

# **Lee County, Illinois**

Dixon, Illinois

## **Report on Federal Awards**

Year Ended November 30, 2016

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

To the County Board  
Lee County  
Dixon, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2016, and the related notes to the financial statements, which collectively comprise County’s basic financial statements, and have issued our report thereon dated May 2, 2017. The financial statements of the discretely presented component unit, Lee County Emergency Telephone System Board (“ETSB”), were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-002 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-003 to be significant deficiencies.

## **Compliance and Other Matters**

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

## **Responses to Findings**

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

## **Purpose of This Report**

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Sterling, Illinois  
May 2, 2017



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

To the County Board  
Lee County  
Dixon, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Lee County, Illinois’ (the “County”) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2016. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility for Compliance***

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

***Auditor’s Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, Lee County, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2016.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-004 and 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2016-004 and 2016-005.

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated May 2, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

*Wipfli LLP*

Sterling, Illinois  
May 2, 2017

# Lee County, Illinois

## Schedule of Expenditures of Federal Awards For the year ended November 30, 2016

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title                       | Federal<br>CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Expenditures | Passed<br>Through to<br>Subrecipients |
|--|---------------------------|---|--------------|---------------------------------------|
| <b>Department of Agriculture</b>   |                           |   |              |                                       |
| Illinois Department of Human Services  |                           |   |              |                                       |
| Special Supplemental Nutrition Program for Women,<br>Infants, and Children (WIC) |                           |   |              |                                       |
| WIC Supplemental Nutrition   | 10.557                    | FCSUQ00920                                      | \$51,541     | \$0                                   |
| WIC Supplemental Nutrition   | 10.557                    | FCSVQ00920                                      | 70,436       | 0                                     |
| WIC Breast Feeding Peer Counseling   | 10.557                    | FCSUQ01155                                      | 5,126        | 0                                     |
| WIC Breast Feeding Peer Counseling   | 10.557                    | FCSVQ01155                                      | 8,895        | 0                                     |
| WIC Vouchers (non-cash)  | 10.557                    | SFY16   | 212,783      | 0                                     |
| WIC Vouchers (non-cash)  | 10.557                    | SFY17   | 66,023       | 0                                     |
| Total CFDA No. 10.557  |                           |   | 414,804      | 0                                     |
| Illinois Department of Human Services  |                           |   |              |                                       |
| WIC Farmers' Market Nutrition Program  | 10.572                    | FCSVQ03876                                      | 1,000        | 0                                     |
| Total Department of Agriculture  |                           |   | \$415,804    | \$0                                   |
| <b>Department of Transportation</b>  |                           |   |              |                                       |
| Illinois Department of Transportation  |                           |   |              |                                       |
| Formula Grants for Rural Areas   |                           |   |              |                                       |
| Section 5311 Operating Assistance  | 20.509                    | OP-16-23-FED                                    | \$226,511    | \$187,117 (M)                         |
| Section 5311 Operating Assistance  | 20.509                    | OP-17-23-FED                                    | 33,662       | 0 (M)                                 |
| Section 5311 Operating Assistance - Intercity Bus                                | 20.509                    | OP-14-51-FED                                    | 725,368      | 697,721 (M)                           |
| City of Ottawa   |                           |   |              |                                       |
| Formula Grants for Rural Areas   |                           |   |              |                                       |
| Section 5311 Operating Assistance  | 20.509                    | OP-16-29-FED                                    | 18,948       | 0 (M)                                 |
| Total CFDA No. 20.509  |                           |   | 1,004,489    | 884,838                               |
| Illinois Department of Transportation  |                           |   |              |                                       |
| Job Access and Reverse Commute Program   |                           |   |              |                                       |
| Education  | 20.516                    | JRC-15-010                                      | 30,346       | 28,052                                |
| Employment   | 20.516                    | JRC-15-011                                      | 75,931       | 64,698                                |
| Total CFDA No. 20.516  |                           |   | 106,277      | 92,750                                |
| Illinois Emergency Management Agency   |                           |   |              |                                       |
| Interagency Hazardous Materials Public Sector                                    |                           |   |              |                                       |
| Training and Planning Grants   | 20.703                    | 15HMELEE  | 2,505        | 0                                     |
| Total Department of Transportation   |                           |   | \$1,113,271  | \$977,588                             |

(M) Audited as a major program



# Lee County, Illinois

## Schedule of Expenditures of Federal Awards

(Continued)

For the year ended November 30, 2016

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title   | Federal<br>CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Expenditures | Passed<br>Through to<br>Subrecipients |
|--|---------------------------|---|--------------|---------------------------------------|
| <b>Environmental Protection Agency</b>   |                           |   |              |                                       |
| Illinois Department of Public Health<br>Performance Partnership Grants<br>Potable Water Supply   | 66.605                    | 65380169D                                       | \$1,238      | \$0                                   |
| <b>Department of Health &amp; Human Services</b>   |                           |   |              |                                       |
| Illinois Department of Public Health<br>Hospital Preparedness Program (HPP) and Public<br>Health Emergency Preparedness (PHEP) Aligned<br>Cooperative Agreements |                           |   |              |                                       |
| Bioterrorism Preparedness  | 93.074                    | 67180050D                                       | \$17,385     | \$0                                   |
| Bioterrorism Preparedness  | 93.074                    | 77180050E                                       | 18,285       | 0                                     |
| Ebola Virus Disease  | 93.074                    | 67180160D                                       | 3,502        | 0                                     |
| Total CFDA No. 93.074  |                           |   | 39,172       | 0                                     |
| Association of Food and Drug Officials<br>Food and Drug Administration_Research  | 93.103                    | G-SP-1510-02956                                 | 3,000        | 0                                     |
| Illinois Department of Public Health<br>Family Planning_Services   |                           |   |              |                                       |
| Title X - Family Planning Services   | 93.217                    | 66180063D                                       | 15,417       | 0                                     |
| Title X - Family Planning Services   | 93.217                    | 76180061E                                       | 42,422       | 0                                     |
| Total CFDA No. 93.217  |                           |   | 57,839       | 0                                     |
| Illinois Department of Healthcare and Family Services<br>Child Support Enforcement   |                           |   |              |                                       |
| State fiscal year 2016   | 93.563                    | n/a   | 3,076        | 0                                     |
| State fiscal year 2017   | 93.563                    | n/a   | 1,178        | 0                                     |
| Total CFDA No. 93.563  |                           |   | 4,254        | 0                                     |
| Illinois Department of Public Health<br>Social Service Block Grant<br>Family Case Management / Downstate   | 93.667                    | 66180063D                                       | 38,993       | 0                                     |
| IL Department of Healthcare and Family Services<br>Medical Assistance Program  |                           |   |              |                                       |
| State fiscal year 2016   | 93.778                    | n/a   | 13,919       | 0                                     |
| State fiscal year 2017   | 93.778                    | n/a   | 1,345        | 0                                     |
| Total CFDA No. 93.778  |                           |   | 15,264       | 0                                     |

**(M) Audited as a major program**

# Lee County, Illinois

## Schedule of Expenditures of Federal Awards

(Continued)

For the year ended November 30, 2016

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title   | Federal<br>CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Expenditures       | Passed<br>Through to<br>Subrecipients |
|--|---------------------------|---|--------------------|---------------------------------------|
| <b>Department of Health &amp; Human Services (continued)</b>   |                           |   |                    |                                       |
| Illinois Department of Public Health<br>HIV Prevention Activities_Health Department Based  | 93.940                    | 16-124-04                                       | 5,141              | 0                                     |
| Illinois Department of Public Health<br>Maternal and Child Health Services Block Grant<br>to the States<br>Coordinated School Health Education | 93.994                    | 66180063D                                       | 4,684              | 0                                     |
| <b>Total Department of Health &amp; Human Services</b>   |                           |   | <b>\$168,347</b>   | <b>\$0</b>                            |
| <b>Department of Homeland Security</b>   |                           |   |                    |                                       |
| Illinois Emergency Management Agency<br>Emergency Management Performance Grants<br>State fiscal year 2016                                      | 97.042                    | 15EMALEE  | \$612              | \$0                                   |
| State fiscal year 2017   | 97.042                    | 16EMALEE  | 21,426             | 0                                     |
| Total CFDA No. 97.042  |                           |   | 22,038             | 0                                     |
| <b>Total Department of Homeland Security</b>   |                           |   | <b>\$22,038</b>    | <b>\$0</b>                            |
| <b>Total federal grant expenditures</b>  |                           |   | <b>\$1,720,698</b> | <b>\$977,588</b>                      |

(M) Audited as a major program

# Lee County, Illinois

## Notes to Schedule of Expenditures of Federal Awards

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### **Note 1 Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Lee County (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the compliance requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

### **Note 2 Significant Accounting Policies**

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

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

The County elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### **Note 3 Noncash Assistance**

As reported on the Schedule of Expenditures of Federal Awards, the County dispensed noncash assistance in the form of WIC food instruments. During the year ended November 30, 2016, the County received and used/expended the following non-cash assistance. These values are included in the determination of Federal awards expended.

| <b><u>Non-cash assistance type:</u></b> | <b><u>CFDA</u></b> | <b><u>Value</u></b> |
|---|--------------------|---------------------|
| WIC vouchers (food instruments)         | 10.557             | \$278,806           |

### **Note 4 Other Federal Award Information**

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

# Lee County, Illinois

## Schedule of Findings and Questioned Costs

### Section I – Summary of Auditor’s Results

#### Financial Statements

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

#### Federal Awards

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

#### Identification of major programs:

|  |   |
|--|---|
| <u>CFDA Number(s)</u>  | <u>Name of Federal Program or Cluster</u> |
| 20.509   | Formula Grants for Rural Areas            |
| Dollar threshold used to distinguish between type A and type B programs: | <hr/> \$750,000 <hr/>                     |
| Auditee qualified as a low-risk auditee?                                 | _____ Yes <u>  X  </u> No                 |

# Lee County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section II – Financial Statement Findings**

#### A. Internal Control

#### **Finding 2016-001      **Preparation of Annual Financial Report****

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

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

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

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

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

View of Responsible Officials – We agree with the finding and have developed a corrective action plan.

#### **Finding 2016-002      **Inappropriate Manual Journal Entries and Inadequate Procedures for Change Management of Accounting Applications****

Criteria – Management is responsible for establishing and maintaining internal controls to ensure that automated and manual journal entries are accurately recorded within the County's financial records.

Condition – Material accounting adjustments were required during the audit to correct misstatements identified within the County's accounting records; specifically, accrued payroll was overstated by \$2.3 Million and interfund balances were out-of-balance (advances to other funds exceeded advances from other funds by \$900,000). Various other payroll related and interfund reimbursement accounts required adjustments during the audit.

Cause – Auditors noted that management implemented a new payroll module to their accounting application in January 2016. The previous payroll application was DOS based and did not post any automated journal entries within the County's general ledger module. The new payroll module was setup by the application's vendor and the automated journal entries were not configured to post to the appropriate accounts within the County's general ledger module. The inappropriate postings were identified by management and efforts were made to resolve the matter with the vendor; however, due to employee turnover at the vendor, and poor customer service, the identified issues were not resolved prior to year-end close of the County's financial records.

# Lee County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section II – Financial Statement Findings**

#### A. Internal Control (continued)

#### **Finding 2016-002     **Inappropriate Manual Journal Entries and Inadequate Procedures for Change Management of Accounting Applications (continued)****

Effect – Failure to implement the necessary internal control procedures may result in the misstatement of the County's financial statements.

Recommendation – Management and the Board should work together to establish and implement policies and procedures to ensure that all account balances, including accrual balances, are reviewed on a periodic basis to verify that transactions are being accurately recorded within the financial records and that significant variances between actual results and budgets are adequately justified. Additionally, manual journal, for recurring transactions and correcting entries, should be reviewed by an individual other than the preparer to ensure the journal entry is accurately recorded within the financial records. Further, new accounting systems, including modules, should be thoroughly evaluated and tested prior to implementation to ensure that transactions are processed completely and accurately within the accounting records.

View of Responsible Officials – We agree with the finding and have developed a corrective action plan.

#### **Finding 2016-003     **Inadequate Procedures over Monthly Cash Reconciliations****

Criteria – Management is responsible for establishing and maintaining internal controls to ensure that cash balances are accurately reflected within the County's accounting records.

Condition – Upon inspection of bank reconciliations prepared by management, auditors noted that the bank balance for one reconciliation did not agree to bank records (difference noted of \$1,197) and the book balance for three reconciliations did not agree to the County's financial records (differences noted of \$130,612, \$20,820, and \$552). Additionally, auditors noted 5 cash accounts within the County's financial records (totaling \$3,208) that do not have an associated cash position. The County maintains over 110 individual deposit accounts with an approximate aggregate balance of \$23 Million.

Cause – Auditors noted that bank reconciliations are being performed in the cash management module of the County's accounting system, which can and does report different cash book balances than the County's primary accounting application if the two applications are not appropriately reconciled. Further, bank balances in the cash management module must also be reconciled to bank activity to appropriately reflect actual cash balances. Due to the large number of cash accounts maintained by the County, a significant amount of employee time is necessary to accurately prepare and reconcile cash account activity.

Effect – Failure to implement the necessary internal control procedures may result in the misstatement of the County's financial statements.

# Lee County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section II – Financial Statement Findings**

#### A. Internal Control (continued)

#### **Finding 2016-003    Inadequate Procedures over Monthly Cash Reconciliations (continued)**

Recommendation – Management and the Board should work together to establish and implement policies and procedures to ensure that all cash deposit and investment balances are reconciled to account statements and related activity on a monthly basis. Reconciliations should be prepared and reviewed by separate employees, one of which who is independent of the cash receipt and disbursement process.

View of Responsible Officials – We agree with the finding and have developed a corrective action plan.

#### B. Compliance Finding

None

# Lee County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section III – Federal Award Findings and Questioned Costs**

#### **Finding 2016-004     Inadequate Procedures over Cash Draw Requests**

Federal Agency – U.S. Department of Transportation

Pass-through Entity – Illinois Department of transportation

Program Name – Formula Grants for Rural Areas

CFDA # and Program Expenditures – 20.509 (\$1,004,489)

Federal Award Numbers – IL-18-X026, IL-18-X028, IL-18-X029, IL-18-X030, IL-18-X031, IL-18-X032,  
IL-2016-034

Questioned Costs - \$1,129

Criteria – The County Board and management are responsible for implementing a system of internal controls to ensure compliance with applicable grant provisions, laws, and regulations; including the accurate preparation of grant reporting and requests for reimbursement. Federal requirements state that non-Federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award (2 CFR 200.303(a)).

(30 ILCS 740/) The Downstate Public Transportation Act (the “Act”) Section 2-2.04(n) states that ineligible expenses include such other expenses the Illinois Department of Transportation (IDOT) considers consistent with federal Department of Transportation regulations or requirements. Further, 2 CFR 200.403(g) states that costs must be adequately documented to be considered allowable.

2 CFR 200.430(i) states that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

2 CFR 200.431(c) states that fringe benefits must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals whose salaries and wages are chargeable to such Federal awards and other activities.

Condition – During testing of quarterly grant reimbursement requests made to the Illinois Department of Transportation Division of Public and Intermodal Transportation, we noted the following:

- Expense reimbursements for purchased services for 2 of 4 quarters were overstated by \$843 in total when compared to expense reimbursement requests from service providers; allocated expenses for purchased services totaled \$189,588.
- Expense reimbursements for administrative salary and fringe benefits were overstated by \$286 as a result of inaccurate processing of employee time distribution between program allowable and unallowable activities and were not timely detected and corrected; allocated expenses for administrative salary and fringe benefits totaled \$13,411 and \$4,548, respectively.

Cause – Management stated that the discrepancies were due to human error and oversight.

Effect – Grant reimbursements were inaccurate and included ineligible expenses.



# Lee County, Illinois

## Schedule of Findings and Questioned Costs

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

#### **Finding 2016-004 Inadequate Procedures over Cash Draw Requests (continued)**

Recommendation – The County Board and management should review its current policies and procedures to prepare required grant reporting and reimbursement requests and implement further procedures to ensure amounts are reconciled to accounting records or other supporting documentation and reviewed for accuracy.

View of Responsible Officials – We agree with the finding and have developed a corrective action plan.

#### **Finding 2016-005 Noncompliance with Subrecipient Award Requirements**

Federal Agency – U.S. Department of Transportation

Pass-through Entity – Illinois Department of transportation

Program Name – Formula Grants for Rural Areas

CFDA # and Program Expenditures – 20.509 (\$1,004,489)

Federal Award Numbers – IL-18-X026, IL-18-X028, IL-18-X029, IL-18-X030, IL-18-X031, IL-18-X032,  
IL-2016-034

Questioned Costs - None

Criteria – 2 CFR 200.331 states that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal Award Identification: (i) Subrecipient name (which must match the name associated with its unique entity identifier); (ii) Subrecipient's unique entity identifier; (iii) Federal Award Identification Number (FAIN); (iv) Federal Award Date (see §200.39 Federal award date) of award to the recipient by the Federal agency; (v) Subaward Period of Performance Start and End Date; (vi) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient; (vii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation; (viii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity; (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity; (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement; (xii) Identification of whether the award is R&D; and (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;

# Lee County, Illinois

## Schedule of Findings and Questioned Costs

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

#### **Finding 2016-005    Noncompliance with Subrecipient Award Requirements (continued)**

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

Condition – Auditors noted the following during testing of subrecipient award documentation:

- Subaward documentation for 2 of 3 subrecipients (totaling distributions of \$187,117) did not include the following required elements: Subrecipient's unique entity number, Federal Award Identification Number (FAIN), CFDA Number, requirements of the Federal award, and a requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements.
- Subaward documentation for 1 of 3 subrecipients (totaling distributions of \$697,721) did not include the following required elements: Subrecipient's unique entity number, Federal Award Identification Number (FAIN), and CFDA Number.

Cause – Management was not aware of the specific requirements for pass-through subaward documentation.

Effect – The County is not in compliance with Federal requirements.

Recommendation – Management should ensure that all required elements are included in subawards to subrecipients.

View of Responsible Officials – We agree with the finding and have developed a corrective action plan.



## **CORRECTIVE ACTION PLAN**

Prepared for the audit of the financial statements for Lee County, Illinois (the "County") as of and for the year ended November 30, 2016 and the Single Audit of the County for the fiscal year ended November 30, 2016

### **Finding 2016-001    Preparation of Annual Financial Report**

#### **Corrective Action Plan**

None. The County will continue to review the financial statements and required footnotes prepared by the external auditors. The County believes this process to be the most economical and appropriate to help ensure complete and proper financial reporting.

**Person(s) Responsible:** Bob Olsen, Finance Committee Chair; John Fritts, Treasurer

**Timing for Implementation:** No change to current process planned at this time

### **Finding 2016-002    Inappropriate Manual Journal Entries and Inadequate Procedures over Review of Monthly Financial Reporting Package**

#### **Corrective Action Plan**

We plan to continue to work with our accounting applications' vendor to ensure that payroll transactions are accurately reflected within our accounting records. Additionally, we plan to review our current procedures over the preparation and review of manual journal entries to ensure that all entries are adequately supported and reviewed prior to posting within the accounting system.

**Person(s) Responsible:** John Fritts, Treasurer; Cathy Myers, County Clerk; Melissa Lawrence, Deputy Treasurer

**Timing for Implementation:** November 30, 2017

### **Finding 2016-003    Inadequate Procedures over Monthly Cash Reconciliations**

#### **Corrective Action Plan**

We will review our current procedures over monthly cash reconciliations and make the necessary process changes to ensure reconciliations are prepared on a timely basis for all accounts and reconciling items between actual month-end bank balances and the County's accounting records are reviewed for appropriateness.

**Person(s) Responsible:** John Fritts, Treasurer; Melissa Lawrence, Deputy Treasurer

**Timing for Implementation:** November 30, 2017



**CORRECTIVE ACTION PLAN (CONTINUED)**

**Finding 2016-004 Inadequate Procedures over Cash Draw Requests**

**Corrective Action Plan**

We will review our current policies and procedures and make the necessary changes to ensure that amounts requested from granting agencies are appropriately reconciled to underlying accounting records and reviewed for accuracy.

**Person(s) Responsible:** Jaime Blatti, PCOM; John Fritts, Treasurer; Melissa Lawrence, Deputy Treasurer

**Timing for Implementation:** November 30, 2017

**Finding 2016-005 Noncompliance with Subrecipient Award Requirements**

**Corrective Action Plan**

We will review the applicable Federal requirements and update our subrecipient agreement templates to ensure all applicable data elements are included.

**Person(s) Responsible:** Jamie Blatti, PCOM

**Timing for Implementation:** November 30, 2017

# Lee County, Illinois

## Summary Schedule of Prior Audit Findings

---

### **Section V – Prior Year Findings**

#### **November 30, 2015**

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

- A. Internal Control

Item 2015-001

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

Item 2015-002

There is an inadequate control over the functions of processing and recording the financial transactions of the County due to an inadequate segregation of duties stemming from limited personnel. Corrective action plan is in place.

- B. Compliance Finding

None

- II. Findings and Questioned Costs for Federal Awards

- A. Internal Control

Item 2015-003

The County, except the Health Department, does not have a complete system in place for identifying Federal assistance to enable management to identify all Federal programs and complete its Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without complete administrative oversight from one Office or designated individual. Corrective action plan is in place.

Item 2015-004

There is inadequate control over the function of approving transactions and submitting requisitions and other reports stemming from limited personnel. Corrective action plan is in place.

Item 2015-005

There is an inadequate control process over the monitoring of the grant funds passed through the County to subrecipients. This is a repeat finding for 2016.

# Lee County, Illinois

## Summary Schedule of Prior Audit Findings

---

### **Section IV – Prior Year Findings (continued)**

#### **November 30, 2015 (continued)**

##### B. Compliance Finding

None

#### **November 30, 2014**

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

###### A. Internal Control

Item 2014-001

There is an inadequate control over the functions of processing and recording the financial transactions of the County due to an inadequate segregation of duties stemming from limited personnel. Corrective action plan is in place.

Item 2014-002

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

Item 2014-003

Accounts exist which material adjusting entries were required to convert the general ledger from the cash basis of accounting to the accrual basis of accounting to be in accordance with generally accepted accounting principles. The accounting personnel of Lee County, Illinois accumulates a significant amount of the supporting documentation to adjust these balances, however the accounting personnel do not make the adjusting journal entries. Corrective action plan is in place.

Item 2014-004

Various departmental cash accounts within the County appear to not have adequate policies and procedures in place to properly account for the receipts and disbursements and prevent or detect any errors or irregularities due to an inadequate segregation of duties stemming from limited personnel. Corrective action plan is in place.

# Lee County, Illinois

## Summary Schedule of Prior Audit Findings

---

### **Section IV – Prior Year Findings (continued)**

#### **November 30, 2014 (continued)**

##### B. Compliance Finding

None

#### II. Findings and Questioned Costs for Federal Awards

##### A. Internal Control

Item 2014-005

There is an inadequate control process over the monitoring of the grant funds passed through the County to subrecipients. This is a repeat finding for 2016.

Item 2014-006

The A-87 Compliance Supplement requires that charges to the federal grant are for actual costs incurred during that period, rather than based on budgeted or projected amounts. Corrective action plan is in place.

##### B. Compliance Finding

None

# **Lee County, Illinois**

Dixon, Illinois

## **Financial Report**

Year Ended November 30, 2016



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# Lee County, Illinois

Year Ended November 30, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely present component unit, Lee County Emergency Telephone System Board, 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, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the required supplementary information on pages 43 through 53 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 not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***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 other and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
May 2, 2017

## **Basic Financial Statements**

# Lee County, Illinois

## Statement of Net Position

November 30, 2016

|   | <b>Primary Government</b> |                  |
|---|---------------------------|------------------|
|   | <b>Governmental</b>       | <b>Component</b> |
| <b>ASSETS</b>   | <b>Activities</b>         | <b>Unit</b>      |
| Cash, deposits, and investments                         | \$18,543,184              | \$1,043,548      |
| Inventory   | 91,705                    | 0                |
| Prepaid expenses  | 0                         | 18,652           |
| Property taxes receivable                               | 6,618,000                 | 0                |
| Accounts receivable                                     | 818,102                   | 3,312            |
| Due from the State                                      | 2,033,543                 | 0                |
| Due from other funds                                    | 317,257                   |                  |
| Surcharge receivables                                   | 0                         | 131,802          |
| Total current assets                                    | 28,421,791                | 1,197,314        |
| Noncurrent assets:                                      |                           |                  |
| Land and other nondepreciable assets                    | 1,479,668                 | 115,007          |
| Depreciable property and equipment, net of depreciation | 14,675,024                | 653,391          |
| Total noncurrent assets                                 | 16,154,692                | 768,398          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                   |                           |                  |
| Deferred outflows of pension resources                  | 3,596,275                 | 42,669           |
| <b>LIABILITIES</b>                                      |                           |                  |
| Current liabilities:                                    |                           |                  |
| Accounts payable  | \$1,081,574               | 12,194           |
| Accrued payroll   | 381,898                   | 4,275            |
| Accrued interest payable                                | 2,062                     | 0                |
| Due to other funds                                      | 317,257                   | 0                |
| Other liabilities                                       | 0                         | 0                |
| Accrued compensated absences due within one year        | 53,050                    | 1,493            |
| Capital lease payable                                   | 95,200                    | 0                |
| Total current liabilities                               | 1,931,041                 | 17,962           |
| Noncurrent liabilities -                                |                           |                  |
| Accrued compensated absences                            | 687,782                   | 10,344           |
| Other post-employment benefits                          | 1,316,027                 | 0                |
| Net pension liability                                   | 4,614,176                 | 39,008           |
| Capital lease payable                                   | 57,450                    | 0                |
| Total noncurrent liabilities                            | 6,675,435                 | 49,352           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                    |                           |                  |
| Deferred inflows of pension resources                   | 407,607                   | 5,701            |
| Deferred revenues                                       | 52,571                    | 0                |
| Unavailable property taxes                              | 6,618,000                 | 0                |
| Total deferred inflows of resources                     | 7,078,178                 | 5,701            |
| <b>NET POSITION</b>                                     |                           |                  |
| Net investment in capital assets                        | 16,002,042                | 768,398          |
| Restricted  | 10,296,200                | 0                |
| Unrestricted  | 6,189,862                 | 1,166,968        |
| Total net position                                      | \$32,488,104              | \$1,935,366      |

See Accompanying Notes to Financial Statements.

# Lee County, Illinois

## Statement of Activities

For the year ended November 30, 2016

| 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               | \$6,501,656         | \$1,525,381          | \$2,065,696                        | \$0                              | (\$2,910,579)                                     | \$0                |
| Public safety                    | 6,273,312           | 539,568              | 1,230                              | 0                                | (5,732,514)                                       | 0                  |
| Judiciary and court related      | 3,932,411           | 1,243,494            | 516,936                            | 0                                | (2,171,981)                                       | 0                  |
| Public health and welfare        | 1,911,241           | 1,017,084            | 510,276                            | 0                                | (383,881)   | 0                  |
| Highways and street              | 3,247,451           | 510,857              | 156,122                            | 1,242,856                        | (1,337,616)                                       | 0                  |
| Interest                         | 2,184               | 0                    | 0                                  | 0                                | (2,184)   | 0                  |
| <b>Total primary government</b>  | <b>\$21,868,255</b> | <b>\$4,836,384</b>   | <b>\$3,250,260</b>                 | <b>\$1,242,856</b>               | <b>(12,538,755)</b>                               | <b>0</b>           |
| Component unit:                  |                     |                      |                                    |                                  |   |                    |
| Emergency telephone system board | \$432,997           | \$402,429            |                                    |                                  |   | (30,568)           |
| General revenues:                |                     |                      |                                    |                                  |   |                    |
| Taxes:                           |                     |                      |                                    |                                  |   |                    |
| Property taxes                   |                     |                      |                                    |                                  | 6,296,135   | 0                  |
| Sales taxes                      |                     |                      |                                    |                                  | 1,146,912   | 0                  |
| Income taxes                     |                     |                      |                                    |                                  | 1,377,261   | 0                  |
| Other taxes                      |                     |                      |                                    |                                  | 785,788   | 0                  |
| Interest income                  |                     |                      |                                    |                                  | 71,688  | 537                |
| Miscellaneous                    |                     |                      |                                    |                                  | 709,422   | 6,910              |
| <b>Total general revenues</b>    |                     |                      |                                    |                                  | <b>10,387,206</b>                                 | <b>7,447</b>       |
| Change in net position           |                     |                      |                                    |                                  | (2,151,549)                                       | (23,121)           |
| Net position - beginning of year |                     |                      |                                    |                                  | 34,639,653  | 1,958,487          |
| <b>Net position - ending</b>     |                     |                      |                                    |                                  | <b>\$32,488,104</b>                               | <b>\$1,935,366</b> |

See Accompanying Notes to Financial Statements.



# Lee County, Illinois

## Governmental Funds

### Balance Sheet

November 30, 2016

| <b>ASSETS</b>   | <b>General</b>      | <b>Illinois<br/>Municipal<br/>Retirement</b> | <b>Rural<br/>Transportation</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|---------------------|--|---------------------------------|---|---|
| Cash, deposits, and investments   | \$9,524,323         | \$344,686                                    | \$245,173                       | \$7,659,924                             | \$17,774,106                            |
| Inventory   | 77,233              | 0  | 0                               | 14,472                                  | 91,705                                  |
| Property taxes receivable   | 2,979,174           | 762,500                                      | 0                               | 2,519,360                               | 6,261,034                               |
| Accounts receivable   | 336,613             | 0  | 0                               | 476,148                                 | 812,761                                 |
| Due from the State  | 769,575             | 0  | 1,020,727                       | 243,241                                 | 2,033,543                               |
| Due from other funds  | 229,316             | 0  | 1,266                           | 37,874                                  | 268,456                                 |
| <b>Total assets</b>   | <b>\$13,916,234</b> | <b>\$1,107,186</b>                           | <b>\$1,267,166</b>              | <b>\$10,951,019</b>                     | <b>\$27,241,605</b>                     |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                     |  |                                 |   |   |
| Liabilities:  |                     |  |                                 |   |   |
| Accounts payable  | \$189,845           | \$0  | \$729,851                       | \$126,440                               | \$1,046,136                             |
| Accrued payroll   | 175,580             | 131,957                                      | 2,332                           | 72,029                                  | 381,898                                 |
| Accrued compensated absences  | 43,294              | 0  | 0                               | 9,756                                   | 53,050                                  |
| Accrued interest  | 0                   | 0  | 0                               | 0                                       | 0                                       |
| Due to others   | 0                   | 0  | 0                               | 0                                       | 0                                       |
| Due to other funds  | 0                   | 49,206                                       | 0                               | 268,051                                 | 317,257                                 |
| <b>Total liabilities</b>  | <b>408,719</b>      | <b>181,163</b>                               | <b>732,183</b>                  | <b>476,276</b>                          | <b>1,798,341</b>                        |
| Deferred inflows of resources -   |                     |  |                                 |   |   |
| Deferred revenues   |                     |  |                                 | 52,571                                  | 52,571                                  |
| Unavailable property taxes  | 2,979,174           | 762,500                                      | 0                               | 2,519,360                               | 6,261,034                               |
| <b>Total deferred inflows of resources</b>                                | <b>2,979,174</b>    | <b>762,500</b>                               | <b>0</b>                        | <b>2,571,931</b>                        | <b>6,313,605</b>                        |
| Fund balances:  |                     |  |                                 |   |   |
| Nonspendable  | 77,233              | 0  | 0                               | 14,472                                  | 91,705                                  |
| Restricted  | 1,750,162           | 163,523                                      | 534,983                         | 8,031,396                               | 10,480,064                              |
| Committed   | 0                   | 0  | 0                               | 0                                       | 0                                       |
| Assigned  | 5,995,982           | 0  | 0                               | 0                                       | 5,995,982                               |
| Unassigned  | 2,704,964           | 0  | 0                               | (143,056)                               | 2,561,908                               |
| <b>Total fund balances</b>  | <b>10,528,341</b>   | <b>163,523</b>                               | <b>534,983</b>                  | <b>7,902,812</b>                        | <b>19,129,659</b>                       |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$13,916,234</b> | <b>\$1,107,186</b>                           | <b>\$1,267,166</b>              | <b>\$10,951,019</b>                     | <b>\$27,241,605</b>                     |

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, 2016

---

|   |                            |
|---|----------------------------|
| Total fund balances - governmental funds  | \$19,129,659               |
| 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<br>The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.  | 787,782                    |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Net book value of assets reported.   | 16,154,692                 |
| Compensated absences not due and payable from current resources are not reported in the governmental funds.   | (687,782)                  |
| Accrued long-term employee benefits are not due and payable in the current period and therefore are not reported as liabilities of the funds, but are included as liabilities and deferred items in the statement of net position<br>Accrued net pension liability and related deferred outflows/inflows of resources | (1,425,508)                |
| Long-term liabilities not due and payable with the current resources are not reported in the funds:   |                            |
| Accrued interest payable  | (2,062)                    |
| Other post-employment benefits  | (1,316,027)                |
| Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds -<br>Capital leases  | <u>(152,650)</u>           |
| Total net position - governmental activities  | <u><u>\$32,488,104</u></u> |

# Lee County, Illinois

## Governmental Funds

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

For the year ended November 30, 2016

|   | General             | Illinois<br>Municipal<br>Retirement | Rural<br>Transportation | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-------------------------------------|-------------------------|--------------------------------|--------------------------------|
| Revenues:   |                     |                                     |                         |                                |                                |
| Property taxes                                    | \$2,661,225         | \$723,954                           | \$0                     | \$2,554,354                    | \$5,939,533                    |
| Intergovernmental revenue                         | 3,756,334           | 55,000                              | 1,993,648               | 1,998,095                      | 7,803,077                      |
| Licenses and permits                              | 213,305             | 0                                   | 0                       | 117,885                        | 331,190                        |
| Charges for services                              | 2,423,760           | 0                                   | 53,362                  | 1,602,460                      | 4,079,582                      |
| Interest  | 62,900              | 0                                   | 123                     | 8,552                          | 71,575                         |
| Other revenue                                     | 354,583             | 0                                   | 135,323                 | 214,862                        | 704,768                        |
| <b>Total revenues</b>                             | <b>9,472,107</b>    | <b>778,954</b>                      | <b>2,182,456</b>        | <b>6,496,208</b>               | <b>18,929,725</b>              |
| Expenditures:                                     |                     |                                     |                         |                                |                                |
| Current:  |                     |                                     |                         |                                |                                |
| General control and administration                | 2,782,530           | 164,707                             | 1,986,581               | 411,614                        | 5,345,432                      |
| Public safety                                     | 3,843,214           | 392,791                             | 0                       | 188,845                        | 4,424,850                      |
| Judiciary and court related                       | 2,285,918           | 264,500                             | 0                       | 593,410                        | 3,143,828                      |
| Public health and welfare                         | 174,415             | 0                                   | 0                       | 1,645,431                      | 1,819,846                      |
| Highways and streets                              | 0                   | 0                                   | 0                       | 2,609,521                      | 2,609,521                      |
| Debt service:                                     |                     |                                     |                         |                                |                                |
| Principal   | 122,846             | 0                                   | 0                       | 0                              | 122,846                        |
| Interest  | 2,184               | 0                                   | 0                       | 0                              | 2,184                          |
| Capital outlay                                    | 140,638             | 0                                   | 0                       | 323,598                        | 464,236                        |
| <b>Total expenditures</b>                         | <b>9,351,745</b>    | <b>821,998</b>                      | <b>1,986,581</b>        | <b>5,772,419</b>               | <b>17,932,743</b>              |
| Excess (deficiency) of revenues over expenditures | 120,362             | (43,044)                            | 195,875                 | 723,789                        | 996,982                        |
| Other financing sources and (uses):               |                     |                                     |                         |                                |                                |
| Transfers in                                      | 1,223,007           | 0                                   | 0                       | 31,447                         | 1,254,454                      |
| Transfers out                                     | (1,235,279)         | 0                                   | (16,175)                | (3,000)                        | (1,254,454)                    |
| Proceeds from capital lease                       | 67,455              | 0                                   | 0                       | 0                              | 67,455                         |
| <b>Total other financing sources (uses)</b>       | <b>55,183</b>       | <b>0</b>                            | <b>(16,175)</b>         | <b>28,447</b>                  | <b>67,455</b>                  |
| Net change in fund balance                        | 175,545             | (43,044)                            | 179,700                 | 752,236                        | 1,064,437                      |
| Fund balances, beginning of year                  | 10,352,796          | 206,567                             | 355,283                 | 7,150,576                      | 18,065,222                     |
| <b>Fund balances, end of year</b>                 | <b>\$10,528,341</b> | <b>\$163,523</b>                    | <b>\$534,983</b>        | <b>\$7,902,812</b>             | <b>\$19,129,659</b>            |

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, 2016

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|  |                             |
|--|-----------------------------|
| Net change in fund balance - Governmental funds  | \$1,064,437                 |
| Amounts reported for governmental activities in the statement of activities<br>are different because:  |                             |
| An internal service fund is used to account for county and employee health insurance premiums.<br>The net revenue of the internal service fund is reported with governmental<br>activities.  | 34,519                      |
| Repayment of capital leases are reported in governmental funds as expenditures, but<br>the repayment reduced long-term liabilities in the statement of net position:<br>Capital lease repayment  | 122,846                     |
| The issuance of capital leases are shown in the fund financial statements as other<br>financing sources but are recorded as long-term liabilities on the government-wide statements.   | (67,455)                    |
| Capital outlays are reported in governmental funds as expenditures. However,<br>in the statement of activities, the cost of those assets is allocated over their<br>useful lives as depreciation expense. Donated capital assets are only reported<br>in the statement of activities. This is the amount by which depreciation expense<br>exceeds newly capitalized assets in the period.  | (858,953)                   |
| The net effect of various transactions involving capital assets (i.e., disposals and<br>sales) is to decrease net position.  | (6,739)                     |
| Some expenses reported in the Statement of Activities do not require use of current<br>financial resources and, therefore, are not reported as expenditures in governmental funds:   |                             |
| Change in non current accrued compensated absences   | 24,428                      |
| Change in accrued interest payable   | (2,062)                     |
| Change in other post employment obligation   | (70,822)                    |
| In the statement of activities, postretirement obligations, net pension obligations, and deferred<br>sources are measured by the amounts earned during the year. In the governmental funds,<br>however, expenditures for these items are measured by the amount of financial resources<br>used (essentially, the amounts actually paid). This year net pension liabilities and related<br>deferred outflows exceed the amount paid by. | (2,391,748)                 |
| Change in net position of governmental activities  | <u><u>(\$2,151,549)</u></u> |

See Accompanying Notes to Financial Statements.

# Lee County, Illinois

Proprietary Fund

Statement of Net Position

November 30, 2016

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| <b>ASSETS</b>   | <b>Internal<br/>Service Funds</b> |
|---|-----------------------------------|
| Cash, deposits, and investments   | \$769,078                         |
| Property taxes receivable   | 356,966                           |
| Due from other funds  | 48,801                            |
| Accounts receivable   | 5,341                             |
| <b>Total assets</b>   | <b>\$1,180,186</b>                |
| <br>  |                                   |
| <b>LIABILITIES</b>  |                                   |
| Accounts payable  | \$35,257                          |
| Accrued payroll   | 181                               |
| <b>Total liabilities</b>  | <b>35,438</b>                     |
| Deferred inflows of resources -<br>Unavailable property taxes   | 356,966                           |
| <b>Total liabilities and deferred inflows of resources</b>  | <b>392,404</b>                    |
| <br>  |                                   |
| <b>NET POSITION</b>   |                                   |
| Unrestricted  | 787,782                           |
| <b>Total net position</b>   | <b>787,782</b>                    |
| <br>  |                                   |
| Amounts reported for business-type activities in the Statement of Net Position<br>are different because - |                                   |
| Such amounts are included in governmental net position  | (787,782)                         |
| <b>Total net position of business-type activities</b>   | <b>\$0</b>                        |

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, 2016

|  | <b>Internal<br/>Service Funds</b> |
|--|-----------------------------------|
| Operating revenues:  |                                   |
| Employee contribution  | \$425,612                         |
| Board contribution   | 1,252,211                         |
| Revenue from insurance claims  | 4,654                             |
| <b>Total operating revenues</b>  | <b>1,682,477</b>                  |
| Operating expenses -   |                                   |
| Health insurance premiums  | 1,668,534                         |
| Insurance and bonds  | 336,139                           |
| <b>Total operating expenses</b>  | <b>2,004,673</b>                  |
| Net operating income (loss)  | (322,196)                         |
| Nonoperating revenues:   |                                   |
| General property taxes   | 356,602                           |
| Interest income  | 113                               |
| Non-operating income (loss)  | 356,715                           |
| <b>Net income before other financing sources (uses)</b>  | <b>34,519</b>                     |
| Other financing sources (uses):  |                                   |
| Transfers in   | 0                                 |
| <b>Total other financing sources (uses)</b>  | <b>0</b>                          |
| <b>Change in net position</b>  | <b>34,519</b>                     |
| Net position, beginning of year  | 753,263                           |
| Net position, end of year  | \$787,782                         |
| 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                | (34,519)                          |
| <b>Change in net position of business-type activities</b>  | <b>(\$34,519)</b>                 |

See Accompanying Notes to Financial Statements.

# Lee County, Illinois

Proprietary Fund

Statement of Cash Flows

For the year ended November 30, 2016

|  | <u>Internal<br/>Service Fund<br/>Health<br/>Insurance</u> |
|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |   |
| Receipts from employees and Board  | \$1,689,324   |
| Payment to suppliers   | (2,035,497)   |
| <b>Net cash flows from operating activities</b>  | <b>(346,173)</b>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |   |
|  | <b>0</b>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |   |
| Transfers in   | 0   |
| Property taxes   | 356,602   |
| Interest income  | 113   |
| <b>Net cash flows from noncapital financing activities</b>   | <b>356,715</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |   |
|  | <b>0</b>  |
| <b>Net increase (decrease) in cash</b>   | <b>10,542</b>   |
| Cash, beginning of year  | 758,536   |
| Cash, end of year  | \$769,078   |
| <b>RECONCILIATION:</b>   |   |
| Net operating income (loss)  | (\$322,196)   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |   |
| (Increase) decrease in:  |   |
| Receivables  | 6,847   |
| Increase (decrease) in:  |   |
| Accounts payable   | (30,824)  |
| <b>Net cash provided by (used in) operating activities</b>   | <b>(\$346,173)</b>  |

See Accompanying Notes to Financial Statements.

# Lee County, Illinois

## Statement of Fiduciary Net Position

November 30, 2016

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| <b>ASSETS</b>                   | <b>Agency<br/>Funds</b> |
|---------------------------------|-------------------------|
| Cash, deposits, and investments | \$3,344,961             |
| Accounts receivable             | 15,832                  |
| Due from other governments      | 0                       |
| <b>Total assets</b>             | <b>\$3,360,793</b>      |
| <b>LIABILITIES</b>              |                         |
| Accounts payable                | \$421,812               |
| Agency funds due to others      | 2,938,981               |
| <b>Total liabilities</b>        | <b>\$3,360,793</b>      |

See Accompanying Notes to Financial Statements.



# Lee County, Illinois

## Notes to Financial Statements

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### **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

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### **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.

**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.

**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:

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 1     Summary of Significant Accounting Policies (continued)**

**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.

### **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.

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.

# Lee County, Illinois

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Use of Estimates**

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

#### **Budgetary Basis of Accounting**

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.

#### **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.

#### **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.

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Capital Assets (continued)**

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.

#### **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.

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **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.

#### **Property Taxes**

The County's property tax is levied each year on all taxable real property located in the County. The 2015 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2016. The County must file its tax levy by the last Tuesday of December each year. The 2015 levy was approved on November 17, 2015. The 2016 levy was approved on November 15, 2016.

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

Property taxes are collected by the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2015 became due and payable in two installments, generally in June 2016 and September 2016. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **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, 2016, 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, 2016, the County has an estimated liability to its employees for accumulated vacation days in the amount of \$210,399.

#### Sick Leave

As of November 30, 2016, the County has an estimated liability to its employees for 50% of the accumulated sick days in the amount of \$477,383.

#### **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.

#### **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.

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 2    Stewardship, Compliance and Accountability**

#### **Excess of expenditures over appropriations**

| <u>Fund</u>                              | <u>Amount</u> |
|--|---------------|
| Capital Project Fund                     | \$29,681      |
| IMRF Fund                                | \$79,276      |
| Court Document Storage Fund              | \$82,394      |
| Circuit Clerk Automation Fund            | \$62,406      |
| Social Services for Seniors Fund         | \$3,897       |
| County Tourism Promotion Fund            | \$1,645       |
| Drug Street Fine Fund                    | \$7,028       |
| GIS Recording Fees                       | \$6,550       |
| Sheriff Tow Fund                         | \$2,902       |
| Lee County Employee Group Insurance Fund | \$52,795      |

#### **Deficit Fund Equity**

As of November 30, 2016, the Animal Control Fund (\$143,056) had a deficit fund balance.

### **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, 2016, the County's bank balance was \$21,888,145 and the entire balance was insured and collateralized with securities in the County's name.

#### **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, 2016, ETSB's bank balance was \$1,062,887 and the entire balance was insured and collateralized.



# Lee County, Illinois

## Notes to Financial Statements

### Note 4 Capital Assets

#### Primary Government

The governmental activities capital asset activity of the County (primary government) for the year ended November 30, 2016 is as follows:

| <b>Governmental activities:</b>                     | <b>Balance<br/>11/30/2015</b> | <b>Increases</b>   | <b>Decreases<br/>and<br/>Transfers</b> | <b>Balance<br/>11/30/2016</b> |
|---|-------------------------------|--------------------|--|-------------------------------|
| Capital assets, not being depreciated:              |                               |                    |  |                               |
| Land  | \$1,479,668                   | \$0                | \$0                                    | \$1,479,668                   |
| Construction in progress                            | 237,490                       | 0                  | (237,490)                              | 0                             |
| <b>Total capital assets, not being depreciated</b>  | <b>1,717,158</b>              | <b>0</b>           | <b>(237,490)</b>                       | <b>1,479,668</b>              |
| Capital assets, being depreciated:                  |                               |                    |  |                               |
| Building and building improvements                  | 18,219,000                    | 0                  | 0                                      | 18,219,000                    |
| Equipment   | 7,316,518                     | 140,638            | (19,254)                               | 7,437,902                     |
| Intangible assets                                   | 0                             | 264,329            | 237,490                                | 501,819                       |
| Infrastructure                                      | 9,566,312                     | 59,269             | 0                                      | 9,625,581                     |
| <b>Total capital assets, being depreciated:</b>     | <b>35,101,830</b>             | <b>464,236</b>     | <b>218,236</b>                         | <b>35,784,302</b>             |
| Accumulated depreciation:                           |                               |                    |  |                               |
| Building and building improvements                  | 8,944,143                     | 505,880            | 0                                      | 9,450,023                     |
| Equipment   | 5,945,786                     | 458,128            | (12,515)                               | 6,391,399                     |
| Intangible assets                                   | 0                             | 36,965             | 0                                      | 36,965                        |
| Infrastructure                                      | 4,908,675                     | 322,216            | 0                                      | 5,230,891                     |
| <b>Total accumulated depreciation</b>               | <b>19,798,604</b>             | <b>1,323,189</b>   | <b>(12,515)</b>                        | <b>21,109,278</b>             |
| <b>Total capital assets, being depreciated, net</b> | <b>15,303,226</b>             | <b>(858,953)</b>   | <b>(6,739)</b>                         | <b>14,675,024</b>             |
| <b>Governmental activities capital assets, net</b>  | <b>\$17,020,384</b>           | <b>(\$858,953)</b> | <b>(\$6,739)</b>                       | <b>\$16,154,692</b>           |

Depreciation expense was charged to governmental functions as follows:

|  |                    |
|--|--------------------|
| <b>Governmental activities:</b>                            |                    |
| General government   | \$189,716          |
| Public safety  | 123,149            |
| Highways and streets                                       | 509,067            |
| Public health and welfare                                  | 14,821             |
| Judiciary and Court Related                                | 486,436            |
| <b>Total depreciation expense, governmental activities</b> | <b>\$1,323,189</b> |

# Lee County, Illinois

## Notes to Financial Statements

### Note 4 Capital Assets (continued)

#### Component Unit (ETSB)

Capital asset activity for the year ended November 30, 2016 was as follows:

| <b>Governmental activities:</b>                     | <b>Balance<br/>11/30/2015</b> | <b>Increases</b> | <b>Decreases<br/>and<br/>Transfers</b> | <b>Balance<br/>11/30/2016</b> |
|---|-------------------------------|------------------|--|-------------------------------|
| Capital assets, not being depreciated               |                               |                  |  |                               |
| Construction in progress                            | \$17,200                      | \$115,007        | (\$17,200)                             | \$115,007                     |
| 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                     | 17,200           | 0                                      | 1,297,384                     |
| <b>Total capital assets, being depreciated:</b>     | <b>2,030,810</b>              | <b>17,200</b>    | <b>0</b>                               | <b>2,048,010</b>              |
| Less accumulated depreciation for:                  |                               |                  |  |                               |
| Building  | (40,216)                      | (2,491)          | 0                                      | (40,216)                      |
| Building improvements                               | (324,609)                     | (17,031)         | 0                                      | (324,609)                     |
| Equipment and furniture                             | (958,098)                     | (52,174)         | 0                                      | (1,010,272)                   |
| <b>Total accumulated depreciation</b>               | <b>(1,322,923)</b>            | <b>(71,696)</b>  | <b>0</b>                               | <b>(1,394,619)</b>            |
| <b>Total capital assets, being depreciated, net</b> | <b>707,887</b>                | <b>(54,496)</b>  | <b>0</b>                               | <b>653,391</b>                |
| <b>Governmental activities capital assets, net</b>  | <b>\$725,087</b>              | <b>\$60,511</b>  | <b>(\$17,200)</b>                      | <b>\$768,398</b>              |

Depreciation expense was charged to governmental functions as follows:

#### **Governmental activities:**

|                                  |          |
|----------------------------------|----------|
| Emergency telephone system board | \$71,696 |
|----------------------------------|----------|

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 6 Retirement Plans**

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

#### **IMRF Plan Description**

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

#### **Benefits Provided**

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

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

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

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

# Lee County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

Regular Plan (RP):

#### Employees Covered by the Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Retirees and beneficiaries currently receiving benefits          | 149 |
| Inactive plan members entitled to but not yet receiving benefits | 159 |
| Active plan members  | 120 |
| <hr/>  |     |
| Total  | 428 |

#### Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 9.85%. For the fiscal year ended November 30, 2016, the County contributed \$493,399 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### Net Pension Liability

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### Actuarial assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.49%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# Lee County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

Regular Personnel (RP) (continued):

#### Actuarial assumptions (continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

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

#### Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

# Lee County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

Regular Personnel (RP) (continued):

#### Changes in the Net Pension Liability

|   | Pension<br>Liability<br>(A) | Plan<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A)-(B) |
|---|-----------------------------|-----------------------------|-------------------------------------|
| <b>Balances at December 31, 2014</b>  | \$30,370,821                | \$30,402,261                | (\$31,440)                          |
| <b>Changes for the year:</b>  |                             |                             |                                     |
| Service cost  | 571,066                     | 0                           | 571,066                             |
| Interest on the total pension liability   | 2,252,055                   | 0                           | 2,252,055                           |
| Differences between expected and actual experience of the total pension liability | (467,479)                   | 0                           | (467,479)                           |
| Changes of assumptions  | 38,512                      | 0                           | 38,512                              |
| Contributions – employer  | 0                           | 537,286                     | (537,286)                           |
| Contributions – employees   | 0                           | 248,138                     | (248,138)                           |
| Net investment income   | 0                           | 150,830                     | (150,830)                           |
| Benefit payments, including refunds of employee contributions                     | (1,257,908)                 | (1,257,908)                 | 0                                   |
| Other (net transfer)  | 0                           | (674,068)                   | 674,068                             |
| <b>Net changes</b>  | <b>1,136,246</b>            | <b>(995,722)</b>            | <b>2,131,968</b>                    |
| <b>Balances at December 31, 2015</b>  | <b>\$31,507,067</b>         | <b>\$29,406,539</b>         | <b>\$2,100,528</b>                  |

Net pension liability was allocated based on the percentage of the fiscal year 2016 contributions.

|   | County             | ETSB            | Total              |
|---|--------------------|-----------------|--------------------|
| Balance December 31, 2014               | (\$30,846)         | (\$594)         | (\$31,440)         |
| Net changes                             | 2,092,376          | 39,592          | 2,131,968          |
| <b>Balances as of December 31, 2015</b> | <b>\$2,061,520</b> | <b>\$39,008</b> | <b>\$2,100,528</b> |

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

|                       | 1% Lower<br>(6.49%) | Current Discount<br>(7.49%) | 1% Higher<br>(8.49%) |
|-----------------------|---------------------|-----------------------------|----------------------|
| Net pension liability | \$6,301,381         | \$2,100,528                 | (\$1,317,594)        |

# Lee County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

Regular Personnel (RP) (continued):

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

For the year ended November 30, 2016, the County recognized pension expense of \$493,399. At November 30, 2016, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| <b>Deferred Amounts Related to Pensions</b>   | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
|---|---------------------------------------|--------------------------------------|
| <i>Deferred amounts to be recognized in pension expense in future periods:</i>      |                                       |                                      |
| Differences between expected and actual experience                                  | \$27,048                              | \$307,015                            |
| Changes of assumptions  | 356,839                               | 0                                    |
| Net difference between projected and actual earnings on pension plan investments    | 1,913,801                             | 0                                    |
| <b>Total deferred amounts to be recognized in pension expense in future periods</b> | <b>2,297,688</b>                      | <b>307,015</b>                       |
| Pension contributions made subsequent to the measurement date                       | 447,406                               | 0                                    |
| <b>Total deferred amounts related to pensions</b>                                   | <b>\$2,745,094</b>                    | <b>\$307,015</b>                     |

Deferred outflows and inflows were allocated based on the percentage of the fiscal year 2016 contributions.

|  | <b>County</b>        | <b>ETSB</b>       | <b>Total</b>         |
|--|----------------------|-------------------|----------------------|
| Deferred outflows                      | (\$2,255,019)        | (\$42,669)        | (\$2,297,688)        |
| Subsequent contributions               | (437,816)            | (9,589)           | (447,406)            |
| Deferred inflows                       | 301,314              | 5,701             | 307,015              |
| <b>Net Deferred (outflows)/inflows</b> | <b>(\$2,391,522)</b> | <b>(\$46,557)</b> | <b>(\$2,438,079)</b> |

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

| <b>Year Ending<br/>December 31</b> | <b>Net Deferred Outflows<br/>of Resources</b> |
|------------------------------------|---|
| 2016                               | \$710,194                                     |
| 2017                               | 363,368                                       |
| 2018                               | 498,843                                       |
| 2019                               | 417,268                                       |
| 2020                               | 0   |
| Thereafter                         | 0   |
| <b>Total</b>                       | <b>\$1,990,673</b>                            |

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 6 Retirement Benefits (continued)**

#### **Payable to the Pension Plan**

At November 30, 2016, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2016.

*Sheriff's Law Enforcement (SLEP):*

#### **Employees Covered by the Benefit Terms**

As of December 31, 2015, the following employees were covered by the benefit terms:

|  |           |
|--|-----------|
| Retirees and beneficiaries currently receiving benefits          | 19        |
| Inactive plan members entitled to but not yet receiving benefits | 4         |
| Active plan members  | 30        |
| <u>Total</u>   | <u>53</u> |

#### **Contributions**

As set by statute, the County's Regular Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 19.62%. For the fiscal year ended November 30, 2016, the County contributed \$419,753 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### **Net Pension Liability**

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### **Actuarial assumptions**

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.



# Lee County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

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

#### Actuarial assumptions (continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

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

#### Single Discount Rate

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

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

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

# Lee County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

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

#### Changes in the Net Pension Liability

|  | Pension<br>Liability<br>(A) | Plan<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A)-(B) |
|--|-----------------------------|-----------------------------|-------------------------------------|
| <b>Balances at December 31, 2014</b>   | \$15,945,713                | \$14,420,125                | \$1,525,588                         |
| <b>Changes for the year:</b>   |                             |                             |                                     |
| Service cost   | 397,090                     | 0                           | 397,090                             |
| Interest on the total pension liability  | 1,187,373                   | 0                           | 1,187,373                           |
| Differences between expected and actual<br>experience of the total pension liability | (125,340)                   | 0                           | (125,340)                           |
| Changes of assumptions   | 44,200                      | 0                           | 44,200                              |
| Contributions – employer   | 0                           | 384,797                     | (384,797)                           |
| Contributions – employees  | 0                           | (167,367)                   | (167,367)                           |
| Net investment income  | 0                           | 71,918                      | (71,918)                            |
| Benefit payments, including refunds<br>of employee contributions                     | (625,238)                   | (625,238)                   | 0                                   |
| Other (net transfer)   | 0                           | (147,827)                   | 147,827                             |
| <b>Net changes</b>   | <b>878,085</b>              | <b>(148,983)</b>            | <b>1,027,068</b>                    |
| <b>Balances at December 31, 2015</b>   | <b>\$16,823,798</b>         | <b>\$14,271,142</b>         | <b>\$2,552,656</b>                  |

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

|                       | 1% Lower<br>(6.48%) | Current Discount<br>(7.48%) | 1% Higher<br>(8.48%) |
|-----------------------|---------------------|-----------------------------|----------------------|
| Net pension liability | \$4,968,692         | \$2,552,656                 | \$592,241            |

# Lee County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

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

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

For the year ended November 30, 2016, the County recognized pension expense of \$419,753. At November 30, 2016, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| <b>Deferred Amounts Related to Pensions</b>   | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
|---|---------------------------------------|--------------------------------------|
| <i>Deferred amounts to be recognized in pension expense in future periods:</i>      |                                       |                                      |
| Differences between expected and actual experience                                  | \$235,565                             | \$106,293                            |
| Changes of assumptions  | 191,145                               | 0                                    |
| Net difference between projected and actual earnings on pension plan investments    | 914,546                               | 0                                    |
| <b>Total deferred amounts to be recognized in pension expense in future periods</b> | <b>\$1,341,256</b>                    | <b>\$106,293</b>                     |
| Pension contributions made subsequent to the measurement date                       | 364,864                               | 0                                    |
| <b>Total deferred amounts related to pensions</b>                                   | <b>\$1,706,120</b>                    | <b>\$106,293</b>                     |

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

| <b>Year Ending<br/>December 31</b> | <b>Net Deferred Outflows<br/>of Resources</b> |
|------------------------------------|---|
| 2016                               | \$306,891                                     |
| 2017                               | 306,891                                       |
| 2018                               | 306,892                                       |
| 2019                               | 269,056                                       |
| 2020                               | 52,393  |
| Thereafter                         | (7,160)                                       |
| <b>Total</b>                       | <b>\$1,234,963</b>                            |

#### **Payable to the Pension Plan**

At November 30, 2016, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2016.

# Lee County, Illinois

## Notes to Financial Statements

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### **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 County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was approved to comply with IRC Section 457(g) which allows for the plan to hold its assets in trust. Under these requirements, the assets of the plan are not subject to the general creditors of the County, the County does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

### **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.

#### **Membership**

At November 30, 2016, membership (most recent actuarial valuation date) consisted of:

|  |     |
|--|-----|
| Retirees and beneficiaries currently receiving benefits              | 2   |
| Terminated employees entitled to benefits but not yet receiving them | 0   |
| Active employees   | 105 |
| <hr/>  |     |
| Total  | 147 |
| <hr/>  |     |
| Participating employers  | 1   |
| <hr/>  |     |

#### **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.

# Lee County, Illinois

## Notes to Financial Statements

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### Note 8 Other Post-Employment Benefits (continued)

#### 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, 2016 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, 2016.

| <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, 2016        | \$89,110                | \$18,287                      | 21.00   | \$1,316,027                |
| November 30, 2015        | 257,127                 | 41,065                        | 15.97   | 1,245,204                  |
| November 30, 2014        | 265,703                 | 40,052                        | 15.07   | 1,029,142                  |

The annual required contribution for the year ended November 30, 2016, was calculated as follows:

|  |             |
|--|-------------|
| Normal cost  | \$52,657    |
| Amortization of unfunded actuarial accrued liability | 28,152      |
| <hr/>  |             |
| Total annual required contribution                   | \$80,809    |
| <hr/>  |             |
| Annual required contribution                         | \$80,809    |
| Interest on net OPEB obligation                      | 49,808      |
| Adjustment to annual required contribution           | (41,507)    |
| <hr/>  |             |
| Annual OPEB cost                                     | 89,110      |
| <hr/>  |             |
| Contributions made                                   | (18,287)    |
| <hr/>  |             |
| Increase in net OPEB obligation                      | 70,823      |
| <hr/>  |             |
| Net OPEB obligation, beginning of year               | 1,245,204   |
| <hr/>  |             |
| Net OPEB obligation, end of year                     | \$1,316,027 |
| <hr/>  |             |

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 8 Other Post-Employment Benefits (continued)**

#### **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, 2016 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 4.80 percent initially and an ultimate rate of 5.50 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**

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 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.

# Lee County, Illinois

## Notes to Financial Statements

### Note 10 Long-Term Debt (continued)

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.

The County obtained a capital lease for three Dodge Chargers dated June 14, 2016. The lease is payable in annual installments of \$23,072 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<br>November 30, | Principal | Interest |
|-----------------------------------|-----------|----------|
| 2017                              | \$95,200  | \$4,203  |
| 2018                              | 57,450    | 1,658    |
|                                   | \$152,650 | \$5,861  |

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

|  | Beginning<br>Balance | Increase  | Decrease    | Ending<br>Balance | Amounts<br>Due<br>Within<br>One Year |
|--|----------------------|-----------|-------------|-------------------|--------------------------------------|
| <b>Governmental activities:</b>                |                      |           |             |                   |                                      |
| Capital lease payable                          | \$208,041            | \$67,455  | (\$122,846) | \$152,650         | \$95,200                             |
| Compensated absences                           | 831,244              | 617,670   | (708,082)   | 740,832           | 53,050                               |
| Other post-employment<br>benefits              | 1,245,204            | 89,110    | (18,287)    | 1,316,027         | 0                                    |
| Governmental activity<br>Long-term liabilities | \$2,284,489          | \$774,235 | (\$849,215) | \$2,209,509       | \$148,250                            |

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$718,274,387. As of November 30, 2016, the County had \$41,148,127 remaining legal debt margin.

# Lee County, Illinois

## Notes to Financial Statements

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### Note 11 Net Position

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

#### Primary Government:

##### Governmental Activities:

Net investment in capital assets:

|   |             |
|---|-------------|
| Land and other nondepreciable assets                  | \$1,479,668 |
| Other capital assets, net of accumulated depreciation | 14,675,024  |
| Less: related long-term debt outstanding              | (152,650)   |

---

|  |            |
|--|------------|
| Total net investment in capital assets | 16,002,042 |
|--|------------|

---

Restricted:

|   |           |
|---|-----------|
| State statutes and enabling legislation | 9,761,217 |
| Externally imposed by grantors          | 534,983   |

---

|                  |            |
|------------------|------------|
| Total restricted | 10,296,200 |
|------------------|------------|

---

|              |           |
|--------------|-----------|
| Unrestricted | 6,189,862 |
|--------------|-----------|

---

|  |              |
|--|--------------|
| Total governmental activities net position | \$32,488,104 |
|--|--------------|

---

#### Component Unit (ETSB)

##### Governmental Activities:

Net investment in capital assets:

|   |           |
|---|-----------|
| Land and other nondepreciable assets                  | \$115,007 |
| Other capital assets, net of accumulated depreciation | 653,391   |
| Less: related long-term debt outstanding              | (0)       |

---

|  |         |
|--|---------|
| Total net investment in capital assets | 768,398 |
|--|---------|

---

|              |           |
|--------------|-----------|
| Unrestricted | 1,166,968 |
|--------------|-----------|

---

|                      |             |
|----------------------|-------------|
| Total component unit | \$1,935,366 |
|----------------------|-------------|

---

### 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.



# Lee County, Illinois

## Notes to Financial Statements

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### **Note 12 Fund Balance (continued)**

#### **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.

#### **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             | \$77,233 |
| Nonmajor Funds:                 |          |
| County Health – inventory       | 14,472   |
| <hr/>                           |          |
| Total nonspendable fund balance | \$91,705 |
| <hr/>                           |          |

# Lee County, Illinois

## Notes to Financial Statements

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### Note 12 Fund Balance (continued)

#### Restricted Fund Balance

##### Major Funds:

##### State statutes and enabling legislation:

|                                  |             |
|----------------------------------|-------------|
| General – solid waste management | \$1,750,162 |
| Illinois Municipal Retirement    | 163,523     |

##### Externally imposed by grantors:

|                      |         |
|----------------------|---------|
| Rural Transportation | 534,983 |
|----------------------|---------|

##### Non-Major Funds:

##### State statutes and enabling legislation:

|  |           |
|--|-----------|
| Special Recording Automation             | 105,589   |
| Vital Records Automation                 | 3,492     |
| County Collector Automation              | 10,384    |
| County Tourism Promotion                 | 11,464    |
| Indemnity                                | 415,222   |
| G.I.S. Recording Fees                    | 102,536   |
| Child Support Enforcement Program        | 90,079    |
| Probation Services                       | 145,299   |
| Court Document Storage                   | 182,585   |
| Circuit Clerk Automation Fee             | 99,959    |
| Circuit Clerk Operations                 | 63,094    |
| Law Library                              | 82,134    |
| Drug Forfeiture                          | 8,472     |
| Home Confinement                         | 14,904    |
| JJC Youth Diversion                      | 14,745    |
| JJC Council                              | 12,769    |
| Title IV E                               | 324       |
| Drug Street Fine                         | 6,500     |
| Marriage                                 | 7,349     |
| Drug Court                               | 28,001    |
| Domestic Violence                        | 7,146     |
| State's Attorney Collection              | 1,287     |
| State's Attorney Records Automation      | 12,504    |
| Social Services for Senior Citizens      | 8,832     |
| Tuberculosis Sanatorium                  | 75,191    |
| Veterans Assistance                      | 180,405   |
| Lee County Cooperative Extension Service | 8,884     |
| Arrestee's Medical Costs                 | 11,904    |
| Mental Health                            | 29,135    |
| Pet Population                           | 35,040    |
| County Special Bridge                    | 991,260   |
| Federal Aid Secondary Matching           | 1,436,469 |
| County Motor Fuel Tax                    | 701,045   |
| Police Vehicle                           | 8,392     |
| Coroner                                  | 20,569    |
| County Highway                           | 966,337   |
| County Health                            | 1,028,541 |
| Sheriff Tow                              | 30,341    |
| Social Security                          | 1,073,213 |

##### Externally imposed by grantors -

|       |   |
|-------|---|
| Grant | 0 |
|-------|---|

---

|                               |              |
|-------------------------------|--------------|
| Total restricted fund balance | \$10,480,064 |
|-------------------------------|--------------|

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# Lee County, Illinois

## Notes to Financial Statements

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### Note 12 Fund Balance (continued)

#### Assigned Fund Balance

Major Funds:

|   |             |
|---|-------------|
| General – Capital Projects Account                | \$5,957,404 |
| General – Capital Improvement Replacement Account | 38,578      |

---

Total assigned fund balance \$5,995,982

---

#### Unassigned Fund Balance

Major Funds:

|                 |             |
|-----------------|-------------|
| General Fund    | \$2,704,964 |
| Nonmajor Funds: |             |
| Animal Control  | (143,056)   |

---

Total unassigned fund balance \$2,561,908

---

### Component Unit (ETSB)

#### Nonspendable Fund Balance

Major Funds:

|                            |          |
|----------------------------|----------|
| General – Prepaid expenses | \$18,652 |
|----------------------------|----------|

---

#### Unassigned Fund Balance

Major Funds-

|         |             |
|---------|-------------|
| General | \$1,160,700 |
|---------|-------------|

---

### Note 13 Interfund Receivables and Payables

Below are the interfund balances as of November 30, 2016:

| <u>Fund</u>               | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|---------------------------|-----------------------------|--------------------------|
| General Fund              | \$229,316                   | \$0                      |
| IMRF Fund                 | 0                           | 49,206                   |
| Rural Transportation Fund | 1,266                       | 0                        |
| Nonmajor Funds            | 37,874                      | 268,051                  |
| Internal Service Funds    | 48,801                      | 0                        |
|                           | <u>\$317,257</u>            | <u>\$317,257</u>         |

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

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 14 Interfund Transfers**

Below are the interfund transfers as of November 30, 2016:

| <u>Fund</u>          | <u>Transfer In</u> | <u>Transfer Out</u> |
|----------------------|--------------------|---------------------|
| Major funds -        |                    |                     |
| General              | \$1,223,007        | \$1,235,279         |
| Rural Transportation | 0                  | 16,175              |
| Other governmental   | 31,447             | 3,000               |
|                      | <hr/>              | <hr/>               |
|                      | \$1,254,454        | \$1,254,454         |

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

### **Note 15 Construction and Other Significant Commitments**

As on November 30, 2016, the County had no construction or other significant commitments.

### **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.

### **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 opinion 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, \$660,801 in host fees, but this amount does not include payment from the previous year tonnage.

# Lee County, Illinois

## Notes to Financial Statements

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### **Note 18** Impact of Pending Account Principles

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

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

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

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

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

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

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

## **Required Supplementary Information**

# Lee County, Illinois

## General Fund

### Budgetary Comparison Schedule (Non-GAAP Basis)

#### Required Supplementary Information

For the year ended November 30, 2016

|                                      | Budget<br>Original | Budget<br>Final | Actual      | Variance with<br>Final Budget |
|--------------------------------------|--------------------|-----------------|-------------|-------------------------------|
| <b>Revenues:</b>                     |                    |                 |             |                               |
| Taxes:                               |                    |                 |             |                               |
| General property taxes               | \$2,796,257        | \$2,796,257     | \$2,661,225 | (\$135,032)                   |
| Sales tax                            | 450,000            | 450,000         | 416,002     | (33,998)                      |
| Supplemental county retail taxes     | 700,000            | 700,000         | 742,481     | 42,481                        |
| Increased use tax                    | 240,000            | 240,000         | 386,931     | 146,931                       |
|                                      | 4,186,257          | 4,186,257       | 4,206,639   | 20,382                        |
| <b>Intergovernmental revenues:</b>   |                    |                 |             |                               |
| State income tax                     | 1,300,000          | 1,300,000       | 1,323,997   | 23,997                        |
| Personal property replacement tax    | 375,000            | 375,000         | 361,297     | (13,703)                      |
| ESDA grant revenue                   | 2,000              | 2,000           | 6,335       | 4,335                         |
| FEMA                                 | 16,600             | 16,600          | 22,719      | 6,119                         |
| Gaming and pull tabs                 | 30,000             | 30,000          | 45,828      | 15,828                        |
| Aid to dependent children            | 700                | 700             | 1,571       | 871                           |
| County employee salaries             | 585,410            | 585,410         | 563,131     | (22,279)                      |
| Elections                            | 0                  | 22,190          | 0           | (22,190)                      |
|                                      | 2,309,710          | 2,331,900       | 2,324,878   | (7,022)                       |
| <b>Licenses and permits:</b>         |                    |                 |             |                               |
| Liquor licenses                      | 50,650             | 50,650          | 51,560      | 910                           |
| Zoning fees                          | 50,000             | 50,000          | 104,803     | 54,803                        |
| Raffle permit                        | 250                | 250             | 495         | 245                           |
| Rabies tags                          | 69,308             | 69,308          | 66,699      | (2,609)                       |
|                                      | 170,208            | 170,208         | 223,557     | 53,349                        |
| <b>Revenue from services:</b>        |                    |                 |             |                               |
| County clerk                         | 580,494            | 580,494         | 518,552     | (61,942)                      |
| Public defender                      | 2,500              | 2,500           | 2,875       | 375                           |
| Chief county assessment officer      | 1,000              | 1,000           | 1,395       | 395                           |
| Clerk of the circuit court           | 550,000            | 550,000         | 680,069     | 130,069                       |
| Animal impoundment fees              | 6,192              | 6,192           | 6,749       | 557                           |
| State's attorney                     | 15,000             | 15,000          | 18,796      | 3,796                         |
| County sheriff                       | 80,000             | 80,000          | 64,572      | (15,428)                      |
| ETSB reimbursement                   | 102,796            | 102,796         | 102,796     | 0                             |
| ETSB overtime credit                 | 3,000              | 3,000           | 3,911       | 911                           |
| Impoundment fees                     | 0                  | 0               | 0           | 0                             |
| Court system fees                    | 22,106             | 22,106          | 30,018      | 7,912                         |
| Bailiff - court security             | 57,895             | 57,895          | 78,907      | 21,012                        |
| County traffic fee                   | 80,000             | 80,000          | 126,273     | 46,273                        |
| County's share of drug fines         | 1,163              | 1,163           | 2,033       | 870                           |
| Deferred prosecution program         | 0                  | 0               | 900         | 900                           |
| Township assessment reimbursement    | 0                  | 6,000           | 41,282      | 35,282                        |
| State's attorney second chance       | 10,000             | 10,000          | 2,738       | (7,262)                       |
| Village of Paw Paw police protection | 60,816             | 60,816          | 60,816      | 0                             |
|                                      | 1,572,962          | 1,578,962       | 1,742,682   | 163,720                       |

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, 2016

|   | Budget<br>Original | Budget<br>Final | Actual    | Variance<br>with Final<br>Budget |
|---|--------------------|-----------------|-----------|----------------------------------|
| Revenues (continued)                    |                    |                 |           |                                  |
| Revenue from use of money and property: |                    |                 |           |                                  |
| Interest on investments                 | 3,000              | 3,000           | 3,477     | 477                              |
| Royalty income                          | 3,000              | 3,000           | 1,717     | (1,283)                          |
| Rent - health department                | 0                  | 0               | 1         | 1                                |
| Rent - JTPA                             | 7,200              | 7,200           | 7,200     | 0                                |
| Rent - law enforcement center           | 120,000            | 120,000         | 134,206   | 14,206                           |
| Rent - courthouse room                  | 500                | 500             | 100       | (400)                            |
|   | 133,700            | 133,700         | 146,701   | 13,001                           |
| All other sources:                      |                    |                 |           |                                  |
| Tourism Admin Fee                       | 2,000              | 2,000           | 2,080     | 80                               |
| Toxicology                              | 500                | 500             | 180       | (320)                            |
| Laredo/tapestry                         | 27,592             | 27,592          | 33,979    | 6,387                            |
| Workers compensation refund             | 0                  | 0               | 40,480    | 40,480                           |
| Work release fees                       | 5,000              | 5,000           | 1,191     | (3,809)                          |
| Penalties and costs on delinquent taxes | 120,000            | 120,000         | 39,748    | (80,252)                         |
| Miscellaneous                           | 15,000             | 15,000          | 87,333    | 72,333                           |
|   | 170,092            | 170,092         | 204,991   | 34,899                           |
| Total revenues                          | 8,542,929          | 8,571,119       | 8,849,448 | 278,329                          |
| Expenditures:                           |                    |                 |           |                                  |
| General control and administration:     |                    |                 |           |                                  |
| County clerk's office                   | 730,660            | 730,660         | 716,128   | 14,532                           |
| County treasurer's office               | 195,554            | 195,554         | 190,496   | 5,058                            |
| Courthouse                              | 663,116            | 663,116         | 596,618   | 66,498                           |
| County board                            | 273,545            | 273,545         | 197,921   | 75,624                           |
| Insurance and bonds                     | 912,000            | 912,000         | 912,000   | 0                                |
| Accounting and auditing                 | 45,000             | 45,000          | 40,685    | 4,315                            |
| Computer service                        | 125,514            | 125,514         | 127,507   | (1,993)                          |
| Assessments/property records            | 252,480            | 252,480         | 241,749   | 10,731                           |
|   | 3,197,869          | 3,197,869       | 3,023,104 | 174,765                          |

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, 2016

|  | Budget<br>Original | Budget<br>Final | Actual    | Variance<br>with Final<br>Budget |
|--|--------------------|-----------------|-----------|----------------------------------|
| Expenditures (continued):                                    |                    |                 |           |                                  |
| County development:  |                    |                 |           |                                  |
| Zoning office  | 78,878             | 78,878          | 83,102    | (4,224)                          |
| Regional planning commission                                 | 5,796              | 5,796           | 1,339     | 4,457                            |
|  | 84,674             | 84,674          | 84,441    | 233                              |
| Public safety:   |                    |                 |           |                                  |
| County sheriff's office                                      | 3,196,935          | 3,196,935       | 3,315,195 | (118,260)                        |
| County coroner   | 137,471            | 137,471         | 141,000   | (3,529)                          |
| Rabies control   | 75,500             | 75,500          | 63,613    | 11,887                           |
| ESDA   | 49,038             | 49,038          | 63,312    | (14,274)                         |
|  | 3,458,944          | 3,458,944       | 3,583,120 | (124,176)                        |
| Judiciary and court related:                                 |                    |                 |           |                                  |
| Circuit clerk's office                                       | 411,293            | 411,293         | 343,158   | 68,135                           |
| States attorney  | 666,588            | 666,588         | 650,147   | 16,441                           |
| Public defender  | 177,183            | 177,183         | 179,820   | (2,637)                          |
| Presiding judge (Jacobson)                                   | 183,800            | 183,800         | 190,545   | (6,745)                          |
| Associate judge (Beckman)                                    | 36,541             | 36,541          | 37,328    | (787)                            |
| Associate judge (Ackert)                                     | 4,700              | 4,700           | 3,788     | 912                              |
| Probation office   | 504,561            | 504,561         | 472,461   | 32,100                           |
| Circuit judge  | 69,620             | 69,620          | 68,949    | 671                              |
| Jury certificates  | 10,000             | 10,000          | 10,000    | 0                                |
|  | 2,064,286          | 2,064,286       | 1,956,196 | 108,090                          |
| All other:   |                    |                 |           |                                  |
| Superintendent of education service region                   | 59,050             | 59,050          | 52,765    | 6,285                            |
| Miscellaneous  | 0                  | 0               | 70,773    | (70,773)                         |
| IMRF reimbursement   | 0                  | 0               | 56,926    | (56,926)                         |
| Sick pay   | 113,094            | 113,094         | 135,380   | (22,286)                         |
| Contingencies  | 50,000             | 50,000          | 3,694     | 46,306                           |
|  | 222,144            | 222,144         | 319,538   | (97,394)                         |
| Total expenditures   | 9,027,917          | 9,027,917       | 8,966,399 | 61,518                           |
| Excess (deficiency) of revenues over<br>(under) expenditures | (484,988)          | (456,798)       | (116,951) | 339,847                          |

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, 2016

|  | Budget<br>Original | Budget<br>Final    | Actual              | Variance<br>with Final<br>Budget |
|--|--------------------|--------------------|---------------------|----------------------------------|
| Expenditures (continued):  |                    |                    |                     |                                  |
| Other financing sources (uses):  |                    |                    |                     |                                  |
| Transfers in   | 32,931             | 2,457,584          | 693,609             | (1,763,975)                      |
| Capital lease acquisition  | 0                  | 0                  | 67,455              | 67,455                           |
| Transfers out  | 0                  | 0                  | (25,000)            | (25,000)                         |
| Total other financing sources (uses)   | 32,931             | 2,457,584          | 736,064             | (1,721,520)                      |
| Net change in fund balance   | <u>(\$452,057)</u> | <u>\$2,000,786</u> | 619,113             | <u>(\$1,381,673)</u>             |
| Adjustment from budgetary basis to generally<br>accepted accounting principles basis |                    |                    | (243,838)           |                                  |
| Fund balances, beginning of year   |                    |                    | <u>2,406,922</u>    |                                  |
| Fund balances, end of year   |                    |                    | <u>\$2,782,197</u>  |                                  |
| GAAP fund balance for General Fund:  |                    |                    |                     |                                  |
| General Account  |                    |                    | \$2,782,197         |                                  |
| Solid Waste Management Account   |                    |                    | 1,750,162           |                                  |
| Capital Projects Account   |                    |                    | 5,957,404           |                                  |
| Capital Improvement Replacement Account  |                    |                    | 38,578              |                                  |
| GAAP fund balance for General Fund   |                    |                    | <u>\$10,528,341</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, 2016

|  | <b>Budget<br/>Original</b> | <b>Budget<br/>Final</b> | <b>Actual</b>    | <b>Variance<br/>with Final<br/>Budget</b> |
|--|----------------------------|-------------------------|------------------|---|
| Revenues -   |                            |                         |                  |   |
| Taxes -  |                            |                         |                  |   |
| Property taxes   | \$725,000                  | \$725,000               | \$723,954        | (\$1,046)                                 |
| Intergovernmental revenues -   |                            |                         |                  |   |
| Personal property replacement tax  | 55,000                     | 55,000                  | 55,000           | 0   |
| Total revenues   | 780,000                    | 780,000                 | 778,954          | (1,046)                                   |
| Expenditures -   |                            |                         |                  |   |
| Illinois Municipal Retirement Fund payments  | 742,304                    | 742,304                 | 821,580          | (79,276)                                  |
| Net change in fund balance   | <u>\$37,696</u>            | <u>\$37,696</u>         | (42,626)         | <u>(\$80,322)</u>                         |
| Adjustment from budgetary basis to generally<br>accepted accounting principles basis |                            |                         | (418)            |   |
| Fund balances, beginning of year   |                            |                         | <u>206,567</u>   |   |
| Fund balances, end of year   |                            |                         | <u>\$163,523</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, 2016

|  | Budget<br>Original | Budget<br>Final  | Actual           | Variance<br>with Final<br>Budget |
|--|--------------------|------------------|------------------|----------------------------------|
| Revenues:  |                    |                  |                  |                                  |
| Intergovernmental revenues -<br>Grants   | \$2,120,650        | \$2,120,650      | \$1,532,300      | (588,350)                        |
| Revenues from services -<br>Fares, fees, contracts, and other                        | 36,250             | 36,250           | 54,762           | 18,512                           |
| Revenue from use of money -<br>Interest  | 1,220              | 1,220            | 123              | (1,097)                          |
| Other -<br>Miscellaneous   | 215,500            | 215,500          | 139,705          | (75,795)                         |
| <b>Total revenues</b>  | <b>2,373,620</b>   | <b>2,373,620</b> | <b>1,726,890</b> | <b>(646,730)</b>                 |
| Expenditures:  |                    |                  |                  |                                  |
| General control and administration:<br>Salaries                                      | 125,650            | 125,650          | 91,185           | 34,465                           |
| Contractual expenditures   | 1,758,000          | 1,758,000        | 1,502,938        | 255,062                          |
| Miscellaneous  | 148,031            | 174,962          | 180,193          | (5,231)                          |
| <b>Total expenditures</b>  | <b>2,031,681</b>   | <b>2,058,612</b> | <b>1,774,316</b> | <b>284,296</b>                   |
| Excess (deficiency) of revenues over<br>(under) expenditures                         | 341,939            | 315,008          | (47,426)         | (362,434)                        |
| Other financing sources and (uses):  |                    |                  |                  |                                  |
| Transfers out  | 0                  | 0                | (16,175)         | (16,175)                         |
| <b>Net change in fund balance</b>  | <b>\$341,939</b>   | <b>\$315,008</b> | <b>(63,601)</b>  | <b>(\$378,609)</b>               |
| Adjustment from budgetary basis to generally<br>accepted accounting principles basis |                    |                  | 243,301          |                                  |
| <b>Fund balances, beginning of year</b>  |                    |                  | <b>355,283</b>   |                                  |
| <b>Fund balances, end of year</b>  |                    |                  | <b>\$534,983</b> |                                  |

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)

|   | 2015         | 2014         | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|--------------|--------------|------|------|------|------|------|------|------|------|
| Calendar year ending December 31,   |              |              |      |      |      |      |      |      |      |      |
| Total pension liability:  |              |              |      |      |      |      |      |      |      |      |
| Service cost  | \$571,066    | \$582,656    |      |      |      |      |      |      |      |      |
| Interest on the total pension liability                                   | 2,252,055    | 2,062,792    |      |      |      |      |      |      |      |      |
| Benefit changes   | 0            | 0            |      |      |      |      |      |      |      |      |
| Difference between expected and actual experience                         | (467,479)    | 84,600       |      |      |      |      |      |      |      |      |
| Assumption changes  | 38,512       | 1,037,038    |      |      |      |      |      |      |      |      |
| Benefit payments and refunds  | (1,257,908)  | (1,217,652)  |      |      |      |      |      |      |      |      |
| Net change in total pension liability                                     | 1,136,246    | 2,549,434    |      |      |      |      |      |      |      |      |
| Total pension liability - beginning                                       | 30,370,821   | 27,821,387   |      |      |      |      |      |      |      |      |
| Total pension liability - ending (a)                                      | \$31,507,067 | \$30,370,821 |      |      |      |      |      |      |      |      |
| Plan fiduciary net position:  |              |              |      |      |      |      |      |      |      |      |
| Employer contributions  | \$537,286    | \$530,595    |      |      |      |      |      |      |      |      |
| Employee contributions  | 248,138      | 243,828      |      |      |      |      |      |      |      |      |
| Pension plan net investment income  | 150,830      | 1,751,684    |      |      |      |      |      |      |      |      |
| Benefit payments and refunds  | (1,257,908)  | (1,217,652)  |      |      |      |      |      |      |      |      |
| Other   | (674,068)    | 156,065      |      |      |      |      |      |      |      |      |
| Net change in plan fiduciary net position                                 | (995,722)    | 1,464,520    |      |      |      |      |      |      |      |      |
| Plan fiduciary net position - beginning                                   | 30,402,261   | 28,937,741   |      |      |      |      |      |      |      |      |
| Plan fiduciary net position - ending (b)                                  | \$29,406,539 | \$30,402,261 |      |      |      |      |      |      |      |      |
| Net pension liability(asset) - Ending (a) - (b)                           | 2,100,528    | (31,440)     |      |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage<br>of total pension liability | 93.33%       | 100.10%      |      |      |      |      |      |      |      |      |
| Covered valuation payroll   | 5,142,021    | 5,107,455    |      |      |      |      |      |      |      |      |
| Net pension liability as a percentage of<br>covered valuation payroll     | 40.85%       | -0.62%       |      |      |      |      |      |      |      |      |

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)

|   | 2015         | 2014         | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|--------------|--------------|------|------|------|------|------|------|------|------|
| Calendar year ending December 31,   |              |              |      |      |      |      |      |      |      |      |
| Total pension liability:  |              |              |      |      |      |      |      |      |      |      |
| Service cost  | \$397,090    | \$401,921    |      |      |      |      |      |      |      |      |
| Interest on the total pension liability                                   | 1,187,373    | 1,077,999    |      |      |      |      |      |      |      |      |
| Benefit changes   | 0            | 0            |      |      |      |      |      |      |      |      |
| Difference between expected and actual experience                         | (125,340)    | 333,763      |      |      |      |      |      |      |      |      |
| Assumption changes  | 44,200       | 217,716      |      |      |      |      |      |      |      |      |
| Benefit payments and refunds  | (625,238)    | (516,093)    |      |      |      |      |      |      |      |      |
| Net change in total pension liability                                     | 878,085      | 1,515,306    |      |      |      |      |      |      |      |      |
| Total pension liability - beginning                                       | 15,945,713   | 14,430,407   |      |      |      |      |      |      |      |      |
| Total pension liability - ending (a)                                      | \$16,823,798 | \$15,945,713 |      |      |      |      |      |      |      |      |
| Plan fiduciary net position:  |              |              |      |      |      |      |      |      |      |      |
| Employer contributions  | \$384,797    | \$428,412    |      |      |      |      |      |      |      |      |
| Employee contributions  | 167,367      | 150,732      |      |      |      |      |      |      |      |      |
| Pension plan net investment income  | 71,918       | 828,882      |      |      |      |      |      |      |      |      |
| Benefit payments and refunds  | (625,238)    | (516,093)    |      |      |      |      |      |      |      |      |
| Other   | (147,827)    | (28,515)     |      |      |      |      |      |      |      |      |
| Net change in plan fiduciary net position                                 | (148,983)    | 863,418      |      |      |      |      |      |      |      |      |
| Plan fiduciary net position - beginning                                   | 14,420,125   | 13,556,707   |      |      |      |      |      |      |      |      |
| Plan fiduciary net position - ending (b)                                  | \$14,271,142 | \$14,420,125 |      |      |      |      |      |      |      |      |
| Net pension liability(asset) - Ending (a) - (b)                           | 2,552,656    | 1,525,588    |      |      |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage<br>of total pension liability | 84.83%       | 90.43%       |      |      |      |      |      |      |      |      |
| Covered valuation payroll   | 2,056,983    | 2,009,763    |      |      |      |      |      |      |      |      |
| Net pension liability as a percentage of<br>covered valuation payroll     | 124.10%      | 75.91%       |      |      |      |      |      |      |      |      |

# 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 Fiscal Years

| Fiscal Year<br>Ending<br>November 30, | Actuarially<br>Determined<br>Contribution* | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Valuation<br>Payroll | Actual Contribution<br>As a % of Covered<br>Valuation Payroll |
|---------------------------------------|--|------------------------|--|---------------------------------|---|
| 2016                                  | \$493,399                                  | \$493,399              | \$0                                    | \$5,142,021                     | 9.60%   |
| 2015                                  | 520,380                                    | 520,380                | 0                                      | 5,240,889                       | 9.93%   |

\* Estimated based on contribution rate of 9.60% and covered valuation payroll of \$5,142,021.

\*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 Fiscal Years

| Fiscal Year<br>Ending<br>November 30, | Actuarially<br>Determined<br>Contribution* | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Valuation<br>Payroll | Actual Contribution<br>As a % of Covered<br>Valuation Payroll |
|---------------------------------------|--|------------------------|--|---------------------------------|---|
| 2016                                  | \$419,753                                  | \$419,753              | \$0                                    | \$2,056,983                     | 20.41%  |
| 2015                                  | 383,675                                    | 386,675                | 0                                      | 1,954,703                       | 19.63%  |

\* Estimated based on contribution rate of 20.41% and covered valuation payroll of \$2,056,983.

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

### Other Post-Employment Benefits:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued Liability<br>(AAL)--Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 11/30/16                       | 0                                      | \$844,567   | \$844,567                          | 0.00%                    | N/A                       | N/A   |
| 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.







## **Supplementary Information**

# Lee County, Illinois

## General Fund

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

For the year ended November 30, 2016

|   | Budget<br>Original | Budget<br>Final | Actual         | Variance<br>with Final<br>Budget |
|---|--------------------|-----------------|----------------|----------------------------------|
| County clerk's office:                      |                    |                 |                |                                  |
| Salary                                      | \$61,062           | \$61,062        | \$61,045       | \$17                             |
| Overtime                                    | 3,000              | 3,000           | 1,853          | 1,147                            |
| Salary - others                             | 240,962            | 240,962         | 246,661        | (5,699)                          |
| Temporary and part-time help                | 4,000              | 4,000           | 3,794          | 206                              |
| Longevity                                   | 1,800              | 1,800           | 1,800          | 0                                |
| Repair and maintenance agreements           | 25,000             | 25,000          | 25,000         | 0                                |
| Telephone                                   | 336                | 336             | 336            | 0                                |
| Office supplies                             | 15,000             | 15,000          | 13,754         | 1,246                            |
| Purchase of real estate transfer stamp      | 150,000            | 150,000         | 150,000        | 0                                |
| Payroll processing                          | 2,000              | 2,000           | 5,128          | (3,128)                          |
| Postage                                     | 4,000              | 4,000           | 4,000          | 0                                |
| Election expenses (judges, ballots, others) | 208,000            | 208,000         | 191,360        | 16,640                           |
| National Voter Registration Act             | 2,000              | 2,000           | 2,000          | 0                                |
| Laredo/tapestry                             | 12,000             | 12,000          | 8,643          | 3,357                            |
| Education and training                      | 1,500              | 1,500           | 754            | 746                              |
|   | <u>730,660</u>     | <u>730,660</u>  | <u>716,128</u> | <u>14,532</u>                    |
| County treasurer's office:                  |                    |                 |                |                                  |
| Salary - officer                            | 61,062             | 61,062          | 61,045         | 17                               |
| Overtime                                    | 2,000              | 2,000           | 1,949          | 51                               |
| Salary - others                             | 95,463             | 95,463          | 97,662         | (2,199)                          |
| Temporary and part-time help                | 10,000             | 10,000          | 5,706          | 4,294                            |
| Longevity                                   | 0                  | 0               | 0              | 0                                |
| Programming                                 | 7,382              | 7,382           | 7,592          | (210)                            |
| Telephone                                   | 336                | 336             | 756            | (420)                            |
| Office supplies                             | 9,161              | 9,161           | 6,680          | 2,481                            |
| Postage                                     | 8,350              | 8,350           | 7,772          | 578                              |
| Publishing                                  | 1,800              | 1,800           | 1,334          | 466                              |
|   | <u>195,554</u>     | <u>195,554</u>  | <u>190,496</u> | <u>5,058</u>                     |
| Circuit clerk's office:                     |                    |                 |                |                                  |
| Salary - officer                            | 62,062             | 62,062          | 61,062         | 1,000                            |
| Salary - others                             | 330,416            | 330,416         | 263,695        | 66,721                           |
| Longevity                                   | 0                  | 0               | 0              | 0                                |
| Annual audit                                | 7,750              | 7,750           | 4,000          | 3,750                            |
| Office supplies                             | 11,065             | 11,065          | 14,401         | (3,336)                          |
|   | <u>411,293</u>     | <u>411,293</u>  | <u>343,158</u> | <u>68,135</u>                    |

# Lee County, Illinois

## General Fund

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

For the year ended November 30, 2016

|                                      | Budget<br>Original | Budget<br>Final | Actual    | Variance<br>with Final<br>Budget |
|--------------------------------------|--------------------|-----------------|-----------|----------------------------------|
| County sheriff's office:             |                    |                 |           |                                  |
| Salary - officer                     | 73,813             | 73,813          | 73,775    | 38                               |
| Salary - deputy and assistants       | 2,176,553          | 2,176,553       | 2,239,897 | (63,344)                         |
| Overtime                             | 150,000            | 150,000         | 222,200   | (72,200)                         |
| Temporary and part-time help         | 120,140            | 120,140         | 116,810   | 3,330                            |
| Holiday pay                          | 131,958            | 131,958         | 138,743   | (6,785)                          |
| Safety director                      | 2,500              | 2,500           | 2,500     | 0                                |
| ETSB overtime credit                 | 3,000              | 3,000           | 245       | 2,755                            |
| Merit commission                     | 2,000              | 2,000           | 2,000     | 0                                |
| Furniture and equipment              | 0                  | 0               | 0         | 0                                |
| Automobile repairs                   | 25,000             | 25,000          | 24,914    | 86                               |
| Radios                               | 30,000             | 30,000          | 44,211    | (14,211)                         |
| Automobiles                          | 117,824            | 117,824         | 117,824   | 0                                |
| Repair ad maintenance agreement      | 28,400             | 28,400          | 27,420    | 980                              |
| Automobile gasoline and oil          | 85,000             | 85,000          | 51,547    | 33,453                           |
| Telephone                            | 30,000             | 30,000          | 25,944    | 4,056                            |
| Office supplies                      | 57,023             | 57,023          | 61,525    | (4,502)                          |
| Food for prisoners                   | 81,500             | 81,500          | 73,095    | 8,405                            |
| Clothing                             | 4,136              | 4,136           | 5,564     | (1,428)                          |
| Prisoner's medical and hospital care | 65,388             | 65,388          | 70,708    | (5,320)                          |
| Postage                              | 3,000              | 3,000           | 1,809     | 1,191                            |
| Deputy education and training        | 9,700              | 9,700           | 14,464    | (4,764)                          |
| Debt service - principle             | 0                  | 0               | 0         | 0                                |
| Debt service - interest              | 0                  | 0               | 0         | 0                                |
|                                      | 3,196,935          | 3,196,935       | 3,315,195 | (118,260)                        |
| County coroner:                      |                    |                 |           |                                  |
| Salary - officer                     | 40,500             | 40,500          | 40,500    | 0                                |
| Salary - deputy and assistant        | 10,000             | 10,000          | 10,675    | (675)                            |
| Salary - others                      | 31,571             | 31,571          | 32,450    | (879)                            |
| Temporary and part-time help         | 1,850              | 1,850           | 1,737     | 113                              |
| Longevity                            | 0                  | 0               | 0         | 0                                |
| Other professional fees              | 40,000             | 40,000          | 49,850    | (9,850)                          |
| Repairs and maintenance              | 400                | 400             | 0         | 400                              |
| Telephone                            | 4,500              | 4,500           | 3,883     | 617                              |
| Office supplies                      | 1,900              | 1,900           | 0         | 1,900                            |
| County burial                        | 5,000              | 5,000           | 1,240     | 3,760                            |
| Jurors' fees                         | 500                | 500             | 0         | 500                              |
| Postage                              | 250                | 250             | 0         | 250                              |
| Education and training               | 1,000              | 1,000           | 665       | 335                              |
|                                      | 137,471            | 137,471         | 141,000   | (3,529)                          |

# Lee County, Illinois

## General Fund

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

(Continued)

For the year ended November 30, 2016

|   | Budget<br>Original | Budget<br>Final | Actual  | Variance<br>with Final<br>Budget |
|---|--------------------|-----------------|---------|----------------------------------|
| Superintendent of educational service region: |                    |                 |         |                                  |
| Salary - deputy and assistant                 | 28,850             | 28,850          | 28,729  | 121                              |
| Contractual services                          | 9,786              | 9,786           | 9,349   | 437                              |
| Repairs and maintenance                       | 500                | 500             | 5,767   | (5,267)                          |
| Supplies                                      | 1,037              | 1,037           | 843     | 194                              |
| Field services                                | 18,877             | 18,877          | 3,121   | 15,756                           |
| Rent  | 0                  | 0               | 4,956   | (4,956)                          |
|   | 59,050             | 59,050          | 52,765  | 6,285                            |
| States attorney:                              |                    |                 |         |                                  |
| Salary - officer                              | 166,508            | 166,508         | 166,508 | 0                                |
| Salary - deputy and assistants                | 214,000            | 214,000         | 206,254 | 7,746                            |
| Salary - others                               | 126,000            | 126,000         | 129,517 | (3,517)                          |
| Salary - Victim Witness Grant                 | 25,100             | 25,100          | 25,100  | 0                                |
| Temporary and part-time help                  | 10,000             | 10,000          | 20,362  | (10,362)                         |
| Longevity                                     | 0                  | 0               | 0       | 0                                |
| Victim Witness Coordinator                    | 11,980             | 11,980          | 11,926  | 54                               |
| States attorney appellate prosecutor          | 12,000             | 12,000          | 12,000  | 0                                |
| Contractual services                          | 50,000             | 50,000          | 24,534  | 25,466                           |
| Repairs and maintenance agreements            | 8,000              | 8,000           | 3,056   | 4,944                            |
| Supplies                                      | 7,000              | 7,000           | 6,769   | 231                              |
| Law books and other subscriptions             | 16,000             | 16,000          | 23,616  | (7,616)                          |
| Transportation of prisoners                   | 5,000              | 5,000           | 2,959   | 2,041                            |
| Postage                                       | 5,000              | 5,000           | 2,762   | 2,238                            |
| Education and training                        | 10,000             | 10,000          | 14,784  | (4,784)                          |
|   | 666,588            | 666,588         | 650,147 | 16,441                           |
| Public defender:                              |                    |                 |         |                                  |
| Salary - officer                              | 61,295             | 61,295          | 62,174  | (879)                            |
| Salary - deputy and assistants                | 48,238             | 48,238          | 49,117  | (879)                            |
| Salary - others                               | 30,850             | 30,850          | 31,729  | (879)                            |
| Contractual services                          | 32,000             | 32,000          | 32,000  | 0                                |
| Supplies                                      | 2,000              | 2,000           | 2,000   | 0                                |
| Longevity                                     | 1,800              | 1,800           | 1,800   | 0                                |
| Education and training                        | 1,000              | 1,000           | 1,000   | 0                                |
|   | 177,183            | 177,183         | 179,820 | (2,637)                          |

# Lee County, Illinois

## General Fund

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

For the year ended November 30, 2016

|  | Budget<br>Original | Budget<br>Original | Actual  | Variance<br>with Final<br>Budget |
|--|--------------------|--------------------|---------|----------------------------------|
| Animal control:  |                    |                    |         |                                  |
| Salary - officer   | 27,750             | 27,750             | 28,629  | (879)                            |
| Salary - others  | 26,750             | 26,750             | 20,745  | 6,005                            |
| Longevity  | 1,800              | 1,800              | 1,800   | 0                                |
| Repairs and maintenance                                  | 1,200              | 1,200              | 416     | 784                              |
| Gasoline and oil   | 3,700              | 3,700              | 2,040   | 1,660                            |
| Telephone  | 7,300              | 7,300              | 4,724   | 2,576                            |
| Supplies   | 3,500              | 3,500              | 1,999   | 1,501                            |
| Postage  | 3,500              | 3,500              | 3,260   | 240                              |
|  | 75,500             | 75,500             | 63,613  | 11,887                           |
| Courthouse:  |                    |                    |         |                                  |
| Overtime   | 5,500              | 5,500              | 5,384   | 116                              |
| Salary - others  | 204,816            | 204,816            | 207,267 | (2,451)                          |
| Temporary and part-time help                             | 0                  | 0                  | 0       | 0                                |
| Longevity  | 1,800              | 1,800              | 1,800   | 0                                |
| Repairs and maintenance - Old Courthouse                 | 47,500             | 47,500             | 30,798  | 16,702                           |
| Repairs and maintenance - LOTS                           | 0                  | 0                  | 0       | 0                                |
| Repairs and maintenance - Law Enforcement<br>Center      | 32,000             | 32,000             | 13,623  | 18,377                           |
| Repairs and maintenance - New Courts Building            | 54,000             | 54,000             | 65,546  | (11,546)                         |
| Repairs and maintenance - 4th St. property               | 14,000             | 14,000             | 9,931   | 4,069                            |
| Gasoline and oil   | 4,500              | 4,500              | 2,333   | 2,167                            |
| Heat, light and water - Old Courthouse                   | 47,000             | 47,000             | 34,214  | 12,786                           |
| Heat, light and water - Law Enforcement Center           | 46,000             | 46,000             | 34,362  | 11,638                           |
| Heat, light and water - New Courts Building              | 150,000            | 150,000            | 148,082 | 1,918                            |
| Heat, light and water - parking lot/<br>storage building | 3,000              | 3,000              | 1,362   | 1,638                            |
| Heat, light and water - LOTS                             | 0                  | 0                  | 0       | 0                                |
| Telephone - LOTS   | 0                  | 0                  | 0       | 0                                |
| Telephone  | 35,000             | 35,000             | 29,027  | 5,973                            |
| Maintenance  | 0                  | 0                  | 396     | (396)                            |
| Supplies   | 18,000             | 18,000             | 12,493  | 5,507                            |
|  | 663,116            | 663,116            | 596,618 | 66,498                           |
| Associate judge (Ackert):                                |                    |                    |         |                                  |
| Repair and maintenance agreements                        | 2,600              | 2,600              | 2,427   | 173                              |
| Office supplies  | 1,100              | 1,100              | 915     | 185                              |
| Education and training                                   | 1,000              | 1,000              | 446     | 554                              |
|  | 4,700              | 4,700              | 3,788   | 912                              |

# Lee County, Illinois

## General Fund

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

(Continued)

For the year ended November 30, 2016

|   | Budget<br>Original | Budget<br>Final | Actual  | Variance<br>with Final<br>Budget |
|---|--------------------|-----------------|---------|----------------------------------|
| Associate judge (Beckman):                |                    |                 |         |                                  |
| Salary - others                           | 34,541             | 34,541          | 35,385  | (844)                            |
| Longevity                                 | 0                  | 0               | 0       | 0                                |
| Office supplies                           | 1,500              | 1,500           | 1,473   | 27                               |
| Education and training                    | 500                | 500             | 470     | 30                               |
|   | 36,541             | 36,541          | 37,328  | (787)                            |
| Presiding judge (Jacobson):               |                    |                 |         |                                  |
| Salary - others                           | 11,000             | 11,000          | 7,333   | 3,667                            |
| Longevity                                 | 1,800              | 1,800           | 0       | 1,800                            |
| Contractual services                      | 75,000             | 75,000          | 90,268  | (15,268)                         |
| Furniture and office equipment            | 0                  | 0               | 0       | 0                                |
| Independent services                      | 72,000             | 72,000          | 72,000  | 0                                |
| Repairs and maintenance                   | 3,000              | 3,000           | 1,875   | 1,125                            |
| Office supplies                           | 2,500              | 2,500           | 791     | 1,709                            |
| Law books and other subscriptions         | 8,600              | 8,600           | 11,593  | (2,993)                          |
| Jurors' meals                             | 1,500              | 1,500           | 0       | 1,500                            |
| Education and training                    | 5,000              | 5,000           | 3,320   | 1,680                            |
| Dues to organization                      | 2,500              | 2,500           | 2,465   | 35                               |
| Court administration operation            | 900                | 900             | 900     | 0                                |
|   | 183,800            | 183,800         | 190,545 | (6,745)                          |
| County board:                             |                    |                 |         |                                  |
| Salary - others                           | 38,845             | 38,845          | 39,725  | (880)                            |
| Salary - administrator                    | 120,000            | 120,000         | 25,962  | 94,038                           |
| Temporary and part-time help              | 1,000              | 1,000           | 1,000   | 0                                |
| Per diem and committee service            | 60,500             | 60,500          | 54,576  | 5,924                            |
| Salary and expense of chairman            | 6,000              | 6,000           | 6,000   | 0                                |
| Contractual services                      | 9,400              | 9,400           | 40,212  | (30,812)                         |
| Repairs and maintenance                   | 1,400              | 1,400           | 1,037   | 363                              |
| Supplies                                  | 2,500              | 2,500           | 1,672   | 828                              |
| Dues to organizations                     | 4,900              | 4,900           | 4,306   | 594                              |
| Resource conservation and development     | 8,400              | 8,400           | 8,456   | (56)                             |
| LCIDA                                     | 15,000             | 15,000          | 10,000  | 5,000                            |
| Auto expense                              | 0                  | 0               | 600     | (600)                            |
| Telephone                                 | 0                  | 0               | 150     | (150)                            |
| Professional fees, dues and subscriptions | 0                  | 0               | 7       | (7)                              |
| Northeast criminal justice                | 2,500              | 2,500           | 2,459   | 41                               |
| Municipal code book, publishing, etc.     | 3,100              | 3,100           | 1,759   | 1,341                            |
|   | 273,545            | 273,545         | 197,921 | 75,624                           |

# Lee County, Illinois

## General Fund

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

(Continued)

For the year ended November 30, 2016

|                                     | Budget<br>Original | Budget<br>Final | Actual  | Variance<br>with Final<br>Budget |
|-------------------------------------|--------------------|-----------------|---------|----------------------------------|
| Insurance and bonds:                |                    |                 |         |                                  |
| Funding of employee group insurance | 912,000            | 912,000         | 912,000 | 0                                |
| Probation office:                   |                    |                 |         |                                  |
| Salary - officer                    | 82,692             | 82,692          | 76,666  | 6,026                            |
| Salary - deputy and assistants      | 357,812            | 357,812         | 333,476 | 24,336                           |
| Salary - others                     | 29,745             | 29,745          | 30,645  | (900)                            |
| Salary - overtime                   | 1,200              | 1,200           | 899     | 301                              |
| Temporary and part-time help        | 1,000              | 1,000           | 1,143   | (143)                            |
| Longevity                           | 0                  | 0               | 0       | 0                                |
| Machine maintenance                 | 3,000              | 3,000           | 2,964   | 36                               |
| Postage                             | 1,500              | 1,500           | 1,488   | 12                               |
| Dependent child care                | 27,612             | 27,612          | 25,180  | 2,432                            |
|                                     | 504,561            | 504,561         | 472,461 | 32,100                           |
| Circuit judge:                      |                    |                 |         |                                  |
| Salary - others                     | 38,510             | 38,510          | 39,355  | (845)                            |
| Repairs and maintenance             | 1,000              | 1,000           | 629     | 371                              |
| Supplies                            | 1,280              | 1,280           | 635     | 645                              |
| Education and training              | 500                | 500             | 0       | 500                              |
| LSSI                                | 11,330             | 11,330          | 11,330  | 0                                |
| CASA                                | 17,000             | 17,000          | 17,000  | 0                                |
|                                     | 69,620             | 69,620          | 68,949  | 671                              |
| Zoning office:                      |                    |                 |         |                                  |
| Salary - officer                    | 68,238             | 68,238          | 69,117  | (879)                            |
| Salary - other                      | 1,364              | 1,364           | 915     | 449                              |
| Repairs and maintenance             | 700                | 700             | 88      | 612                              |
| Gas and oil                         | 2,600              | 2,600           | 1,260   | 1,340                            |
| Telephone                           | 1,000              | 1,000           | 960     | 40                               |
| Postage                             | 0                  | 0               | 5       | (5)                              |
| Office supplies                     | 500                | 500             | 8,360   | (7,860)                          |
| Board of Appeals                    | 4,476              | 4,476           | 2,397   | 2,079                            |
|                                     | 78,878             | 78,878          | 83,102  | (4,224)                          |
| Accounting and auditing             | 45,000             | 45,000          | 40,685  | 4,315                            |



# Lee County, Illinois

## General Fund

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

(Continued)

For the year ended November 30, 2016

|                               | Budget<br>Original | Budget<br>Final | Actual  | Variance<br>with Final<br>Budget |
|-------------------------------|--------------------|-----------------|---------|----------------------------------|
| Jurors' certificates          | 10,000             | 10,000          | 10,000  | 0                                |
| Sick pay                      | 113,094            | 113,094         | 135,380 | (22,286)                         |
| IMRF Reimbursement            | 0                  | 0               | 56,926  | (56,926)                         |
| Miscellaneous                 | 0                  | 0               | 70,773  | (70,773)                         |
| ESDA:                         |                    |                 |         |                                  |
| Salary - officer              | 26,000             | 26,000          | 26,706  | (706)                            |
| Contractual services          | 4,257              | 4,257           | 4,275   | (18)                             |
| Furniture and equipment       | 3,370              | 3,370           | 15,358  | (11,988)                         |
| Repairs and maintenance       | 2,400              | 2,400           | 2,188   | 212                              |
| Gasoline and oil              | 1,500              | 1,500           | 1,290   | 210                              |
| Telephone                     | 6,500              | 6,500           | 7,838   | (1,338)                          |
| Supplies                      | 1,500              | 1,500           | 1,614   | (114)                            |
| Postage                       | 73                 | 73              | 19      | 54                               |
| Travel and meeting            | 1,438              | 1,438           | 1,519   | (81)                             |
| Grant expenditures            | 2,000              | 2,000           | 2,505   | (505)                            |
|                               | 49,038             | 49,038          | 63,312  | (14,274)                         |
| Contingencies                 | 50,000             | 50,000          | 3,694   | 46,306                           |
| Computer service:             |                    |                 |         |                                  |
| Salary - officer              | 58,250             | 58,250          | 59,129  | (879)                            |
| Programming                   | 54,846             | 54,846          | 52,214  | 2,632                            |
| Furniture and equipment       | 9,000              | 9,000           | 9,096   | (96)                             |
| Repairs and maintenance       | 2,000              | 2,000           | 1,994   | 6                                |
| Web resources                 | 1,418              | 1,418           | 5,074   | (3,656)                          |
|                               | 125,514            | 125,514         | 127,507 | (1,993)                          |
| Regional planning commission: |                    |                 |         |                                  |
| Salary - clerk                | 1,364              | 1,364           | 343     | 1,021                            |
| Per diem                      | 4,232              | 4,232           | 996     | 3,236                            |
| Supplies                      | 200                | 200             | 0       | 200                              |
| Postage                       | 0                  | 0               | 0       | 0                                |
|                               | 5,796              | 5,796           | 1,339   | 4,457                            |

# Lee County, Illinois

General Fund

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

(Continued)

For the year ended November 30, 2016

|   | Budget<br>Original | Budget<br>Final | Actual      | Variance<br>with Final<br>Budget |
|---|--------------------|-----------------|-------------|----------------------------------|
| Supervisor or assessments/property records: |                    |                 |             |                                  |
| Salary - officer                            | 65,172             | 65,172          | 66,051      | (879)                            |
| Salary - overtime                           | 0                  | 0               | 0           | 0                                |
| Salary - others                             | 132,577            | 132,577         | 127,631     | 4,946                            |
| Temporary and part-time help                | 0                  | 0               | 2,541       | (2,541)                          |
| Per idem and committee services             | 5,700              | 5,700           | 5,662       | 38                               |
| Longevity                                   | 1,800              | 1,800           | 1,800       | 0                                |
| Programming                                 | 11,345             | 11,345          | 11,585      | (240)                            |
| Contractual services                        | 13,250             | 13,250          | 11,293      | 1,957                            |
| Computer equipment                          | 600                | 600             | 800         | (200)                            |
| Repairs and maintenance                     | 500                | 500             | 178         | 322                              |
| Telephone                                   | 336                | 336             | 348         | (12)                             |
| Supplies, etc.                              | 3,500              | 3,500           | 2,615       | 885                              |
| Postage                                     | 1,300              | 1,300           | 1,300       | 0                                |
| Travel and meeting                          | 3,000              | 3,000           | 1,369       | 1,631                            |
| Board of review                             | 250                | 250             | 232         | 18                               |
| Training                                    | 0                  | 0               | 3,014       | (3,014)                          |
| Publishing                                  | 13,150             | 13,150          | 5,330       | 7,820                            |
|   | 252,480            | 252,480         | 241,749     | 10,731                           |
| <br>  |                    |                 |             |                                  |
| Total expenditures                          | \$9,027,917        | \$9,027,917     | \$8,966,399 | \$61,518                         |

# Lee County, Illinois

General Fund

Combining Balance Sheet

November 30, 2016

| <b>ASSETS</b>                   | <b>General<br/>Account</b> | <b>Solid<br/>Waste<br/>Management<br/>Account</b> | <b>Capital<br/>Projects<br/>Account</b> | <b>Capital<br/>Improvement<br/>Replacement<br/>Account</b> | <b>Total<br/>General<br/>Fund</b> |
|---------------------------------|----------------------------|---|---|--|-----------------------------------|
| Cash, deposits, and investments | \$2,058,143                | \$1,632,131                                       | \$5,755,940                             | \$78,109   | \$9,524,323                       |
| Inventory                       | 77,233                     | 0   | 0                                       | 0  | 77,233                            |
| Property taxes receivable       | 2,979,174                  | 0   | 0                                       | 0  | 2,979,174                         |
| Accounts receivable             | 211,498                    | 125,115   | 0                                       | 0  | 336,613                           |
| Due from the State              | 769,575                    | 0   | 0                                       | 0  | 769,575                           |
| Due from other funds            | 26,892                     | 960   | 201,464                                 | 0  | 229,316                           |
| <b>Total assets</b>             | <b>\$6,122,515</b>         | <b>\$1,758,206</b>                                | <b>\$5,957,404</b>                      | <b>\$78,109</b>  | <b>\$13,916,234</b>               |

## LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

### Liabilities:

|                              |                |              |          |               |                |
|------------------------------|----------------|--------------|----------|---------------|----------------|
| Accounts payable             | \$142,567      | \$7,747      | \$0      | \$39,531      | \$189,845      |
| Accrued payroll              | 175,283        | 297          | 0        | 0             | 175,580        |
| Accrued compensated absences | 43,294         | 0            | 0        | 0             | 43,294         |
| Accrued interest             | 0              | 0            | 0        | 0             | 0              |
| Due to others                | 0              | 0            | 0        | 0             | 0              |
| Due to other funds           | 0              | 0            | 0        | 0             | 0              |
| <b>Total liabilities</b>     | <b>361,144</b> | <b>8,044</b> | <b>0</b> | <b>39,531</b> | <b>408,719</b> |

### Deferred inflows of resources -

|                            |           |   |   |   |           |
|----------------------------|-----------|---|---|---|-----------|
| Unavailable property taxes | 2,979,174 | 0 | 0 | 0 | 2,979,174 |
|----------------------------|-----------|---|---|---|-----------|

### Fund balances:

|                            |                  |                  |                  |               |                   |
|----------------------------|------------------|------------------|------------------|---------------|-------------------|
| Nonspendable               | 77,233           | 0                | 0                | 0             | 77,233            |
| Restricted                 | 0                | 1,750,162        | 0                | 0             | 1,750,162         |
| Committed                  | 0                | 0                | 0                | 0             | 0                 |
| Assigned                   | 0                | 0                | 5,957,404        | 38,578        | 5,995,982         |
| Unassigned                 | 2,704,964        | 0                | 0                | 0             | 2,704,964         |
| <b>Total fund balances</b> | <b>2,782,197</b> | <b>1,750,162</b> | <b>5,957,404</b> | <b>38,578</b> | <b>10,528,341</b> |

Total liabilities, deferred  
inflows of resources and  
fund balances

|                    |                    |                    |                 |                     |
|--------------------|--------------------|--------------------|-----------------|---------------------|
| <b>\$6,122,515</b> | <b>\$1,758,206</b> | <b>\$5,957,404</b> | <b>\$78,109</b> | <b>\$13,916,234</b> |
|--------------------|--------------------|--------------------|-----------------|---------------------|

# Lee County, Illinois

## General Fund

### Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the year ended November 30, 2016

|  | General<br>Account | Solid<br>Waste<br>Management<br>Account | Capital<br>Projects<br>Account | Capital<br>Improvement<br>Replacement<br>Account | Total<br>General<br>Fund |
|--|--------------------|---|--------------------------------|--|--------------------------|
| <b>Revenues:</b>                                     |                    |   |                                |  |                          |
| Property taxes                                       | \$2,661,225        | \$0                                     | \$0                            | \$0  | \$2,661,225              |
| Intergovernmental revenue                            | 3,756,334          | 0                                       | 0                              | 0  | 3,756,334                |
| Licenses and permits                                 | 213,305            | 0                                       | 0                              | 0  | 213,305                  |
| Charges for services                                 | 1,762,959          | 660,801                                 | 0                              | 0  | 2,423,760                |
| Interest   | 3,477              | 4,869                                   | 54,554                         | 0  | 62,900                   |
| Other revenue  | 354,583            | 0                                       | 0                              | 0  | 354,583                  |
| <b>Total revenues</b>                                | <b>8,751,883</b>   | <b>665,670</b>                          | <b>54,554</b>                  | <b>0</b>   | <b>9,472,107</b>         |
| <b>Expenditures:</b>                                 |                    |   |                                |  |                          |
| <b>Current:</b>                                      |                    |   |                                |  |                          |
| General control and<br>administration                | 2,719,116          | 0                                       | 2,330                          | 61,084   | 2,782,530                |
| Public safety  | 3,843,214          | 0                                       | 0                              | 0  | 3,843,214                |
| Judiciary and court related                          | 2,285,918          | 0                                       | 0                              | 0  | 2,285,918                |
| Public health and welfare                            | 0                  | 174,415                                 | 0                              | 0  | 174,415                  |
| Highways and streets                                 | 0                  | 0                                       | 0                              | 0  | 0                        |
| Debt service:  | 0                  | 0                                       | 0                              | 0  | 0                        |
| Principal  | 122,846            | 0                                       | 0                              | 0  | 122,846                  |
| Interest   | 2,184              | 0                                       | 0                              | 0  | 2,184                    |
| Capital outlay                                       | 140,638            | 0                                       | 0                              | 0  | 140,638                  |
| <b>Total expenditures</b>                            | <b>9,113,916</b>   | <b>174,415</b>                          | <b>2,330</b>                   | <b>61,084</b>                                    | <b>9,351,745</b>         |
| Excess (deficiency) of revenues<br>over expenditures | (362,033)          | 491,255                                 | 52,224                         | (61,084)   | 120,362                  |
| <b>Other financing sources and (uses):</b>           |                    |   |                                |  |                          |
| Transfers in   | 694,853            | 0                                       | 503,154                        | 25,000   | 1,223,007                |
| Transfers out  | (25,000)           | (534,601)                               | (675,678)                      | 0  | (1,235,279)              |
| Proceeds from capital lease                          | 67,455             | 0                                       | 0                              | 0  | 67,455                   |
| <b>Total other financing<br/>sources (uses)</b>      | <b>737,308</b>     | <b>(534,601)</b>                        | <b>(172,524)</b>               | <b>25,000</b>                                    | <b>55,183</b>            |
| Net change in fund balance                           | 375,275            | (43,346)                                | (120,300)                      | (36,084)   | 175,545                  |
| Fund balances, beginning of year                     | 2,406,922          | 1,793,508                               | 6,077,704                      | 74,662   | 10,352,796               |
| Fund balances, end of year                           | \$2,782,197        | \$1,750,162                             | \$5,957,404                    | \$38,578   | \$10,528,341             |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
November 30, 2016

| ASSETS  | Total<br>Non-Major<br>Governmental | Special Revenue Funds              |                                |                                   |
|---|------------------------------------|------------------------------------|--------------------------------|-----------------------------------|
|   |                                    | Special<br>Recording<br>Automation | Vital<br>Records<br>Automation | County<br>Collector<br>Automation |
| Cash, deposits, and investments   | \$7,659,924                        | \$100,617                          | \$2,984                        | \$11,255                          |
| Inventory   | 14,472                             | 0                                  | 0                              | 0                                 |
| Property taxes receivable   | 2,519,360                          | 0                                  | 0                              | 0                                 |
| Accounts receivable   | 476,148                            | 2,138                              | 294                            | 25                                |
| Due from the State  | 243,241                            | 0                                  | 0                              | 0                                 |
| Due from other funds  | 37,874                             | 4,371                              | 214                            | 0                                 |
| <b>Total assets</b>   | <b>\$10,951,019</b>                | <b>\$107,126</b>                   | <b>\$3,492</b>                 | <b>\$11,280</b>                   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                                    |                                    |                                |                                   |
| Liabilities:  |                                    |                                    |                                |                                   |
| Accounts payable  | \$126,440                          | \$1,537                            | \$0                            | \$861                             |
| Accrued payroll   | 72,029                             | 0                                  | 0                              | 0                                 |
| Accrued compensated absences  | 9,756                              | 0                                  | 0                              | 0                                 |
| Due to other funds  | 268,051                            | 0                                  | 0                              | 35                                |
| <b>Total liabilities</b>  | <b>476,276</b>                     | <b>1,537</b>                       | <b>0</b>                       | <b>896</b>                        |
| Deferred inflows of resources -   |                                    |                                    |                                |                                   |
| Deferred revenues   | 52,571                             |                                    |                                |                                   |
| Unavailable property taxes  | 2,519,360                          | 0                                  | 0                              | 0                                 |
| <b>Total deferred inflows of resources</b>                                | <b>2,571,931</b>                   | <b>0</b>                           | <b>0</b>                       | <b>0</b>                          |
| Fund balances:  |                                    |                                    |                                |                                   |
| Nonspendable  | 14,472                             | 0                                  | 0                              | 0                                 |
| Restricted  | 8,031,396                          | 105,589                            | 3,492                          | 10,384                            |
| Committed   | 0                                  | 0                                  | 0                              | 0                                 |
| Assigned  | 0                                  | 0                                  | 0                              | 0                                 |
| Unassigned  | (143,056)                          | 0                                  | 0                              | 0                                 |
| <b>Total fund balances</b>  | <b>7,902,812</b>                   | <b>105,589</b>                     | <b>3,492</b>                   | <b>10,384</b>                     |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$10,951,019</b>                | <b>\$107,126</b>                   | <b>\$3,492</b>                 | <b>\$11,280</b>                   |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

| ASSETS  | Special Revenue Funds          |                  |                            |            |  |
|---|--------------------------------|------------------|----------------------------|------------|--|
|   | County<br>Tourism<br>Promotion | Indemnity        | G.I.S<br>Recording<br>Fees | Grant      | Child<br>Support<br>Enforcement<br>Program |
| Cash, deposits, and investments   | \$13,059                       | \$415,222        | \$98,658                   | \$0        | \$97,933                                   |
| Inventory   | 0                              | 0                | 0                          | 0          | 0  |
| Property taxes receivable   | 0                              | 0                | 0                          | 0          | 0  |
| Accounts receivable   | 10,244                         | 0                | 7,973                      | 0          | 1,584                                      |
| Due from the State  | 0                              | 0                | 0                          | 0          | 0  |
| Due from other funds  | 0                              | 0                | 2,282                      | 0          | 0  |
| <b>Total assets</b>   | <b>\$23,303</b>                | <b>\$415,222</b> | <b>\$108,913</b>           | <b>\$0</b> | <b>\$99,517</b>                            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                                |                  |                            |            |  |
| Liabilities:  |                                |                  |                            |            |  |
| Accounts payable  | \$11,626                       | \$0              | \$4,965                    | \$0        | \$90                                       |
| Accrued payroll   | 0                              | 0                | 1,412                      | 0          | 1,733                                      |
| Accrued compensated absences  | 0                              | 0                | 0                          | 0          | 0  |
| Due to other funds  | 213                            | 0                | 0                          | 0          | 7,615                                      |
| <b>Total liabilities</b>  | <b>11,839</b>                  | <b>0</b>         | <b>6,377</b>               | <b>0</b>   | <b>9,438</b>                               |
| Deferred inflows of resources:  |                                |                  |                            |            |  |
| Deferred revenues   |                                |                  |                            |            |  |
| Unavailable property taxes  | 0                              | 0                | 0                          | 0          | 0  |
| <b>Total deferred inflows of resources</b>                                | <b>0</b>                       | <b>0</b>         | <b>0</b>                   | <b>0</b>   | <b>0</b>                                   |
| Fund balances:  |                                |                  |                            |            |  |
| Nonspendable  | 0                              | 0                | 0                          | 0          | 0  |
| Restricted  | 11,464                         | 415,222          | 102,536                    | 0          | 90,079                                     |
| Committed   | 0                              | 0                | 0                          | 0          | 0  |
| Assigned  | 0                              | 0                | 0                          | 0          | 0  |
| Unassigned  | 0                              | 0                | 0                          | 0          | 0  |
| <b>Total fund balances</b>  | <b>11,464</b>                  | <b>415,222</b>   | <b>102,536</b>             | <b>0</b>   | <b>90,079</b>                              |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$23,303</b>                | <b>\$415,222</b> | <b>\$108,913</b>           | <b>\$0</b> | <b>\$99,517</b>                            |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

| ASSETS  | Special Revenue Funds |                        |                              |                          |                 |
|---|-----------------------|------------------------|------------------------------|--------------------------|-----------------|
|   | Probation Services    | Court Document Storage | Circuit Clerk Automation Fee | Circuit Clerk Operations | Law Library     |
| Cash, deposits, and investments   | \$137,132             | \$181,742              | \$93,182                     | \$63,085                 | \$73,951        |
| Inventory   | 0                     | 0                      | 0                            | 0                        | 0               |
| Property taxes receivable   | 0                     | 0                      | 0                            | 0                        | 0               |
| Accounts receivable   | 12,555                | 12,800                 | 12,064                       | 1,174                    | 1,350           |
| Due from the State  | 0                     | 0                      | 0                            | 0                        | 0               |
| Due from other funds  | 0                     | 0                      | 0                            | 0                        | 8,789           |
| <b>Total assets</b>   | <b>\$149,687</b>      | <b>\$194,542</b>       | <b>\$105,246</b>             | <b>\$64,259</b>          | <b>\$84,090</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                        |                              |                          |                 |
| Liabilities:  |                       |                        |                              |                          |                 |
| Accounts payable  | \$1,674               | \$9,837                | \$1,825                      | \$1,165                  | \$1,436         |
| Accrued payroll   | 0                     | 852                    | 2,198                        | 0                        | 520             |
| Accrued compensated absences  | 0                     | 0                      | 0                            | 0                        | 0               |
| Due to other funds  | 2,714                 | 1,268                  | 1,264                        | 0                        | 0               |
| <b>Total liabilities</b>  | <b>4,388</b>          | <b>11,957</b>          | <b>5,287</b>                 | <b>1,165</b>             | <b>1,956</b>    |
| Deferred inflows of resources:  |                       |                        |                              |                          |                 |
| Deferred revenues   |                       |                        | 0                            | 0                        | 0               |
| Unavailable property taxes  | 0                     | 0                      | 0                            | 0                        | 0               |
| <b>Total deferred inflows of resources</b>                                | <b>0</b>              | <b>0</b>               | <b>0</b>                     | <b>0</b>                 | <b>0</b>        |
| Fund balances:  |                       |                        |                              |                          |                 |
| Nonspendable  | 0                     | 0                      | 0                            | 0                        | 0               |
| Restricted  | 145,299               | 182,585                | 99,959                       | 63,094                   | 82,134          |
| Committed   | 0                     | 0                      | 0                            | 0                        | 0               |
| Assigned  | 0                     | 0                      | 0                            | 0                        | 0               |
| Unassigned  | 0                     | 0                      | 0                            | 0                        | 0               |
| <b>Total fund balances</b>  | <b>145,299</b>        | <b>182,585</b>         | <b>99,959</b>                | <b>63,094</b>            | <b>82,134</b>   |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$149,687</b>      | <b>\$194,542</b>       | <b>\$105,246</b>             | <b>\$64,259</b>          | <b>\$84,090</b> |

# Lee County, Illinois

## Non-Major Governmental Combining Balance Sheet (Continued)

November 30, 2016

| ASSETS  | Special Revenue Funds |                     |                 |                           |
|---|-----------------------|---------------------|-----------------|---------------------------|
|   | Drug<br>Forfeiture    | Home<br>Confinement | JJC<br>Council  | JJC<br>Youth<br>Diversion |
| Cash, deposits, and investments   | \$8,419               | \$14,154            | \$12,769        | \$12,087                  |
| Inventory   | 0                     | 0                   | 0               | 0                         |
| Property taxes receivable   | 0                     | 0                   | 0               | 0                         |
| Accounts receivable   | 53                    | 500                 | 0               | 366                       |
| Due from the State  | 0                     | 0                   | 0               | 0                         |
| Due from other funds  | 0                     | 250                 | 0               | 2,292                     |
| <b>Total assets</b>   | <b>\$8,472</b>        | <b>\$14,904</b>     | <b>\$12,769</b> | <b>\$14,745</b>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                     |                 |                           |
| 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                         |
| <b>Total liabilities</b>  | <b>0</b>              | <b>0</b>            | <b>0</b>        | <b>0</b>                  |
| Deferred inflows of resources:  |                       |                     |                 |                           |
| Deferred revenues   | 0                     | 0                   | 0               | 0                         |
| Unavailable property taxes  | 0                     | 0                   | 0               | 0                         |
| <b>Total deferred inflows of resources</b>                                | <b>0</b>              | <b>0</b>            | <b>0</b>        | <b>0</b>                  |
| Fund balances:  |                       |                     |                 |                           |
| Nonspendable  | 0                     | 0                   | 0               | 0                         |
| Restricted  | 8,472                 | 14,904              | 12,769          | 14,745                    |
| Committed   | 0                     | 0                   | 0               | 0                         |
| Assigned  | 0                     | 0                   | 0               | 0                         |
| Unassigned  | 0                     | 0                   | 0               | 0                         |
| <b>Total fund balances</b>  | <b>8,472</b>          | <b>14,904</b>       | <b>12,769</b>   | <b>14,745</b>             |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$8,472</b>        | <b>\$14,904</b>     | <b>\$12,769</b> | <b>\$14,745</b>           |



# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

| ASSETS  | Special Revenue Funds |                  |                |                 |                   |
|---|-----------------------|------------------|----------------|-----------------|-------------------|
|   | Title IV E            | Drug Street Fine | Marriage       | Drug Court      | Domestic Violence |
| Cash, deposits, and investments   | \$324                 | \$4,171          | \$7,349        | \$29,529        | \$6,453           |
| Inventory   | 0                     | 0                | 0              | 0               | 0                 |
| Property taxes receivable   | 0                     | 0                | 0              | 0               | 0                 |
| Accounts receivable   | 0                     | 2,705            | 0              | 904             | 693               |
| Due from the State  | 0                     | 0                | 0              | 0               | 0                 |
| Due from other funds  | 0                     | 0                | 0              | 0               | 0                 |
| <b>Total assets</b>   | <b>\$324</b>          | <b>\$6,876</b>   | <b>\$7,349</b> | <b>\$30,433</b> | <b>\$7,146</b>    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                  |                |                 |                   |
| Liabilities:  |                       |                  |                |                 |                   |
| Accounts payable  | \$0                   | \$96             | \$0            | \$2,272         | \$0               |
| Accrued payroll   | 0                     | 0                | 0              | 0               | 0                 |
| Accrued compensated absences  | 0                     | 0                | 0              | 0               | 0                 |
| Due to other funds  | 0                     | 280              | 0              | 160             | 0                 |
| <b>Total liabilities</b>  | <b>0</b>              | <b>376</b>       | <b>0</b>       | <b>2,432</b>    | <b>0</b>          |
| Deferred inflows of resources:  |                       |                  |                |                 |                   |
| Deferred revenues   | 0                     | 0                | 0              | 0               | 0                 |
| Unavailable property taxes  | 0                     | 0                | 0              | 0               | 0                 |
| <b>Total deferred inflows of resources</b>                                | <b>0</b>              | <b>0</b>         | <b>0</b>       | <b>0</b>        | <b>0</b>          |
| Fund balances:  |                       |                  |                |                 |                   |
| Nonspendable  | 0                     | 0                | 0              | 0               | 0                 |
| Restricted  | 324                   | 6,500            | 7,349          | 28,001          | 7,146             |
| Committed   | 0                     | 0                | 0              | 0               | 0                 |
| Assigned  | 0                     | 0                | 0              | 0               | 0                 |
| Unassigned  | 0                     | 0                | 0              | 0               | 0                 |
| <b>Total fund balances</b>  | <b>324</b>            | <b>6,500</b>     | <b>7,349</b>   | <b>28,001</b>   | <b>7,146</b>      |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$324</b>          | <b>\$6,876</b>   | <b>\$7,349</b> | <b>\$30,433</b> | <b>\$7,146</b>    |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

|   | Special Revenue Funds             |  |  |                            |                        |
|---|-----------------------------------|--|--|----------------------------|------------------------|
|   | State's<br>Attorney<br>Collection | State's<br>Attorney<br>Records<br>Automation | Social<br>Services<br>for Senior<br>Citizens | Tuberculosis<br>Sanatorium | Veterans<br>Assistance |
| <b>ASSETS</b>   |                                   |  |  |                            |                        |
| Cash, deposits, and investments   | \$1,287                           | \$12,134                                     | \$6,832                                      | \$75,148                   | \$185,765              |
| Inventory   | 0                                 | 0  | 0  | 0                          | 0                      |
| Property taxes receivable   | 0                                 | 0  | 102,500                                      | 12,500                     | 37,500                 |
| Accounts receivable   | 0                                 | 370  | 0  | 43                         | 0                      |
| Due from the State  | 0                                 | 0  | 0  | 0                          | 0                      |
| Due from other funds  | 0                                 | 0  | 2,000  | 0                          | 0                      |
| <b>Total assets</b>   | <b>\$1,287</b>                    | <b>\$12,504</b>                              | <b>\$111,332</b>                             | <b>\$87,691</b>            | <b>\$223,265</b>       |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                                   |  |  |                            |                        |
| Liabilities:  |                                   |  |  |                            |                        |
| Accounts payable  | \$0                               | \$0  | \$0  | \$0                        | \$2,471                |
| Accrued payroll   | 0                                 | 0  | 0  | 0                          | 462                    |
| Accrued compensated absences  | 0                                 | 0  | 0  | 0                          | 0                      |
| Due to other funds  | 0                                 | 0  | 0  | 0                          | 2,427                  |
| <b>Total liabilities</b>  | <b>0</b>                          | <b>0</b>                                     | <b>0</b>                                     | <b>0</b>                   | <b>5,360</b>           |
| Deferred inflows of resources:  |                                   |  |  |                            |                        |
| Deferred revenues   | 0                                 | 0  | 0  | 0                          | 0                      |
| Unavailable property taxes  | 0                                 | 0  | 102,500                                      | 12,500                     | 37,500                 |
| <b>Total deferred inflows of resources</b>                                | <b>0</b>                          | <b>0</b>                                     | <b>102,500</b>                               | <b>12,500</b>              | <b>37,500</b>          |
| Fund balances:  |                                   |  |  |                            |                        |
| Nonspendable  | 0                                 | 0  | 0  | 0                          | 0                      |
| Restricted  | 1,287                             | 12,504                                       | 8,832  | 75,191                     | 180,405                |
| Committed   | 0                                 | 0  | 0  | 0                          | 0                      |
| Assigned  | 0                                 | 0  | 0  | 0                          | 0                      |
| Unassigned  | 0                                 | 0  | 0  | 0                          | 0                      |
| <b>Total fund balances</b>  | <b>1,287</b>                      | <b>12,504</b>                                | <b>8,832</b>                                 | <b>75,191</b>              | <b>180,405</b>         |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$1,287</b>                    | <b>\$12,504</b>                              | <b>\$111,332</b>                             | <b>\$87,691</b>            | <b>\$223,265</b>       |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

| ASSETS  | Special Revenue Funds |  |                          |                 |                 |
|---|-----------------------|--|--------------------------|-----------------|-----------------|
|   | Animal Control        | Lee County Cooperative Extension Service | Arrestee's Medical Costs | Mental Health   | Pet Population  |
| Cash, deposits, and investments   | \$57,537              | \$8,884                                  | \$12,024                 | \$28,410        | \$35,066        |
| Inventory   | 0                     | 0  | 0                        | 0               | 0               |
| Property taxes receivable   | 0                     | 136,860                                  | 0                        | 0               | 0               |
| Accounts receivable   | 2,124                 | 0  | 130                      | 565             | 1,180           |
| Due from the State  | 0                     | 0  | 0                        | 0               | 0               |
| Due from other funds  | 0                     | 0  | 0                        | 160             | 0               |
| <b>Total assets</b>   | <b>\$59,661</b>       | <b>\$145,744</b>                         | <b>\$12,154</b>          | <b>\$29,135</b> | <b>\$36,246</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |  |                          |                 |                 |
| Liabilities:  |                       |  |                          |                 |                 |
| Accounts payable  | \$1,253               | \$0                                      | \$0                      | \$0             | \$1,206         |
| Accrued payroll   | 0                     | 0  | 0                        | 0               | 0               |
| Accrued compensated absences  | 0                     | 0  | 0                        | 0               | 0               |
| Due to other funds  | 201,464               | 0  | 250                      | 0               | 0               |
| <b>Total liabilities</b>  | <b>202,717</b>        | <b>0</b>                                 | <b>250</b>               | <b>0</b>        | <b>1,206</b>    |
| Deferred inflows of resources:  |                       |  |                          |                 |                 |
| Deferred revenues   | 0                     | 0  | 0                        | 0               | 0               |
| Unavailable property taxes  | 0                     | 136,860                                  | 0                        | 0               | 0               |
| <b>Total deferred inflows of resources</b>                                | <b>0</b>              | <b>136,860</b>                           | <b>0</b>                 | <b>0</b>        | <b>0</b>        |
| Fund balances:  |                       |  |                          |                 |                 |
| Nonspendable  | 0                     | 0  | 0                        | 0               | 0               |
| Restricted  | 0                     | 8,884                                    | 11,904                   | 29,135          | 35,040          |
| Committed   | 0                     | 0  | 0                        | 0               | 0               |
| Assigned  | 0                     | 0  | 0                        | 0               | 0               |
| Unassigned  | (143,056)             | 0  | 0                        | 0               | 0               |
| <b>Total fund balances</b>  | <b>(143,056)</b>      | <b>8,884</b>                             | <b>11,904</b>            | <b>29,135</b>   | <b>35,040</b>   |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$59,661</b>       | <b>\$145,744</b>                         | <b>\$12,154</b>          | <b>\$29,135</b> | <b>\$36,246</b> |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

| ASSETS  | Special Revenue Funds       |                                      |                             |                   |                 |
|---|-----------------------------|--------------------------------------|-----------------------------|-------------------|-----------------|
|   | County<br>Special<br>Bridge | Federal Aid<br>Secondary<br>Matching | County<br>Motor Fuel<br>Tax | Police<br>Vehicle | Coroner         |
| Cash, deposits, and investments   | \$690,702                   | \$1,441,069                          | \$738,310                   | \$5,633           | \$20,652        |
| Inventory   | 0                           | 0                                    | 0                           | 0                 | 0               |
| Property taxes receivable   | 241,500                     | 304,500                              | 0                           | 0                 | 0               |
| Accounts receivable   | 314,803                     | 0                                    | 0                           | 2,759             | 300             |
| Due from the State  | 0                           | 0                                    | 45,164                      | 0                 | 0               |
| Due from other funds  | 432                         | 0                                    | 1,474                       | 0                 | 0               |
| <b>Total assets</b>   | <b>\$1,247,437</b>          | <b>\$1,745,569</b>                   | <b>\$784,948</b>            | <b>\$8,392</b>    | <b>\$20,952</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                             |                                      |                             |                   |                 |
| Liabilities:  |                             |                                      |                             |                   |                 |
| Accounts payable  | \$14,677                    | \$4,600                              | \$31,332                    | \$0               | \$383           |
| Accrued payroll   | 0                           | 0                                    | 0                           | 0                 | 0               |
| Accrued compensated absences  | 0                           | 0                                    | 0                           | 0                 | 0               |
| Due to other funds  | 0                           | 0                                    | 0                           | 0                 | 0               |
| <b>Total liabilities</b>  | <b>14,677</b>               | <b>4,600</b>                         | <b>31,332</b>               | <b>0</b>          | <b>383</b>      |
| Deferred inflows of resources:  |                             |                                      |                             |                   |                 |
| Deferred revenues   | 0                           |                                      | 52,571                      |                   |                 |
| Unavailable property taxes  | 241,500                     | 304,500                              | 0                           | 0                 | 0               |
| <b>Total deferred inflows of resources</b>                                | <b>241,500</b>              | <b>304,500</b>                       | <b>52,571</b>               | <b>0</b>          | <b>0</b>        |
| Fund balances:  |                             |                                      |                             |                   |                 |
| Nonspendable  | 0                           | 0                                    | 0                           | 0                 | 0               |
| Restricted  | 991,260                     | 1,436,469                            | 701,045                     | 8,392             | 20,569          |
| Committed   | 0                           | 0                                    | 0                           | 0                 | 0               |
| Assigned  | 0                           | 0                                    | 0                           | 0                 | 0               |
| Unassigned  | 0                           | 0                                    | 0                           | 0                 | 0               |
| <b>Total fund balances</b>  | <b>991,260</b>              | <b>1,436,469</b>                     | <b>701,045</b>              | <b>8,392</b>      | <b>20,569</b>   |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$1,247,437</b>          | <b>\$1,745,569</b>                   | <b>\$784,948</b>            | <b>\$8,392</b>    | <b>\$20,952</b> |

# Lee County, Illinois

Non-Major Governmental  
Combining Balance Sheet  
(Continued)  
November 30, 2016

| ASSETS  | Special Revenue Funds |                    |                    |                 |
|---|-----------------------|--------------------|--------------------|-----------------|
|   | County Highway        | County Health      | Social Security    | Sheriff Tow     |
| Cash, deposits, and investments   | \$959,763             | \$880,331          | \$1,087,561        | \$28,741        |
| Inventory   | 0                     | 14,472             | 0                  | 0               |
| Property taxes receivable   | 653,000               | 556,000            | 475,000            | 0               |
| Accounts receivable   | 35,751                | 49,101             | 0                  | 1,600           |
| Due from the State  | 0                     | 198,077            | 0                  | 0               |
| Due from other funds  | 13,272                | 0                  | 2,338              | 0               |
| <b>Total assets</b>   | <b>\$1,661,786</b>    | <b>\$1,697,981</b> | <b>\$1,564,899</b> | <b>\$30,341</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                    |                    |                 |
| Liabilities:  |                       |                    |                    |                 |
| Accounts payable  | \$12,180              | \$20,954           | \$0                | \$0             |
| Accrued payroll   | 23,481                | 24,685             | 16,686             | 0               |
| Accrued compensated absences  | 6,788                 | 2,968              | 0                  | 0               |
| Due to other funds  | 0                     | 50,361             | 0                  | 0               |
| <b>Total liabilities</b>  | <b>42,449</b>         | <b>98,968</b>      | <b>16,686</b>      | <b>0</b>        |
| Deferred inflows of resources -   |                       |                    |                    |                 |
| Deferred revenue  |                       |                    |                    |                 |
| Unavailable property taxes  | 653,000               | 556,000            | 475,000            | 0               |
| <b>Total deferred inflows of resources</b>                                | <b>653,000</b>        | <b>556,000</b>     | <b>475,000</b>     | <b>0</b>        |
| Fund balances:  |                       |                    |                    |                 |
| Nonspendable  | 0                     | 14,472             | 0                  | 0               |
| Restricted  | 966,337               | 1,028,541          | 1,073,213          | 30,341          |
| Committed   | 0                     | 0                  | 0                  | 0               |
| Assigned  | 0                     | 0                  | 0                  | 0               |
| Unassigned  | 0                     | 0                  | 0                  | 0               |
| <b>Total fund balances</b>  | <b>966,337</b>        | <b>1,043,013</b>   | <b>1,073,213</b>   | <b>30,341</b>   |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$1,661,786</b>    | <b>\$1,697,981</b> | <b>\$1,564,899</b> | <b>\$30,341</b> |

# Lee County, Illinois

## Non-Major Governmental

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

For the year ended November 30, 2016

|  | Total<br>Non-Major<br>Governmental | Special Revenue Funds              |                                |                                   |
|--|------------------------------------|------------------------------------|--------------------------------|-----------------------------------|
|  |                                    | Special<br>Recording<br>Automation | Vital<br>Records<br>Automation | County<br>Collector<br>Automation |
| Revenues:  |                                    |                                    |                                |                                   |
| Property taxes                                       | \$2,554,354                        | \$0                                | \$0                            | \$0                               |
| Intergovernmental revenue                            | 1,998,095                          | 0                                  | 0                              | 0                                 |
| Licenses and permits                                 | 117,885                            | 0                                  | 0                              | 0                                 |
| Charges for services                                 | 1,602,460                          | 28,193                             | 4,342                          | 6,334                             |
| Interest   | 8,552                              | 32                                 | 0                              | 5                                 |
| Other revenue  | 214,862                            | 0                                  | 0                              | 6,848                             |
| <b>Total revenues</b>                                | <b>6,496,208</b>                   | <b>28,225</b>                      | <b>4,342</b>                   | <b>13,187</b>                     |
| Expenditures:  |                                    |                                    |                                |                                   |
| Current:   |                                    |                                    |                                |                                   |
| General control and<br>administration                | 411,614                            | 34,333                             | 3,000                          | 22,180                            |
| Public safety  | 188,845                            | 0                                  | 0                              | 0                                 |
| Judiciary and court related                          | 593,410                            | 0                                  | 0                              | 0                                 |
| Public health and welfare                            | 1,645,431                          | 0                                  | 0                              | 0                                 |
| Highways and streets                                 | 2,609,521                          | 0                                  | 0                              | 0                                 |
| Debt service:  |                                    |                                    |                                |                                   |
| Principal  | 0                                  | 0                                  | 0                              | 0                                 |
| Interest   | 0                                  | 0                                  | 0                              | 0                                 |
| Capital outlay                                       | 323,598                            | 0                                  | 0                              | 0                                 |
| <b>Total expenditures</b>                            | <b>5,772,419</b>                   | <b>34,333</b>                      | <b>3,000</b>                   | <b>22,180</b>                     |
| Excess (deficiency) of revenues<br>over expenditures | 723,789                            | (6,108)                            | 1,342                          | (8,993)                           |
| Other financing sources and (uses):                  |                                    |                                    |                                |                                   |
| Transfers in   | 31,447                             | 0                                  | 0                              | 0                                 |
| Transfers out  | (3,000)                            | 0                                  | 0                              | 0                                 |
| <b>Total other financing sources (uses)</b>          | <b>28,447</b>                      | <b>0</b>                           | <b>0</b>                       | <b>0</b>                          |
| Net change in fund balance                           | 752,236                            | (6,108)                            | 1,342                          | (8,993)                           |
| Fund balances, beginning of year                     | 7,150,576                          | 111,697                            | 2,150                          | 19,377                            |
| <b>Fund balances, end of year</b>                    | <b>\$7,902,812</b>                 | <b>\$105,589</b>                   | <b>\$3,492</b>                 | <b>\$10,384</b>                   |

# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|   | <b>Special Revenue Funds</b>            |                  |                                     |              |  |
|---|---|------------------|-------------------------------------|--------------|--|
|   | <b>County<br/>Tourism<br/>Promotion</b> | <b>Indemnity</b> | <b>G.I.S<br/>Recording<br/>Fees</b> | <b>Grant</b> | <b>Child<br/>Support<br/>Enforcement<br/>Program</b> |
| <b>Revenues:</b>                                  |   |                  |                                     |              |  |
| Property taxes                                    | \$0                                     | \$0              | \$0                                 | \$0          | \$0  |
| Intergovernmental revenue                         | 0                                       | 0                | 0                                   | 0            | 0  |
| Licenses and permits                              | 0                                       | 0                | 0                                   | 0            | 0  |
| Charges for services                              | 150,552                                 | 15,511           | 118,349                             | 0            | 21,569   |
| Interest  | 0                                       | 511              | 28                                  | 0            | 0  |
| Other revenue                                     | 0                                       | 22,935           | 0                                   | 0            | 0  |
| <b>Total revenues</b>                             | <b>150,552</b>                          | <b>38,957</b>    | <b>118,377</b>                      | <b>0</b>     | <b>21,569</b>  |
| <b>Expenditures:</b>                              |   |                  |                                     |              |  |
| <b>Current:</b>                                   |   |                  |                                     |              |  |
| General control and administration                | 150,147                                 | 2,719            | 94,160                              | 686          | 0  |
| Public safety                                     | 0                                       | 0                | 0                                   | 0            | 0  |
| Judiciary and court related                       | 0                                       | 0                | 0                                   | 0            | 64,913   |
| Public health and welfare                         | 0                                       | 0                | 0                                   | 0            | 0  |
| Highways and streets                              | 0                                       | 0                | 0                                   | 0            | 0  |
| <b>Debt service:</b>                              |   |                  |                                     |              |  |
| Principal   | 0                                       | 0                | 0                                   | 0            | 0  |
| Interest  | 0                                       | 0                | 0                                   | 0            | 0  |
| Capital outlay                                    | 0                                       | 0                | 0                                   | 0            | 0  |
| <b>Total expenditures</b>                         | <b>150,147</b>                          | <b>2,719</b>     | <b>94,160</b>                       | <b>686</b>   | <b>64,913</b>  |
| Excess (deficiency) of revenues over expenditures | 405                                     | 36,238           | 24,217                              | (686)        | (43,344)   |
| <b>Other financing sources and (uses):</b>        |   |                  |                                     |              |  |
| Transfers in                                      | 0                                       | 0                | 0                                   | 0            | 0  |
| Transfers out                                     | 0                                       | 0                | 0                                   | 0            | 0  |
| <b>Total other financing sources (uses)</b>       | <b>0</b>                                | <b>0</b>         | <b>0</b>                            | <b>0</b>     | <b>0</b>   |
| Net change in fund balance                        | 405                                     | 36,238           | 24,217                              | (686)        | (43,344)   |
| Fund balances, beginning of year                  | 11,059                                  | 378,984          | 78,319                              | 686          | 133,423  |
| <b>Fund balances (deficit), end of year</b>       | <b>\$11,464</b>                         | <b>\$415,222</b> | <b>\$102,536</b>                    | <b>\$0</b>   | <b>\$90,079</b>                                      |

# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|  | Special Revenue Funds |                              |                                    |                             |                |
|--|-----------------------|------------------------------|------------------------------------|-----------------------------|----------------|
|  | Probation<br>Services | Court<br>Document<br>Storage | Circuit Clerk<br>Automation<br>Fee | Circuit Clerk<br>Operations | Law<br>Library |
| Revenues:  |                       |                              |                                    |                             |                |
| Property taxes                                       | \$0                   | \$0                          | \$0                                | \$0                         | \$0            |
| Intergovernmental revenue                            | 0                     | 0                            | 0                                  | 0                           | 0              |
| Licenses and permits                                 | 0                     | 0                            | 0                                  | 0                           | 0              |
| Charges for services                                 | 107,774               | 140,219                      | 145,477                            | 13,835                      | 17,270         |
| Interest   | 0                     | 70                           | 41                                 | 0                           | 0              |
| Other revenue  | 0                     | 0                            | 0                                  | 0                           | 0              |
| Total revenues                                       | 107,774               | 140,289                      | 145,518                            | 13,835                      | 17,270         |
| Expenditures:  |                       |                              |                                    |                             |                |
| Current:   |                       |                              |                                    |                             |                |
| General control and<br>administration                | 0                     | 0                            | 0                                  | 0                           | 0              |
| Public safety  | 0                     | 0                            | 0                                  | 0                           | 0              |
| Judiciary and court related                          | 70,386                | 81,399                       | 157,050                            | 3,445                       | 28,857         |
| Public health and welfare                            | 0                     | 0                            | 0                                  | 0                           | 0              |
| Highways and streets                                 | 0                     | 0                            | 0                                  | 0                           | 0              |
| Debt service:  |                       |                              |                                    |                             |                |
| Principal  | 0                     | 0                            | 0                                  | 0                           | 0              |
| Interest   | 0                     | 0                            | 0                                  | 0                           | 0              |
| Capital outlay                                       | 25,000                | 167,199                      | 72,130                             | 0                           | 0              |
| Total expenditures                                   | 95,386                | 248,598                      | 229,180                            | 3,445                       | 28,857         |
| Excess (deficiency) of revenues<br>over expenditures | 12,388                | (108,309)                    | (83,662)                           | 10,390                      | (11,587)       |
| 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                           | 12,388                | (108,309)                    | (83,662)                           | 10,390                      | (11,587)       |
| Fund balances, beginning of year                     | 132,911               | 290,894                      | 183,621                            | 52,704                      | 93,721         |
| Fund balances (deficit), end of year                 | \$145,299             | \$182,585                    | \$99,959                           | \$63,094                    | \$82,134       |



# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|  | Special Revenue Funds |                     |                 |                           |              |
|--|-----------------------|---------------------|-----------------|---------------------------|--------------|
|  | Drug<br>Forfeiture    | Home<br>Confinement | JJC<br>Council  | JJC<br>Youth<br>Diversion | Title IV E   |
| <b>Revenues:</b>                                     |                       |                     |                 |                           |              |
| Property taxes                                       | \$0                   | \$0                 | \$0             | \$0                       | \$0          |
| Intergovernmental revenue                            | 0                     | 0                   | 79,636          | 0                         | 0            |
| Licenses and permits                                 | 0                     | 0                   | 0               | 0                         | 0            |
| Charges for services                                 | 2,270                 | 1,823               | 0               | 7,443                     | 0            |
| Interest   | 19                    | 4                   | 1               | 4                         | 0            |
| Other revenue  | 0                     | 0                   | 0               | 0                         | 0            |
| <b>Total revenues</b>                                | <b>2,289</b>          | <b>1,827</b>        | <b>79,637</b>   | <b>7,447</b>              | <b>0</b>     |
| <b>Expenditures:</b>                                 |                       |                     |                 |                           |              |
| Current:   |                       |                     |                 |                           |              |
| General control and<br>administration                | 0                     | 0                   | 0               | 0                         | 0            |
| Public safety  | 0                     | 0                   | 0               | 0                         | 0            |
| Judiciary and court related                          | 2,162                 | 0                   | 29,752          | 6,169                     | 0            |
| Public health and welfare                            | 0                     | 0                   | 0               | 0                         | 0            |
| Highways and streets                                 | 0                     | 0                   | 0               | 0                         | 0            |
| Debt service:  |                       |                     |                 |                           |              |
| Principal  | 0                     | 0                   | 0               | 0                         | 0            |
| Interest   | 0                     | 0                   | 0               | 0                         | 0            |
| Capital outlay                                       | 0                     | 0                   | 0               | 0                         | 0            |
| <b>Total expenditures</b>                            | <b>2,162</b>          | <b>0</b>            | <b>29,752</b>   | <b>6,169</b>              | <b>0</b>     |
| Excess (deficiency) of revenues<br>over expenditures | 127                   | 1,827               | 49,885          | 1,278                     | 0            |
| <b>Other financing sources and (uses):</b>           |                       |                     |                 |                           |              |
| Transfers in   | 0                     | 0                   | 0               | 0                         | 0            |
| Transfers out  | 0                     | 0                   | 0               | 0                         | 0            |
| <b>Total other financing sources (uses)</b>          | <b>0</b>              | <b>0</b>            | <b>0</b>        | <b>0</b>                  | <b>0</b>     |
| Net change in fund balance                           | 127                   | 1,827               | 49,885          | 1,278                     | 0            |
| Fund balances, beginning of year                     | 8,345                 | 13,077              | (37,116)        | 13,467                    | 324          |
| <b>Fund balances (deficit), end of year</b>          | <b>\$8,472</b>        | <b>\$14,904</b>     | <b>\$12,769</b> | <b>\$14,745</b>           | <b>\$324</b> |

# Lee County, Illinois

Non-Major Governmental

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
(Continued)

For the year ended November 30, 2016

|  | Special Revenue Funds |          |               |                      |                                   |
|--|-----------------------|----------|---------------|----------------------|-----------------------------------|
|  | Drug<br>Street Fine   | Marriage | Drug<br>Court | Domestic<br>Violence | State's<br>Attorney<br>Collection |
| Revenues:  |                       |          |               |                      |                                   |
| Property taxes                                       | \$0                   | \$0      | \$0           | \$0                  | \$0                               |
| Intergovernmental revenue                            | 0                     | 0        | 0             | 0                    | 0                                 |
| Licenses and permits                                 | 0                     | 0        | 0             | 0                    | 0                                 |
| Charges for services                                 | 9,431                 | 0        | 17,472        | 2,244                | 548                               |
| Interest   | 2                     | 0        | 13            | 1                    | 1                                 |
| Other revenue  | 0                     | 0        | 0             | 0                    | 0                                 |
| Total revenues                                       | 9,433                 | 0        | 17,485        | 2,245                | 549                               |
| Expenditures:  |                       |          |               |                      |                                   |
| Current:   |                       |          |               |                      |                                   |
| General control and<br>administration                | 0                     | 0        | 0             | 0                    | 0                                 |
| Public safety  | 0                     | 0        | 0             | 0                    | 0                                 |
| Judiciary and court related                          | 9,124                 | 0        | 38,839        | 0                    | 5,633                             |
| Public health and welfare                            | 0                     | 0        | 0             | 0                    | 0                                 |
| Highways and streets                                 | 0                     | 0        | 0             | 0                    | 0                                 |
| Debt service:  |                       |          |               |                      |                                   |
| Principal  | 0                     | 0        | 0             | 0                    | 0                                 |
| Interest   | 0                     | 0        | 0             | 0                    | 0                                 |
| Capital outlay                                       | 0                     | 0        | 0             | 0                    | 0                                 |
| Total expenditures                                   | 9,124                 | 0        | 38,839        | 0                    | 5,633                             |
| Excess (deficiency) of revenues<br>over expenditures | 309                   | 0        | (21,354)      | 2,245                | (5,084)                           |
| 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                           | 309                   | 0        | (21,354)      | 2,245                | (5,084)                           |
| Fund balances, beginning of year                     | 6,191                 | 7,349    | 49,355        | 4,901                | 6,371                             |
| Fund balances (deficit), end of year                 | \$6,500               | \$7,349  | \$28,001      | \$7,146              | \$1,287                           |

# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|  | <b>Special Revenue Funds</b>                           |  |                                    |                                |
|--|--|--|------------------------------------|--------------------------------|
|  | <b>State's<br/>Attorney<br/>Records<br/>Automation</b> | <b>Social<br/>Services<br/>for Senior<br/>Citizens</b> | <b>Tuberculosis<br/>Sanatorium</b> | <b>Veterans<br/>Assistance</b> |
| <b>Revenues:</b>                                     |  |  |                                    |                                |
| Property taxes                                       | \$0  | \$102,602  | \$25,115                           | \$74,622                       |
| Intergovernmental revenue                            | 0  | 0  | 0                                  | 0                              |
| Licenses and permits                                 | 0  | 0  | 0                                  | 0                              |
| Charges for services                                 | 2,881  | 0  | 1,145                              | 0                              |
| Interest   | 0  | 0  | 65                                 | 0                              |
| Other revenue  | 0  | 0  | 322                                | 0                              |
| Total revenues                                       | 2,881  | 102,602  | 26,647                             | 74,622                         |
| <b>Expenditures:</b>                                 |  |  |                                    |                                |
| Current:   |  |  |                                    |                                |
| General control and<br>administration                | 0  | 0  | 0                                  | 44,808                         |
| Public safety  | 0  | 0  | 0                                  | 0                              |
| Judiciary and court related                          | 0  | 0  | 0                                  | 0                              |
| Public health and welfare                            | 0  | 102,800  | 18,565                             | 0                              |
| 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                                   | 0  | 102,800  | 18,565                             | 44,808                         |
| Excess (deficiency) of revenues<br>over expenditures | 2,881  | (198)  | 8,082                              | 29,814                         |
| <b>Other financing sources and (uses):</b>           |  |  |                                    |                                |
| 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                           | 2,881  | (198)  | 8,082                              | 29,814                         |
| Fund balances, beginning of year                     | 9,623  | 9,030  | 67,109                             | 150,591                        |
| Fund balances (deficit), end of year                 | \$12,504   | \$8,832  | \$75,191                           | \$180,405                      |

# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|  | <b>Special Revenue Funds</b> |   |   |                          |
|--|------------------------------|---|---|--------------------------|
|  | <b>Animal<br/>Control</b>    | <b>Lee County<br/>Cooperative<br/>Extension<br/>Service</b> | <b>Arrestee's<br/>Medical<br/>Costs</b> | <b>Mental<br/>Health</b> |
| <b>Revenues:</b>                                     |                              |   |   |                          |
| Property taxes                                       | \$0                          | \$137,042   | \$0                                     | \$0                      |
| Intergovernmental revenue                            | 0                            | 0   | 0                                       | 0                        |
| Licenses and permits                                 | 41,800                       | 0   | 0                                       | 0                        |
| Charges for services                                 | 0                            | 0   | 3,509                                   | 3,855                    |
| Interest   | 0                            | 0   | 3                                       | 8                        |
| Other revenue  | 0                            | 0   | 0                                       | 0                        |
| Total revenues                                       | 41,800                       | 137,042   | 3,512                                   | 3,863                    |
| <b>Expenditures:</b>                                 |                              |   |   |                          |
| <b>Current:</b>                                      |                              |   |   |                          |
| General control and<br>administration                | 0                            | 0   | 0                                       | 0                        |
| Public safety  | 8,110                        | 0   | 0                                       | 0                        |
| Judiciary and court related                          | 0                            | 0   | 0                                       | 0                        |
| Public health and welfare                            | 0                            | 136,000   | 0                                       | 1,168                    |
| Highways and streets                                 | 0                            | 0   | 0                                       | 0                        |
| <b>Debt service:</b>                                 |                              |   |   |                          |
| Principal  | 0                            | 0   | 0                                       | 0                        |
| Interest   | 0                            | 0   | 0                                       | 0                        |
| Capital outlay                                       | 0                            | 0   | 0                                       | 0                        |
| Total expenditures                                   | 8,110                        | 136,000   | 0                                       | 1,168                    |
| Excess (deficiency) of revenues<br>over expenditures | 33,690                       | 1,042   | 3,512                                   | 2,695                    |
| <b>Other financing sources and (uses):</b>           |                              |   |   |                          |
| 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                           | 33,690                       | 1,042   | 3,512                                   | 2,695                    |
| Fund balances, beginning of year                     | (176,746)                    | 7,842   | 8,392                                   | 26,440                   |
| Fund balances (deficit), end of year                 | (\$143,056)                  | \$8,884   | \$11,904                                | \$29,135                 |

# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|   | Special Revenue Funds |                             |                                      |                             |                   |
|---|-----------------------|-----------------------------|--------------------------------------|-----------------------------|-------------------|
|   | Pet<br>Population     | County<br>Special<br>Bridge | Federal Aid<br>Secondary<br>Matching | County<br>Motor Fuel<br>Tax | Police<br>Vehicle |
| Revenues:   |                       |                             |                                      |                             |                   |
| Property taxes                                    | \$0                   | \$241,086                   | \$304,224                            | \$0                         | \$0               |
| Intergovernmental revenue                         | 0                     | 583,067                     | 0                                    | 711,830                     | 0                 |
| Licenses and permits                              | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Charges for services                              | 20,307                | 0                           | 0                                    | 0                           | 9,208             |
| Interest  | 0                     | 0                           | 3,139                                | 553                         | 1                 |
| Other revenue                                     | 0                     | 16,006                      | 0                                    | 84,343                      | 0                 |
| <b>Total revenues</b>                             | <b>20,307</b>         | <b>840,159</b>              | <b>307,363</b>                       | <b>796,726</b>              | <b>9,209</b>      |
| Expenditures:                                     |                       |                             |                                      |                             |                   |
| Current:  |                       |                             |                                      |                             |                   |
| General control and administration                |                       |                             |                                      |                             |                   |
|   | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Public safety                                     | 15,835                | 0                           | 0                                    | 0                           | 3,747             |
| Judiciary and court related                       | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Public health and welfare                         | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Highways and streets                              | 0                     | 474,408                     | 88,465                               | 824,200                     | 0                 |
| Debt service:                                     |                       |                             |                                      |                             |                   |
| Principal   | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Interest  | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Capital outlay                                    | 0                     | 59,269                      | 0                                    | 0                           | 0                 |
| <b>Total expenditures</b>                         | <b>15,835</b>         | <b>533,677</b>              | <b>88,465</b>                        | <b>824,200</b>              | <b>3,747</b>      |
| Excess (deficiency) of revenues over expenditures | 4,472                 | 306,482                     | 218,898                              | (27,474)                    | 5,462             |
| Other financing sources and (uses):               |                       |                             |                                      |                             |                   |
| Transfers in                                      | 0                     | 0                           | 0                                    | 0                           | 0                 |
| Transfers out                                     | (3,000)               | 0                           | 0                                    | 0                           | 0                 |
| <b>Total other financing sources (uses)</b>       | <b>(3,000)</b>        | <b>0</b>                    | <b>0</b>                             | <b>0</b>                    | <b>0</b>          |
| Net change in fund balance                        | 1,472                 | 306,482                     | 218,898                              | (27,474)                    | 5,462             |
| Fund balances, beginning of year                  | 33,568                | 684,778                     | 1,217,571                            | 728,519                     | 2,930             |
| <b>Fund balances (deficit), end of year</b>       | <b>\$35,040</b>       | <b>\$991,260</b>            | <b>\$1,436,469</b>                   | <b>\$701,045</b>            | <b>\$8,392</b>    |

# Lee County, Illinois

Non-Major Governmental

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

(Continued)

For the year ended November 30, 2016

|   | Special Revenue Funds |                |               |                 |             |
|---|-----------------------|----------------|---------------|-----------------|-------------|
|   | Coroner               | County Highway | County Health | Social Security | Sheriff Tow |
| Revenues:   |                       |                |               |                 |             |
| Property taxes                                    | \$0                   | \$640,017      | \$555,353     | \$474,293       | \$0         |
| Intergovernmental revenue                         | 0                     | 104,081        | 519,481       | 0               | 0           |
| Licenses and permits                              | 0                     | 0              | 76,085        | 0               | 0           |
| Charges for services                              | 8,583                 | 510,857        | 206,655       | 0               | 24,804      |
| Interest  | 6                     | 1,392          | 2,618         | 0               | 35          |
| Other revenue                                     | 0                     | 58,349         | 26,059        | 0               | 0           |
| Total revenues                                    | 8,589                 | 1,314,696      | 1,386,251     | 474,293         | 24,839      |
| Expenditures:                                     |                       |                |               |                 |             |
| Current:  |                       |                |               |                 |             |
| General control and administration                | 0                     | 0              | 0             | 59,581          | 0           |
| Public safety                                     | 6,162                 | 0              | 0             | 142,089         | 12,902      |
| Judiciary and court related                       | 0                     | 0              | 0             | 95,681          | 0           |
| Public health and welfare                         | 0                     | 0              | 1,347,549     | 39,349          | 0           |
| Highways and streets                              | 0                     | 1,183,306      | 0             | 39,142          | 0           |
| Debt service:                                     |                       |                |               |                 |             |
| Principal   | 0                     | 0              | 0             | 0               | 0           |
| Interest  | 0                     | 0              | 0             | 0               | 0           |
| Capital outlay                                    | 0                     | 0              | 0             | 0               | 0           |
| Total expenditures                                | 6,162                 | 1,183,306      | 1,347,549     | 375,842         | 12,902      |
| Excess (deficiency) of revenues over expenditures | 2,427                 | 131,390        | 38,702        | 98,451          | 11,937      |
| Other financing sources and (uses):               |                       |                |               |                 |             |
| Transfers in                                      | 0                     | 31,447         | 0             | 0               | 0           |
| Transfers out                                     | 0                     | 0              | 0             | 0               | 0           |
| Total other financing sources (uses)              | 0                     | 31,447         | 0             | 0               | 0           |
| Net change in fund balance                        | 2,427                 | 162,837        | 38,702        | 98,451          | 11,937      |
| Fund balances, beginning of year                  | 18,142                | 803,500        | 1,004,311     | 974,762         | 18,404      |
| Fund balances, end of year                        | \$20,569              | \$966,337      | \$1,043,013   | \$1,073,213     | \$30,341    |

# 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, 2016

|  | Budget<br>Original | Budget<br>Final | Actual           | Variance<br>with Final<br>Budget |
|--|--------------------|-----------------|------------------|----------------------------------|
| Revenues:  |                    |                 |                  |                                  |
| Taxes -  |                    |                 |                  |                                  |
| Property taxes   | \$356,966          | \$356,966       | \$356,602        | (\$364)                          |
| Other revenue -  |                    |                 |                  |                                  |
| Miscellaneous  | 0                  | 0               | 429              | 429                              |
| Interest   | 0                  | 0               | 50               | 50                               |
| <b>Total revenues</b>  | <b>356,966</b>     | <b>356,966</b>  | <b>357,081</b>   | <b>115</b>                       |
| Expenses:  |                    |                 |                  |                                  |
| Insurance and bonds  | 351,800            | 351,800         | 325,776          | 26,024                           |
| Other  | 3,350              | 3,350           | 3,143            | 207                              |
| <b>Total expenses</b>  | <b>355,150</b>     | <b>355,150</b>  | <b>328,919</b>   | <b>26,231</b>                    |
| Operating income   | 1,816              | 1,816           | 28,162           | 26,346                           |
| Other financing sources and (uses) -   |                    |                 |                  |                                  |
| Transfers in   | 0                  | 0               | 0                | 0                                |
| <b>Change in net position</b>  | <b>\$1,816</b>     | <b>\$1,816</b>  | <b>28,162</b>    | <b>\$26,346</b>                  |
| Adjustment from budgetary basis to generally<br>accepted accounting principles basis |                    |                 | (2,994)          |                                  |
| <b>Net position, beginning of year</b>   |                    |                 | <b>415,496</b>   |                                  |
| <b>Net position, end of year</b>   |                    |                 | <b>\$440,664</b> |                                  |

# 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, 2016

|  | Budget<br>Original | Budget<br>Final  | Actual           | Variance<br>with Final<br>Budget |
|--|--------------------|------------------|------------------|----------------------------------|
| <b>Revenues:</b>   |                    |                  |                  |                                  |
| Insurance reimbursement - General Fund   | \$912,000          | \$912,000        | \$912,000        | \$0                              |
| Insurance reimbursement - Health Department  | 146,256            | 146,256          | 158,724          | 12,468                           |
| Insurance reimbursement - Highway Department   | 121,250            | 121,250          | 158,701          | 37,451                           |
| Insurance reimbursement - GIS  | 6,391              | 6,391            | 6,391            | 0                                |
| Insurance reimbursement - employee contribution                                      | 371,290            | 371,290          | 404,840          | 33,550                           |
| Insurance reimbursement - retirees contribution                                      | 42,800             | 42,800           | 20,772           | (22,028)                         |
| Insurance reimbursement - Rural Transportation                                       | 4,000              | 4,000            | 6,924            | 2,924                            |
| Insurance reimbursement - FSA funding  | 24,244             | 24,244           | 20,543           | (3,701)                          |
| Insurance refund   | 0                  | 0                | 0                | 0                                |
| Cobra premiums   | 7,490              | 7,490            | 0                | (7,490)                          |
| Interest   | 0                  | 0                | 62               | 62                               |
| <b>Total revenues</b>  | <b>1,635,721</b>   | <b>1,635,721</b> | <b>1,688,957</b> | <b>53,236</b>                    |
| <b>Expenses:</b>   |                    |                  |                  |                                  |
| Premiums   | 377,425            | 377,425          | 1,311,126        | (933,701)                        |
| Deductible reimbursement   | 256,800            | 256,800          | 260,002          | (3,202)                          |
| Dental claims  | 57,780             | 57,780           | 58,010           | (230)                            |
| Dental administration fees   | 3,996              | 3,996            | 3,993            | 3                                |
| Life insurance   | 3,745              | 3,745            | 3,455            | 290                              |
| FSA administration costs   | 1,380              | 1,380            | 1,530            | (150)                            |
| FSA payments   | 24,244             | 24,244           | 19,660           | 4,584                            |
| Miscellaneous  | 0                  | 0                | 0                | 0                                |
| <b>Total expenses</b>  | <b>725,370</b>     | <b>725,370</b>   | <b>1,657,776</b> | <b>(932,406)</b>                 |
| <b>Change in net position</b>  | <b>\$910,351</b>   | <b>\$910,351</b> | <b>31,181</b>    | <b>(\$879,170)</b>               |
| Adjustment from budgetary basis to generally<br>accepted accounting principles basis |                    |                  | (21,830)         |                                  |
| <b>Net position, beginning of year</b>   |                    |                  | <b>337,767</b>   |                                  |
| <b>Net position, end of year</b>   |                    |                  | <b>\$347,118</b> |                                  |



# Lee County, Illinois

## Combining Statement of Changes in Assets and Liabilities

### All Agency Funds

For the year ended November 30, 2016

|                                | Balance<br>Beginning<br>of Year | Additions          | Deductions         | Balance<br>End<br>of Year |
|--------------------------------|---------------------------------|--------------------|--------------------|---------------------------|
| <b>Escrow #1</b>               |                                 |                    |                    |                           |
| Assets -                       |                                 |                    |                    |                           |
| Cash in banks                  | \$16,164                        | \$108,921          | \$76,400           | \$48,685                  |
| Accounts receivable            | 58,700                          | 0                  | 58,700             | 0                         |
| <b>Total assets</b>            | <b>\$74,864</b>                 | <b>\$108,921</b>   | <b>\$135,100</b>   | <b>\$48,685</b>           |
| Liabilities -                  |                                 |                    |                    |                           |
| Agency funds due to others     | \$74,864                        | \$108,921          | \$135,100          | \$48,685                  |
| <b>Township Motor Fuel</b>     |                                 |                    |                    |                           |
| Assets -                       |                                 |                    |                    |                           |
| Cash in banks                  | \$994,844                       | \$1,380,591        | \$711,735          | \$1,663,700               |
| Due from the state             | 404,012                         | 0                  | 404,012            | 0                         |
| <b>Total assets</b>            | <b>\$1,398,856</b>              | <b>\$1,380,591</b> | <b>\$1,115,747</b> | <b>\$1,663,700</b>        |
| Liabilities -                  |                                 |                    |                    |                           |
| Accounts payable               | \$5,111                         | \$60,609           | \$5,111            | \$60,609                  |
| Agency funds due to others     | 1,393,745                       | 1,319,982          | 1,110,636          | 1,603,091                 |
| <b>Total liabilities</b>       | <b>\$1,398,856</b>              | <b>\$1,380,591</b> | <b>\$1,115,747</b> | <b>\$1,663,700</b>        |
| <b>Township Bridge Program</b> |                                 |                    |                    |                           |
| Assets -                       |                                 |                    |                    |                           |
| Cash in banks                  | \$260,121                       | \$626,302          | \$601,908          | \$284,515                 |
| Liabilities -                  |                                 |                    |                    |                           |
| Accounts payable               | \$0                             | \$349,861          | \$0                | \$349,861                 |
| Agency funds due to others     | 260,121                         | 276,441            | 601,908            | (65,346)                  |
| <b>Total liabilities</b>       | <b>\$260,121</b>                | <b>\$626,302</b>   | <b>\$601,908</b>   | <b>\$284,515</b>          |

# Lee County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds

(Continued)

For the year ended November 30, 2016

|                            | Balance<br>Beginning<br>of Year | Additions        | Deductions       | Balance<br>End<br>of Year |
|----------------------------|---------------------------------|------------------|------------------|---------------------------|
| <b>DUI Equipment</b>       |                                 |                  |                  |                           |
| Assets -                   |                                 |                  |                  |                           |
| Cash in banks              | \$11,412                        | \$11,038         | \$14,065         | \$8,385                   |
| Accounts receivable        | 0                               | 2,375            | 0                | 2,375                     |
| <b>Total assets</b>        | <b>\$11,412</b>                 | <b>\$13,413</b>  | <b>\$14,065</b>  | <b>\$10,760</b>           |
| Liabilities -              |                                 |                  |                  |                           |
| Accounts payable           | \$2,806                         | \$110            | \$2,806          | \$110                     |
| Agency funds due to others | 8,606                           | 13,303           | 11,259           | 10,650                    |
| <b>Total liabilities</b>   | <b>\$11,412</b>                 | <b>\$13,413</b>  | <b>\$14,065</b>  | <b>\$10,760</b>           |
| <b>Commissary</b>          |                                 |                  |                  |                           |
| Assets -                   |                                 |                  |                  |                           |
| Cash in banks              | \$68,762                        | \$106,515        | \$141,506        | \$33,771                  |
| Accounts receivable        | 9,431                           | 13,457           | 9,431            | 13,457                    |
| <b>Total assets</b>        | <b>\$78,193</b>                 | <b>\$119,972</b> | <b>\$150,937</b> | <b>\$47,228</b>           |
| Liabilities -              |                                 |                  |                  |                           |
| Accounts payable           | \$8,686                         | \$11,232         | \$8,686          | \$11,232                  |
| Agency funds due to others | 69,507                          | 108,740          | 142,251          | 35,996                    |
| <b>Total liabilities</b>   | <b>\$78,193</b>                 | <b>\$119,972</b> | <b>\$150,937</b> | <b>\$47,228</b>           |
| <b>County Clerk</b>        |                                 |                  |                  |                           |
| Assets -                   |                                 |                  |                  |                           |
| Cash in banks              | \$127,750                       | \$1,405,472      | \$1,382,069      | \$151,153                 |
| Liabilities -              |                                 |                  |                  |                           |
| Agency funds due to others | \$127,750                       | \$1,405,472      | \$1,382,069      | \$151,153                 |
| <b>County Collector</b>    |                                 |                  |                  |                           |
| Assets:                    |                                 |                  |                  |                           |
| Cash in banks              | \$130,238                       | \$59,700,148     | \$59,570,223     | \$260,163                 |
| Liabilities:               |                                 |                  |                  |                           |
| Agency funds due to others | \$130,238                       | \$59,700,148     | \$59,570,223     | \$260,163                 |

# Lee County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds

(Continued)

For the year ended November 30, 2016

|  | Balance<br>Beginning<br>of Year | Additions   | Deductions  | Balance<br>End<br>of Year |
|--|---------------------------------|-------------|-------------|---------------------------|
| <b>Circuit Clerk</b>                     |                                 |             |             |                           |
| Assets -                                 |                                 |             |             |                           |
| Cash in banks                            | \$917,371                       | \$2,570,253 | \$2,682,212 | \$805,412                 |
| Liabilities:                             |                                 |             |             |                           |
| Agency funds due to others               | \$917,371                       | \$2,570,253 | \$2,682,212 | \$805,412                 |
| <b>Maple Grove Drainage Distribution</b> |                                 |             |             |                           |
| Assets -                                 |                                 |             |             |                           |
| Cash in banks                            | \$7,704                         | \$13,750    | \$6,910     | \$14,544                  |
| Liabilities -                            |                                 |             |             |                           |
| Agency funds due to others               | \$7,704                         | \$13,750    | \$6,910     | \$14,544                  |
| <b>Harmon Marion Drainage</b>            |                                 |             |             |                           |
| Assets -                                 |                                 |             |             |                           |
| Cash in banks                            | \$23,664                        | \$10,262    | \$2,648     | \$31,278                  |
| Liabilities -                            |                                 |             |             |                           |
| Agency funds due to others               | \$23,664                        | \$10,262    | \$2,648     | \$31,278                  |
| <b>Hamilton Hahnman Drainage</b>         |                                 |             |             |                           |
| Assets -                                 |                                 |             |             |                           |
| Cash in banks                            | \$14,582                        | \$3,062     | \$14,426    | \$3,218                   |
| Liabilities -                            |                                 |             |             |                           |
| Agency funds due to others               | \$14,582                        | \$3,062     | \$14,426    | \$3,218                   |
| <b>Harmon Drainage Dist No. 1</b>        |                                 |             |             |                           |
| Assets -                                 |                                 |             |             |                           |
| Cash in banks                            | \$6,316                         | \$6,114     | \$4,078     | \$8,352                   |
| Liabilities -                            |                                 |             |             |                           |
| Agency funds due to others               | \$6,316                         | \$6,114     | \$4,078     | \$8,352                   |

# Lee County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds

(Continued)

For the year ended November 30, 2016

|                                    | Balance<br>Beginning<br>of Year | Additions           | Deductions          | Balance<br>End<br>of Year |
|------------------------------------|---------------------------------|---------------------|---------------------|---------------------------|
| <b>Harmon Drainage Dist No. 2</b>  |                                 |                     |                     |                           |
| Assets -                           |                                 |                     |                     |                           |
| Cash in banks                      | \$26,807                        | \$3,762             | \$4,838             | \$25,731                  |
| Liabilities -                      |                                 |                     |                     |                           |
| Agency funds due to others         | \$26,807                        | \$3,762             | \$4,838             | \$25,731                  |
| <b>Harmon Montmorency Drainage</b> |                                 |                     |                     |                           |
| Assets -                           |                                 |                     |                     |                           |
| Cash in banks                      | \$8,317                         | \$9,310             | \$11,573            | \$6,054                   |
| Liabilities -                      |                                 |                     |                     |                           |
| Agency funds due to others         | \$8,317                         | \$9,310             | \$11,573            | \$6,054                   |
| <b>All Agency Funds</b>            |                                 |                     |                     |                           |
| Assets:                            |                                 |                     |                     |                           |
| Cash, deposits, and investments    | \$2,614,052                     | \$65,955,500        | \$65,224,591        | \$3,344,961               |
| Accounts receivable                | 68,131                          | 15,832              | 68,131              | 15,832                    |
| Due from other governments         | 404,012                         | 0                   | 404,012             | 0                         |
| <b>Total assets</b>                | <b>\$3,086,195</b>              | <b>\$65,971,332</b> | <b>\$65,696,734</b> | <b>\$3,360,793</b>        |
| Liabilities:                       |                                 |                     |                     |                           |
| Accounts payable                   | \$16,603                        | \$421,812           | \$16,603            | \$421,812                 |
| Agency funds due to others         | 3,069,592                       | 65,549,520          | 65,680,131          | 2,938,981                 |
| <b>Total liabilities</b>           | <b>\$3,086,195</b>              | <b>\$65,971,332</b> | <b>\$65,696,734</b> | <b>\$3,360,793</b>        |

## **Other Information**

