,577
Telephone	4,500	4,332	168
Field and office supplies	12,000	12,995	(995)
Travel and meeting	1,000	588	412
Education and training	4,000	995	3,005
Maintaining county highways	158,000	105,930	52,070
Constructing county highways	3,500	0	3,500
Safety	6,500	2,246	4,254
Reimbursements to other funds:			
Health insurance	121,250	131,696	(10,446)
IMRF reimbursement	76,000	69,856	6,144
Total expenditures	1,684,636	1,492,645	191,991
Excess (deficiency) of revenues over (under) expenditures	(428,624)	(153,183)	275,441
Other financing sources and (uses) -			
Transfers in	380,531	380,531	0
Net change in fund balance	<u>(\$48,093)</u>	227,348	<u>\$275,441</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		(131,701)	
Fund balances, beginning of year		707,853	
Fund balances, end of year		<u>\$803,500</u>	

See Notes to Required Supplementary Information.

Lee County, Illinois

County Health Fund

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues:			
Taxes -			
Property taxes	\$556,000	\$556,398	\$398
Intergovernmental revenue:			
Personal property replacement tax	17,000	17,000	0
Local health protection grant	66,287	66,287	0
Family planning - grants	112,525	138,198	25,673
WIC grants - IDHS	126,629	126,078	(551)
WIC farmer's market - IDHS	0	462	462
Breastfeeding peer counseling - IDHS	14,400	11,488	(2,912)
Well Woman Grant - Stephenson County	1,000	1,000	0
Family case management - IDHS	25,000	23,591	(1,409)
Federal Funding - family case management - IDPA	84,421	84,421	0
Tanning facility inspection grant - IDPA	1,000	500	(500)
Safety seat program - IDOT			0
Ticket for the Cure - Whiteside County			0
Tobacco free communities	24,247	12,074	(12,173)
Primary care - IDPA			0
Potable water supply	1,250	1,350	100
Vector control - IDPH	16,561	16,343	(218)
Ebola - IDPH	0	4,470	4,470
Family planning - IDHFS			0
Emergency preparation - IDPA	43,892	47,816	3,924
In-person counselor - IPHA	0	3,260	3,260
	534,212	554,338	20,126
Licenses and permits:			
Food permits	40,000	57,217	17,217
Sewage disposal permits - environmental health licenses	10,000	11,380	1,380
Non community well fees	250	1,235	985
Water supply permits	7,750	8,925	1,175
	58,000	78,757	20,757
Revenue from services:			
Contractual services	21,000	17,325	(3,675)
Lactation consultation	0	461	461
Immunization fees	43,000	30,960	(12,040)
Screening fees	14,000	8,029	(5,971)
Sanitary evaluation fees	13,000	13,475	475
Safety seat fees and donations	2,750	1,720	(1,030)
Family planning fees	82,000	96,602	14,602
Flu clinic fees	15,000	19,631	4,631
Testing fees	2,000	1,551	(449)
	192,750	189,754	(2,996)

See Notes to Required Supplementary Information.

Lee County, Illinois

County Health Fund

(Continued)

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues (continued):			
Revenue from use of money and property -			
Interest	2,200	2,154	(46)
Other revenue	26,500	32,809	6,309
Total revenues	1,369,662	1,414,210	44,548
Expenditures -			
Public health:			
Salary - officer	71,072	71,052	20
Salary - others	459,976	425,885	34,091
Salary - temporary and part-time help	364,914	355,445	9,469
Longevity	4,056	4,505	(449)
Contractual services	92,000	92,012	(12)
Furniture and equipment	6,000	5,142	858
Service agreements	6,900	7,664	(764)
Telephone	5,020	4,644	376
Supplies	6,000	6,968	(968)
Reimbursements to other funds:			
Health insurance	146,600	142,093	4,507
IMRF reimbursement	87,643	87,643	0
Unemployment insurance	1,500	1,500	0
Sick pay	36,525	19,996	16,529
Travel and meetings	26,000	29,424	(3,424)
Rent	1	1	0
Program	100,000	122,433	(22,433)
Total expenditures	1,414,207	1,376,407	37,800
Net change in fund balance	<u>(\$44,545)</u>	37,803	<u>\$82,348</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		(22,709)	
Fund balances, beginning of year		989,217	
Fund balances, end of year		<u>\$1,004,311</u>	

See Notes to Required Supplementary Information.

Lee County, Illinois

Illinois Municipal Retirement Fund

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	<u>Budget</u> <u>Original</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
Revenues -			
Taxes -			
Property taxes	\$600,000	\$600,010	\$10
Intergovernmental revenues -			
Personal property replacement tax	55,000	55,000	0
Total revenues	655,000	655,010	10
Expenditures -			
Illinois Municipal Retirement Fund payments	729,556	748,289	(18,733)
Net change in fund balance	<u>(\$74,556)</u>	(93,279)	<u>(\$18,723)</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		(32,870)	
Fund balances, beginning of year		<u>332,716</u>	
Fund balances, end of year		<u>\$206,567</u>	

See Notes to Required Supplementary Information.

Lee County, Illinois

Social Security Fund

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues -			
Taxes -			
Property taxes	\$600,000	\$600,010	\$10
Expenditures -			
Social security payments	550,000	553,590	(3,590)
Net change in fund balance	<u>\$50,000</u>	46,420	<u>(\$3,580)</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		(20,471)	
Fund balances, beginning of year		<u>948,813</u>	
Fund balances, end of year		<u>\$974,762</u>	

See Notes to Required Supplementary Information.

Lee County, Illinois

Rural Transportation Fund

Budgetary Comparison Schedule (Non-GAAP Basis)

Required Supplementary Information

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues:			
Intergovernmental revenues - Grants	\$1,289,726	\$1,473,580	183,854
Revenues from services - Fares, fees, contracts, and other	53,200	56,005	2,805
Revenue from use of money - Interest	15	90	75
Other - Miscellaneous	160,500	202,276	41,776
Total revenues	1,503,441	1,731,951	228,510
Expenditures:			
General control and administration:			
Salaries	129,650	135,991	(6,341)
Contractual expenditures	949,853	1,328,430	(378,577)
Miscellaneous	125,600	107,359	18,241
Total expenditures	1,205,103	1,571,780	(366,677)
Excess (deficiency) of revenues over (under) expenditures	298,338	160,171	(138,167)
Other financing sources and (uses):			
Transfers out	0	(19,661)	(19,661)
Net change in fund balance	\$298,338	140,510	(\$157,828)
Adjustment from budgetary basis to generally accepted accounting principles basis		(8,795)	
Fund balances, beginning of year		223,568	
Fund balances, end of year		\$355,283	

See Notes to Required Supplementary Information.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$582,656									
Interest on the total pension liability	2,062,792									
Benefit changes	0									
Difference between expected and actual experience	84,600									
Assumption changes	1,037,038									
Benefit payments and refunds	(1,217,652)									
Net change in total pension liability	2,549,434									
Total pension liability - beginning	27,821,387									
Total pension liability - ending (a)	\$30,370,821									
Plan fiduciary net position:										
Employer contributions	\$530,595									
Employee contributions	243,828									
Pension plan net investment income	1,751,684									
Benefit payments and refunds	(1,217,652)									
Other	156,065									
Net change in plan fiduciary net position	1,464,520									
Plan fiduciary net position - beginning	28,937,741									
Plan fiduciary net position - ending (b)	\$30,402,261									
Net pension liability(asset) - Ending (a) - (b)	(31,440)									
Plan fiduciary net position as a percentage of total pension liability	100.10%									
Covered valuation payroll	5,107,455									
Net pension liability as a percentage of covered valuation payroll	-0.62%									

The County implemented GASB 68 in November 30, 2015.
Lee County is commingled with the Lee County Regular Plan (Plan).
Multiyear Schedules of Changes in Net Position and Related Ratios is presented for the Plan.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$401,921									
Interest on the total pension liability	1,077,999									
Benefit changes	0									
Difference between expected and actual experience	333,763									
Assumption changes	217,716									
Benefit payments and refunds	(516,093)									
Net change in total pension liability	1,515,306									
Total pension liability - beginning	14,430,407									
Total pension liability - ending (a)	\$15,945,713									
Plan fiduciary net position:										
Employer contributions	\$428,412									
Employee contributions	150,732									
Pension plan net investment income	828,882									
Benefit payments and refunds	(516,093)									
Other	(28,515)									
Net change in plan fiduciary net position	863,418									
Plan fiduciary net position - beginning	13,556,707									
Plan fiduciary net position - ending (b)	\$14,420,125									
Net pension liability(asset) - Ending (a) - (b)	1,525,588									
Plan fiduciary net position as a percentage of total pension liability	90.43%									
Covered valuation payroll	2,009,763									
Net pension liability as a percentage of covered valuation payroll	75.91%									

The County implemented GASB 68 in November 30, 2015.

Lee County, Illinois

Required Supplementary Information

Multiyear Schedule of IMRF Contributions and Other Post-Employment Benefits

**Lee County Regular Plan
Multiyear Schedule of Contributions
Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$517,385	\$530,595	(\$13,210)	\$5,107,455	10.39%

* Estimated based on contribution rate of 10.13% and covered valuation payroll of \$5,107,455.

*The County implemented GASB Statement No. 68 in November 30, 2015. Lee County is commingled with the Lee County Regular Plan (Plan). Multiyear Schedule of Contributions is presented for the Plan.

**Lee County SLEP
Multiyear Schedule of Contributions
Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$383,060	\$428,412	(\$45,352)	\$2,009,763	21.32%

* Estimated based on contribution rate of 19.06% and covered valuation payroll of \$2,009,763.

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

Other Post-Employment Benefits:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
11/30/13	\$0	\$2,724,532	\$2,724,532	0.00%	N/A	N/A
11/30/10	0	1,739,329	1,739,329	0.00%	N/A	N/A

Information for prior years is not available as the County implemented GASB Statement No. 45 in fiscal year 2010.

Lee County, Illinois

Notes to Required Supplementary Information

Note 1 Basis of Accounting

The County budget is prepared on the cash basis for all budgeted funds, including the major funds as presented in the Required Supplementary Information.

Note 2 Excess of Expenditures Over Appropriations

The following major funds had an excess of disbursements over appropriations (non-GAAP basis):

	Budget	Actual
General Fund	\$8,982,174	\$9,145,364
Illinois Municipal Retirement Fund	\$729,556	\$748,289
Social Security Fund	\$550,000	\$553,590
Rural Transportation Fund	\$1,205,103	\$1,571,780

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

Valuation date:

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 100-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years)>
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation

Supplementary Information

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
County clerk's office:			
Salary	\$60,312	\$60,293	\$19
Overtime	4,000	0	4,000
Salary - others	240,962	238,666	2,296
Temporary and part-time help	6,000	810	5,190
Longevity	3,600	3,600	0
Repair and maintenance agreements	35,000	30,615	4,385
Telephone	350	336	14
Office supplies	15,000	14,171	829
Purchase of real estate transfer stamp	150,000	150,000	0
Payroll processing	2,000	2,001	(1)
Postage	5,000	4,992	8
Election expenses (judges, ballots, others)	175,000	163,528	11,472
National Voter Registration Act	20,000	20,000	0
Laredo/tapestry	12,000	9,530	2,470
Education and training	1,500	1,428	72
	730,724	699,970	30,754
County treasurer's office:			
Salary - officer	60,312	60,293	19
Overtime	2,000	1,774	226
Salary - others	70,363	71,786	(1,423)
Temporary and part-time help	10,000	8,620	1,380
Longevity	1,800	1,800	0
Programming	7,161	7,382	(221)
Telephone	336	645	(309)
Office supplies	9,161	6,545	2,616
Postage	1,000	952	48
Publishing	1,800	1,265	535
	163,933	161,062	2,871
Circuit clerk's office:			
Salary - officer	60,312	60,312	0
Salary - others	330,416	295,616	34,800
Longevity	1,800	1,800	0
Annual audit	7,750	7,750	0
Office supplies	10,065	12,093	(2,028)
	410,343	377,571	32,772

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
County sheriff's office:			
Salary - officer	73,813	73,044	769
Salary - deputy and assistants	2,159,186	2,132,812	26,374
Overtime	162,761	244,425	(81,664)
Temporary and part-time help	93,728	116,388	(22,660)
Holiday pay	131,995	135,062	(3,067)
Safety director	2,500	2,500	0
ETSB overtime credit	4,000	1,038	2,962
Merit commission	2,000	2,000	0
Furniture and equipment	4,000	4,000	0
Automobile repairs	25,000	24,194	806
Radios	30,000	26,818	3,182
Automobiles	161,071	276,854	(115,783)
Repair ad maintenance agreement	28,400	18,832	9,568
Automobile gasoline and oil	90,000	62,651	27,349
Telephone	30,000	22,337	7,663
Office supplies	53,023	52,873	150
Food for prisoners	81,500	83,922	(2,422)
Clothing	4,136	4,136	0
Prisoner's medical and hospital care	65,388	64,349	1,039
Postage	3,000	2,027	973
Deputy education and training	9,700	8,820	880
Debt service - principle	0	118,622	(118,622)
Debt service - interest	0	1,870	(1,870)
	3,215,201	3,479,574	(264,373)
County coroner:			
Salary - officer	40,500	40,500	0
Salary - deputy and assistant	10,000	15,175	(5,175)
Salary - others	31,571	31,552	19
Temporary and part-time help	1,850	1,512	338
Longevity	1,800	1,800	0
Other professional fees	29,000	55,670	(26,670)
Repairs and maintenance	400	0	400
Telephone	4,500	3,417	1,083
Office supplies	1,900	80	1,820
Jurors' fees	500	0	500
Postage	250	256	(6)
Education and training	1,000	0	1,000
	123,271	149,962	(26,691)

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Superintendent of educational service region:			
Salary - deputy and assistant	28,850	27,831	1,019
Contractual services	9,000	9,710	(710)
Repairs and maintenance	500	333	167
Supplies	900	1,551	(651)
Field services	5,100	5,176	(76)
Rent	16,500	16,376	124
	60,850	60,977	(127)
States attorney:			
Salary - officer	166,508	166,508	0
Salary - deputy and assistants	256,000	241,565	14,435
Salary - others	126,000	125,923	77
Salary - Victim Witness Grant	22,770	22,004	766
Temporary and part-time help	10,000	15,169	(5,169)
Longevity	1,500	0	1,500
Victim Witness Coordinator	11,980	15,199	(3,219)
States attorney appellate prosecutor	12,000	12,000	0
Contractual services	31,000	43,894	(12,894)
Repairs and maintenance agreements	8,000	3,012	4,988
Supplies	7,000	5,681	1,319
Law books and other subscriptions	16,000	24,638	(8,638)
Transportation of prisoners	5,000	3,708	1,292
Postage	5,000	2,390	2,610
Education and training	10,000	10,104	(104)
	688,758	691,795	(3,037)
Public defender:			
Salary - officer	61,295	61,276	19
Salary - deputy and assistants	48,238	48,219	19
Salary - others	30,850	30,831	19
Contractual services	32,000	31,833	167
Supplies	2,500	2,500	0
Education and training	500	500	0
	175,383	175,159	224

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Animal control:			
Salary - officer	27,750	27,731	19
Salary - others	26,750	23,959	2,791
Longevity	1,800	1,800	0
Repairs and maintenance	1,200	409	791
Gasoline and oil	4,700	2,347	2,353
Telephone	6,300	2,466	3,834
Supplies	3,500	2,318	1,182
Postage	3,500	3,523	(23)
	75,500	64,553	10,947
Courthouse:			
Overtime	5,500	5,711	(211)
Salary - others	204,816	203,796	1,020
Temporary and part-time help	10,989	0	10,989
Longevity	3,600	3,600	0
Repairs and maintenance - Old Courthouse	47,500	43,271	4,229
Repairs and maintenance - LOTS	25,000	381	24,619
Repairs and maintenance - Law Enforcement Center	32,000	8,856	23,144
Repairs and maintenance - New Courts Building	54,000	56,611	(2,611)
Repairs and maintenance - 4th St. property	14,000	7,919	6,081
Gasoline and oil	4,500	2,864	1,636
Heat, light and water - Old Courthouse	47,000	34,029	12,971
Heat, light and water - Law Enforcement Center	46,000	32,080	13,920
Heat, light and water - New Courts Building	150,000	141,138	8,862
Heat, light and water - parking lot/ storage building	3,000	1,207	1,793
Heat, light and water - LOTS	25,000	6,584	18,416
Telephone - LOTS	5,000	0	5,000
Telephone	35,000	27,746	7,254
Supplies	16,000	25,626	(9,626)
	728,905	601,419	127,486

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Associate judge (Ackert):			
Repair and maintenance agreements	2,600	1,977	623
Office supplies	1,100	1,053	47
Education and training	1,000	413	587
	4,700	3,443	1,257
Associate judge (Beckman):			
Salary - others	34,541	34,522	19
Longevity	1,800	1,800	0
Office supplies	1,500	1,002	498
Education and training	500	0	500
	38,341	37,324	1,017
Presiding judge (Jacobson):			
Salary - others	12,000	9,430	2,570
Longevity	1,800	0	1,800
Contractual services	75,000	112,661	(37,661)
Furniture and office equipment	0	1,441	(1,441)
Independent services	72,000	72,000	0
Repairs and maintenance	3,000	1,694	1,306
Office supplies	2,500	1,986	514
Law books and other subscriptions	8,600	11,152	(2,552)
Jurors' meals	1,500	274	1,226
Education and training	5,000	1,878	3,122
Dues to organization	2,500	2,255	245
Court administration operation	900	900	0
	184,800	215,671	(30,871)
County board:			
Salary - others	38,845	38,826	19
Temporary and part-time help	1,000	1,000	0
Per diem and committee service	60,000	54,034	5,966
Salary and expense of chairman	6,000	6,000	0
Contractual services	10,000	12,951	(2,951)
Repairs and maintenance	1,400	1,106	294
Supplies	2,000	11,493	(9,493)
Dues to organizations	4,900	19,185	(14,285)
Resource conservation and development	8,400	8,456	(56)
LCIDA	15,000	10,000	5,000
Northeast criminal justice	2,500	2,387	113
Municipal code book, publishing, etc.	3,100	3,625	(525)
	153,145	169,063	(15,918)

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Insurance and bonds:			
Funding of employee group insurance	900,000	995,821	(95,821)
Probation office:			
Salary - officer	77,194	79,896	(2,702)
Salary - deputy and assistants	334,022	343,969	(9,947)
Salary - others	29,745	29,745	0
Salary - overtime	1,200	1,283	(83)
Temporary and part-time help	1,000	1,361	(361)
Longevity	5,400	1,800	3,600
Machine maintenance	4,000	3,108	892
Postage	2,000	2,088	(88)
Dependent child care	50,000	19,276	30,724
	504,561	482,526	22,035
Circuit judge:			
Salary - others	38,510	38,491	19
Repairs and maintenance	1,000	1,000	0
Supplies	1,280	901	379
Education and training	500	97	403
LSSI	11,330	11,330	0
CASA	17,000	17,000	0
	69,620	68,819	801
Zoning office:			
Salary - officer	68,238	68,161	77
Salary - other	1,364	228	1,136
Repairs and maintenance	700	112	588
Gas and oil	2,600	1,509	1,091
Telephone	1,000	1,037	(37)
Office supplies	500	788	(288)
Board of Appeals	4,476	684	3,792
	78,878	72,519	6,359
Accounting and auditing	44,500	48,530	(4,030)

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Jurors' certificates	10,000	21,720	(11,720)
Sick pay	112,932	107,178	5,754
ESDA:			
Salary - officer	26,000	27,391	(1,391)
Contractual services	4,257	3,917	340
Furniture and equipment	3,370	4,986	(1,616)
Repairs and maintenance	2,400	2,237	163
Gasoline and oil	1,500	1,334	166
Telephone	6,500	7,157	(657)
Supplies	1,500	2,336	(836)
Postage	50	14	36
Travel and meeting	1,500	1,520	(20)
Grant expenditures	17,000	10,820	6,180
	64,077	61,712	2,365
Contingencies	50,000	0	50,000
Computer service:			
Salary - officer	58,250	58,231	19
Programming	54,846	53,832	1,014
Furniture and equipment	9,000	11,105	(2,105)
Repairs and maintenance	2,000	626	1,374
Web resources	1,418	17,762	(16,344)
	125,514	141,556	(16,042)
Regional planning commission:			
Salary - clerk	1,364	114	1,250
Per diem	4,232	355	3,877
Supplies	200	528	(328)
Postage	350	196	154
	6,146	1,193	4,953

Lee County, Illinois

General Fund

Schedule of Expenditures Budget (Non-GAAP Basis) and Actual

(Continued)

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Supervisor or assessments/property records:			
Salary - officer	65,172	65,152	20
Salary - overtime	0	1,904	(1,904)
Salary - others	108,278	110,206	(1,928)
Temporary and part-time help	22,381	21,369	1,012
Per idem and committee services	5,700	5,662	38
Longevity	5,130	5,040	90
Programming	11,345	11,045	300
Contractual services	16,500	12,905	3,595
Computer equipment	600	589	11
Repairs and maintenance	500	0	500
Telephone	336	336	0
Supplies, etc.	3,400	2,624	776
Postage	1,300	1,300	0
Travel and meeting	2,000	3,352	(1,352)
Board of review	250	297	(47)
Training	5,500	5,116	384
Publishing	13,700	9,350	4,350
	<u>262,092</u>	<u>256,247</u>	<u>5,845</u>
Total expenditures	<u>\$8,982,174</u>	<u>\$9,145,364</u>	<u>(\$163,190)</u>

Lee County, Illinois

General Fund

Combining Balance Sheet

November 30, 2015

ASSETS	General Account	Solid Waste Management Account	Capital Projects Account	Capital Improvement Replacement Account	Total General Fund
Cash, deposits, and investments	\$1,345,478	\$1,657,903	\$5,859,240	\$74,662	\$8,937,283
Inventory	34,783	0	0	0	34,783
Property taxes receivable	2,796,257	0	0	0	2,796,257
Accounts receivable	190,611	141,790	0	0	332,401
Due from the State	881,371	0	0	0	881,371
Due from other funds	242,598	0	218,464	0	461,062
Total assets	\$5,491,098	\$1,799,693	\$6,077,704	\$74,662	\$13,443,157

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities:					
Accounts payable	\$63,551	\$6,185	\$0	\$0	\$69,736
Accrued payroll	135,104	0	0	0	135,104
Accrued compensated absences	77,099	0	0	0	77,099
Accrued interest	2,160	0	0	0	2,160
Due to others	10,005	0	0	0	10,005
Due to other funds	0	0	0	0	0
Total liabilities	287,919	6,185	0	0	294,104

Deferred inflows of resources -

Unavailable property taxes	2,796,257	0	0	0	2,796,257
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Fund balances:

Nonspendable	34,783	0	0	0	34,783
Restricted	0	1,793,508	0	0	1,793,508
Committed	0	0	0	0	0
Assigned	0	0	6,077,704	74,662	6,152,366
Unassigned	2,372,139	0	0	0	2,372,139
Total fund balances	2,406,922	1,793,508	6,077,704	74,662	10,352,796

Total liabilities, deferred
inflows of resources and
fund balances

\$5,491,098	\$1,799,693	\$6,077,704	\$74,662	\$13,443,157
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Lee County, Illinois

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the year ended November 30, 2015

	General Account	Solid Waste Management Account	Capital Projects Account	Capital Improvement Replacement Account	Total General Fund
Revenues:					
Property taxes	\$2,492,176	\$0	\$0	\$0	\$2,492,176
Intergovernmental revenue	4,015,079	0	0	0	4,015,079
Licenses and permits	166,446	0	0	0	166,446
Charges for services	1,784,759	944,627	0	0	2,729,386
Interest	1,572	4,543	24,549	0	30,664
Other revenue	66,997	0	0	0	66,997
Total revenues	8,527,029	949,170	24,549	0	9,500,748
Expenditures:					
Current:					
General control and administration	3,321,592	0	7,772	95,094	3,424,458
Public safety	3,408,921	0	0	0	3,408,921
Judiciary and court related	1,970,686	0	0	0	1,970,686
Public health and welfare	0	123,146	0	0	123,146
Highways and streets	0	0	0	0	0
Debt service:	0	0	0	0	0
Principal	118,622	0	0	0	118,622
Interest	4,030	0	0	0	4,030
Capital outlay	313,561	0	0	0	313,561
Total expenditures	9,137,412	123,146	7,772	95,094	9,363,424
Excess (deficiency) of revenues over expenditures	(610,383)	826,024	16,777	(95,094)	137,324
Other financing sources and (uses):					
Transfers in	619,661	0	810,560	0	1,430,221
Transfers out	(144,060)	(841,091)	(845,940)	0	(1,831,091)
Proceeds from capital lease	235,988	0	0	0	235,988
Total other financing sources (uses)	711,589	(841,091)	(35,380)	0	(164,882)
Net change in fund balance	101,206	(15,067)	(18,603)	(95,094)	(27,558)
Fund balances, beginning of year	2,305,716	1,808,575	6,096,307	169,756	10,380,354
Fund balances, end of year	\$2,406,922	\$1,793,508	\$6,077,704	\$74,662	\$10,352,796

Lee County, Illinois

Non-Major Governmental
Combining Balance Sheet
November 30, 2015

ASSETS	Total Non-Major Governmental	Special Recording Automation	Vital Records Automation	County Collector Automation
Cash, deposits, and investments	\$4,433,517	\$111,697	\$2,150	\$20,219
Inventory	0	0	0	0
Property taxes receivable	885,360	0	0	0
Accounts receivable	236,319	0	0	0
Due from the State	233,900	0	0	0
Due from other funds	1,802	0	0	0
Total assets	\$5,790,898	\$111,697	\$2,150	\$20,219
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$281,886	\$0	\$0	\$0
Accrued payroll	4,874	0	0	0
Accrued compensated absences	0	0	0	0
Due to other funds	250,775	0	0	842
Total liabilities	537,535	0	0	842
Deferred inflows of resources -				
Unavailable property taxes	885,360	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	4,581,865	111,697	2,150	19,377
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	(213,862)	0	0	0
Total fund balances	4,368,003	111,697	2,150	19,377
Total liabilities, deferred inflows of resources and fund balances	\$5,790,898	\$111,697	\$2,150	\$20,219

County Tourism Promotion	Indemnity	G.I.S Recording Fees	Grant	Child Support Enforcement Program	Probation Services	Court Document Storage
\$14,072	\$381,391	\$72,922	\$686	\$134,385	\$128,714	\$303,229
0	0	0	0	0	0	0
0	0	0	0	0	0	0
10,111	0	6,426	0	0	6,601	11,640
0	0	0	0	0	0	0
0	0	10	0	0	0	0
\$24,183	\$381,391	\$79,358	\$686	\$134,385	\$135,315	\$314,869
\$13,124	\$2,407	\$0	\$0	\$0	\$2,404	\$21,951
0	0	1,039	0	962	0	620
0	0	0	0	0	0	0
0	0	0	0	0	0	1,404
13,124	2,407	1,039	0	962	2,404	23,975
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,059	378,984	78,319	686	133,423	132,911	290,894
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,059	378,984	78,319	686	133,423	132,911	290,894
\$24,183	\$381,391	\$79,358	\$686	\$134,385	\$135,315	\$314,869

Lee County, Illinois

Non-Major Governmental Combining Balance Sheet

(Continued)

November 30, 2015

ASSETS	Circuit Clerk Automation Fee	Circuit Clerk Operations	Law Library	Drug Forfeiture
Cash, deposits, and investments	\$183,701	\$52,704	\$94,059	\$8,345
Inventory	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	11,632	0	0	0
Due from the State	0	0	0	0
Due from other funds	0	0	0	0
Total assets	\$195,333	\$52,704	\$94,059	\$8,345
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$8,078	\$0	\$0	\$0
Accrued payroll	1,569	0	338	0
Accrued compensated absences	0	0	0	0
Due to other funds	2,065	0	0	0
Total liabilities	11,712	0	338	0
Deferred inflows of resources -				
Unavailable property taxes	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	183,621	52,704	93,721	8,345
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	183,621	52,704	93,721	8,345
Total liabilities, deferred inflows of resources and fund balances	\$195,333	\$52,704	\$94,059	\$8,345

Home Confinement	JJC Council	JJC Youth Diversion	Title IV E	Drug Street Fine	Marriage	Drug Court	Domestic Violence
\$13,077	\$405	\$11,675	\$8,324	\$6,191	\$7,349	\$49,742	\$4,901
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	2,181	0
0	0	0	0	0	0	0	0
0	0	1,792	0	0	0	0	0
\$13,077	\$405	\$13,467	\$8,324	\$6,191	\$7,349	\$51,923	\$4,901
\$0	\$9,521	\$0	\$8,000	\$0	\$0	\$2,568	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	28,000	0	0	0	0	0	0
0	37,521	0	8,000	0	0	2,568	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
13,077	0	13,467	324	6,191	7,349	49,355	4,901
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	(37,116)	0	0	0	0	0	0
13,077	(37,116)	13,467	324	6,191	7,349	49,355	4,901
\$13,077	\$405	\$13,467	\$8,324	\$6,191	\$7,349	\$51,923	\$4,901

Lee County, Illinois

Non-Major Governmental
Combining Balance Sheet
(Continued)
November 30, 2015

ASSETS	State's Attorney Collection	State's Attorney Records Automation	Social Services for Senior Citizens	Tuberculosis Sanatorium
Cash, deposits, and investments	\$6,371	\$9,623	\$9,030	\$67,109
Inventory	0	0	0	0
Property taxes receivable	0	0	102,500	25,000
Accounts receivable	0	0	0	0
Due from the State	0	0	0	0
Due from other funds	0	0	0	0
Total assets	\$6,371	\$9,623	\$111,530	\$92,109
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
Due to other funds	0	0	0	0
Total liabilities	0	0	0	0
Deferred inflows of resources -				
Unavailable property taxes	0	0	102,500	25,000
Fund balances:				
Nonspendable	0	0	0	0
Restricted	6,371	9,623	9,030	67,109
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	6,371	9,623	9,030	67,109
Total liabilities, deferred inflows of resources and fund balances	\$6,371	\$9,623	\$111,530	\$92,109

Veterans Assistance	Animal Control	Lee County Cooperative Extension Service	Arrestee's Medical Costs	Mental Health	Pet Population	County Special Bridge
\$150,937	\$38,762	\$7,842	\$8,392	\$26,440	\$35,842	\$521,247
0	0	0	0	0	0	0
75,000	0	136,860	0	0	0	241,500
0	2,956	0	0	0	0	180,300
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$225,937	\$41,718	\$144,702	\$8,392	\$26,440	\$35,842	\$943,047
\$0	\$0	\$0	\$0	\$0	\$2,274	\$16,769
346	0	0	0	0	0	0
0	0	0	0	0	0	0
0	218,464	0	0	0	0	0
346	218,464	0	0	0	2,274	16,769
75,000	0	136,860	0	0	0	241,500
0	0	0	0	0	0	0
150,591	0	7,842	8,392	26,440	33,568	684,778
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(176,746)	0	0	0	0	0
150,591	(176,746)	7,842	8,392	26,440	33,568	684,778
\$225,937	\$41,718	\$144,702	\$8,392	\$26,440	\$35,842	\$943,047

Lee County, Illinois

Non-Major Governmental
Combining Balance Sheet
(Continued)
November 30, 2015

ASSETS	Federal Aid Secondary Matching	County Motor Fuel Tax	Police Vehicle	Coroner	Sheriff Tow
Cash, deposits, and investments	\$1,303,822	\$600,886	\$2,930	\$18,142	\$16,204
Inventory	0	0	0	0	0
Property taxes receivable	304,500	0	0	0	0
Accounts receivable	0	2,272	0	0	2,200
Due from the State	0	233,900	0	0	0
Due from other funds	0	0	0	0	0
Total assets	\$1,608,322	\$837,058	\$2,930	\$18,142	\$18,404
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$86,251	\$108,539	\$0	\$0	\$0
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	86,251	108,539	0	0	0
Deferred inflows of resources -					
Unavailable property taxes	304,500	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	1,217,571	728,519	2,930	18,142	18,404
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances	1,217,571	728,519	2,930	18,142	18,404
Total liabilities, deferred inflows of resources and fund balances	\$1,608,322	\$837,058	\$2,930	\$18,142	\$18,404

Lee County, Illinois

Non-Major Governmental

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

For the year ended November 30, 2015

	Total Non-Major Governmental	Special Recording Automation	Vital Records Automation	County Collector Automation
Revenues:				
Property taxes	\$886,301	\$0	\$0	\$0
Intergovernmental revenue	1,442,873	0	0	0
Licenses and permits	30,728	0	0	0
Charges for services	859,037	22,838	3,814	12,312
Interest	4,181	33	0	246
Other revenue	263,111	0	0	193
Total revenues	3,486,231	22,871	3,814	12,751
Expenditures:				
Current:				
General control and administration	376,406	19,448	3,000	35,017
Public safety	81,064	0	0	0
Judiciary and court related	664,221	0	0	0
Public health and welfare	252,652	0	0	0
Highways and streets	2,599,612	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	708,421	0	0	0
Total expenditures	4,682,376	19,448	3,000	35,017
Excess (deficiency) of revenues over expenditures	(1,196,145)	3,423	814	(22,266)
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	0
Net change in fund balance	(1,196,145)	3,423	814	(22,266)
Fund balances, beginning of year	5,564,148	108,274	1,336	41,643
Fund balances, end of year	\$4,368,003	\$111,697	\$2,150	\$19,377

County Tourism Promotion	Indemnity	G.I.S Recording Fees	Grant	Child Support Enforcement Program	Probation Services	Court Document Storage
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
164,395	24,667	116,912	0	21,680	103,322	129,717
0	650	16	0	0	0	95
0	14,501	0	0	0	0	0
164,395	39,818	116,928	0	21,680	103,322	129,812
166,868	26,348	81,815	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	42,311	66,805	64,007
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	25,533	69,411
166,868	26,348	81,815	0	42,311	92,338	133,418
(2,473)	13,470	35,113	0	(20,631)	10,984	(3,606)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(2,473)	13,470	35,113	0	(20,631)	10,984	(3,606)
13,532	365,514	43,206	686	154,054	121,927	294,500
\$11,059	\$378,984	\$78,319	\$686	\$133,423	\$132,911	\$290,894

Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2015

	Circuit Clerk Automation Fee	Circuit Clerk Operations	Law Library	Drug Forfeiture
Revenues:				
Property taxes	\$0	\$0	\$0	\$0
Intergovernmental revenue	0	0	0	0
Licenses and permits	0	0	0	0
Charges for services	130,446	14,300	13,610	2,713
Interest	63	0	0	20
Other revenue	0	0	0	0
Total revenues	130,509	14,300	13,610	2,733
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	0	0	0	0
Judiciary and court related	113,052	5,090	23,373	9,449
Public health and welfare	0	0	0	0
Highways and streets	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	103,001	0	0	0
Total expenditures	216,053	5,090	23,373	9,449
Excess (deficiency) of revenues over expenditures	(85,544)	9,210	(9,763)	(6,716)
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	0
Net change in fund balance	(85,544)	9,210	(9,763)	(6,716)
Fund balances, beginning of year	269,165	43,494	103,484	15,061
Fund balances (deficit), end of year	\$183,621	\$52,704	\$93,721	\$8,345

Home Confinement	JJC Council	JJC Youth Diversion	Title IV E	Drug Street Fine	Marriage	Drug Court	Domestic Violence
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	145,108	0	0	0	0	22,557	0
0	0	0	0	0	0	0	0
2,206	0	7,644	0	1,592	0	21,558	761
4	5	6	0	3	0	22	1
0	0	0	0	0	0	0	0
2,210	145,113	7,650	0	1,595	0	44,137	762
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	220,392	10,680	33,000	7,064	0	66,565	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	220,392	10,680	33,000	7,064	0	66,565	0
2,210	(75,279)	(3,030)	(33,000)	(5,469)	0	(22,428)	762
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2,210	(75,279)	(3,030)	(33,000)	(5,469)	0	(22,428)	762
10,867	38,163	16,497	33,324	11,660	7,349	71,783	4,139
\$13,077	(\$37,116)	\$13,467	\$324	\$6,191	\$7,349	\$49,355	\$4,901

Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2015

	State's Attorney Collection	State's Attorney Records Automation	Social Services for Senior Citizens	Tuberculosis Sanatorium
Revenues:				
Property taxes	\$0	\$0	\$102,698	\$25,323
Intergovernmental revenue	0	0	0	0
Licenses and permits	0	0	0	0
Charges for services	345	2,598	0	2,105
Interest	3	0	0	51
Other revenue	0	0	0	524
Total revenues	348	2,598	102,698	28,003
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	0	0	0	0
Judiciary and court related	2,433	0	0	0
Public health and welfare	0	0	102,000	11,753
Highways and streets	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	2,433	0	102,000	11,753
Excess (deficiency) of revenues over expenditures	(2,085)	2,598	698	16,250
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	0
Net change in fund balance	(2,085)	2,598	698	16,250
Fund balances, beginning of year	8,456	7,025	8,332	50,859
Fund balances (deficit), end of year	\$6,371	\$9,623	\$9,030	\$67,109

Veterans Assistance	Animal Control	Lee County Cooperative Extension Service	Arrestee's Medical Costs	Mental Health	Pet Population	County Special Bridge
\$75,265	\$0	\$137,166	\$0	\$0	\$0	\$241,269
0	0	0	0	0	0	612,665
0	30,728	0	0	0	0	0
0	0	0	4,811	700	17,762	0
0	0	0	2	9	0	1
0	0	0	0	0	0	218,225
75,265	30,728	137,166	4,813	709	17,762	1,072,160
43,910	0	0	0	0	0	0
0	44,925	0	0	0	16,667	0
0	0	0	0	0	0	0
0	0	136,000	469	2,430	0	0
0	0	0	0	0	0	872,398
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	218,464	0	0	0	0	292,012
43,910	263,389	136,000	469	2,430	16,667	1,164,410
31,355	(232,661)	1,166	4,344	(1,721)	1,095	(92,250)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
31,355	(232,661)	1,166	4,344	(1,721)	1,095	(92,250)
119,236	55,915	6,676	4,048	28,161	32,473	777,028
\$150,591	(\$176,746)	\$7,842	\$8,392	\$26,440	\$33,568	\$684,778

Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2015

	Federal Aid Secondary Matching	County Motor Fuel Tax	Police Vehicle	Coroner	Sheriff Tow
Revenues:					
Property taxes	\$304,580	\$0	\$0	\$0	\$0
Intergovernmental revenue	0	662,543	0	0	0
Licenses and permits	0	0	0	0	0
Charges for services	0	0	5,136	7,693	23,400
Interest	2,482	456	2	7	4
Other revenue	0	29,668	0	0	0
Total revenues	307,062	692,667	5,138	7,700	23,404
Expenditures:					
Current:					
General control and administration	0	0	0	0	0
Public safety	0	0	5,691	8,781	5,000
Judiciary and court related	0	0	0	0	0
Public health and welfare	0	0	0	0	0
Highways and streets	749,515	977,699	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	749,515	977,699	5,691	8,781	5,000
Excess (deficiency) of revenues over expenditures	(442,453)	(285,032)	(553)	(1,081)	18,404
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0
Net change in fund balance	(442,453)	(285,032)	(553)	(1,081)	18,404
Fund balances, beginning of year	1,660,024	1,013,551	3,483	19,223	0
Fund balances, end of year	\$1,217,571	\$728,519	\$2,930	\$18,142	\$18,404

Lee County, Illinois

Internal Service Fund

Liability Insurance Fund

Schedule of Revenues, Expenses, and Changes in Net Position -

Budget (Non-GAAP Basis) and Actual

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues:			
Taxes -			
Property taxes	\$356,966	\$357,334	\$368
Other revenue -			
Miscellaneous	0	2,938	2,938
Interest	0	39	39
Total revenues	356,966	360,311	3,345
Expenses:			
Insurance and bonds	351,800	334,481	17,319
Other	3,350	3,781	(431)
Total expenses	355,150	338,262	16,888
Operating income	1,816	22,049	20,233
Other financing sources and (uses) -			
Transfers in	40,000	40,000	0
Change in net position	\$41,816	62,049	\$20,233
Adjustment from budgetary basis to generally accepted accounting principles basis		(4,982)	
Net position, beginning of year		358,429	
Net position, end of year		\$415,496	

Lee County, Illinois

Internal Service Fund

Employee Group Insurance Fund

Schedule of Revenues, Expenses, and Changes in Net Position -

Budget (Non-GAAP Basis) and Actual

For the year ended November 30, 2015

	Budget Original	Actual	Variance with Final Budget
Revenues:			
Insurance reimbursement - General Fund	\$900,000	\$995,821	\$95,821
Insurance reimbursement - Health Department	126,023	142,093	16,070
Insurance reimbursement - Highway Department	144,865	131,696	(13,169)
Insurance reimbursement - GIS	7,030	6,391	(639)
Insurance reimbursement - employee contribution	371,290	395,872	24,582
Insurance reimbursement - retirees contribution	42,800	28,758	(14,042)
Insurance reimbursement - Rural Transportation	7,086	5,859	(1,227)
Insurance reimbursement - FSA funding	24,244	21,196	(3,048)
Insurance refund	0	309	309
Cobra premiums	7,490	0	(7,490)
Interest	0	47	47
Total revenues	1,630,828	1,728,042	97,214
Expenses:			
Premiums	1,257,036	1,250,125	6,911
Deductible reimbursement	256,800	254,204	2,596
Dental claims	57,780	60,015	(2,235)
Dental administration fees	3,996	3,948	48
Life insurance	3,745	3,491	254
FSA administration costs	1,380	1,593	(213)
FSA payments	24,244	18,988	5,256
Miscellaneous	0	4,300	(4,300)
Total expenses	1,604,981	1,596,664	8,317
Change in net position	\$25,847	131,378	\$105,531
Adjustment from budgetary basis to generally accepted accounting principles basis		29,710	
Net position, beginning of year		176,679	
Net position, end of year		\$337,767	

Lee County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Escrow #1				
Assets -				
Cash in banks	\$18,159	\$5	\$2,000	\$16,164
Accounts receivable	0	58,700	0	58,700
Total assets	\$18,159	\$58,705	\$2,000	\$74,864
Liabilities -				
Agency funds due to others	\$18,159	\$58,705	\$2,000	\$74,864
Township Motor Fuel				
Assets -				
Cash in banks	\$1,657,580	\$856,446	\$1,519,182	\$994,844
Due from the state	0	404,012	0	404,012
Total assets	\$1,657,580	\$1,260,458	\$1,519,182	\$1,398,856
Liabilities -				
Accounts payable	\$18,317	\$5,111	\$18,317	\$5,111
Agency funds due to others	1,639,263	1,255,347	1,500,865	1,393,745
Total liabilities	\$1,657,580	\$1,260,458	\$1,519,182	\$1,398,856
Township Bridge Program				
Assets -				
Cash in banks	\$651,638	\$242,125	\$633,642	\$260,121
Liabilities -				
Agency funds due to others	\$651,638	\$242,125	\$633,642	\$260,121
DUI Equipment				
Assets -				
Cash in banks	\$5,754	\$18,120	\$12,462	\$11,412
Liabilities -				
Accounts payable	\$0	\$2,806	\$0	\$2,806
Agency funds due to others	5,754	15,314	12,462	8,606
Total liabilities	\$5,754	\$18,120	\$12,462	\$11,412

Lee County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

(Continued)

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Commissary				
Assets -				
Cash in banks	\$73,844	\$115,512	\$120,594	\$68,762
Accounts receivable	0	9,431	0	9,431
Total assets	\$73,844	\$124,943	\$120,594	\$78,193
Liabilities -				
Accounts payable	\$0	\$8,686	\$0	\$8,686
Agency funds due to others	73,844	116,257	120,594	69,507
Total liabilities	\$73,844	\$124,943	\$120,594	\$78,193
County Clerk				
Assets -				
Cash in banks	\$133,058	\$1,397,025	\$1,402,333	\$127,750
Inventory	37,465	0	37,465	0
Total assets	\$170,523	\$1,397,025	\$1,439,798	\$127,750
Liabilities -				
Agency funds due to others	\$170,523	\$1,397,025	\$1,439,798	\$127,750
County Collector				
Assets:				
Cash in banks	\$212,334	\$53,903,766	\$53,985,862	\$130,238
Liabilities:				
Agency funds due to others	\$212,334	\$53,903,766	\$53,985,862	\$130,238
Circuit Clerk				
Assets -				
Cash in banks	\$817,648	\$2,579,994	\$2,480,270	\$917,372
Liabilities:				
Agency funds due to others	\$817,648	\$2,579,994	\$2,480,270	\$917,372

Lee County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

(Continued)

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Restitution - Probation Office				
Assets -				
Cash in banks	\$17	\$0	\$17	\$0
Liabilities -				
Agency funds due to others	\$17	\$0	\$17	\$0
Maple Grove Drainage Distribution				
Assets -				
Cash in banks	\$5,188	\$13,752	\$11,236	\$7,704
Liabilities -				
Agency funds due to others	\$5,188	\$13,752	\$11,236	\$7,704
Harmon Marion Drainage				
Assets -				
Cash in banks	\$33,722	\$10,264	\$20,322	\$23,664
Liabilities -				
Agency funds due to others	\$33,722	\$10,264	\$20,322	\$23,664
Hamilton Hahnman Drainage				
Assets -				
Cash in banks	\$11,660	\$3,064	\$142	\$14,582
Liabilities -				
Agency funds due to others	\$11,660	\$3,064	\$142	\$14,582
Harmon Drainage Dist No. 1				
Assets -				
Cash in banks	\$11,795	\$6,239	\$11,718	\$6,316
Liabilities -				
Agency funds due to others	\$11,795	\$6,239	\$11,718	\$6,316

Lee County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

(Continued)

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Harmon Drainage Dist No. 2				
Assets -				
Cash in banks	\$23,046	\$3,761	\$0	\$26,807
Liabilities -				
Agency funds due to others	\$23,046	\$3,761	\$0	\$26,807
Harmon Montmorecy Drainage				
Assets -				
Cash in banks	\$5,381	\$9,310	\$6,374	\$8,317
Liabilities -				
Agency funds due to others	\$5,381	\$9,310	\$6,374	\$8,317
All Agency Funds				
Assets:				
Cash, deposits, and investments	\$3,660,824	\$59,159,383	\$60,206,154	\$2,614,053
Inventory	37,465	0	37,465	0
Accounts receivable	0	68,131	0	68,131
Due from other governments	0	404,012	0	404,012
Total assets	\$3,698,289	\$59,631,526	\$60,243,619	\$3,086,196
Liabilities:				
Accounts payable	\$18,317	\$16,603	\$18,317	\$16,603
Agency funds due to others	3,679,972	59,614,923	60,225,302	3,069,593
Total liabilities	\$3,698,289	\$59,631,526	\$60,243,619	\$3,086,196

Lee County, Illinois

Schedule of Assessed Valuations, Tax Levies, Tax Extensions, and Tax Rates

Tax Years 2014 and 2013

(Unaudited)

	2014			2013		
	Assessed Valuation					
	\$703,127,600			\$691,037,715		
Fund	Levy	Rate	Extension	Levy	Rate	Extension
County General	\$2,601,375	0.3543	\$2,491,181	\$2,381,532	0.3446	\$2,321,887
County Highway	640,500	0.0911	640,549	640,500	0.0927	640,592
Federal Aid Secondary Matching	304,500	0.0433	304,454	304,500	0.0441	304,748
County Special Bridge	241,500	0.0343	241,173	241,500	0.0349	241,172
County Health	556,000	0.0791	556,174	556,000	0.0805	556,285
Tuberculosis Sanatorium	25,000	0.0036	25,313	25,000	0.0036	24,877
Illinois Municipal Retirement	600,000	0.0853	599,768	600,000	0.0868	599,821
County Veterans Assistance	75,000	0.0107	75,235	75,000	0.0109	75,323
Liability Insurance	356,966	0.0508	357,189	340,000	0.0492	339,991
Social Security	600,000	0.0853	599,768	600,000	0.0868	599,821
Social Services for Senior Citizens	102,500	0.0146	102,656	102,500	0.0148	102,273
Extension Education	136,860	0.0195	137,110	136,860	0.0198	136,825
	\$6,240,201	0.8719	\$6,130,570	\$6,003,392	0.8687	\$5,943,615