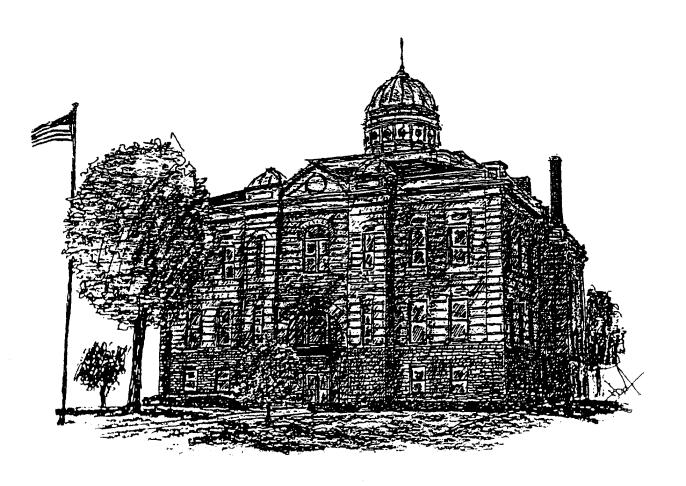
MENARD COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT with INDEPENDENT AUDITOR'S REPORTS

FOR THE YEAR ENDED NOVEMBER 30, 2013



MENARD COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED NOVEMBER 30, 2013

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INDEPENDENT AUDITOR'S REPORTS

MJF Michael J. Feriozzi, CPA

INDEPENDENT AUDITOR'S REPORT

To the Chairman and other County Commissioners Menard County, Illinois

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the businesstype activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County,, Illinois as of and for the year ended November 30, 2013, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My audit of Menard County, Illinois' business-type activities was not conducted 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, I 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.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County, Illinois as of November 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages I through XVIII, and the *budgetary comparison information, schedules of employer contributions,* and *schedules of funding progress* on pages 37 through 56 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be a significant part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and, comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or other any form of assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Menard County's *basic financial statements*. The *transmittal letter from the Menard County Treasurer*, and supplementary information sections *are* presented for purposes of additional analysis and are not required parts of the *basic financial statements*.

The *transmittal letter from the Menard County Treasurer* has not been subjected to the auditing procedures applied in the audit of the *basic financial statements* and, accordingly, I do not express an opinion or provide any assurance on it.

The supplementary information is the responsibility of management and includes the *combining nonmajor funds* and the *fiduciary funds' financial statements*. The supplementary information was

derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the *basic financial statements* and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2014 on my consideration of Menard County,, Illinois' internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Menard County, Illinois' internal control over financial reporting and compliance.

michael J. Ferioppi

Springfield, Illinois June 30, 2014

MJF Michael J. Feriozzi, CPA

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 Chairman and other County Commissioners Menard County, Illinois

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards issued* by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County, Illinois as of and for the year ended November 30, 2013, which collectively comprise the County's basic financial statements of the County's business-type activities were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily disclose deficiencies in internal control over financial reporting that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during my audit I did not identify any deficiencies in internal control that I

consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Menard County Illinois' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement's, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*.

In early December 2013, staff from the Illinois Department of Public Health (IDPH) conducted a Medicare survey at the Menard County Health Department, a Menard County, Illinois component unit. Based on the survey results, IDPH determined that the Menard County Health Department was not in compliance with the applicable conditions of participation for Home Health agencies. Management of the Menard County Health Department timely submitted to IDPH, a documented plan of correction to all of deficiencies noted in the survey. The Menard County Health Department refunded \$28,000 of Medicare reimbursements in 2014 as a consequence of certain deficiencies noted in the survey. Subsequent to submitting its plan of correction, the Menard County Health Board voted to close the Home Health program and so notified the Illinois Department of Public Health. Currently, the health department is not seeing home health patients; however, it has attempted to renew its home health license with IDPH, who is holding the license until the future administrative structure of the Menard County Health Department and whether or not it will be able to staff and properly administer a resumption of its home health program are determined.

The Menard County Health Department's plan of correction response to the survey deficiencies was not subjected to the audit procedures applied in the audit of the financial statements, and accordingly, I express no opinion on it.

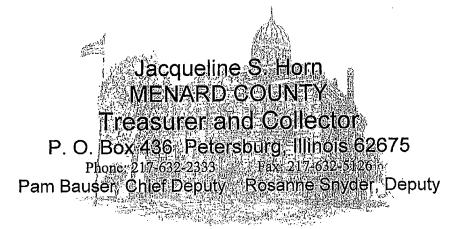
Purpose of this Report

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

Springfield, Illinois

Springfield, Illinol June 30, 2014

TRANSMITTAL LETTER



July 7, 2014

To the Chairman of the County Board, Members of the Board of Commissioners and Citizens of Menard County

Gentlemen:

As Treasurer of Menard County, I am pleased to present the County's annual financial report for the fiscal year ended November 30, 2013. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States (GAAP) as established by the Governmental Accounting Standards Board (GASB).

The annual financial report was prepared with an emphasis on full disclosure of the financial activities of the County. Responsibility for the completeness and the reliability of the content rests with County management. To provide a reasonable basis for making these representations, management of the County strives constantly to maintain a comprehensive set of internal controls, designed to ensure the assets of the County are protected from loss, theft or misuse. These controls also ensure that adequate accounting data is recorded to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The data presented in this report is believed to be complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of the County's various funds. All statements and disclosures necessary for the reader to obtain an understanding of the County's financial activities have been included.

As a recipient of Federal and State financial assistance, the County's internal controls must also ensure, as well as document, compliance with applicable laws and regulations related to these programs. Management periodically evaluates the effectiveness of the County's internal controls.

Michael J. Feriozzi, certified public accountant, provided the independent audit of Menard County's financial statements. The goal of the independent audit is to provide reasonable assurance the financial statements of the County for the fiscal year ended November 30, 2013, are free of material misstatement. The audit included consideration of our internal control over financial reporting as a basis for designing auditing procedures and involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and the County's compliance with applicable laws and regulations. Our independent auditor did note instances of non-compliance concerning the Menard County Health Department's home health operations. In addition, with his communications letter to the audit committee he continues to remind us to increase and maintain our organizational emphasis on monitoring the collection status of our accounts receivable for health services provided by the Menard County Health Department; our emergency medical services; and Sunny Acres Nursing Home.

The independent auditor's reports directly precede this letter.

This annual financial report includes a narrative introduction from management in the form of Management's Discussion and Analysis (MD&A) that provides an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF MENARD COUNTY

Menard County was established in the winter of 1839 by action of the Illinois State Legislature, being one of three counties split off from Sangamon County. At the time, Abraham Lincoln was a Representative to the State Legislature and Chairman of the Committee on Counties. The bill to separate Menard from Sangamon was written and presented by Lincoln on January 16, 1839 and passed the legislature on February 15, 1839. The action defined the boundaries of Menard County and provided for an election on the first Monday in April 1839 to elect public officials and three county commissioners. Over one hundred sixty years later, on November 7, 2000 the voters passed the proposition to be represented by five commissioners elected from single member districts.

Menard County is located slightly west of the center of the state and contains approximately 314 square miles. Petersburg, the county seat, is about 20 miles northwest of Springfield. Early inhabitants from Southern states and European immigrants came to Menard County to farm. The county continues to be known for its rural character. However, there has been almost a seven percent decrease in total acres farmed. The National Agriculture Statistics Service reported that in 2007, Menard County had an estimated 411 farms that averaged 410 acres. The 2012 results show the county had only 369 farms averaging 428 acres. Annually, the Illinois Society of Professional Farm Managers and Rural Appraisers provide the Illinois Farmland Values and Lease Trends. Their 2014 report indicates sales in 2013 for 377 acres of Menard County farm ground with excellent productivity sold for an average of \$10,845 per acre, up from the 2012 sales of \$10,648 per acre. On an historical note, the value of farm ground in 1860 was \$22.54 per acre, according to U.S. Department of Agriculture (USDA), the leading source of data for American agriculture.

Menard County is non-home rule and governed by the Illinois County Code, Chapter 55 ILCS 5/1-1001, et. seq., and related acts. Menard County's government consists of thirteen departments, six elected officials, the judiciary, and a five member County Board elected from single member districts. The board is responsible for establishing policies and authorizing resolutions for the administration of the County; hiring and supervision of the department heads; appointing committees for the benefit of county taxpayers and residents; and approving the annual budget and tax levy within the county organization.

Illinois has more taxing districts than any other state. In Menard County there are fortyseven (47) taxing districts. The County Treasurer collects taxes for all these districts. The County Board is responsible for appointing the board members of special districts like the fire districts, rescue squad, and cemetery districts. Special districts are not part of county government as they set their own budgets and tax levies.

SERVICES PROVIDED

Menard County provides a full range of governmental services including law enforcement, construction and maintenance of county roads and bridges, property assessment and collection of taxes, official records, voter registration, elections, document recordings, maintaining vital records, GIS mapping, comprehensive planning and growth management, a court system and related support functions, public health, animal control, emergency disaster planning and response, employment and training, senior transport, emergency public relief, and emergency medical services. All of these services and the related administrative functions, including the self-insured employee health benefits arrangement, comprise our *Governmental Activities*.

In addition to the above general government activities, the County owns and operates a skilled care nursing home. Sunny Acres Nursing Home accepts private pay, Medicaid, and Medicare patients. When beds are available, they are able to offer Respite and Daycare services. Countryside Estates, situated next door to Sunny Acres, opened in 2000 and is an independent living facility. These two proprietary operations comprise the *Business-Type Activities* of the county.

The financial reporting entity includes all funds of *Governmental* and *Business-type Activities* as well as the component units for which the County is financially accountable. The Menard County Emergency Telephone System (ETSB) 911 is included in the County's basic financial statements as a "discretely" presented component unit. The fund for Emergency 911 appears in a separate column in the government-wide financial statements to emphasize that it is separate from the County and to differentiate its financial position and results of operation from that of the County. A separate board, appointed by the County Commissioners, administers this component unit. Another component unit is the Menard County Health Department. It is also included in the County's basic financial statements but presented as a "blended" component unit. This means that the account balances and transactions of the Health Department are included with the County's because the Health Department is fiscally dependent on the County.

ECONOMIC AND DEMOGRAPHIC INFORMATION

According to 2013 U.S. Census Bureau statistics, Menard County's estimated population is 12,607. This represents a .8% decrease over the 2010 census. Statewide, the population has only increased by .4%.

Menard County, which includes the nursing home and independent living facility, is the county's largest employer. Most county residents commute to Springfield for employment. The County's annual unemployment rate for 2013 averaged 7.1%, down from 7.4% the previous year. Statewide the annual average unemployment rate was 9.2% in 2013 and 8.9% in 2012. Menard County is included in the Local Workforce Area 20 (LWA 20) which includes Cass, Logan, Christian, and Sangamon Counties. The unemployment rate for LWA 20 was 8% in 2013 and 7.8% in 2012. Data from the Illinois Workforce Information Center indicates a 7.7% unemployment rate for Menard County in March 2014, down from 8.2% in March 2013.

Countywide sales tax revenue from retail business increased 2.48% from 2012 to 2013, up from the previous year comparison of a 1.85% decrease. Public safety sales tax revenue decreased .28%. The county's share of income tax increased 9.43% over the 2012 collections. The State of Illinois had been slow to remit income tax to local governments. During 2013, the payments have become more timely.

Other county departments depending on payments from the State of Illinois are Sunny Acres Nursing Home, Emergency Medical Services, Senior Transport, and Health and Highway. The county has been preparing for shortfalls from the State the last ten (10) years. Currently Medicaid payments to the nursing home, EMS and health department for services provided are continuing to take six to twelve months.

MAJOR INITIATIVES

Menard County Community Services office offers General Assistance, Senior Transportation and Emergency Relief to residents of Menard County. The office is administered by Dara Worthington.

General Assistance should experience a change in expenditures with the new Affordable Care Act (ACA) which went into effect January 1, 2014. With ACA, the government has expanded the parameters for eligibility for Medicaid. All applicants/recipients of General Assistance must apply for Medicaid and should be determined eligible. The on-line application process is completed within the office at the courthouse. The Medicaid benefits should decrease the amount the county is expending on General Assistance recipients who use the medical component. General Assistance will be responsible for the recipient co-pays only. At the end of FY2013, all current recipients had applied for and been determined eligible for Medicaid.

Demand for transportation through Senior Transportation continued to exceed the ability to deliver as requested, budget-wise. The excesses have been covered by a bequest which was received several years ago. However, those funds are almost depleted. The advent of Rural Transportation should alleviate some of those concerns with the infusion of funding to deliver transportation to the general public.

SMART (Sangamon/Menard Area Regional Transit) received approval from the Illinois Department of Transportation (IDOT), as of December 31, 2013, for the ordering and purchasing of vehicles through their Consolidated Vehicle Procurement Program. Payment for these vehicles will be supplied by banked funds from both Sangamon and Menard Counties. As these vehicles must be ordered and then built per IDOT specifications, they are hopeful that SMART will have start-up during FY2014. Upon start-up, all IDOT vehicles will be utilized to deliver transportation to seniors 60 years of age and older and the general population seamlessly. The general population will be required to pay a fare while seniors will continue to provide a suggested donation. The fare schedule will be monitored and adjusted as needed to work alongside the IIIB Senior Transportation grant requirements.

Funding for Emergency Relief was received from Federal Emergency Management Agency's (FEMA) Emergency Food and Shelter Program, United Funds of Menard County, Inc., Menard County Salvation Army and Friend in Need donations. The petitions for assistance through this program also exceeded the funding level.

Menard County Emergency Medical Services (EMS) discontinued the Medivan service in 2013, per a directive from the Menard County Board of Commissioners in late 2012, after a study showed the service was consistently losing money. The service had provided patients with scheduled transports to and from doctors' appointments. As a result of the cut, the driver position was eliminated.

EMS Chief, Larry Graf reports their biggest concern continues to be the aging ambulances, where the maintenance and repair costs are or nearly are exceeding the value of the vehicles. In 2013, the 2000 Ford (3D-11) incurred the most expensive repairs, including new fuel injectors, head gasket and block, totaling \$18,318. The total cost of repairs to this pre-owned vehicle – purchased in November 2011 for \$30,000 – topped \$22,000. At fiscal year-end, two ambulances had above 100,000 miles, including the 1997 Ford, at over 217,000 miles. The fleet's age ranges from five to seventeen years. Menard County EMS has once again applied for the competitive Assistance to Firefighters Grant for a new ambulance and other means of replacing older rigs are being discussed.

Office personnel continued to audit patient accounts to ensure the billing company, EMS/MC, had accurate insurance and other information for proper billing. Communication is in place to confirm EMS/MC's records and ours correspond. The fiscal officer continued to monitor the collections report, sending final notices from Menard County, rather than the billing company, so patients could set up a repayment plan and avoid being submitted for collection. Recommendations on accounts to enter the collections process have been submitted to the county board bi-monthly.

Medicaid and state employee insurance payments continued to lag, at times up to a year behind, because of the state's financial crisis. Medicare payments for ambulance calls had a shorter turnaround time. Menard County EMS received a sizeable Medicaid check in early 2013; however, it included overpayments on some accounts. Other agencies across the state experienced the same situation, and the Illinois State Ambulance Association notified the Illinois Department of Healthcare and Family Services (HFS) of the errors. A letter in May from the HFS's Office of Inspector General acknowledged the problem and indicated the overpayments would be resolved; however, to date those funds have not been recouped.

New CPR training equipment, including four adult mannequins and two Automatic External Defibrillator (AED) trainers, was purchased in 2013. The agency also hosted an EMT-Basic class, in an effort to recruit and train more Emergency Medical Technicians in Menard County. Several local volunteer firefighters and members of the public participated.

As a cost-saving measure, Menard County EMS contracted with OSF for maintenance of its medical equipment, such as the monitors. The agency previously had a service agreement with Zoll.

Menard County EMS participated in a tabletop exercise at Sunny Acres Nursing Home that was coordinated by Menard County Emergency Management Agency. The scenario involved a tornado and fire, included multiple emergency response agencies from Menard County and utilized evaluators from Sangamon County agencies. A functional exercise is planned at the facility in 2014.

Total calls for ambulance service were consistent with the previous year, with 1,304 calls recorded in 2013. Menard County EMS continues to standby at football games at PORTA and Athens High Schools. The agency also was on scene during events at the Menard County Fair and other special events throughout the year. An hourly rate is in place to cover the costs of providing this service.

The EMS department experienced some turnover in 2013 with two longtime captains leaving for new jobs and one EMT dismissed. As a result, three part-time paramedics were hired full-time to fill the open positions. At year end 2013, the full-time staff was comprised of thirteen paramedics, including the EMS Chief; a full-time billing clerk; a part-time administrative assistant; a financial officer and numerous part-time EMTs. Several personnel participated in required and/or special training throughout the year, including two paramedics who earned their National Registry certification, making the department one to be proud of. EMS union members and the Menard County Board reached an agreement on April 29, 2014, to replace their contract which had expired November 30, 2013.

The Menard County Zoning Office is administered by Steve Duncan. Zoning permits are required for building construction or additions to a current building. Petersburg, Athens and Greenview are covered by local zoning ordinances within their city limits. During 2013 only ten permits were issued for new homes, down from eleven the previous year. Eighty-six permits were issued for other building projects, up from the prior year of seventy-six permits. Ten years ago Menard County issued forty-seven permits for new construction and one hundred nine for other projects.

The office of Menard County Clerk, Gene Treseler, is responsible for recording documents and issuing licenses. All this activity was down during 2013 compared to the previous year. The office issues marriage licenses, records births and deaths, deeds, mortgages and other permanent documents. This activity totaled 2,770 in 2013 where the previous year totaled 3,591.

The County Clerk's office is also responsible for all elections in the county. Currently the voter registration is being updated with a new computer, software and a new file server. On-line voter registration is available between the county and the State Board of Elections. Voter registration and the election process are continually changing with new laws and requirements.

The March 2014 primary election cost the county \$38,543 with a 44.98% turnout of eligible voters. The cost per voter was \$9.91.

Menard County Emergency Management Agency (EMA) applied for \$57,873 in state EMA grant funds from IEMA to cover a portion of Coordinator Larry Graf's salary and agency-related costs. The State of Illinois only appropriated \$17,119.

During 2013, Coordinator Graf completed numerous hours of continuing education training to satisfy IEMA grant requirements. Such training included All-Hazards, Position-Specific Incident Commander/Liaison Officer/Resource Unit Leader/Finance/Administrative Section Chief and Public Information Officer course work, as well as Menard County Search and Rescue Team training and a seminar on pipeline safety. Coordinator Graf also earned his Illinois Professional Emergency Manager (IPEM) certification.

Menard County EMA, along with Sunny Acres Nursing Home staff, planned and executed a tabletop exercise at the nursing home in July involving a tornado and subsequent fire scenario. The discussion-based exercise – which tested the facility's emergency plan – provided excellent training for multiple emergency response agencies in Menard County and utilized evaluators from Sangamon County agencies. A functional exercise is planned at the nursing home in August 2014.

Coordinator Graf participated in a drill and exercise at the Growmark facility and served as the public information officer for an Active Assailant Exercise conducted in the Athens School District. Menard County EMA also staffed a command post at the Menard County Fair and the canoe race on the Sangamon River.

Information was collected by Coordinator Graf from local municipal water departments regarding the chlorine and hypochlorite usage at the water and sewer treatment facilities. The data was shared with the Local Emergency Planning Committee (LEPC).

Menard County EMA responded to spring flooding near the Sangamon River in Petersburg, staying in contact with the city's public works departments and helping them secure a needed pump for the sewer lagoon from state resources. In November, EMA responded to the Greenview area, following strong winds and rain that downed several electrical poles, trees and caused some property damage.

Per an FCC mandate, all portable, mobile and dispatch console radios used for emergency communications in Menard County were narrow banded and the county's Emergency Operation Plan was updated and reviewed/approved by IEMA Region 6 Coordinator Robert Flemming.

The county board approved the development of a Geographic Information System (GIS) website for Menard County that will highlight basic property information for the general public. The site is in its final stages and should be released for viewing in early 2014. This new tool is sure to become an exciting and valuable resource for not only the local real estate and financial related professionals, but also the general public for reference and research in equitable property valuation, providing an additional level of transparency into the public records of Menard County.

In the year 2000, the appointed Menard County Board of Review had about three hundred assessment appeals to review. This year, for the 2013 tax year, the appointed Board of Review had about 24 assessment appeals to review. While the volume has reduced, the process remains a vital component to local property owners. This board is made up of three members who serve the general public by analyzing both taxpayer submitted documentation, as well as local assessment records and sales data, to provide adjustments to property assessments in a fair and informal setting.

Jason LeMar, Menard County Supervisor of Assessments, reports his office is continuing with a quadrennial assessment program that reviews the local real estate parcels in a rolling four-year cycle. While the local market has not been affected by any dramatic retraction in property values, we have witnessed a slowdown of historical appreciation. We find that the number of market transactions has decreased, values remain steady, and the calculated sales ratio study provides great insight into the stability of our local real estate. Knowing there are many variables affecting personal homeowner decisions in such an uncertain time of economic pressure, we expect this to result in a short term plateau of real estate values for Menard County. Additional factors relating to potential rural school consolidations, as well as undefined state and federal burdens, will greatly determine the course of property valuation in the near future. Our goal is to identify and react to these potential market conditions with timely and balanced adjustments for our local property tax payers.

Reconstruction and widening of the Athens Blacktop Road (CH 2) from just west of the intersection of A. Kent Street to east of Paul Rogers' driveway should begin in late June 2014 and should be completed by November 2014. This work will also include reconstruction of the intersection with A. Kent Street. P.H. Broughton & Sons, Inc. of Springfield, Illinois was the low bidder for this project. Construction cost is estimated at \$1,586,278. Construction funding for this project includes \$792,800 from federal High Risk Rural Road Program (HRRRP) funds, \$490,500 from federal Surface Transportation Rural (STR) funds, and \$210,700 from State Matching funds and \$92,278 from local Federal Aid Matching Fund.

Approximately 9.75 miles of county highway were chip sealed in 2013. This included Five Points Street and Rock Creek Ave. This work required 30,287 gallons of CRS-2 road oil and 1,400 tons of CA-16 chips.

One bridge on County Highway 1, Middletown Blacktop Avenue, just west of the Union Pacific Railroad crossing, was replaced in 2013. This bridge is in the curve and crosses a Tributary to Allen's Grove Ditch. It is the last timber pile bent abutment bridge on the County Highway system. This bridge was funded with 80% Federal Bridge Funds and 20% County Bridge funds. The final cost for construction was \$312,314.

Replacement of Simmering Avenue Bridge over Cabiness Creek began in October 2013 and was mostly completed except for seeding and final approach road work which was finished in April of 2014. This bridge was funded with 80% Township Bridge Funds, 10% County Bridge funds, and 10% Road District #3 funds. The final cost for construction was \$301,232.

The county currently has two Road District bridges that are closed; five Road District bridges that are posted for fifteen tons or less; and one Road District bridge rated for legal load only. All of these bridges have timber substructures that have exceeded their design life and need to be replaced. Temporary repairs, where feasible, have been made but time is running out before more closures take place.

The County Wide Sign Modernization project was completed in 2013 by T.M.F. Construction Company of Springfield, Illinois. The total cost of the project was \$408,904. Federal Highway Safety Improvement (HSIP) funds cover \$338,605 of the materials, labor and equipment for the replacement of deficient signs and posts. The remaining cost was covered by each local entity involved.

The Board of Health accepted the resignation of its administrator, Alicia Davis-Wade in February 2013. Cheryl Lee was hired as the Administrator, effective August 26, 2013. The Health Department continues to struggle financially and will look to restructure the department in the coming year. Payroll and bill paying must be approved by the Menard County Board of Commissioners twice a month because the Health Department has no money.

The Home Health program has proven to not be profitable to the level it was several years ago. The program has been a financial asset to the Health Department by helping sustain staffing and the program level. However, over the past few years, the profit margin has shrunk considerably. There has been a decrease in patient census and decreased payments for services rendered. The Health Department and the Board of Health have tried to develop strategies to make the Home Health program profitable but finally closed the Home Health program.

The financial struggle was made worse during 2013 as a consequence of a Medicare survey performed by the Illinois Department of Public Health which, among other noted deficiencies, brought to light that many patient files were not satisfactorily documented and for the most part were determined to be incomplete. This condition prevented the Health Department from collecting monies due them and, \$28,000 of previously realized Medicare reimbursements have been refunded to date to Medicare.

The financial condition at the Health Department has gone from bad to worse. Currently it is not seeing home health patients and its home health license is being held by the Illinois Department of Public Health pending its determination as to whether or not the Health Department's future administrative structure will allow for the proper staffing and administration of a home health agency. The staffing has been reduced to the administrator and two employees and they are contracting for environmental services. No one at the Health Department has a handle on how much more money will need to be returned to the State of Illinois or insurance companies because of lack of file documentation. We trust that the refunds to date are the end of it.

The Board of Health has reached out to our contiguous counties to see if public health services can be continued through other means. As of June 15, 2014 the Health Department owes the County of Menard \$162,864.

FINANCIAL INFORMATION, MANAGEMENT, AND CONTROL

The Board of Commissioners, by Illinois State Statute, adopts an annual appropriation budget for the County on or around the last day of November. Appropriations represent the maximum expenditures authorized during the fiscal year and they cannot legally be exceeded unless amended by the County Board. Unexpended amounts lapse at fiscal year-end.

The County Board takes a conservative approach toward financial management while continuing to provide good value to our citizens. The county has struggled to retain and restore the General Fund's fund balance when expenditures have been exceeding revenues. Last year they determined major repairs or replacement of the courthouse roof and dome was needed, probably exceeding the million dollar mark. After further assessments to the leaks that were plaguing the building, the concensus was that the courthouse dome was not the problem. Work actually began very late in 2013. There have been a few surprises which have cost extra, like damaged, rotten and unsafe substructure. The final cost will probably be in the half million dollar area and is being funded with the county's reserves.

Maintaining the fund balance has been a challenge since 2006 when we started to see the balance returning in a positive direction. Our objective of retaining and restoring the General Fund's fund balance eliminates the need for short-term borrowing, ensures obligations can be met, and provides a cushion against unexpected decreases in revenues and slow payments from the State of Illinois. There was a decrease in the fund balance at the end of fiscal year 2012, the result of transferring \$140,000 additional General Fund dollars to the Building Improvement Fund. In 2013, \$50,000 was transferred to the Building Improvement Fund.

The County General Fund has extended a revolving line of credit to the Health Department for many years. The credit line had been used to cover slow payments from Medicare, Medicaid and private pay insurance along with delayed grant payments from the State of Illinois. The established limit had been \$50,000. The agreement between the County of Menard and the Menard County Board of Health and Menard County Health Department states the line of credit is to "help through short-term funding deficits due to unexpected expenses or late payments by the State of Illinois. The line of credit shall not fund operating losses."

However, the continued reduction in home health volume combined with inadequate billing and collection processes for home health activities have resulted in a substantial loss in the Health Department's liquidity and fund balance levels. The department's financial condition has continued to deteriorate throughout fiscal year 2013 and into fiscal year 2014.

The County Board had asked for a plan on how the Health Department was going to address their fiscal situation. Several options for reducing expenditures appeared to be lowering some of the department's overhead costs. These included not replacing the frontline receptionist; reducing custodial maintenance; transferring provider phone service; one furlough day per month per employee; and reducing mileage reimbursement rate. At June 15, 2014, the County Board had approved payment of bills and payroll that pushed the line of credit to \$162,864.

The General Fund had an original loan to the Emergency Medical Services (EMS) Fund in the amount of \$327,000 which provided start-up costs to allow that department to purchase capital assets and provide operating capital to finance patient accounts and taxes receivable. Monthly principal and interest are being paid to the General Fund and a payment for \$198,000 was received August 28, 2013. The outstanding balance on May 31, 2014 has been paid down to \$89,749.

The County Commissioners and other management members continue to monitor the financial condition of EMS, including personnel costs, and alternatives for future funding needed to replace our aging fleet of ambulances. Grant opportunities are continually monitored.

The county continues to face future funding demands for several areas of government: (1) the rising cost of funding the County's contribution rate for the retirement fund, (2) the increased cost of providing optional health insurance for employees, (3) the replacement costs for roads and bridges, (4) the rising cost of property, casualty, and liability insurance, (5) the need for more space for county services, (6) the constant maintenance and repair needed to preserve the County's ageing buildings, (7) the desire to offer a competitive salary for quality employees, (8) the need to maintain occupancy levels to capacity at both the nursing home and independent living facility, (9) the uncontrollable costs of unfunded mandates by our legislature and (10) the pressure of demands from the taxpayers for higher levels of service.

Market losses during 2008 and again in 2011 impacted the county's contribution rates to the Illinois Municipal Retirement Fund (IMRF) for the year 2010 and beyond. Since returns on IMRF's investments netted much less than their anticipated returns, it was necessary to continue to divert more tax dollars to the Retirement Fund's levy. IMRF's investment returns improved in 2012 and 2013. Menard County benefited greatly by the positive investment returns in 2013, providing more favorable preliminary rates for 2015.

While investment returns affect the employer rates most significantly, other factors come into play when IMRF determines the county's rate in future years. One fact is that people are living longer. This alone contributes a .40% increase in our rate. Another fact is retirement benefit changes. The Sheriff's Law Enforcement Plan (SLEP) was enhanced in 2007. While the SLEP deputies contributed an additional 1% for the enhancements, the enhancements resulted in additional liability of \$54,560. The liability was paid in full by the county in December 2013.

The entire IMRF Retirement Plan is the best funded retirement system statewide. At the end of 2007, IMRF was 100% funded. In 2008, IMRF investments lost 24%. At the end of 2013, after market losses and recovery, IMRF's actuarial funding value increased from 84.3% to 87.6%.

IMRF is reducing the amortization for unfunded accrued liabilities for all participants. Previously, all rates had been calculated based on a thirty year repayment. Starting in 2012, the amortization period was reduced one year and will continue until it reaches a fifteen year period. This means the unfunded liability will then be refinanced each year.

Beginning with the county's 2015 annual financial statements, we will be required to record our unfunded liability, if any, for IMRF on our entity wide statement of financial position. GASB 68 will impact the accounting and financial reporting for pensions on all employers, increasing footnote disclosures and other required supplemental information as well as having a direct impact on the entity-wide statement of activities via additional retirement costs being reported.

The county made a decision to go "self-funded" for employee health insurance on July 1, 2010. The self-funded pool includes employees from the County and Sunny Acres Nursing Home. The County, EMS, Highway Department, Sunny Acres and the Health Department contribute seventy percent (70%) of the premium cost for regular and highway union employees and the County contributes one hundred percent (100%) of the premium for union deputies and the highway superintendent.

The goal of the self-funded plan was to be able to provide a high quality group health care plan at a reasonable cost to the employee, employer and the taxpayer. However, the program just could not cash flow. The self-funded insurance plan was dissolved effective December 31, 2013. The accumulated deficit has been paid by the County's *General Fund*, approximately \$48,000.

The County obtains property, casualty, and liability risk management protection through the *Illinois Counties Risk Management Trust*. A separate Liability Insurance Fund includes the respective property tax levy that is used to fund risk management protection, pay deductibles, and to pay self-insured claims. Risk control techniques are emphasized to the employees and monitored in the various activities and departments of the County.

Menard County owns farm ground, of which 209 acres are tillable, east of Petersburg. In the early years, the farm had been managed as a traditional crop share operation. In the most recent years, the farm lease has been set up as a cash rent operation. The farm is also the site of a Verizon cell tower which provides additional lease income. The income from the "County Farm" subsidizes the County's General Fund operation. A new two year farm lease was bid in the fall of 2013 and began March 2014. The new cash rent lease is 12.5% less than the previous lease.

The County Treasurer pools and invests all funds of the County within Investment Policy guidelines established November 1999 (revised April 29, 2014) and according to federal, state and other legal requirements, most particularly the Illinois Compiled Statutes 30 ILCS 235/2. The main objectives of the treasurer's investment policy are legality, safety, liquidity, and yield. Cash is invested in insured and collateralized interest bearing demand deposits and money market accounts, certificates of deposit, and the Illinois Funds Money Market investment pool that is administered by the Illinois State Treasurer. Rock bottom interest rates continue to affect the interest income budgeted. This is the third year in a row the interest received fell short of the budgeted amount. In 2013, the shortfall was twenty-nine (29%).

ACKNOWLEDGEMENTS

As County Treasurer my responsibilities include assisting Menard County's management in safeguarding its assets, preparing and presenting reliable financial reports, maintaining effective and efficient operations, and compliance with applicable laws and regulations. This report is the result of professionalism and cooperation within the County and was made possible from efforts of all elected officials and department heads and their staff.

I would like to express my sincere appreciation to my staff, Pam Bauser and Rosanne Snyder, for their dedication, endless hours and professional attitude to the task at hand. Each elected official and department head along with their support staff has my appreciation for the contributions made in preparing this report. I would like to acknowledge the Board of Commissioners for planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted, Jacqueties D. How

Jacqueline S. Horn Menard County Treasurer

PS: This is my last Letter of Transmittal for Menard County's annual financial audit report. I enjoy writing and have enjoyed providing readers with some historical information. Most of the information under "Major Initiatives" has been provided by department heads and elected officials willing to share accomplishments from their offices. Once again, I thank them. The other information in the report is my attempt to provide an historic moment in the operation of the county during 2013 into 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

MENARD COUNTY, ILLINOIS Management's Discussion and Analysis (M D &A) For the year ended November 30, 2013

The County of Menard, Illinois' (County) management's discussion and analysis provides an overview of the County's financial activities for the year ended November 30, 2013 and is designed to (a) assist the reader in focusing on significant financial issues, (b) identify changes in the County's financial position (its ability to address the next and subsequent years' challenges), (c) identify any material deviations from the financial plan (the approved budget), and (d) identify the individual fund issues or concerns.

This *discussion and analysis* is intended to serve as an introduction to the County's *basic financial statements* and is designed to focus on the current year's financial activities, resulting changes, and currently known facts. We encourage you to read it in conjunction with the transmittal letter at the front of this report and the County's audited *basic financial statements*, which follow this section.

FINANCIAL HIGHLIGHTS

- At November 30, 2013 the County's assets exceeded its liabilities by \$24,802,000. Of this amount \$13,791,000 is invested in capital assets, net of related debt; \$7,023,000 is restricted for special purposes and uses; leaving \$1,838,000 available for the County's ongoing governmental activities and \$2,150,000 available for its ongoing business-type activities.
- The County's net positions increased during the course of this year's operations. The net position of our *governmental activities* increased \$298,000, or 1.7%; all of this and more relates to the costs of completed road and bridge projects directly funded by the State of Illinois Department of Transportation. The net position of our *business-type activities* increased \$147,000 or 2%. This resulted primarily because of a significant increase in revenue from Medicare reimbursements.
- General tax revenues increased 4.1%, with property taxes increasing 4.0%.
- The cost of the County's *governmental activities* decreased .1 %. This, primarily, because of improved net results of our self insured health benefits activity. We continue to work at conserving our *roads and bridges* net assets for future construction costs funding. Since 2008, our *governmental activities costs* have only increased 2.8%, primarily because of our emphasis on conserving *roads and bridges* funds.
- The net charges for services for the County's business-type activities increased 3.4% while expenses increased 1.0%.
- The General Fund experienced a decrease in the fund balance of \$39,000 before the return of \$60,000 from our *business-type activities* resulting in a \$21,000 increase in the fund balance. However, our annual transfer to the *Building Improvement Fund* decreased \$90,000.
- The *Emergency Medical Services Fund* had an increase in the fund balance of \$35,000 resulting in a fund balance of \$333,000 at year end. The loan from the *General Fund* decreased \$208,000 to \$96,000.
- The Health Department Fund incurred a \$104,000 reduction in fund balance, resulting in a deficit fund balance of \$102,000 at year end; it appears that this deficit condition will require the use of General Fund resources in 2014 to bring the fund condition back to a positive state. The loss for 2013 resulted almost entirely as a consequence of management's decision to discontinue the departments home health services in early 2014 after acknowledging that the health department's organizational structure was not conducive to accomplishing/ delivering what had been a economically vital community/department service. In the past, the economic results for home health activities historically served to offset the net costs of the department's public health operations. The Health Department Fund's loan from the General Fund increased from \$40,000 to start the year to \$63,000 at year end and was \$163,000 at June 15, 2014.

• In June 2010 we changed our arrangement for providing group health hospitalization and medical benefits for eligible and participating County employees from using commercial insurance providers to a risk retention arrangement whereby the County and participating employees directly fund the related costs, including the actual costs of claims, reinsurance protection costs, and administrative costs. An internal service fund, the *Self Insurance Fund*, was established to account for and report all of the monetary and economic aspects of providing this service benefit to other County funds and departments. The *Self Insurance Fund experienced* a \$154,000 favorable result for 2013, resulting in a deficit to date of \$45,000. The Board of Commissioners discontinued this self funding arrangement effective December 31, 2014 and replaced it with a more conventional commercial type arrangement. The cumulative loss at that date, approximately \$47,000 was absorbed by the County's *General Fund*.

USING THIS ANNUAL FINANCIAL REPORT

The *basic financial statements* focus on the County as a whole (*government-wide*) and on the *major individual funds*. Both of these perspectives (*government wide* and *major fund*) allow the financial statements users to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the County's financial accountability.

Overview of the financial statements

This annual financial report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that provides combining statements for nonmajor governmental funds and the fiduciary funds. The basic financial statements include two kinds of statements that present different views of the County.

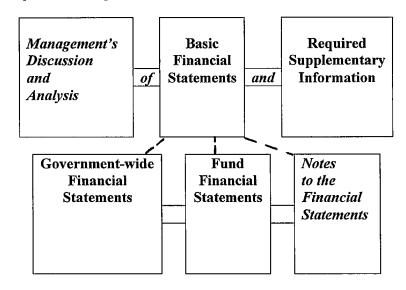
The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the County's overall financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in more *detail* than the *government-wide statements* -

- The governmental funds statements tell how general government services like public safety, and roads and bridges were financed in the short term as well what remains for future spending. Such funds include the general fund, and several other funds that are special revenue funds; funds that account for and report the proceeds of specific revenue sources that are restricted for use for specified sources other than debt service or capital projects. The County does not use or is required to use debt service or capital projects funds.
- Proprietary funds statements offer short-term and long-term financial information about the activities the government operates like businesses (enterprise funds), such as Sunny Acres Nursing Home and Countryside Estates of the County, and services the County provides internally on a cost reimbursement basis to funds and departments (internal service funds) like the risk retention aspects of self funding group type medical and hospitalization benefits for County employees.

Fiduciary funds statements provide information about the financial relationships – like the Menard County Collector, and the Township Bridge and Township Motor Fuel Tax arrangements with the County's road districts – in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The *basic financial statements* are followed by a section of required supplementary information that further explains and supports the information in the financial statements. These required parts of our annual financial report are arranged and relate to each other as follows -



In addition to these required elements, we have included a section with combining statements that provide details about our *nonmajor governmental funds* and *fiduciary funds*.

The table that follows summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

			Fund statements	
	Government-wide Statements	Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and component units	The activities of the County that are not proprietary or fiduciary, such as public safety	Activities the County operates similar to private businesses, Sunny Acres Nursing Home and Countryside Estates of the County	Instances in which the County is a trustee or agent for someone's resources, such as towhship bridge
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues expenditures, and changes in fund balances	Statement of net assets, Statement of revenues, expenses and changes in net assets, Statement of of cash flows	Statement of fiduciary net assets, Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability data	All assets and liabilities, financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities financial and capital, and short-term, and long-term	All assets and liabilities financial and capital, and short-term, and long-term
Type of inflow and outflow data	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of of when cash is received or paid

Major Features of Menard County's Government-wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector businesses. The government-wide financial statements include two statements, the *Statement of Financial Position* and the *Statement of Activities*. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements. The *Statement of Financial Position* on all of the County's assets and liabilities with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County's financial position improved during 2013, although the improvement was totally because of the direct funding by the State of Illinois Department of Transportation of a significant portion of the construction costs of certain road and bridge projects completed during the year.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. It presents the revenues and expenses of the County with the difference between the two reported as the change in *net position* for the year.

Both of these government-wide financial statements distinguish the various functions of Menard County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of Menard County include general government, public safety, roads and bridges, public health, judiciary and court, county development, liability and insurance, retirement and FICA, public welfare, and interest on long-term debt. Also included are the assets and liabilities of the *Self Insurance Fund*.

The business-type activities include Sunny Acres Nursing Home and Countryside Estates of the County.

The government-wide financial statements also include legally separate component units, the Menard County Health Department, for which the County is financially accountable, and the Menard County 911 System. The account balances and transactions of the Menard County Health Department have been blended into the County's financial statements. "Blending" is a process by which the account balances and transactions of the component unit are reported in a manner similar to the account balances and transactions of the primary government entity. The account balances and transactions of the Menard County 911 System are discretely presented in the financial statements. A "discrete presentation" displays the component unit's financial information in a separate column(s) apart from the primary government.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized into three distinct fund types, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental funds' financial statements only report on how general government services were financed during the year as well what financial resources remain for future spending.

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

The County maintains individual governmental funds. Information is reported separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund, Liability and Insurance Fund, Emergency Medical Services Fund, Health Department Fund, County Highway Fund, and County Motor Fuel Tax Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided elsewhere in this report.

The County's Board of Commissioners adopts an annual appropriations budget for its governmental funds. Budgetary comparison schedules have been provided for the *General Fund* and the other *major funds* to demonstrate budgetary compliance for these funds.

Proprietary funds

The County maintains two types of *proprietary funds*, *enterprise funds* for the activities the County operates like businesses and *internal service funds* The County uses *enterprise funds* to account for the financial activities of Sunny Acres Nursing Home and Countryside Estates of the County; an *internal service fund* is used to account for the financial activities of the risk retention aspects of self funding group type medical and hospitalization benefits for eligible and participating county employees.

Proprietary funds' financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Sunny Acres Nursing Home and Countryside Estates of the County (enterprise funds) and the Self Insurance Fund (internal service fund).

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the *government-wide* and *fund* financial statements. The notes also include information that is essential to a full understanding of the *required supplementary information*.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the County' schedules of budgetary comparisons, and progress in funding its obligations to provide pension benefits to its employees and employer contributions.

Combining fund statements are also a part of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table that follows presents a comparison of the County's condensed *Statement of Financial Position* as of November 30, 2012 and 2013.

	(to i	the nearest the	ouse	and dollars)				
	Govern	mental		Busine	ess-type			A CONTRACTOR
	Activ	vities		Activities			То	tal
	2012	2013		2012	2013		2012	2013
Current and other assets	\$ 6,907,000	7,332,000	\$	5,245,000	5,134,000	\$	12,152,000	12,466,000
Capital assets	11,202,000	11,118,000		2,717,000	2,734,000		13,919,000	13,852,000
Total assets	18,109,000	18,450,000		7,962,000	7,868,000		26,071,000	26,318,000
Current and other liabilities	668,000	720,000		797,000	746,000		1,465,000	1,466,000
Long-term debt outstanding	60,000	50,000		-	-		60,000	50,000
Total liabilities	728,000	770,000		797,000	746,000		1,525,000	1,516,000
Net position -								
Invested in capital assets,								
net of related debt	11,132,000	11,058,000		2,717,000	2,734,000		13,849,000	13,792,000
Restricted	4,643,000	4,784,000		2,446,000	2,238,000		7,089,000	7,022,000
Unrestricted	1,606,000	1,838,000		2,002,000	2,150,000		3,608,000	3,988,000
Total ne position	\$ 17,381,000	17,680,000	\$	7,165,000	7,122,000	\$	24,546,000	24,802,000

The largest portion of the County's net position is reflected in its *investment in capital assets* (land, buildings, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens and others; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of outstanding debt used to acquire the assets it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents a variety of programs, projects, services and funds that are subject to external and internal restrictions on how they may be used. Both the County's *governmental activities* and its *business - type activities* have restricted net position. This means that these net assets are not available for funding the general operations of the related activity.

The remaining portion of the County's net position, unrestricted net assets are available for funding general operations related to the County's governmental and business-type activities. The trend in the amount of the County's unrestricted net assets is a leading indicator of the County's continued ability to fund its obligations to citizens, creditors, and others. Unrestricted net assets increased \$380,000 during the year. Unrestricted net assets for governmental activities increased \$232,000 or 14.4%. Business-type activities' unrestricted net assets increased \$148,000 or 7.3%.

Please note that the above comparative display and statistical data is before the \$190,000 prior period adjustment (reduction) to our business-type activities net assets at November 30, 2012. Such adjustment resulted from a retroactive increase in the allowance for doubtful accounts receivable at that date.

The table that follows presents a comparison of the County's condensed *statement of activities* for the years ended November 30, 2012 and 2013 and indicates how the *net position* changed each year.

		Govern	ands of		Busine	ss-tune			
	_	Activ	and the second of the		Activ			To	tal
		2012	2013		2012	2013		2012	2013
Program revenues				-	6 100	(() 0	0	0 (25	0 500
Charges for services	\$	2,215	1,951	\$	6,420	6,638	\$	8,635	8,589
Grants and contributions		2,679	1,361		31	11		2,710	1,372
General revenues									
Property taxes		2,601	2,708		-	-		2,601	2,708
Other taxes		1,795	1,869		-	-		1,795	1,869
Interest		24	23		18	11		42	34
Total revenues	_	9,314	7,912		6,469	6,660		15,783	14,572
Expenses									
General government		1,247	1,240		-	-		1,247	1,240
Public safety		2,541	2,522		-	-		2,541	2,522
Roads and bridges		1,467	1,853		-	-		1,467	1,853
Public health		714	619		-	-		714	619
Judiciary and court		625	603		-	-		625	603
County development		72	75		-	-		72	75
Liability and insurance		334	77		-	-		334	77
Retirement and FICA		605	600		-	-		605	600
Public welfare		78	85		-	-		78	85
Interest on long-term debt		-	-		-	-		-	-
Sunny Acres Nursing Home		-	-		6,030	6,084		6,030	6,084
Countryside Estates		-	-		366	369		366	369
Total expenses		7,683	7,674		6,396	6,453		14,079	6,453
Excess (deficiency)		1,631	238		73	207		1,704	445
Transfers		60	60		(60)	(60)		-	
Increase (decrease) in	-			-			-		
net position		1,691	298		13	147		1,704	445
Prior period adjustment		-	-		-	(190)		-	(190)

Governmental Activities

Program revenues for 2013 were \$3,312,000, a decrease of \$1,582,000 from 2012. These revenues, consisting of *charges for services* and *grants and contributions*, are derived from the programs themselves and reduce the cost of the respective functions to the County. *Grants and contributions*

decreased \$1,318,000 primarily because of a net decrease in capital grants from the State of Illinois for *roads and bridges*. This can occur as a result of the State of Illinois' Department of Transportation's direct funding of certain road and bridge construction projects. There were three such projects in 2013.

General Tax Revenues

General tax revenues consist of property taxes, state income taxes shared by the state of Illinois, motor fuel taxes allocated by the state of Illinois, local sales taxes collected by the state of Illinois and distributed to the County, and certain other taxes. Property taxes comprised 59% of the general tax revenues and are levied by the County within the constraints of the State of Illinois *property tax limitation law* to assist in funding the costs of the general government, public safety, roads and bridges, retirement and FICA, and liability and insurance programs. The County has specific property tax levies for costs associated with certain public safety program costs, liability and insurance, roads and bridges, county development, retirement and FICA, and public welfare programs in addition to the general corporate levy. The motor fuel taxes received by the County are restricted for the roads and bridges program. The public safety sales taxes are restricted for emergency medical services (public safety.

The following tables display the changes in the County's general tax revenues for 2012 and 2013, and the related changes in property taxes.

	2012	2013	Incre	ase
				%
Property taxes	\$ 2,601,000	2,708,000	107,000	4.11
State income taxes	607,000	617,000	10,000	1.64
Motor fuel taxes	321,000	314,000	(7,000)	(2.18)
Public Safety Sales Tax	440,000	457,000	17,000	3.86
Sales taxes	361,000	408,000	47,000	13.01
Other taxes	 66,000	73,000	7,000	10.60
Total	\$ 4,396,000	4,577,000	181,000	4.11

General Tax Revenues (to the nearest thousand dollars)

Property Taxes by Governmental Activities' Programs (to the nearest 100 dollars)

	2012	2013	Change
General government	\$ 768,600	771,100	2,500
Public safety	319,200	320,700	1,500
Roads and bridges	608,700	620,800	12,100
Public health	8,200	8,600	400
County development	61,600	61,500	(100)
Liability and insurance	209,300	206,200	(3,100)
Retirement and fica	583,800	677,300	93,500
Public welfare	41,900	42,000	100
Total	\$ 2,601,300	2,708,200	106,900

The table that follows presents a comparison of the *costs* of the County's governmental activities as well as each activity's *net cost* (costs less charges for services, operating grants and contributions, and capital grants contributions). The *net cost* indicates the financial burden placed on the County's taxpayers by each activity.

(in th	ous	ands of	dollars)	 	
		Total c	ost	Net co	ost
		of activ	ities	of activ	ities
		2012	2013	2012	2013
General government	\$	1,247	1,240	\$ 846	836
Public Safety		2,541	2,522	1,733	1,814
Roads and bridges		1,467	1,853	(971)	716
Public health		714	619	57	118
Judiciary and court		625	603	140	143
County development		72	75	10	20
Liability and insurance		334	77	334	77
Retirement and fica		605	600	605	600
Public welfare		77	84	34	38
Interest on long-term debt		-	-	-	-
Total	\$	7,682	7,673	\$ 2,788	4,362

Cost and Net Cost Comparison of Governmental Activities

General government costs are incurred for the operation of certain offices and departments located in the County courthouse and are associated with the financial, administrative, property assessing, property tax extending and collection, document recording, election, and other general functions. *Public safety* costs are those associated with the County Sheriff's Department and operation of the County jail complex. Also included are the costs associated with services provided by the County's for emergency medical services including that department's insurance costs and retirement costs, and the costs of providing animal control services. The County commenced providing emergency medical services in October 2005.

Roads and Bridges are the costs of operating the County's Highway Department. The County utilizes several funds to account for the Highway Department's activities. The County realized a capital contribution of \$1,813,000 in 2012 for the completion of a portion of the capital safety improvements to the Athens blacktop and two bridges. This, primarily, accounts for the increase in the net cost of *governmental activities* from 2013.

Public Health costs are the costs of operating the Menard County Health Department's programs including its administration of the tuberculosis program. The Health Department's retirement costs, approximately \$60,000, are direct costs of and funded directly by the County's *Retirement and FICA Fund*.

Judiciary and Court costs are those associated with operating the Circuit Clerk's Office, the State's Attorney Office, the Probation Department and the County's courts.

County Development costs consist of certain costs pertaining to cooperative extension education, development of a countywide geographic information system, and certain economic development costs.

Liability and Insurance costs represent the County's participation in the Illinois Counties Risk Management Trust for protection commonly associated with property, casualty, and workmen compensation protection as it pertains to the County's governmental activities. Also included are certain unemployment compensation costs

and the excess healthcare costs for the Self Insurance Fund. This activity can include costs incurred and not covered by insurance.

Retirement and FICA costs consist of the County's required contribution to the Illinois Municipal Retirement Fund and FICA costs for employees involved with the County's governmental activities' programs.

Public Welfare costs relate to providing general assistance and emergency relief, and senior transport van services to the County's citizens.

Interest on long-term debt is the annual interest costs associated with the County's general obligation debt obligations.

Business-type Activities

Business-type activities increased the County's net assets \$147,000 for the year ended November 30, 2013. These same activities provided a \$13,000 increase in net assets for 2012. The nursing home did retroactively increase its allowance for doubtful accounts receivable \$190,000 effective November 30, 2012.

<u>Sunny Acres Nursing Home and Countryside Estates of the County</u>. The following chart provides a comparison of net revenues for 2012 and 2013.

		2012	 2013	Change
Private pay	\$	2,219,000	\$ 2,395,800	\$ 176,800
Medicare		1,763,000	 2,384,900	621,900
Medicaid		2,487,000	1,761,900	(725,100)
Medicaid Supplementary	ľ	130,000	-	(130,000)
Other		63,000	82,600	19,600
Medicaid contribution		(242,000)	(170,200)	71,800
Total	\$	6,420,000	\$ 6,455,000	\$ 35,000

(to the nearest thousand)

The following chart provides a comparison of Sunny Acres Nursing Home's resident days for 2012 and 2013.

(1	resident day	vs)	
	2012	2013	Change
Private pay	12,209	12,956	747
Medicare and other	3,304	4,297	993
Medicaid	18,959	14,104	(4,855)
Total	34,472	31,357	(3,115)
Annual capacity	38,796	38,690	(106)
Percent occupied	88.85%	81.05%	(8.77)%

The assets of the *Intergovernmental Transfer Fund* that were derived from administrative allowances earned for administering an alternate Medicaid reimbursement methodology for the State of Illinois Department of Healthcare and Family Services were transferred to the *Sunny Acres Nursing Home*

Fund in late 2006 because the intergovernmental agreement was terminated by the Department onSeptember 30, 2006. Administration of the alternate Medicaid reimbursement methodology became a required activity of Sunny Acres Nursing Home on November 1, 2006. The net assets transferred were segregated within the Sunny Acres Nursing Home Fund and have been reserved for capital purposes by the Menard County Board of Commissioners. The commissioners designated that future increases in the net assets of the Sunny Acres Nursing Home Fund derived from administering the alternate Medicaid reimbursement methodology will be reserved as a *capital reserve* equity component of the *Sunny Acres Nursing Home Fund* and designated for future capital needs. The alternate Medicaid reimbursement methodology process was discontinued on September 30, 2009. The commissioners have indicated that the portion of future Medicaid reimbursements that effectively represents the administrative allowances (Medicaid supplementary) earned and collected through the alternate reimbursement process will be designated as *capital reserve*.

Countryside Estates of the County, the County's independent living facility, operated profitably for 2012 and 2013 because of consistent high occupancy.

The following table provides a summary comparison of the County's *business-type activities* results for 2012 and 2013.

Business-type activities results

		ST. LEW STREET	11 - 14 M	in mousur	us of uor	luis					
	Sunny	v Acres N	lurs	ing Home	Fund				-		
	Opera Comp	utions onent		制作。因为制造的情况和目标的情况的问题	Capital Reserve Component		Countryside Estates of the County Fund			Та	otal
	2012	2013		2012	2013		2012	2013		2012	2013
Net revenue	\$ 6,013	6,048	\$	-	-	\$	407	407	\$	6,420	6,455
Contributions	29	10		-	-		2	-		31	10
Interest income	10	10		6	4		1	2		17	16
Expenses	6,029	5,904		1	1		365	369		6,395	6,274
Transfers, net	(421)	(72)		349	72		12	(60)		(60)	(60)
Change in net position	\$ (398)	92	\$	354	75	\$	57	(20)	\$	13	147
Prior period adjustment		(190)			-		-	7		-	(190)

(in thousands of dollars)

Component Units

The *Menard County 911 System's* net position decreased from \$526,000 to \$471,000 during the year. Net position was \$795,000 in 2010. The net position is meant to be accumulated for financing future capital asset and infrastructure needs. Capital assets of \$92,000 were placed into service during 2013. 911 services for the

County began in 2007. The public's discontinuing use of land based telephone lines is hampering the system's ability to maintain revenues. A recent Illinois Attorney General's opinion suggests that the sponsoring units of local government for 911 systems are fiscally responsible for such systems.

Financial Analysis of the County's Funds

We noted earlier that the County uses fund accounting to ensure and demonstrate compliance with financerelated legal requirements.

Governmental Funds

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$6,639,000. Of this amount, \$274,000 is in non-spendable form; \$148,000 is committed for future spending; \$4,654,000 is restricted and assigned for future specific purposes such as roads and bridges, public safety, retirement costs, and insurance and liability costs. The remaining amount, \$1,564,000, the unassigned amount of fund balance of the County's *General Fund*, is available for funding future general operations and obligations.

The *General Fund* is the County's principal operating fund and is used to account for general operations. The fund balance of the General Fund at November 30, 2013 was \$1,986,000 with \$274,000 in non-spendable form and \$148,000 committed for the *Self Insurance Fund's* deficit fund balance and the *Health Department Fund's* deficit fund balance.

The *Liability and Insurance Fund* is used to account for the annual tax for the payment of the costs associated with the our *governmental activities*' property and casualty risk management activities including workman's compensation; and self insured unemployment compensation costs. The fund balance of this fund decreased \$24,000 to \$458,000 in 2013.

The *Emergency Medical Services Fund* is used to account for the revenues and all of the costs of providing emergency medical services in the County. It had a fund balance of \$333,000 at November 30, 2013. We have improved the financial viability of this vital County service with increased property tax funding within the confines of the State's property tax limitation laws. However, it is becoming increasingly obvious that more tax funding will be required in the future.

The *Health Department Fund* is the result of "blending" the Menard County Health Department into the County's financial statements. It had a deficit fund balance of \$102,000 at November 30, 2013. This was a decrease of \$104,000 from 2012. This negative financial condition is discussed more fully in the *Financial Highlights* section.

The *County Highway Fund* is the Highway Department's general operating fund. It had a fund balance of \$761,000 at November 30, 2013, a \$47,000 decrease since 2012.

The *County Motor Fuel Tax Fund* had a fund balance of \$585,000 at November 30, 2013, a \$136,000 increase since 2012. The fund balance for this fund is restricted for future road and bridge project and maintenance

spending in accordance with project budgets approved the County Board of Commissioners and the Illinois Department of Transportation.

The remaining *nonmajor governmental funds* reported a combined fund balance of \$2,617,000 at November 30, 2013, an increase of \$198,000 since 2012.

Proprietary Funds

The County's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds consist of both enterprise and internal service funds. Our enterprise funds are essentially our business-type activities. Our only internal service fund is the Self Insurance Fund which is included in our governmental activities.

The *enterprise funds' unrestricted net assets* at November 30, 2013 were \$2,150,000 as compared to \$2,002,000 at November 30, 2012. Factors concerning the finances of these funds are discussed in the *business-type activities* section of this *discussion and analysis*.

The *internal service fund*, the *Self Insurance Fund*, had negative net assets, a deficit of \$45,000 at November 30, 2013; an improvement of \$154,000 since 2012.

Fiduciary Funds

There were no significant changes in the operations of the *fiduciary funds* during the year ended November 30, 2013.

Major funds' budgetary highlights

The General Fund budgeted for a decrease in the fund balance of \$403,000 for the year ended November 30, 2013. The actual fund balance increase for the year was \$21,000.

Revisions (individual line changes) to the original budget during the year were minimal and nominal. Budgeted revenues did not change and of course total budgeted expenditures and transfers out remained the same during the year.

Actual revenues were \$95,000 more than budgeted revenues. Actual expenditures were \$328,000 less than budgeted amounts. Actual net transfers out, were \$1,000, more than what was budgeted.

The Liability and Insurance Fund's fund balance decreased \$24,000. We expected a \$50,000 decrease.

The Emergency Medical Services Fund's fund balance increased \$35,000. We expected a decrease of \$90,000.

The *Health Department Fund's* fund balance decreased \$104,000; the budgeted increase was \$1,000. The *Health Department's* budget is predominately an internal budget rather than an appropriated budget. Changes in the levels of grant funding provided by certain state agencies and changes in the volume of home health services have often result in significant variances between budgeted and actual results. Home health revenues were \$150,000 less than what was budgeted and grant and fee revenues were \$55,000 less than what was budgeted.

The Highway Fund's fund balance decreased \$47,000.

The County Motor Fuel Tax Fund's fund balance increased \$135,000.

The actual results for the County's *nonmajor governmental funds* were consistent with the County's Board of Commissioners and managements' expectations documented in the County's annual budget for the fiscal year ended November 30, 2013. A few *funds*' actual expenditures exceeded budgeted amounts. These funds and the excess amounts are listed in Note 2 to the basic financial statements.

A management budget is prepared each year for the two *enterprise funds* that comprise the County's *business-type activities*. The County Board of Commissioners' and management's expectations for *Sunny Acres Nursing Home* and *Countryside Estates of the County* results of operations are always greater than what is documented in the management budgets for those operations.

Capital Asset and Long-Term Debt

Capital Assets

At November 30, 2013 the County had invested \$13,851,000 in a broad range of capital assets including land, buildings and improvements, equipment vehicles, infrastructure (roads and bridges) and construction in progress.

The following table provides a comparison of the County's capital assets at November 30, 2012 and 2013.

	Govern	mental	Busine	ss-type		S. J. Carlos
	Activ	vities	Activ	vities	То	tal
	2012	2013	2012	2013	2012	2013
Land	\$ 304	304	\$ -	-	\$ 304	304
Construction in progress	152	152	-	-	152	152
Buildings and improvements	1,013	859	2,439	2,481	3,452	3,340
Equipment	196	146	276	253	472	399
Vehicles	285	221	2	-	287	221
Roads	6,314	6,165	-	-	6,314	6,165
Bridges	2,938	3,270	-	-	2,938	3,270
Total	\$ 11,202	11,117	\$ 2,717	2,734	\$ 13,919	13,851

(net of depreciation in thousands of dollars)

This year's major capital assets additions included-

- ✓ Replacement of one bridge on the Middleton Blacktop, \$312,000.
- ✓ Replacement of one bridge on Simmering Avenue, \$301,000.

The Menard County 911 System acquired equipment items at \$92,000, primarily items for the dispatching system.

The table that follows provides a comparison of depreciation expense by County programs for 2012 and 2013.

(to the nearest on			uursj		
		2012	2013		Change
Governmental activities					
General government	\$	92,500	89,300	\$	(3,200)
Public safety		94,200	88,200		(6,000)
Roads and bridges		275,500	282,000		6,500
Public health		15,200	12,900		(2,300)
Judiciary and court		33,500	32,000		(1,500)
Public welfare		16,200	11,400		(4,800)
Total governmental activities		527,100	515,800		(11,300)
Business-type activities				-	
Sunny Acres Nursing Home		195,500	188,000		(7,500)
Countryside Estates of the County		84,600	92,300		7,700
Total Business-type activities		280,100	280,300		200
Total government-wide	\$	807,200	796,100	\$	(11,100)

(to the nearest one hundred dollars)

Long-Term Debt

At the end of the year, the County's long-term debt consisted solely of one installment contracts for *public* safety equipment of \$60,000 for our governmental activities. We borrowed \$100,000 through the Illinois Finance Authority in 2009 to assist us in purchasing a replacement ambulance for our fleet. The acquisition cost was \$138,000 and we owed \$60,000 on this obligation at the end of the year.

Employee Retirement Benefit Plans

The County sponsors three defined benefit pension plans for County employees through the Illinois Municipal Retirement Fund (IMRF). IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Detailed information and data for the County's pension plans are provided in the *notes* to the *basic financial statements* and in the *required supplementary information* section of this annual financial report. The *notes* also include a discussion of the deferred compensation plans the County sponsors for its employees.

The County does not contribute to the deferred compensation plans.

Self Insurance for Medical and Hospitalization Benefits

Claims payable at year end were \$22,000. The general fund advanced \$50,000 to the self insurance fund for working capital purposes during 2010. This amount remained owed to the general fund at year end.

Economic Factors and 2014

- We continue to remain quite aware of the overarching nature of the ongoing State of Illinois' "fiscal crisis" and the potential for its ultimate resolution to negatively impact the future financial results of several of our individual funds including but not limited to our *General Fund*, the *Health Department Fund*, Sunny Acres Nursing Home Fund, and certain Highway Department Funds. State shared income taxes account for approximately 23% of the General Fund's revenues and salary reimbursements from the State of Illinois provide another 8%. We are also cognizant of the impact of the ongoing "zero interest rate" policies of the Federal Reserve on our interest earnings and the ability to accumulate adequate reserves for funding future capital assets needs for our governmental activities. We are grateful and appreciative for the ongoing State of Illinois funding through the Illinois Department of Transportation of the majority of the construction costs of our major road and bridge replacement projects.
- As a consequence of the State of Illinois' "fiscal crisis", we expect to continue having a concentration of credit with the State of Illinois periodically during 2014 and subsequent years while the state struggles with and resolve its ongoing cash flow problems. This condition, at times, slows down the flow of cash to fund our consistent and recurring costs of operations. A similar condition, at the national level, specifically, certain Medicare claims of our nursing home operation, evolved during 2013 and is continuing into 2014. This slow down and resulting concentration of credit with both the State of Illinois and Medicare negatively impacts the cash flows of several funds including the *General Fund, the Health Department Fund, and the Sunny Acres Nursing Home Fund*. Fortunately, we have had adequate reserves to carry these concentrations of credit, however our ability to replenish the reserves has been diminishing over the last four to five years.
- ÷ The State of Illinois has approved rules and procedures for the quarterly remittances of a portion of the annual Medicaid revenues for Sunny Acres Nursing Home. This arrangement was previously approved by the Federal government. However, it seems that one of the unintended consequences of the recent Medicare/Medicaid Alignment Initiative that is mandated to extend managed care to a minimum of 50% of the State of Illinois long term care population is that it was determined that the Federal government will not allow funding arrangements that provided for the quarterly remittances. Early in 2012, management decided to stop accruing the quarterly remittances as Medicaid revenues. The State of Illinois Department of Healthcare and Family Services has indicated that it has every intention of finding a way of continuing the quarterly remittance arrangement. It is this revenue, once collected, that we have retained and designated as capital reserve by the Sunny Acres Nursing Home Fund. We ended the year with \$323,000 due to us for the quarterly remittances accrued prior to the commencement of the Medicare/Medicaid Alignment Initiative. This amount has been collected during 2014. Also, our monthly claims for Medicaid reimbursements for our nursing home residents receiving Medicaid benefits during 2011 moved from a constant state of being two months in arrears to, at times, being six months in arrears and presently we are experiencing an additional delay as a consequence of what appears to be administrative chaos at the State of Illinois level.
- The General Fund has advanced \$96,000 to the Emergency Medical Services Fund. The Commissioners and other management members continue to monitor and evaluate the collection status of the advance and believe it is adequately collateralized. Future funding needs for the eventual replacement of our fleet of ambulances are also being considered and evaluated. Realized Medicaid revenues for our Emergency Medical Services remained substantially less than the costs of those services and our medivan services were discontinued during 2013.

- The Menard County Health Department has continued to experience negative cash flows during 2013 and 2014. The Health Department and the County have a line of credit arrangement in place that initially allowed the General Fund to advance up to \$50,000 to assist the Health Department with its cash flow needs. Presently, that amount is \$160,000. The Board of Health and the Board of Commissioners are considering entering into an agreement with the Sangamon County Health Department whereby the Sangamon Health Department would oversee the providing of Menard County's public health services and needs. We expect that the line of credit with the Health Department is reached. The line of credit amount will more than likely be accounted for as a transfer from the General Fund to the Health Department Fund when a suitable solution to this issue is attained.
- Repairs and improvements to the courthouse roof are expected to be completed in 2014 at an estimated cost of \$445,000. We will have adequate funds in the *Building Improvement Fund* after a budgeted transfer from the *General Fund* of \$100,000 to cover these extraordinary costs. We have been fortunate during the past decade to be able to fund the costs of extraordinary improvements to the courthouse without issuing debt and or increasing real estate taxes. Our ability to fund such future costs from operations' results has also been greatly diminished during the last decade as a consequence of the continued low money market rate environment and an inadequate growth rate for income tax revenues shared with us by the State of Illinois.

Requests for Information

The County's annual financial report is designed to provide our citizens, investors and creditors with the general overview of the County's finances. If you have questions about this report or need additional information, please contact the *Menard County Treasurer's Office* at the County Courthouse.

BASIC FINANCIAL STATEMENTS

Basic Financial Statements

STATEMENT OF FINANCIAL POSITION

November 30, 2013

	P			
	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
ASSETS				
Cash	\$ 3,463,871	\$ 1,246,869	\$ 4,710,740	\$ 28,469
Certificates of deposit	3,050,000	390,000	3,440,000	250,000
Accounts receivable, net	260,702	1,235,696	1,496,398	40,045
Taxes receivable, net	264,339	1,200,000	264,339	40,045
Due from other funds	68,113	_	68,113	_
Internal balances	1,175	(1,175)	00,115	_
Inventories	224,209	21,517	245,726	-
Restricted cash	224,207	968,012		-
	-		968,012	-
Restricted certificates of deposit	-	950,000	950,000	-
Restricted accounts receivable	-	323,636	323,636	-
Land	304,319	-	304,319	-
Capital assets, net	10,813,133	2,733,948	13,547,081	152,049
TOTAL ASSETS	18,449,861	7,868,503	26,318,364	470,563
LIABILITIES				
Accounts payable	559,531	393,717	953,248	_
Accrued compensation	45,009	227,328	272,337	-
Self Insurance claims		227,520	22,250	-
	22,250	125 021	,	-
Prepayments and deposits	-	125,021	125,021	-
Deferred revenue	73,642	-	73,642	-
Due to other funds	10,000	-	10,000	-
Debt payable within one year	10,000	-	10,000	-
Debt payable after one year	50,000	-	50,000	-
Other	<u> </u>			
TOTAL LIABILITIES	770,432	746,066	1,516,498	
NET POSITION				
Invested in capital assets,				
net of related debt	11,057,452	2,733,948	13,791,400	152,049
Restricted for -				
Roads and bridges	2,248,541		2,248,541	-
Public safety	346,333	-	346,333	-
Judiciary and court	342,130	-	342,130	-
Liability and insurance	457,471	-	457,471	-
Retirement and fica	310,046	-	310,046	-
Public health	34,893	-	34,893	-
Other	1,044,182	2,238,573	3,282,755	-
Unrestricted	1,838,381	2,149,916	3,988,297	318,514
TOTAL NET POSITION	\$ 17,679,429	\$ 7,122,437	<u>\$ 24,801,866</u>	\$ 470,563

STATEMENT OF ACTIVITIES

			Program Revenues		Prim	Primary Government		
Functions/Programs	Expenses	Charges for Service.	Operating Grants s and Contributions	Capital Grants and Contributions	Operating Grants Capital Grants Charges for Services and Contributions Governmental Activities.	Business-type Activities	Total	Component Unit
Primary Government Governmental Activitie								
General government Public safety	S 1,239,552	224,363	S 49,503	s	S (835,686) (1.813,626)	· ·	S (835,686) (1.813,626)	
Roads and bridges	1,853,173			312,315	(716,158)	,	(716,158)	
Judiciary and court	212 209		185,604	• •	(11, 7, 901) (142, 752)		(142,752)	
County development Ltability and insurance	77,141	- 55,191 -	, ,	• •	(1+1 ⁺ 77)	••	(20,033) (141,77)	
Retirement and Fica Public welfare	600,439 83,852	- 13,151	- 33,104	••	(165,15)		(600,439) (37,597)	
Interest on long term debt			1	'			'	
Total Governmental Activities	7,673,719	1,950,912	1,049,019	312,315	(4,361,473)		(4,361,473)	
Business-type Activities		_	_					
Sunny Acres Nursing Home Countryside Estates	6,084,414	6,231,355	10,482		• •	157,423 38,357	157,423 38,357	
Treal Ducinose cours à seivision		80L 8L7 7				107 701	107 791	
Total Busilicos-type Attivities	nan'ectio	0/7*000*D	70+51		•	- no/feet	ab/ccr	
Total Primary Government	S 14,126,719	S 8,589,210	<u>S 1,059,501</u>	S 312,315	(1,361,173)	195,780	(4,165,693)	
Component Unit Menard County 911	S 270,316	S 213,790	S	S				<u>S (56,526)</u>
		G	ı					
I otal Component Units	270,316	5 213,790	2					075'05)
		Genera	General Revenues					
		Prope	Property taxes		2,708,285	•	2,708,285	•
		Star	State income taxes Motor fuel taxes		616,531		616,531 313,841	
		Pub	Public safety sales tax		151,723	•	457,723	
		Sale	Sales taxes Personal property replacement taxes	cment taxes	407,578 73,104	•••	407,578 73,104	•••
		Total	Total taxes:		4,577,062	•	4,577,062	
		Inter	Interest income		22,516	11,524	34,040	1,163
		Total g.	Total general revenues	-	4.599.578	11,524	4,611,102	1,163
		Transfers	51		60,000	(000)	•	
		Total g	Total general revenues and transfers	ransfers	4,659,578	(48,476)	4,611,102	1,163
		Change	Change in net position		298,105	147,304	445,409	(22'363)
		Prior p	Prior period adjustment		•	(190,000)	(190,000)	
		Net pos	Net position - beginning		17,381,324	7,165,133	24,546,457	525,926
		Net pos	Net position - ending		S 17,679,429	S 7,122,437	S 24,801,866	S 470,563
		The accom	The accompanying notes are an integral part of this financial statement.	integral part of this	financial statement.			

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BALANCE SHEET GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

Total Governmental Funds	1 S 6,486,800 7 225,867 5 264,339 6 470,611	s 7,447,617	S 363,898 45,009 326,323	135,230	73,642	. 274,217	669,751 346,333	5,	(67,536) 342,130		- 457,471 310.046		147,773	6,638,745	s 7.447.617
Other Governmental Funds	\$ 2,896,931 25,577 2,325 2,325 50,513	\$ 2,975,346	\$ 188,741 3,500 134,027	326,268	31,775	•	669,751 12,909	873,143	34,893 342,130	206,837	- 310.046	167,594		2,617,303	s 2,975,346
County Motor Fuel Tax Fund	\$ 577,594 - 16,008	\$ 593,602	\$ 8,230 -	8,230		ı		585,372		8			1 1	585,372	\$ 593,602
County Highway Fund	\$ 688,184 108,547 25,693	S 822,424	\$ 56,164 - 4,810	60,974	"	·		761,450		ı		1	F I	761,450	\$ 822,424
Health Department Fund	\$ 25,060 15,450	\$ 40,510	\$ 28,160 15,301 62,611	106,072	36,867	ı		1	(102,429) -	ı	11	•	1 1	(102,429)	\$ 40,510
Emergency Medical Services Fund	S 334,245 10,285 112,888 3,138	\$ 460,556	\$ 25,330 6,000 95,802	127,132	"	·	- 333,424	I	1 1	ı		1	• •	333,424	\$ 460,556
Liability and Insurance Fund	\$ 457,471 - -	\$ 457,471	ччч 9	-	•						-	ı	• •	457,471	\$ 457,471
General Fund	\$ 1,507,315 66,008 133,118 391,267	\$ 2,097,708	\$ 57,273 20,208 29,073	106,554	ES 5,000	274,217		r	1 1	•		ı	147,773 1,564,164	1,986,154	\$ 2,097,708
	ASSETS Cash and certificates of deposit Accounts receivable Taxes receivable Due from other funds	Total assets LIABILTTES	Accounts payable Accrued compensation Due to other funds	Total liabilities	DEFERRED INFLOWS OF RESOURCES Deferred revenue	FUND BALANCES Nonspendable Restricted for:	General government Public safety	Roads and bridges	Public health Judiciary and court	County development	Liability and insurance Refirement and fica	Public welfare	Committed for Unassigned	Total fund balances	Total liabilities, deferred inflows of resources and fund balances

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The accompanying notes are an integral part of this financial statement.

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RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF FINANCIAL POSITION

NOVEMBER 30, 2013

Total fund balances - governmental funds (page 3)		\$ 6,638,745
Amounts reported for governmental activities in the statement of net assets are different because -		
The statement of net assets includes the net assets of the internal service Self Insurance Fund, because of its reliance on the General Fund for deficit funding.	e fund,	(45,344) -
Inventories of rock, sand, gravel, and other materials used		
for roads and bridges construction and maintenance have been		224,209
reported in the statement of net assets and are not reported		
in the funds as financial resources -		
Capital assets used in governmental activities are not financial resource and therefore are not reported in the funds. These assets consist of -		
Land	\$ 304,319	
Construction in progress	151,575	
Buildings and improvements	3,496,385	
Equipment	1,973,054	
Vehicles	1,402,906	
Roads	11,163,914	
Bridges	4,252,582	
Accumulated depreciation -	(11,627,283)	
Total carrying value of capital assets		11,117,452
Some liabilities are not due and payable in the current period and		
are not reported in the funds. Those liabilities consist of -		
Accounts payable for road and bridge projects and other net item	15	(195,633)
Long-term debt		 (60,000)
Net assets of governmental activities (page 1)		\$ 17,679,429

The accompanying notes are an integral part of this schedule.

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

	General Fund	Liability and Insurance Fund	Emergency Medical Services Fund	Health Department Fund	County Highway Fund	County Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 771,073	\$ 206,166	\$ 320,728	s -	\$ 252,829	s -	\$ 1,167,376	\$ 2,718,172
Public safety sales tax	-	-	457,723	-	-	-	-	457,723
Federal and State payments	1,325,105	-	17,708	250,141	421,225	352,203	101,357	2,467,739
Fines, fees, forfeitures and licenses	420,320	-	-	85,553	-	-	150,936	656,809
Charges for services	160,536	-	425,116	102,515	207,141	-	171,493	1,066,801
Other	10,927	-	325		16,788	-	18,874	46,914
Interest	17,809	<u> </u>	<u> </u>	64	4,307	<u>. 177</u>	150	22,507
Total revenues	2,705,770	206,166	1,221,600	438,273	902,290	352,380	1,610,186	7,436,665
EXPENDITURES								
Current:								
General government	1,009,841	•	-	-	-	-	85,999	1,095,840
Public safety	1,139,847	-	1,174,835	-	-	-	95,816	2,410,498
Roads and bridges	•	-	-	-	949,269	216,923	341,651	1,507,843
Public health	-	-	-	538,674	-	-	4,617	543,291
Judiciary and court	505,542	-	-	-	-	-	70,817	576,359
County development	6,250	-	-	-	-	-	98,290	104,540
Liability and insurance	-	230,590	-	-	-	-	•	230,590
Retirement and Fica	-	-	-	-	-	-	600,439	600,439
Public welfare	-	-	-	-	-	-	83,853	83,853
Debt service:			-					
Principal retirement	-	-	10,000	-	-	-	-	10,000
Interest and fiscal charges	•	•	248	-	-	-	-	248
Capital outlay:	27,285	<u> </u>	1,865	6,563	<u>-</u>		83,599	119,312
Total expenditures	2,688,765	230,590	1,186,948	545,237	949,269	216,923	1,465,081	7,282,813
EXCESS REVENUES OVER								
(UNDER) EXPENDITURES	17,005	(24,424)	34,652	(106,964)	(46,979)	135,457	145,105	153,852
OTHER FINANCING SOURCES (USES)		·						
Operating transfers in	169,183	•	-	2,699	-	-	167,500	339,382
Operating transfers (out)	(165,199)	·	<u> </u>				(114,183)	(279,382)
Total other financing sources and uses	3,984			2,699	<u>-</u>		53,317	60,000
NET CHANGES IN FUND BALANCES	20,989	(24,424)	34,652	(104,265)	(46,979)	135,457	198,422	213,852
FUND BALANCES - BEGINNING	1,965,165	481,895	298,772	1,836	808,429	449,915	2,418,881	6,424,893
FUND BALANCES - ENDING	\$ 1,986,154	\$ 457,471	\$ 333,424	\$ (102,429)	\$ 761,450	<u>\$ 585,372</u>	\$ 2,617,303	\$ 6,638,745

RECONCILIATION OF THE CHANGES OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

NOVEMBER 30, 2013

Net changes in funds balances - total governmental funds (page 5)	\$ 213,852
Amounts reported for governmental activities in the statement of activities are different because -	
The statement of activities includes the net transactions of the internal service fund, Self Insurance Fund, because of its reliance on the General Fund for deficit funding.	153,468
The cost of the County's new road and bridge construction projects completed during the year are usually primarily funded by the State of Illinois Department of Transportation. The State's share of the funding and the fair value of other contributed capital assets are reported as contributions in the government-wide financial statements but not in the fund financial statements -	312,315
Debt proceeds are reported as financing sources in governmental funds and thus contrubute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of debt principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. (See Note 7)	
Repayments: Installment contracts for EMS equipment purchases	10,000
Capital outlays are reported as expenditures in governmental funds. However in the statement of activities, the cost of the capital assets is allocated over their estimated useful lives as depreciation expense. (See Note 5)	
Capital outlays\$ 119,312Depreciation expense(515,763)	
Excess of depreciation expense over capital outlay	(396,451)
Some costs do not require the use of current financial resources and are not reported as expenditures in the fund financial statements but must be included in the government-wide financial statements as expenses -	
Increase in inventories of rock, sand, and gravel	4,921
Change in net assets of governmental activities (page 2)	\$ 298,105

The accompanying notes are an integral part of this schedule.

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

NOVEMBER 30, 2013

			Enterprise Funds			Internal Service Fund
-	Sur Operations Component	ny Acres Nursing Ho Capital Reserve Component	me Fund	Countryside Estates of the County Fund	Total Enterprise Funds	Self Insurance Fund
ASSETS						
Cash	\$ 650,051		\$ 650,051	\$ 596,818	\$ 1,246,869	\$ 27,071
Certificates of deposit	340,000		340,000	50,000	390,000	-
Accounts receivable, net	1,235,446		1,235,446	250	1,235,696	34,835
Due from other funds	621		621	-	621	-
Inventories	18,000	-	18,000	3,517	21,517	-
Restricted assets:						
Cash	-	968,012		-	968,012	-
Certificates of deposit		950,000	,	-	950,000	-
Accounts receivable, net	323,636	-	323,636	-	323,636	-
Due from capital reserve component	1,400		1,400		1,400	<u> </u>
Total current assets	2,569,154	1,918,012	4,487,166	650,585	5,137,751	61,906
CAPITAL ASSETS - NET	1,624,913		1,624,913	1,109,035	2,733,948	<u> </u>
TOTAL ASSETS	4,194,067	1,918,012	6,112,079	1,759,620	7,871,699	61,906
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	299,913	-	299,913	12,871	312,784	22,250
Medicaid provider assessment	80,933		80,933	12,071	80,933	22,200
Accrued compensation	227,328		227,328	_	227,328	_
Residents' prepayments, overpayments, and deposits	117,758		117,758	7,263	125,021	
Due to operations component	117,750	1,400	,	7,000	1,400	-
Due to other funds					1,796	85,000
Total current liabilities	726,053	3,075	729,128	20,134	749,262	107,250
NET POSITION						
Net investment in capital assets	1,624,913		1,624,913	1,109,035	2,733,948	-
Other restricted	323,636		• •	-	2,238,573	(45,344)
Unrestricted	1,519,465	<u> </u>	1,519,465	630,451	2,149,916	
TOTAL NET POSITION	\$ 3,468,014	<u>\$ 1,914,937</u>	\$ 5,382,951	<u>\$ 1,739,486</u>	\$_7,122,437_	\$ (45,344)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED NOVEMBER 30, 2013

_			Enterprise Funds			Internal Service Fund
	Sunny Operations Component	Acres Nursing Home Capital Reserve Component	e Fund Total	Countryside Estates of the County Fund	Total Enterprise Funds	Self Insurance Fund
		Component	1000		runus	
NET OPERATING REVENUES	\$ 6,048,080	<u> </u>	\$ 6,048,080	\$ 406,943	\$ 6,455,023	\$ 826,931
OPERATING EXPENSES						
Salaries and wages	2,884,696	-	2,884,696	112,871	2,997,567	-
Contractual labor	-	-	-	-	-	-
Retirement costs	471,449	-	471,449	10,846	482,295	-
Medical and nursing supplies	314,097	-	314,097	-	314,097	-
Food and dietary supplies	273,527	-	273,527	50,561	324,088	-
Therapy costs	856,017	-	856,017	-	856,017	-
Insurance and risk management	341,899	-	341,899	38,960	380,859	655,190
Depreciation	187,943	-	187,943	92,406	280,349	-
Utilities	142,858	-	142,858	24,398	167,256	-
Professional fees	73,411	600	74,011	2,700	76,711	-
Maintenance and repairs	61,244	-	61,244	27,167	88,411	-
Provider participation fee	59,228	-	59,228	-	59,228	-
Housekeeping and laundry	39,904	-	39,904	1,023	40,927	-
Advertising	29,224	-	29,224	-	29,224	-
Provision for bad debts	60,000	-	60,000	-	60,000	-
Administration and other costs	109,460		109,460	7,654	117,114	18,285
Total operating expenses	5,904,957	600	5,905,557	368,586	6,274,143	673,475
OPERATING INCOME (LOSS)	143,123	(600)	142,523	38,357	180,880	153,456
NON-OPERATING REVENUES (EXPENSES)						
Contributions	10,483	-	10,483	-	10,483	-
Interest income	10,104	4,417	14,521	1,420	15,941	9
Interest expense	<u> </u>	<u>-</u>	<u> </u>	_	-	<u> </u>
Non-operating revenues (expenses)	20,587	4,417	25,004	1,420	26,424	9
NET INCOME (LOSS)	163,710	3,817	167,527	39,777	207,304	153,465
TRANSFERS IN	260,989	272,855	533,844	-	533,844	-
TRANSFERS IN (OUT)	(332,855)	(201,349)	(534,204)	(59,640)	(593,844)	.
NET TRANSFERS IN (OUT)	(71,866)	71,506	(360)	(59,640)	(60,000)	
CHANGE IN NET POSITION	91,844	75,323	167,167	(19,863)	147,304	153,465
TOTAL NET POSITION - BEGINNING	3,566,170	1,839,614	5,405,784	1,759,349	7,165,133	(198,809)
PRIOR PERIOD ADJUSTMENT	(190,000)	<u>-</u>	(190,000)	-	(190,000)	-
TOTAL NET POSITION - ENDING	\$ 3,468,014	<u>\$ 1,914,937</u>	\$ 5,382,951	<u>\$ 1,739,486</u>	\$ 7,122,437	<u>\$ (45,344)</u>

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2013

		E	nterprise Funds			Internal Service Fund
-	Operations	Acres Nursing Home Capital Reserve		Countryside Estates of the	Total Enterprise	Self Insurance
	Component	Component	Total	County Fund	Funds	Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Net cash received for resident care and health care Payments to suppliers and others	\$ 6,308,386 (2,822,786)	s -	\$ 6,308,386 (2,822,786)	\$ 407,025 (168,525)	\$ 6,715,411 (2,991,311)	\$ 793,404 (721,225)
Payments to suppliers and others Payments to employees	(2,888,437)		(2,888,437)	(112,871)	(3,001,308)	
Net cash provided (used) by operating activities	597,163	<u> </u>	597,163	125,629	722,792	72,179
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Contributions received	10,483		10,483		10,483	
Net cash provided (used) by non-capital						
operating activities	10,483		10,483	<u> </u>	10,483	<u> </u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfers in	260,989	272,855	533,844	-	533,844	-
Transfers out	(337,855)	(201,349)	(539,204)	(59,640)	(598,844)	-
Capital asset acquisitions	(261,104)	-	(261,104)	(21,530)	(282,634)	-
Certificates of deposit maturities	480,500	1,355,605	1,836,105	325,000	2,161,105	-
Certificates of deposit purchased	(340,000)	(950,000)	(1,290,000)	(50,000)	(1,340,000)	-
Advance to operations component	(150,000)	150,000	-	-	-	35,000
Residents' prepayments, overpayments, and deposits	7,116		7,116	1,755	8,871	·•
Net cash provided (used) by capital and related						
financing activities	(340,354)	627,111	286,757	195,585	482,342	35,000
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	10,338	4,417	14,755	1,497	16,252	9
Net cash provided (used) by investing activities	10,338	4,417	14,755	1,497	16,252	9
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	277,630	631,528	909,158	322,711	1,231,869	107,188
CASH AND CASH EQUIVALENTS -BEGINNING OF YEAR	372,421	336,484	708,905	274,107	983,012	(80,117)
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 650,051	\$ 968,012	\$ 1,618,063	\$ 596,818	\$ 2,214,881	\$ 27,071
NON-CASH CAPITAL AND FINANCING ACTIVITIES						
Capital asset acquisition included in accounts payable at 11-30-12	<u>s -</u>	<u>s -</u>	<u>s -</u>	<u>s </u>	<u>s -</u>	<u>\$ -</u>
Capital asset acquisition included in accounts payable at 11-30-13	<u>\$ 14,322</u>	<u>s -</u>	\$ 14,322	<u>s -</u>	\$ 14,322	<u>\$</u>

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2013 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

				E	nterpr	ise Funds						lnternal vice Fund
		ny Acres Nu	-					untryside		Total		Self
		perations	-	Reserve				ates of the	Е	nterprise	I	isurance
		mponent	Con	ponent		Total		inty Fund		Funds		Fund
OPERATING INCOME (LOSS)	\$	143,123	\$	(600)	\$	142,523	\$	38,357	\$	180,880	\$	153,456
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LO	SS)											
TO NET CASH PROVIDED BY OPERATING ACTIVITIES	,											
Depreciation		187,943		-		187,943		92,406		280,349		-
Provision for bad debts		60,000		-		60,000		-		60,000		-
(Increase) decrease in accounts receivable		226,466		-		226,466		83		226,549		(34,835)
(Increase) decrease in due from other County Funds		62,265		-		62,265		-		62,265		1,308
(Decrease) increase in accounts payable		(36,903)		600		(36,303)		(5,217)		(41,520)		(47,750)
(Decrease) increase in Medicaid provider assessment		(28,425)		-		(28,425)		-		(28,425)		-
(Decrease) increase in accrued compensation		(3,741)		-		(3,741)		-		(3,741)		-
(Decrease) increase in due to other County Funds		(13,565)	·			(13,565)	·			(13,565)		
Net cash provided by operating activities	<u> </u>	597,163	<u> </u>			597,163	<u> </u>	125,629	_\$	722,792	<u></u>	72,179

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

NOVEMBER 30, 2013

		ate-purpose ust Funds	Agency Funds		
ASSETS					
Cash	\$	218,836	\$	781,517	
Receivables		168		43,536	
Due from other funds		390		10,445	
Capital assets, net		42,940		-	
Other				70,063	
Total assets		262,334		905,561	
LIABILITIES					
Accounts payable		878		-	
Due to road districts		-		572,757	
Due to taxing districts		-		315	
Due to others		-		263,541	
Due to other funds		-		68,948	
Total liabilities		878		905,561	
NET POSITION					
Held in trust for -					
Individuals, organizations, and					
other governments	\$	261,456	\$	-	
	·····				

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

YEAR ENDED NOVEMBER 30, 2013

	Private-purpose Trust Funds	;
ADDITIONS		
Fines, fees, and forfeitures	\$ 44,945	
Charges for services		
Contributions	-	
Other	-	
Interest	781	_
	45,726	_
DEDUCTIONS		
County law library	5,334	
Investigations and training	-	
Operating expenses	14,859	
Depreciation	24,989	_
	45,182	
Change in net assets	544	
NET ASSETS-BEGINNING	260,912	
NET ASSETS-ENDING	<u>\$</u> 261,456	

NOTES TO BASIC FINANCIAL STATEMENTS For the year ended November 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL STATEMENT

The accounting and reporting policies of Menard County, Illinois (County) relating to the funds included in the accompanying *basic financial statements* (financial statements) conform to accounting principles generally accepted in the United States of America that are applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in its publication, *Audits of State and Local Governmental Units*, and certain publications of the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the County has elected not to apply Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and accounting research bulletins of the Committee of Accounting Principles Board after November 30, 1989.

B. FINANCIAL REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) organizations 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.

The County's financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- · the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Three entities have been considered for inclusion in the County's financial statements. An overview of each entity and the consideration of financial accountability are discussed below. Management believes that only one of the County's component units, the *Menard County 911 System* should be included in the County's financial statements as a discretely presented component unit. A "discrete presentation" displays the component unit's financial information in a separate column(s) apart from the primary government. The account balances and transactions of the other component unit, the *Menard County Health Department* have been blended into the County's financial statements. "Blending" is a process by which the account balances and transactions of the component unit are reported in a manner similar to the account balances and transactions of the primary government entity.

<u>Menard County 911 System</u>- Residents of Menard County established the County's emergency telephone system in November 2002 when a referendum was approved authorizing the Menard County Board of Commissioners to impose a \$3.25 monthly surcharge on the billed subscribers of 911 network connection telecommunications carriers who provide such services to their Menard County customers. The County has established the Menard County Emergency Telephone Systems Board. The Board's power and duties have been defined by county ordinance and include planning the 911 system; coordinating, supervising, and implementation; fiscal responsibilities; and personnel decision-making. The financial statements of the Menard County 911 System are included in the County's financial statements because of the degree of physical control exercised by the County; the Menard County Board of Commissioners appoints all of the Board's members. It is presented as a "discretely presented component unit" to emphasize that it is a component unit legally separate from the County. Separate audited financial statements are not prepared.

<u>Menard County Health Department-</u> The account balances and transactions of the Menard County Health Department are included in the County's financial statements because it is fiscally dependent on the County. Separate audited financial statements are not prepared.

<u>Logan-Mason-Menard Educational Service Region</u>- the cost of operating the educational service region is generally apportioned among the three counties, Logan, Mason, and Menard based on each county's aggregate equalized assessed valuation used for property tax levies. Separate audited financial statements are on file with the Menard County Clerk. Operating surpluses and deficits partially accrue to Menard County; however, because Logan County provides more than fifty percent of the Region's support, the accounts of the Region are not included in Menard County's financial statements.

The County's Board of Commissioners appoints the board members of several organizations in the County. These organizations do not have a financial benefit/burden relationship with the County and are not required to be included in the County's financial statements.

C. BASIS OF PRESENTATION

The government-wide financial statements (the statement of financial position and the statement of activities) report financial information on all of the County's activities, except for fiduciary activities. Eliminations have been made to eliminate the double counting of certain internal transactions for reimbursements of insurance costs and fuel costs. Governmental activities, which are primarily supported by taxes, intergovernmental revenues, and other non-exchange transactions, are separately reported from business-type activities, which are financed in whole or in part by fees charged to external parties.

The statement of financial position presents the County's assets and liabilities with the difference between the two reported as net position in three distinct categories -

<u>Invested in capital assets, net of related debt</u> – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt attributable to the acquisition, construction, or improvement of those assets.

<u>Restricted net positions</u> – result from limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

<u>Unrestricted net position</u> - is the net position that remains after the County's net position has been classified between invested in capital assets net of related debt and restricted net position.

It is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues consists of 1) fees, fines, and charges paid by the recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The *fund financial statements* provide information about these funds, including its fiduciary funds and blended component units. Separate fund financial statements are provided for each fund category – *governmental*, *proprietary*, and *fiduciary*. The emphasis on fund financial statements is on major governmental and proprietary funds (*enterprise and internal service*) each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and presented in a single column as *non-major funds*.

Fiduciary funds are excluded from the government-wide financial statements because those funds' assets are held by the County in a trustee or agency capacity for others and therefore cannot be used to support the County's programs.

Governmental funds are those funds through which most governmental programs are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The County has presented the following major governmental funds –

<u>General Fund</u> — This is the County's main operating fund. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other revenues that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not disbursed through other funds are disbursed from the *General Fund*.

<u>Liability and Insurance Fund</u> – This fund is used to account for the annual tax for the payment of the governmental activities' property and casualty risk managements, including funding of seif insured unemployment compensation costs.

<u>Emergency Medical Services Fund</u> – This fund is used to account for the operations related to providing emergency medical services throughout the County, primarily ambulance service. This includes the levy and collection of the annual property tax for ambulance service, all of the public safety sales tax revenues, and the user charges collected to fund these services.

<u>Health Department Fund</u> – This fund is used to account for all of the financial resources and expenditures for operating the County's Health Department. Revenues primarily consist of charges for services provided through the Department's home health division and public health and other type grants.

<u>County Highway Fund</u> – This fund is used to account for the levy and collection of the annual property tax for the purpose of maintaining, and improving the County's roads. It is also used to account for other financial resources that are not restricted by law or contractual agreement to some other County highway fund.

<u>County Motor Fuel Tax Fund</u> – This fund is used to account for the receipt of motor fuel taxes allotted to the County to be retained and used for the construction and maintenance of State and County roads and bridges and other projects. All expenditures from this fund require the approval of the Illinois Department of Transportation and the County's Board of Commissioners.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the statement of net assets. The County has presented the following major proprietary funds –

<u>Sunny Acres Nursing Home Fund</u> – This enterprise fund is used to account for the operations of the County's nursing home, Sunny Acres Nursing Home.

<u>Countryside Estates of the County Fund</u> – This enterprise fund is used to account for the operations of the County's independent living facility, Countryside Estates of the County.

<u>Self Insurance Fund</u> – This internal service fund is used to account for all the monetary and economic aspects of providing group health insurance type benefits to eligible and participating County employees.

These three funds are the County's only *proprietary funds*, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public and, internally, on a continuing basis, be financed or recovered through charges for those goods or services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, depreciation on capital assets and other costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County uses both agency and private purpose trust funds for its fiduciary activities. Agency funds are used to account for property taxes, fees, fines, and other monies collected on the behalf of other governments, and other entities and individuals. Private purpose trust funds are used to report all other trust arrangements under which principal and income benefit other governments, and individuals. Separate fund financial statements are provided for the fiduciary funds even though they are excluded from the government-wide financial statements.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial

statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements and fund financial statements for the proprietary funds are reported using the economic resources measurement focus and accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental funds' financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified basis of accounting revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and sales taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

The Emergency Medical Services Fund, the Health Department Fund, and certain other governmental funds report using full accrual basis of accounting.

Revenues susceptible to accrual are property taxes, sales taxes, licenses and fees, charges for service, interest income and intergovernmental revenues. All other governmental fund type revenues are generally recognized when received.

E. BUDGETS AND BUDGETARY ACCOUNTING

Budget amounts are determined on a basis consistent with generally accepted accounting principles for the specific fund types.

Appropriation balances lapse at year-end; consequently, the County does not utilize encumbrance accounting, a system by which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

F. CASH AND CASH EQUIVALENTS

The County Treasurer consolidates the cash for most of the governmental funds into two cash management pools in order to maximize interest income. Excess cash is invested in certificates of deposits with original maturities of one year or less with local financial institutions. Each fund whose monies are deposited in the pooled accounts has equity therein. This equity is available on demand and is considered to be "cash equivalents" for financial reporting purposes. The two cash pools are maintained within the *General Fund* and in the *County Highway Fund*. Interest earned from the pooled accounts is retained by these two funds as an administrative cost recovery.

The County considers *cash and cash equivalents* in proprietary funds to be cash on hand and demand deposits. In addition, because the two cash management pools are sufficiently liquid to

permit the withdrawal of cash at any time without prior notice or penalty, if any, the funds' equity in the cash management pools is also considered to be the equivalent of cash.

G. INVESTMENTS

Investments, if any, are reported at cost, which approximates fair value.

H. RECEIVABLES

Governmental Activities' Accounts receivable for services provided are reported net of related allowances for doubtful accounts and contractual adjustments for certain health department and emergency medical services. Contractual adjustments occur in those situations where the payment rate from third party payers is less than the rate charged by the County for the respective services.

Business-type Activities' accounts receivable for services provided are reported net of related allowances for doubtful accounts and contractual adjustments, if any.

Health related service revenues are reported at estimated net realizable amounts from individuals, third -party payers, and others for services rendered.

I. INVENTORIES

Inventories are accounted for at invoice cost determined by the first - in first - out method. The purchase method is used to account for materials and supplies. The costs of materials and supplies are initially recorded as expenses with the recognition, as inventories, of significant amounts of unused materials and supplies on hand at year-end.

J. PREPAID EXPENSES

Prepaid expenses are generally for payments made in the current year for services or benefits occurring in a subsequent year and are reported with *other assets*.

K. INTERFUND RECEIVABLES AND PAYABLES

Outstanding balances between funds are eliminated within the governmental activities and the business-type activities columns for presentation of the government-wide financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported as internal balances.

The outstanding balances between funds are not eliminated for presentation of the *fund financial* statements where they are included as *due from/due to other funds*.

L. RESTRICTED ASSETS

Restricted assets primarily include cash and certificates of deposit that have limitations placed on their use through resolution adopted by the County or through external restriction imposed by creditors, grantors, or laws, or regulations of other governments. It includes resources such as the designated earnings of the County's *business-type activities* derived from past participation in an alternate Medicaid reimbursement methodology with the State of Illinois Department of

Healthcare and Family Services. Also included are the assets restricted for payment of self insurance claims for employee medical and hospitalization benefits.

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental and business-type activities in the government-wide financial statements and in the fund financial statements for the proprietary funds.

All capital assets are valued at historical costs or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Generally, assets capitalized have an original cost of \$1,000 or more and an estimated useful life of more than three years.

Property, plant, and equipment and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives –

Assets	<u>Years</u>
Buildings and improvements	10-40
Equipment	5-20
Vehicles	4-7
Roads	50
Bridges	75

N. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the balance sheet for the governmental funds will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so *will not* be recognized as an inflow of resources (revenue) until that time. The County has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue (revenue recognition for federal and state awards does not occur until the eligible costs attributable to the awards have been incurred. Excess amounts are deferred) is reported in the governmental funds balance sheet.

O. ACCRUED ABSENCES

County employees may accumulate earned but unused vacation pay benefits. Certain vacation benefits are included in accrued compensation for both the governmental and business-type activities.

P. LONG-TERM OBLIGATIONS

Long-term debt is reported as liabilities in the applicable governmental or business-type activities and proprietary funds' balance sheet. Bond issuance costs are deferred and amortized over the term of the related debt and are included in other assets.

Debt proceeds, if any, are reported as *other financing sources* for governmental funds with debt service funds created and used to account for the servicing of the long-term obligations.

Q. TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both *governmental* and *proprietary funds*.

R. FUND BALANCES FOR GOVERNMENTAL FUNDS

Effective December 1, 2010, the County and its component units adopted the provisions of Governmental Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definition. The objective of the statement is to enhance the usefulness of fund balance information by providing fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions. The County has evaluated the use of the special revenue funds under the criteria set forth in statement 54 and has determined there is no change needed.

As prescribed by statement 54, *governmental funds* report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. As of November 30, 2011, fund balance for governmental funds consist of the following –

<u>Nonspendable Fund Balance –</u> includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes assets that are not expected to be converted into cash anytime soon for example: inventories, prepaid amounts, and long term loans and advances receivable.

<u>Restricted Fund Balance</u> – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

<u>Committed Fund Balance –</u> includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision making authority, the Board of County Commissioners. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

<u>Assigned Fund Balance</u> – includes amounts intended by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Commissioners to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

<u>Unassigned Fund Balance</u> the residual classification for the General Fund and includes all amounts not contained in other classifications. *Governmental funds* report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

S. NET POSITION

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the construction, acquisition, or improvements of those assets. Restricted net position is legally restricted by outside parties and or the Board of Commissioners for a specific purpose.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

T. ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 amount of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The County generally follows these procedures in establishing its budget -

- 1. In October of each year, the County Board of Commissioners develops a proposed operating budget for the fiscal year commencing the following December 1. The budget includes proposed expenditures and the means of financing them for virtually all of the County's individual funds.
- 2. A copy of the proposed budget is placed on file with the County Clerk for public inspection.
- 3. Each year the budget is adopted by resolution of the County Board of Commissioners.

After adoption of the budget, further additional appropriations are prohibited for appropriated funds except in the event of an emergency. Transfers from one appropriation of any one fund to another appropriation of the same fund, not affecting the total amount appropriated, may be made at any meeting of the County Board by a vote of the members.

Formal budgetary integration is employed during the year as a management control device. Appropriation balances lapse at year-end. The following governmental funds had an excess of actual expenditures over budgeted expenditures for the year ended November 30, 2013.

	Expenditures								
		Actual		Budget		Excess			
Nonmajor Funds		·							
Emergency Relief Fund	\$	4,227	\$	2,800	\$	1,427			
Senior Transport Fund	\$	43,361	\$	34,841	\$	8,520			

Two of the County's funds had a deficit fund balance at November 30, 2013, the *Health Department Fund*, which had a deficit fund balance of \$102,429 and the *Self Insurance Fund* which had a deficit fund balance of \$45,344. In both instances, the respective amounts are correspondingly reported as committed components of the *General Fund*'s fund balance at November 30, 2013.

	Nonspendable	Committed	Assigned	Unassigned	Totals
		for			
Due from other funds	243,413	-	-	-	243,413
Accounts receivable	30,804	-	-	-	30,804
Internal Service Fund	-	45,344	-	-	45,344
Major Fund	-	102,429			102,429
Available for spending	-			1,384,164	1,564,164
Totals	274,217	147,773	-	1,384,164	1,986,154

The General Fund's fund balance components at November 30, 2013 consisted of the following.

3. DEPOSITS AND INVESTMENTS

State statutes authorize the types of investments the County may own and the financial institutions eligible to receive County deposits. This includes commercial banks, obligations of the United States Treasury and United States Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements subject to certain limitations, commercial paper rated within the three highest classifications by at least two standard rating services, Metropolitan Investment Fund, and the Illinois Funds Investment administered by the Treasurer of the State of Illinois. The County has approved the County treasurer's investment policy. It is consistent with requirements of State statutes and strives to minimize the level of interest rate risk as well as the overall amount of credit risk. It is the policy and practice of the County treasurer to invest idle public funds in interest bearing accounts with local financial institutions and the Illinois Funds. Amounts on deposit with the local financial institutions in excess of insured limits must be entirely collateralized with appropriate investment securities, and the collateralization recorded by the respective financial institution's safekeeping agents for its investments securities.

At November 30, 2013, all of the of the County and its component units' bank deposits, were entirely insured and or collateralized by securities held by the pledging financial institutions' safekeeping agents in the name of the County and or its component units.

The County had \$1,733, 372 on deposit with the Illinois Funds Investment Pool at November 30, 2013. This deposit is not categorized because it is not evidenced by securities that exist in physical or book entry form. The Illinois Auditor General audits the financial statements for the Illinois Funds' Investment Pool and performs other oversight functions.

4. ACCOUNTS and TAXES RECEIVABLE

Accounts receivable for the County's governmental funds at November 30, 2013 are as follows -

	General Fund	Emergency Medical Services Fund	Health Department Fund	County Highway Fund	Other nonmajor Governmental Funds	Total Governmental Activities
Salary reimbursements, State of Illinois	86,799	_		_	_	86,799
Construction costs, State of Illinois	-	-	-	106,828	23,028	129,856
Grants, State of Illinois	-	-	4,425	-	-	4,425
Medicare	-	32,577	67,566	-	-	100,143
Medicaid	-	79,141		-	-	79,141
Insurance	-	79,598	11,746	-	-	91,344
Individuals	-	146,031	3,556	-	-	149,587
Other	30,804	-	-	2,190	2,503	35,497
Interest	4,548	-	3	329	46	4,926
Totals	122,151	337,347	87,296	109,347	25,577	681,718
Less - Allowance for doubtful accounts	(56,143)	(122,657)	(67,566)	(800)		(247,166)
Allowance for contractual adjustments	-	(204,405)	(4,280)	-		(208,685)
Net	66,008	10,285	15,450	108,547	25,577	225,867

Medicaid amounts are collected from the State of Illinois and are usually in arrears several months. For health related services, provided through the County's *governmental activities*, payment rates established by State and Federal legislation and contractual arrangements with other third party payers have been and are primarily prospective, with the intent of establishing payment rates that will not change before the period for which they will apply.

4. ACCOUNTS and TAXES RECEIVABLE - continued

Accounts receivable for the County's Business-type activities at November 30, 2013 are as follows -

	Sunny Acres	Countryside	Total
	Nursing Home	Estates of the	Business-type
	Fund	County Fund	Activities
Individuals	451,021	-	451,021
Medicare	664,847	-	664,847
Medicaid	815,452	-	815,452
Insurance	147,516	-	147,516
Interest	1,043	250	1,293
Totals	2,079,879	250	2,080,129
Less -			
Allowance for			
Doubtful			
Accounts	(420,797)	-	(420,797)
Allowance for			(120)())
Contractual			
adjustments	(100,000)	-	(100,000)
Net	1,559,082	250	1,559,332

For health related services, provided through the County's *business-type activities*, payment rates established by State and Federal legislation and contractual arrangements with other third party payers have been and are primarily prospective, with the intent of establishing payment rates that will not change before the period for which they will apply.

Taxes receivable for the County's governmental activities at November 30, 2013 are as follows -

Tax	General Fund	Emergency Medical Services Fund	County Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total Governmental Activities		
Sales	68,610	112,888	-	2,325	183,823		
Use	29,502	-	-	-	29,502		
Income	35,006	-	-	-	35,006		
Motor fuel	-	-	16,008	-	16,008		
Totals	133,118	112,888	16,008	2,325	264,339		

5. CAPITAL ASSETS

Depreciation expense for the governmental activities' functions was as follows -

General government	\$ 89,283
Public safety	88,174
Roads and bridges	281,953
Public health	12,900
Judiciary and court	31,959
Public welfare	11,494
Total depreciation expense	\$ 515,763

Depreciation expense for the business-type activities' was as follows.

Sunny Acres Nursing Home	\$ 187,943
Countryside Estates of the County	92,406
Total depreciation expense	\$ 280,349

Depreciation expense for the Menard County 911 System was \$34,006.

Capital assets activity for governmental activities for the year ended November 30, 2013 is as follows -

	December 1	Increases	Decreases	November 30
Governmental Activities:				
Land	\$ 304,319	\$ -	\$ -	\$ 304,319
Construction in progress	151,575	-	-	151,575
Total assets not being depreciated	455,894			455,894
Capital assets being depreciated				
Buildings and improvements	3,496,385	-	-	3,496,385
Equipment	1,952,029	24,013	(2,988)	1,973,054
Vehicles	1,415,424	24,000	(36,518)	1,402,906
Roads	11,163,914	-	(00,010)	 11,163,914
Bridges	3,868,968	383,614	-	4,252,582
Total assets being depreciated	21,896,720	431,627	(39,506)	22,288,841
Less accumulated depreciation for			()	22,200,011
Buildings and improvements	(2,483,870)	(153,507)	-	(2,637,377)
Equipment	(1,756,078)	(74,419)	(2,988)	 (1,827,509)
Vehicles	(1,130,164)	(87,997)	(36,518)	 (1,181,643)
Roads	(4,849,597)	(148,890)	 	(4,998,487)
Bridges	(931,317)	(50,950)	 _	(982,267)
Total accumulated depreciation	(11,151,026)	(515,763)	(39,506)	(11,627,283)
Total capital assets being		(020),000	 (07,000)	(11,027,205)
depreciated, net	10,745,694	(84,136)	 The School of the	10,661,558
Governmental activities, capital		0.,200)		10,001,550
assets, net	\$ 11,201,588	\$ (84,136)	\$ -	\$ 11,117,452

5. CAPITAL ASSETS - continued

	December 1	Increases	Decreases	November 30
Business-type Activities:				
Total assets not being depreciated	\$	\$	\$ all the second states	\$
Capital assets being depreciated				
Buildings and improvements	6,367,100	265,682	-	6,632,782
Equipment and vehicles	1,433,979	31,277	-	1,465,256
Total assets being depreciated	7,801,079	296,959	-	8,098,038
Less accumulated depreciation for				
Buildings and improvements	(3,928,631)	(222,780)	-	(4,151,411)
Equipment	(1,155,110)	(57,569)	-	(1,212,679)
Total accumulated depreciation	(5,083,741)	(280,349)		(5,364,090)
Total capital assets being				
depreciated, net	2,717,338	16,610		2,733,948
Business-type activities, capital		,		,,
assets, net	\$ 2,717,338	\$ 16,610	-	2,733,948

Capital assets activity for business-type activities for the year ended November 30, 2013 is as follows -

Capital assets activity for the enterprise funds for the year ended November 30, 2013 is as follows -

		December 1	Increases	Decreases	November 30
Sunny Acres Nursing Home:	1				
Capital assets being depreciated					
Buildings and improvements	\$	3,990,979	\$ 244,152	\$ -	\$ 4,235,131
Equipment and vehicles		1,329,386	31,277	-	1,360,663
Total assets being depreciated		5,320,365	275,429	-	5,595,794
Less accumulated depreciation for					
Buildings and improvements		(2,720,652)	(132,546)	-	(2,853,198)
Equipment		(1,062,286)	(55,397)	-	(1,117,683)
Total accumulated depreciation		(3,782,938)	(187,943)	-	(3,970,881)
Sunny Acres Nursing Home	5	· / /			
capital assets, net	\$	1,537,427	\$ 87,486	\$ 100 Mar 4	\$ 1,624,913

	December 1	Increases	Decreases	November 30
Countryside Estates of the County:				
Capital assets being depreciated				
Buildings and improvements	\$ 2,376,121	\$ 21,530	\$ -	\$ 2,397,651
Equipment	104,593	-	-	104,593
Total assets being depreciated	2,480,714	21,530	- 65 -	2,502,244
Less accumulated depreciation for				1
Buildings and improvements	(1,207,979)	(90,234)	-	(1,298,213)
Equipment	(92,824)	(2,172)	-	(94,996)
Total accumulated depreciation	(1,300,803)	(92,406)	-	(1,393,209)
Countryside Estates of the County				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
capital assets, net	\$ 1,179,911	\$ (70,876)	\$	\$ 1,109,035

Capital asset activity for the County's *discretely presented component unit* for the year ended November 30, 2013 is as follows -

	December 1	Increases	Decreases	November 30
Menard County 911 System:				
Capital assets being depreciated				
Equipment	\$ 659,370	\$ 91,743	-	\$ 751,113
Total assets being depreciated	659,370	91,743	-	751,113
Less accumulated depreciation for				
Equipment	(565,058	(34,006)	-	(599,064)
Total accumulated depreciation	(569,058	(34,006)	-	(599,064)
Menard County 911 System				
capital assets, net	\$ 94,312	\$ 57,737	\$ -	\$ 152,049

6. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at November 30, 2013 consist of the following -

				Due from	1		grade a	1	
		General	Special I	Revenue Fund	ls	Proprietary	Fiduciary		
		Fund	Major	Nonmajor		Funds	Funds		Total
	General Fund	\$ -	\$ 158,413	113,333	\$	86,675	\$ 32,846	\$	391,267
Due to	Special Revenue Funds - Major	3,138	_			_	25,693		28,831
0	Nonmajor	25,314	4,810	10,694		121	9,574		50,513
	Proprietary Funds	621	-	_		_	-		621
	Fiduciary Funds	-	-	10,000		-	835		10,835
	Total	\$ 29,073	\$ 163,223	134,027	\$	86,796	\$ 68,948	\$	482,067

The balance due to the *General Fund* from the *Special Revenue Funds* includes \$95,802 due from the *Emergency Medical Services Fund and* \$62,611 due from *the Health Department Fund*. These interfund advances have been the primary source of accounts receivable financing for both emergency medical services, and home health services.

7. LONG-TERM DEBT

					Due
	Beginning			Ending	next
	Balance	Additions	Reductions	Balance	year
Governmental Activities:					
Installment contracts	\$ 70,000	\$ -	\$ 10,000	\$ 60,000	\$ 10,000
Total Governmental Activities	\$ 70,000	\$	\$ 10,000	\$ 60,000	\$ 10,000
Business-type Activities:					
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type activities	\$ -	\$	\$ - 11 -	\$	\$

Long-term debt obligations' activity for the year ended November 30, 2013 was as follows -

Long-term obligations for the governmental activities consist of -

A \$60,000 loan due to the Illinois Finance Authority Ambulance Revolving Loan Program. The terms of the loan agreement do not require interest and the loan must be repaid in annual installments of \$10,000 through November 2019.

Debt service requirements at November 30, 2013 are as follows -

Governmental Activities											
Year ending											
November 30		Principal		Interest		Total					
2014		10,000		-		10,000					
2015		10,000		-		10,000					
2016		10,000		-		10,000					
2017		10,000		-		10,000					
2018		10,000		-		10,000					
2019	-	10,000				10,000					
Total	\$	60,000	\$	-	\$	60,000					

8. INTERGOVERNMENTAL AGREEMENT, BUSINESS – TYPE ACTIVITIES

Menard County had previously entered into an intergovernmental agreement with the State of Illinois to assist the Illinois Department of Healthcare and Family Services in administering an alternate Medicaid reimbursement methodology for county owned nursing homes. The Menard County Board of Commissioners designated that the administrative allowances earned because of the County's participation in the alternate reimbursement process, and the related interest income, net of any operating costs, be retained and restricted for future financing needs. The agreement became effective for services provided on and after October 1, 2002. The State terminated the agreement on September 30, 2006 and Menard County, as an owner and operator of a county owned nursing home, was then required to participate in the administration of the alternate Medicaid reimbursement methodology in accordance with new rules and regulations of the State of Illinois' Department of Healthcare and Family Services. While the agreement was in effect, both versions, the related financial transactions were accounted for in the County's *Intergovernmental Transfer Fund.* After the agreement was terminated,

Notes to Basic Financial Statements – Continued

the Sunny Acres Nursing Home Fund commenced administering and accounting for the alternate Medicaid reimbursement process, and the net assets of the Intergovernmental Transfer Fund were designated as capital reserve by the County's Board of Commissioners, and transferred to, and segregated within the Sunny Acres Nursing Home Fund in November 2006.

The agreement for participating in the alternate reimbursement process ended in September 2009. The Medicaid reimbursement rate for 2010 and 2011 remained consistent with the 2009 rate via a funding plan that was approved by the federal government in June 2011; that successor arrangement for the Medicaid reimbursement methodology was and is to consist of a normal daily reimbursement amount to be earned monthly and a supplementary amount to be earned quarterly. It was and is the intent of the County's Board of Commissioners that the supplemental amounts earned will be reserved and restricted for future capital and financing needs as they are collected. The quarterly supplemental amount has been consistently accrued as revenue since September 2009, through March 2012; approximately \$324,000 is included in accounts receivable at November 30, 2013. Management expects that this cumulative amount will eventually be collected from the State of Illinois.

9. PROPERTY TAXES

Property taxes attach as an enforceable lien on real property as of January 1 in the year in which the taxes are levied. The County bills and collects its own property taxes and also the taxes of other County taxing districts. The taxes are generally payable in two installments on June 1 and September 1. County property taxes are recognized as revenues when levied to the extent that they result in current receivables. The collection and remittance of property taxes to the County and other taxing districts is accounted for through the County Collector's General Tax Fund, a fiduciary fund.

The *unaudited* individual fund tax rates and limits during the years ended November 30, 2013 and 2012 are as follows:

RATES PER \$100 OF EQUALIZED ASSESSED VALUATION (2012 EQUALIZED ASSESSED VALUE \$246,797,561) (2011 EQUALIZED ASSESSED VALUE \$240,089,613)

	Actu	al Rate	Legal
	2012	2011	Limit
General Fund	.3123	.3195	.4350
Retirement and FICA Fund	.2743	.2427	None
Liability Insurance Fund	.0835	.0870	None
Emergency Medical Services Fund	.1299	.1327	.2500
Tuberculosis Fund	.0035	.0034	.7500
General Assistance Fund	.0170	.0174	.1000
County Fair Fund	.0142	.0145	.0200
County Bridge Fund	.0497	.0500	.0500
Federal Aid Matching Fund	.0497	.0500	.0500
County Highway Fund	.1024	.1030	.1030
Road Repair and Maintenance Fund	.0497	.0500	.0500
Cooperative Extension Service Fund	<u>.0107</u>	<u>.0111</u>	.0500
Total rate	<u>1.0969</u>	<u> 1.0813</u>	

10. INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires collect them, to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.Interfund transfers for the year ended November 30, 2013 consisted of the following -

			Transfers	from		
		General	Spec	cial Revenue	Proprietary	
		Fund		Funds	Funds	Total
T			Major	Nonmajor		
Transfers	General Fund	\$ -	\$ -	109,183	\$ 60,000	\$ 169,183
sfe	Special Revenue					
	Major	2,699	-	-	-	2,699
8	Nonmajor	162,500	-	5,000		167,500
	Proprietary Funds	-	-	-	533,844	533,844
	Total	\$ 165,199	\$ -	114,183	\$ 593,844	\$ 873,226

11. DEFINED BENEFIT PENSION PLANS

The County maintains three defined benefit pension plans through the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. They are as follows -

Regular Plan 03042R

Plan Description – The County's defined benefit pension plan for regular employees does not include elected officials and certain law enforcement personnel. It provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at <u>www.imrf.org</u>.

Funding Policy – As set by statute, Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2013 was 9.49% of annual covered payroll. The required employer contribution rate for calendar year 2012 was 8.88%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County's required annual pension cost for the Regular Plan for the year ended November 30, 2013 was \$477,978. The County contributed \$477,978.

Year ending	Annual	Percent	Net Pension
November 30,	Pension Cost	Contributed	Obligation
2013	\$ 477,978	100%	\$ -
2012	\$ 467,859	100%	\$ -
2011	\$ 462,772	100%	\$ -

Three – Year Trend Information for Regular Plan 03042R

MENARD COUNTY, ILLINOIS Notes to Basic Financial Statements - Continued

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 104% percent funded. The actuarial accrued liability for benefits was \$10,015,566 and the actuarial value of assets was \$10,383,740, resulting in an overfunded actuarial accrued liability (UAAL) of \$368,174. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$5,055,083. Because the plan is overfunded there is no ratio of the UALL to the covered payroll. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Elected County Officials Plan 03042E

Plan Description – The County's defined benefit pension plan for *Elected County Officials* provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the County's Elected County Officials plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2013 was 37.11% of annual covered payroll. The required employer contribution rate for calendar year 2012 was 38.41%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County's required annual pension cost for the Elected County Officials Plan for the year ended November 30, 2013 was \$147,809. The County contributed \$147,809.

Year ending	Annual	Percent	Net Pension
November 30,	Pension Cost	Contributed	Obligation
2013	\$ 147,809	100%	\$
2012	\$ 151,118	100%	\$
2011	\$ 149,349	100%	\$

Three – Year Trend Information for Elected County Officials Plan 03042E

MENARD COUNTY, ILLINOIS Notes to Basic Financial Statements – Continued

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2013, the most recent actuarial valuation date, the *Elected County Officials* plan was 102% percent funded. The actuarial accrued liability for benefits was \$1,528,177, and the actuarial value of assets was \$1,558,574 resulting in an overfunded actuarial accrued liability (UAAL) of \$30,397. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$389,351. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

Sheriff's Law Enforcement Personnel Plan 03042S

Plan Description – The County's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, the County's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2013 was 19.43% of annual covered payroll. The required employer contribution rate for calendar year 2012 was 18.68%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County's required annual pension cost for the Sheriff's Law Enforcement Personnel Plan for the year ended November 30, 2013 was \$102,557. The County contributed \$102,557.

Year ending	 Annual	Percent	Net Pension
November 30,,	Pension Cost	Contributed	Obligation
2013	\$ 102,557	100%	\$
2012	\$ 103,511	100%	\$
2011	\$ 105,065	100%	\$ ·

Three – Year Trend Information for Sheriff's Law Enforcement Personnel Plan 03042S

MENARD COUNTY, ILLINOIS Notes to Basic Financial Statements – Continued

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's underfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress – As of December 31, 2013, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 71 percent funded. The actuarial accrued liability for benefits was \$2,070,132 and the actuarial value of assets was \$1,478,889 resulting in an underfunded actuarial accrued liability (UAAL) of \$591,243. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$533,938, and the ratio of the UAAL to the covered payroll was 111%

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

12. DEFERRED COMPENSATION PLANS

The County sponsors deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to all County employees at their option and permit participants to defer a portion of their salary until future years. The deferred compensation and accumulated earnings are not available to participants until termination, retirement, death or unforeseeable emergency. The plans' assets have been placed in trust for the exclusive benefit of plan participants and are not included in the County's financial statements. The County has no fiduciary responsibility for the plans' assets.

13. INTEREST EXPENSE

Total interest costs incurred by the *governmental activities* were \$29. The *business-type activities* did not incur any interest costs. All interest costs were expensed.

14. ECONOMIC DEPENDENCY

Emergency Medical Services' operations and the operations of the Menard County Health Department are significantly funded with both Medicare and Medicaid revenues.

The majority of Sunny Acres' Nursing Home's residents receive Medicaid insurance benefits through the State of Illinois Department of Healthcare and Family Services. In these instances a substantial portion of the nursing home's fee for resident care services is received directly from the State of Illinois. Amounts due from the State of Illinois for Medicaid reimbursements generally are in arrears two to three months, but increased to five to six months during 2011. Sunny Acres began providing Medicare services to eligible residents in late 2004. Approximately seventy percent of the nursing home's revenue is derived through and from Medicare and Medicaid.

15. RISK MANAGEMENT

Menard County participates in the Illinois Counties Risk Management Trust to finance and manage its potential risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. This is an arrangement by which certain Illinois counties pool risks and funds and participate and share in the costs of reinsurance arrangements. There was no significant reduction in risk coverage from 2012.

The County is self-insured for State of Illinois unemployment compensation purposes. Such costs, if any are funded after notification from the State of Illinois.

Commercial insurance arrangements were previously used by the County to provide group medical and hospitalization benefits for its employees. During 2011 the County Board of Commissioners decided that Menard County should self fund the economic costs of providing group type medical and hospitalization benefits for its employees. This self funding arrangement took effect on July 1, 2011. The economic costs of this risk retention arrangement include payment of related claims up to certain threshold amounts, premium costs for acquiring reinsurance protection for claims in excess of the threshold amounts, and certain administrative costs. Eligible, participating employees of the County's governmental activities and business-type activities contribute to the plan as does the County. An internal service fund, the Self Insurance Fund, is used to account for this risk retention activity. Internal service funds, by definition, are used by governmental entities to account for the financing of goods or services provided by one department or agency of the government to other departments or agencies of the government on a cost reimbursement basis. It was expected that rates would be developed annually to adequately fund the costs of this self insurance activity, including an up-front, \$50,000, working capital advance from the General Fund, \$85,000 at November 30, 2013, if conditions warrant. The Menard County Board of Commissioners discontinued the self funding arrangement effective December 31, 2013 and replaced it with an arrangement that is similar to a commercial insurance arrangement. There was no significant reduction in risk coverage, and the fund balance deficit at that date, \$45,347, was absorbed by the County's General Fund and will be accounted and reported as a fund transfer to the Self Insurance Fund in 2014.

Generally accepted accounting and financial reporting standards for risk financing and related insurance issues require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Activity in the *Self Insurance Fund's* claim liability account, including reinsurance and administrative costs, was as follows -

December 1, 2012 to November 30, 2013							
Beginning liability	\$	150,117					
Current period claims, related costs, and estimates		673,475					
Claims and related costs paid, estimate change		<u>(801,342)</u>					
Ending liability	\$	22,250					

All of the assets and liabilities of the *Self Insurance Fund are* included in the *Statement of Financial Position* at November 30, 2013 as *Governmental Activities* because of its reliance on the *General Fund for* deficit funding. The risk retention costs for 2013 are fairly presented by function as to *Governmental*

MENARD COUNTY, ILLINOIS Notes to Basic Financial Statements – Continued

Activities and Business-Type Activities in the Statement of Activities as an appropriate consequence of accounting for the sources of funding for the risk retention costs.

16. COMMITMENTS

Approximately \$823,000 of the *roads and bridges* restricted net assets is committed for current and future expected road and bridge construction projects.

17. CONTINGENCIES

The County participates in several Federal and State award programs and also derives revenues from Medicare and Medicaid. These programs are subject to program compliance audits by the grantors or their representatives. Management believes that any liability for reimbursement, if any, which may arise, as the result of these audits will not significantly impact the County's financial position.

The County's Board of Commissioners has authorized the County Treasurer to extend a line of credit of up to \$50,000 from the *General Fund* to *the Menard County Health Department* for working capital purposes in the event the delay in the reimbursement process for home health and grant related activity results in that Department's need for working capital. See also the discussion at Note 21 concerning the uncertainty with regards to this funding arrangement.

18. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 30, 2014; the date that the financial statements were available for issuance. Events or transactions occurring after November 30, 2013 and prior to June 30, 2014 if any that provided additional evidence about conditions that existed at November 30, 2013 have been recognized in the financial statements.

19. NEW GOVERNMENT ACCOUNTING STANDARDS

The Governmental Accounting Standards Board issued a new accounting standard in February 2009. This statement, *Fund Balance Reporting and Governmental Fund Type Definitions*, established new and revised accounting and financial reporting standards for units of government that use and report *governmental funds*. It established criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The County commenced application of the relevant provisions of this new statement on December 1, 2010. There was no significant impact on the determination of net assets and fund balance amounts.

The Governmental Accounting Standards Board issued a new accounting standard in June, 2012. This statement, *Accounting and Financial Reporting for Pensions*, among other requirements and changes, revises and establishes new financial reporting standards for most governments that provide their employees with pension benefits. This statement requires that governments providing defined benefit pensions to recognize their unfunded net long term obligations for pension benefits as a liability for the first time in their statement of financial position which will entail immediate recognition of more pension expense than is presently required in the statement of activities. These new financial reporting requirements will be effective for the County for the fiscal year ending November 30, 2015.

Notes to Basic Financial Statements - Continued

21. UNCERTAINTY - MENARD COUNTY HEALTH DEPARTMENT

The Menard County Health Department is a "blended" component unit of Menard County. This relationship is discussed in Note 1. The Health Department is fiscally dependent on the County. The employer portion of the Health Department's employees' retirement costs is directly funded by the County; approximately \$60,000 annually. Those costs are included in the annual expenditures of the County's Retirement and FICA Fund, a special revenue fund. In the past, the County had extended the Health Department a \$50,000 line of credit for interim accounts receivable financing needs. This revolving loan arrangement is with the County's General Fund was \$62,611 at November 30, 2013 and a Board of Commissioners approved \$162,864 at June 15, 2014.

The Health Department's home health services, a substantial component of the Department's service mix for many years and a funding source for the public health services, has been contracting drastically during the past several years and the department has also experienced unanticipated credit losses in that regard. The Health Department's Board and management made the decision to suspend home health services for the foreseeable future in February 2014 after a Medicare survey performed by the Illinois Department of Public Health revealed that the Menard County Health Department was not in compliance with the applicable conditions of participation for a home health agency. The Menard County Health Department has attempted to renew its home health license with the Illinois Department of Public Health, however the license is being held until it can be determined that the future administrative structure of the Menard County Health Department, will be conducive towards allowing for proper staffing and administration of a home health program. The Menard County Board of Commissioners is committed to assuring that public health services continue to be provided throughout the county.

22. LITIGATION

The County is a party to a lawsuit arising in the normal course of business. While the results of litigation cannot be predicted with certainty, management believes that the final outcome of such litigation will not have a materially adverse effect on the County's financial position, if any.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

GENERAL FUND

					iances - e (Negative)
		2013		Budget	_ <u>}</u>
	Budgeted Amounts		Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
REVENUES					
Property taxes	\$ 774,000	\$ 774,000	\$ 771,073	s -	\$ (2,927)
Federal and State payments	1,166,390	1,166,390	1,325,105	-	158,715
Fines, fees, forfeitures and licenses	444,950	444,950	420,320	-	(24,630)
Charges for services	190,920	190,920	160,536	-	(30,464)
Other	9,450	9,450	10,927	-	1,477
Interest	25,000	25,000	17,809		(7,191)
Total revenues	2,610,710	2,610,710	2,705,770		94,980
EXPENDITURES					
General government	1,215,099	1,215,099	1,011,366	-	203,719
Public safety	1,224,236	1,224,236	1,165,607	_	58,629
Judiciary and court	570,878	570,878	505,542	-	65,336
County development	6,250	6,250	6,250		
Total expenditures	3,016,463	3,016,463	2,688,765		327,684
EXCESS REVENUES OVER (UNDER)					
EXPENDITURES	(405,753)	(405,753)	17,005		422,664
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out):					
From Sunny Acres Nursing Home Fund	60,000	60,000	60,000	-	-
From County Clerk Document Storage Fund	10,000	10,000	10,000	-	_
From County Farm Fund	85,000	85,000	85,000	-	-
From Probation Service Fund	7,500	7,500	7,500	_	-
From Sheriff's Vehicle Fund	2,400	2,400	1,139	-	(1,261)
From Circuit Clerk Operation and Administrative Fund	1,200	1,200	1,200	_	(1,201)
From DUI Equipment Fund	6,000	6,000	4,344	_	(1,656)
To Health Department Fund	(5,000)	(5,000)	(2,699)	_	2,301
To Animal Control Fund	(54,500)	(54,500)	(52,500)	_	2,000
To County Elections Fund	(60,000)	(60,000)	(60,000)	_	2,000
To Building Improvement Fund	(50,000)	(50,000)	(50,000)	_	-
Total other financing sources (uses)	2,600	2,600	3,984		1,384
Total other mancing sources (uses)	2,000	2,000		<u> </u>	
NET CHANGE IN FUND BALANCE	(403,153)	(403,153)	20,989	-	424,048
FUND BALANCE - BEGINNING	1,963,036	1,963,036	1,965,165		2,129
FUND BALANCE - ENDING	\$ 1,559,883	\$ 1,559,883	\$ 1,986,154	<u>\$</u>	<u>\$ 426,177</u>

GENERAL FUND

				Variances - Positive (Negative)		
		2013		Budget		
	Budgeted Amounts		Actual	Original to	Budget Final to	
	Original	Final	Amounts	Final	Actual	
REVENUES						
Real estate taxes	\$ 770,000	\$ 770,000	\$ 767,319	\$ -	\$ (2,681)	
Mobile home privilege taxes	500	500	455	-	(45)	
Shelter rent in lieu of taxes	3,500	3,500	3,299	-	(201)	
Federal and State payments:			-			
Personal property replacement tax	37,590	37,590	47,791	-	10,201	
Sales tax	230,000	230,000	267,368	-	37,368	
County supplemental sales tax	130,000	130,000	140,210	-	10,210	
State income tax	550,000	550,000	616,531	-	66,531	
Inheritance tax - rebate	-	-	-	-	-	
Salary reimbursements	218,800	218,800	248,580	-	29,780	
Federal awards	-	-	- -	-	-	
State awards	-	-	4,625	-	4,625	
Fines, fees, forfeitures and licenses:						
Circuit Clerk fees and fines	190,000	190,000	163,660	-	(26,340)	
County Clerk fees	180,000	180,000	170,411	-	(9,589)	
Treasurer and Collector fees	33,000	33,000	37,810	-	4,810	
County Sheriff fees	20,000	20,000	28,092	-	8,092	
State's Attorney fees	4,500	4,500	3,267	-	(1,233)	
Zoning fees	17,000	17,000	16,680	-	(320)	
Other	450	450	400	-	(50)	
Charges for services:						
Housing federal prisoners and others	50,000	50,000	19,536	-	(30,464)	
Salary reimbursements	140,920	140,920	141,000	-	80	
Other	9,450	9,450	10,927	-	1,477	
Interest	25,000	25,000	17,809		(7,191)	
TOTAL REVENUES	\$ 2,610,710	\$ 2,610,710	\$ 2,705,770	<u>\$ </u>	<u>\$</u> 95,060	

GENERAL FUND

				Variances - Positive (Negative)	
		2013		Budget	
	Budgetee	d Amounts	Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
EXPENDITURES					
General government:					
Building and grounds - Courthouse:					
Salaries of custodians	\$ 55,199	\$ 55,199	\$ 55,199	\$ -	\$ -
Cleaning supplies	-	-	-	-	-
Operating fuel	300	300	224	-	76
Electrical, plumbing, etc	800	800	-	-	800
Building repairs and maintenance	10,500	10,500	1,407	-	9,093
Landscaping	2,000	2,000	1,682	-	318
Electricity and natural gas	25,000	25,000	19,630	-	5,370
Water and sewer	1,000	1,000	1,093	-	(93)
Garbage disposal	650	650	546	-	104
Sanitation, cleaning, disinfecting	7,800	7,800	6,531		1,269
Total building and grounds - Courthouse	103,249	103,249	86,312		16,937
Office of County Clerk and Recorder:					
Salary of County Clerk and Recorder	61,437	61,437	61,437	_	-
Salaries and wages	85,242	85,242	84,490	-	752
Stationery and office supplies	3,750	3,750	2,978	-	772
Office equipment	300	300	295	-	5
Copy machine supplies	1,800	1,800	1,699	-	101
Books, periodicals, manuals	100	100	-	-	100
Postage	4,200	4,200	3,781	-	419
Auto mileage and travel expense	1,400	1,400	462	-	938
Legal notices or publishing	100	100	35	-	65
Printing, duplication, binding	100	100	84	-	16
Telephone	1,500	1,650	1,645	150	5
Maintenance of office equipment	600	450	,	(150)	450
Dues and memberships	400	400	250	()	150
Instruction and schooling	250	250		-	250
Computer related	1,300	1,300	1,296		4
Total County Clerk and Recorder	162,479	162,479	158,452	<u> </u>	4,027

GENERAL FUND

					ances - e (Negative)
		2013		Budget	
	Budgeted .	Amounts	Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
EXPENDITURES					
General government (continued)					
Office of County Treasurer and Collector					
Salary of County Treasurer and Collector	61,437	61,437	61,437	-	-
Salaries and wages	51,829	51,829	51,429	-	400
Stationery and office supplies	1,200	1,200	916	-	284
Copy machine supplies	400	400	196	-	204
Office equipment	250	250	-	-	250
Books, periodicals, manuals	-	-	-	-	-
Computer related	96	96	96	-	-
Auto mileage	200	200	106	-	94
Postage	4,100	4,100	4,016	-	84
Travel expense	100	20	-	(80)	20
Legal notices or publishing	600	400	374	(200)	26
Printing, duplicating, binding	600	800	777	200	23
Telephone	1,050	1,130	1,126	80	4
Maintenance of office equipment	1,800	1,800	1,448	-	352
Dues and memberships	150	150	150	-	-
Instruction and schooling				<u></u>	<u> </u>
Total County Treasurer and Collector	123,812	123,812	122,071		1,741
Office of Supervisor of Assessments					
Office of Supervisor of Assessments:	(1.427	(1.437	(1.425		
Salary of Supervisor of Assessments	61,437	61,437	61,437	-	-
(50% reimbursed by the State of Illinois)	(5.079	(5.070	50.070	-	-
Salaries and wages Per diem	65,978	65,978	59,979	-	5,999
	500	500	-	-	500
Stationery and office supplies	1,000	1,000	675	-	325
Copy machine supplies	-	-	-	-	-
Office equipment	1,000	1,000	338	-	662
Books, periodicals, manuals	250	250	-	-	250
Computer related	620	620	96	-	524
Professional fees - appraisals	500	500	-	-	500
Auto mileage	2,000	2,000	259	-	1,741
Postage	3,000	3,000	-	-	3,000
Telephone	1,600	1,600	1,929	-	(329)
Travel expense	800	800	-	-	800
Legal notices or publishing	6,000	6,000	2,735	-	3,265
Printing, duplicating, binding	500	500	-	-	500
Dues and memberships	250	250	175	-	75
Instruction and schooling	1,000	1,000	-	-	1,000
Mapping maintenance	1,000	1,000	<u> </u>		1,000
Total Supervisor of Assessments	147,435	147,435	127,623		19,812

GENERAL FUND

					ances -
		2013		Budget	e (Negative)
	Budgeted	Amounts	Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
EXPENDITURES					
General government (continued) County Coordinator and Zoning Administrator :					
Salaries and wages	59,364	59,364	58,984	_	380
Per diem	5,000	5,000	1,350	-	3,650
Stationery and office supplies	400	400	1,550	-	219
Copy machine supplies	200	200	9	-	191
Office equipment	200	200	-	-	200
Postage	800	800	300	_	500
Books, periodicals, manuals	150	150	-	-	150
Computer expense	100	100	96	-	4
Auto mileage	1,000	1,000	257	-	743
Travel expense	200	200		-	200
Legal notices or publishing	1,000	1,000	(120)	-	1,120
Printing, duplicating, binding	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,000	(120)	_	1,120
Telephone	1,200	1,200	1,040	_	160
Dues and memberships	300	300	35	_	265
Instruction and schooling	200	200	-	-	200
Office equipment greater than \$500	200		_	_	200
o mot offerbinent Brenter mun cooo					······
Total County Coordinator	70,114	70,114	62,132		7,982
Other:					
Salaries and wages					
Compensation of County Commissioners	40,000	40,000	40,000	-	-
Per diem	40,000	40,000	40,000 765	-	-
Stationary and office supplies	4,520	4,520	448	-	3,555 552
Books, periodicals, manuals	1,000	1,000	440	-	552
Information technology	47,040	47,040	31,723	-	15,317
County's share of expenses of Regional	47,040	47,040	51,725	-	15,317
Superintendent of Schools' Office	36,885	36,885	76 997		2
Menard County Rescue Squad	30,005	30,005	36,883	-	2
Inquest and autopsy fees	15,000	15,000	5,058	-	- 9,942
State of Illinois revenue stamps	56,000	70,800	55,867	(14,800)	14,933
Auditing and accounting services	44,150	44,150	42,350	(14,000)	1,800
Consulting services	16,000	12,150	6,000	3,850	6,150
Auto mileage	2,000	2,000	1,125	3,030	875
Office equipment	4,700	4,810	4,708	(110)	102
Travel expenses	500	500	4,700	(110)	500
Legal notices or publishing	825	825	695	-	130
Printing, duplicating, and binding	023	3,700	3,686	(3,700)	130
Court reporting	1,000	1,000	5,000	(3,700)	1,000
Surety Bonds	200	200	- 90	-	1,000
Health Insurance	215,345	215,345	215,345	-	110
Telephone	213,343	213,343	213,343	-	200
Dues and memberships	1,000	1,000	- 890	-	200 110
Contingencies	100,000	85,200	833	- 14,800	84,367
Other	6,845	6,885			
Office equipment over \$500	0,845 15,000	0,885 15,000	6,785 1,525	(40)	100 13.475
Once equipment over 3500	13,000		1,525		13,475
Total other expenditures	608,010	608,010	454,776	·	153,220
Total general government	1,215,099	1,215,099	1,011,366	<u> </u>	203,719

GENERAL FUND

			Variances - Positive (Negative)		
	2013		Budget	(Itegative)	
	Budgeted		Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
EXPENDITURES					
Public safety:					
Office of County Sheriff - Law Enforcement:					
Salary of Sheriff	69,444	69,444	69,444	-	-
Other salaries and wages	898,587	898,587	856,969	-	41,618
Stationery and supplies	2,000	2,000	1,277	-	723
Copy machine supplies	1,500	1,500	1,090	-	410
Books, periodicals, manuals	1,500	1,500	2,427	-	(927)
Office equipment	· -	-	923	-	(923)
Computer related	5,100	5,100	5,525	-	(425)
Inmate supplies	3,000	3,000	1,218	-	1,782
Medical, dental, and nursing fees	25,000	25,000	20,590	-	4,410
Prisoner food and meals	32,000	32,000	20,642	-	11,358
Gasoline, equipment, and supplies	40,000	40,000	42,603	-	(2,603)
Clothing, uniforms	10,000	10,000	11,878	-	(1,878)
Operational supplies	4,000	4,000	1,729	-	2,271
Towing and hauling	500	500	2,725	-	(2,225)
Postage	2,500	2,500	1,078	-	1,422
Legal notices or publishing	350	350	, _	-	350
Electricity and gas	16,000	16,000	13,015	-	2,985
Telephone	17,000	17,000	21,247	-	(4,247)
Water and sewer	5,500	5,500	4,177	-	1,323
Garbage disposal	720	720	761	-	(41)
Automobile maintenance	18,000	18,000	14,891	-	3,109
Mobile equipment maintenance	5,000	5,000	5,424	-	(424)
Office equipment maintenance	1,500	1,500	-	-	1,500
Landscaping maintenance	500	500	396	-	104
Office equipment leases	5,300	5,300	5,704	-	(404)
Dues and memberships	2,135	2,135	2,755	-	(620)
Janitorial	9,100	9,100	5,575	-	3,525
Housing prisoners in other counties	11,000	11,000	8,250	-	2,750
Travel expense	2,500	2,500	412	-	2,088
Convention	1,000	1,000	375	-	625
Instruction and schooling	6,000	6,000	5,874	-	126
County Sheriff (carried forward)	1,196,736	1,196,736	1,128,974		67,762

GENERAL FUND

				ances - e (Negative)	
		2013		Budget	
	Budgeted	Amounts	Actual	Original to	Budget Final to
_	Original	Final	Amounts	Final	Actual
EXPENDITURES					
Public safety (continued)					
Office of County Sheriff - Law Enforcement:					
County Sheriff (brought forward)	1,196,736	1,196,736	1,128,974	-	67,762
Investigation costs	500	500	5,786	-	(5,286)
Photographic equipment	-	-	-	-	-
Automotive equipment	23,000	23,000	24,000	-	(1,000)
Radio equipment	500	500	496	-	4
Office equipment over \$500	3,000	3,000	5,995	-	(2,995)
Other	500	500	356		144
Total Public Safety	1,224,236	1,224,236	1,165,607		58,629
Judiciary and court related:					
Office of State's Attorney:					
Salary of State's Attorney (100% reimbursed					
by the State of Illinois)	131,500	131,500	128,959	-	2,541
Other salaries and wages	40,691	40,691	38,061	-	2,630
Stationery and office supplies	3,200	3,200	3,007	-	193
Office equipment	525	525	495	-	30
Copy machine supplies	950	1,150	1,126	200	24
Books, periodicals, manuals	4,300	4,100	3,056	(200)	1,044
Computer related	120	120	96	-	24
Contractual services	-	-	-	-	-
Court reporting	800	800	670	-	130
Witness fees	1,000	1,000	202	-	798
Postage	1,000	1,000	955	-	45
Travel	875	875	157	-	718
Legal notices or publishing	300	300	-	-	300
Telephone	2,000	2,000	785	-	1,215
Office equipment maintenance	200	200	90	-	110
Dues and memberships	775	775	745	-	30
Instruction and schooling	825	825	-	-	825
Investigation expense	1,000	1,000	-	-	1,000
Miscellaneous fees	100	100	-	-	100
State's Attorney appellate service	5,000	5,000	5,000	<u> </u>	
Total State's Attorney	195,161	195,161	183,404		11,757

GENERAL FUND

					iances - e (Negative)
		2013		Budget	
	Budgeted	Amounts	Actual	Original to	Budget Final to
	Original	<u> </u>	Amounts	Final	Actual
EXPENDITURES					
Judiciary and court related (continued)					
Office of Circuit Clerk:					
Salary of Circuit Clerk	61,437	61,437	61,437	-	-
Other salaries and wages	96,349	96,349	93,340	-	3,009
Stationery and office supplies	4,000	4,000	3,541	-	459
Copy machine supplies	-	-	-	-	-
Books, periodicals, manuals	-	-	-	-	-
Computer related	100	100	97	-	3
Auto mileage	200	200	147	-	53
Postage	4,000	4,000	2,966	-	1,034
Printing, duplicating, binding	-	-		-	-
Telephone	1,800	1,800	1,581	_	219
Office equipment maintenance	-	-	-	_	
Office equipment rental	2,000	2,000	1,396	_	604
Dues and memberships	2,000	2,000	205	_	45
Dues and memoriships		230			<u> </u>
Total Circuit Clerk	170,136	170,136	164,710	<u> </u>	5,426
The Courts of Menard County:					
Juror fees	8,000	8,000	1,639	-	6,361
Office equipment	1,000	1,000	-	-	1,000
Stationery and office supplies	1,400	1,400	1,515	-	(115)
Books, periodicals, manuals	5,000	5,000	2,351	-	2,649
Jurors' food and meals	1,000	1,000	228	-	772
Computer related	100	100	97	-	3
Court reporting	2,000	2,000	2,464	-	(464)
Legal - guardian ad litem, attorney fees,	,	-	,	-	
judge's salary, etc.	65,000	65,000	39,297	-	25,703
Services for juveniles	5,000	5,000	-	-	5,000
Witnesses	1,000	1,000	300	-	700
Auto mileage	800	800	-	_	800
Travel expenses	1,000	1,000	_		1,000
Telephone	900	900	839		61
Medical, dental and nursing fees	500	500		-	500
Instruction and schooling	1,000	1,000	600	_	400
Office equipment maintenance	1,000	1,000	000	-	1,000
Other	400	400	-	-	
Postage	600	600	- 120	-	400
Dues and memberships	350		130	-	470
=		350	37	-	313
Office equipment greater than \$500	1,500	1,500	<u>-</u>		1,500
Total Courts of Menard County	97,550	97,550	49,497		48,053

GENERAL FUND

				iances - e (Negative)	
		2013			
	Budgeted	Amounts	Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
EXPENDITURES					
Judiciary and court related (continued)					
Probation office:					
Salaries and wages (41% reimbursed by the State of Illinois)	108,031	108,031	107,931	-	100
Stationery and office supplies	-	-	-	-	-
Travel and auto mileage	-	-	-	-	-
Legal notices or publishing	-	-	-	~	-
Postage	-	-	-	-	-
Telephone	-	-	-	-	-
Instruction and Schooling	-	-	-	-	-
Office equipment	-	-	-	-	-
Computer expense			<u></u>		<u> </u>
Total probation office	108,031	108,031	107,931		100
Total judiciary and court related	570,878	570,878	505,542	<u> </u>	65,336
County development:					
Soil Conservation	6,250	6,250	6,250		-
Total County development	6,250	6,250	6,250		-
Total Expenditures	\$ 3,016,463	\$ 3,016,463	\$ 2,688,765	<u>\$</u>	\$ 327,684

LIABILITY AND INSURANCE FUND

					iances - e (Negative)
		2013		Budget	
	Budgeted	Amounts	Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
REVENUES					
Property taxes	\$ 205,600	\$ 205,600	\$ 206,166	<u> </u>	\$ 566
Total revenues	205,600	205,600	206,166	_	566
EXPENDITURES					
Liability and insurance	255,765	255,765	230,590	-	25,175
Total expenditures	255,765	255,765	230,590	-	25,175
EXCESS REVENUES OVER (UNDER)					
EXPENDITURES	(50,165)	(50,165)	(24,424)	-	25,741
FUND BALANCE - BEGINNING	480,894	480,894	481,895		1,001
FUND BALANCE - ENDING	\$ 430,729	\$ 430,729	\$ 457,471	<u>\$</u> -	<u>\$ 26,742</u>

EMERGENCY MEDICAL SERVICES FUND

					nces - (Negative)
		2013		Budget	
	Budgeted	Amounts	Actual	Original to	Budget Final to
	Original	<u> </u>	Amounts	<u> </u>	Actual
REVENUES					
Property taxes	\$ 321,600	\$ 321,600	\$ 320,728	\$ -	\$ (872)
Public safety sales tax	445,000	445,000	457,723	-	12,723
Federal and State payments	-	-	17,708	-	17,708
Charges for services	398,700	398,700	425,116	-	26,416
Other	-	-	325	-	325
Interest					
Total revenues	1,165,300	1,165,300	1,221,600	<u>-</u>	56,300
EXPENDITURES					
Public safety:					
Salaries and wages	784,559	784,559	771,956	-	12,603
Retirement	129,100	129,100	120,913	-	8,187
Unemployment compensation	10,600	10,600	10,600	-	-
Health insurance	65,700	65,700	59,119	-	6,581
Insurance and risk management	71,385	71,385	69,050	-	2,335
Operational	56,055	55,410	38,830	645	16,580
Repair and maintenance	28,300	31,300	27,259	(3,000)	4,041
Rents and leases	25,100	25,300	25,283	(200)	17
Telephone	12,044	8,844	8,387	3,200	457
Professional assistance	34,500	34,920	31,594	(420)	3,326
Other	13,850	14,075	10,460	(225)	3,615
Equipment acquisitions	23,800	23,800	13,249	· -	10,551
Interest expense	361	361	248		113
Total expenditures	1,255,354	1,255,354	1,186,948	~	68,406
EXCESS REVENUES OVER (UNDER)					
EXPENDITURES	(90,054)	(90,054)	34,652	_	124,706
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)					
From General Fund	_				
Total other financing sources	<u> </u>				
NET CHANGE IN FUND BALANCE	(90,054)	(90,054)	34,652	-	124,706
FUND BALANCE - BEGINNING	270,243	270,243	298,772		28,529
FUND BALANCE - ENDING	\$ 180,189	<u>\$ 180,189</u>	\$ 333,424	<u> </u>	\$ 153,235

HEALTH DEPARTMENT FUND

					ances - e (Negative)
	<u></u>	2013		Budget	<u></u>
	Budgeted		Actual	Original to	Budget Final to
	Original	Final	Amounts	<u> </u>	Actual
REVENUES					
Federal and State Grant Programs	\$ 305,552	\$ 305,552	\$ 250,141	s -	\$ (55,411)
Home Health Care Program	249,500	249,500	102,515	-	(146,985)
Health Department fees	88,425	88,425	85,553	-	(2,872)
Interest	100	100	64		(36)
Total revenues	643,577	643,577	438,273		(205,304)
EXPENDITURES					
Public health:					
Salaries and wages	371,448	371,448	308,091	-	63,357
Office	9,150	9,150	1,741	-	7,409
Operational	27,250	27,250	37,852	-	(10,602)
Contractual services	43,350	43,350	40,718	-	2,632
Professional fees	14,700	14,700	9,965	-	4,735
Transportation	19,300	19,300	12,051	-	7,249
Publishing and printing	20,000	20,000	10,234	-	9,766
Risk management costs	6,420	6,420	9,834	-	(3,414)
Health Insurance	52,550	52,550	35,865	-	16,685
Utilities	19,100	19,100	18,505	-	595
Repair and maintenance	300	300	-	-	300
Rents and leases	27,000	27,000	20,687	-	6,313
Other	37,850	37,850	39,694	<u> </u>	(1,844)
Total expenditures	648,418	648,418	545,237	-	103,181
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(4,841)	(4,841)	(106,964)	-	(102,123)
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)					
From General Fund	5,000	5,000	2,699		(2,301)
Total other financing sources	5,000	5,000	2,699		(2,301)
NET CHANGE IN FUND BALANCE	159	159	(104,265)	-	(104,424)
FUND BALANCE - BEGINNING	50,735	50,735	1,836		(48,899)
FUND BALANCE - ENDING	<u>\$ 50,894</u>	\$ 50,894	\$ (102,429)	<u> </u>	<u>\$ (153,323)</u>

COUNTY HIGHWAY FUND

					iances - e (Negative)
		2013		Budget	
	Budgeted		Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
REVENUES					
Property taxes	\$ 255,991	\$ 255,991	\$ 252,829	\$ -	\$ (3,162)
Federal and State payments	271,200	271,200	421,225	-	150,025
Charges for services	183,000	183,000	207,141	-	24,141
Other	1,500	1,500	16,788	-	15,288
Interest	5,000	5,000	4,307		(693)
Total revenues	716,691	716,691	902,290		185,599
EXPENDITURES					
Roads and bridges:					
Salaries and wages	281,000	281,000	255,632	-	25,368
Office	5,500	5,500	1,967	-	3,533
Operational	53,500	53,500	32,648	-	20,852
Maintenance	2,200	2,200	123	-	2,077
Construction	19,500	19,500	24,120	-	(4,620)
Professional fees	134,500	134,500	82,620	-	51,880
Transportation	12,500	12,500	396	-	12,104
Publishing and printing	2,000	2,000	431	-	1,569
Health insurance	62,000	62,000	56,347	-	5,653
Utilities	20,100	20,100	15,275	-	4,825
Repair and maintenance	144,500	144,500	45,542	-	98,958
Rents and leases	22,000	22,000	4,640	-	17,360
Right of way	5,000	5,000	-	-	5,000
Bridges and culverts	1,000	1,000	-	-	1,000
Road improvements	150,000	150,000	2,556	-	147,444
County wide sign upgrade	255,400	255,400	423,308	-	(167,908)
Drainage improvements	5,000	5,000	-	-	5,000
Equipment acquisitions	79,000	79,000	526	-	78,474
Other	5,100	5,100	3,138	-	1,962
Total roads and bridges	1,259,800	1,259,800	949,269		310,531
NET CHANGE IN FUND BALANCE	(543,109)	(543,109)	(46,979)	-	496,130
FUND BALANCE - BEGINNING	785,368	785,368	808,429	<u> </u>	23,061
FUND BALANCE - ENDING	\$ 242,259	\$ 242,259	\$ 761,450	<u>\$</u> -	\$ 519,191

COUNTY MOTOR FUEL TAX FUND

				Positive	ances - (Negative)
		2013	<u>.</u>	Budget	
		Amounts	Actual	Original to	Budget Final to
	Original	Final	Amounts	Final	Actual
REVENUES					
Federal and State payments	\$ 330,000	\$ 330,000	\$ 352,203	\$ -	\$ 22,203
Interest	200	200	177		(23)
Total revenues	330,200	330,200	352,380		22,180
EXPENDITURES					
Road and bridges:					
Salaries and wages	105,936	105,936	105,936	-	-
Stationery and supplies	-	-	-	-	-
Asphalt and road oil	282,000	282,000	93,656	-	188,344
Cinders	10,000	10,000	-	-	10,000
Salt	60,000	60,000	-	-	60,000
Aggregates	10,000	10,000	1,594	-	8,406
Centerline paint	-	-	-	-	-
Engineering	-	-	-	-	-
Hauling	10,000	10,000	-	-	10,000
Road maintenance	12,000	12,000	8,230	-	3,770
Rents and leases	15,000	15,000	7,507	-	7,493
Bridges and culverts	-	-	-	-	-
Road improvements	35,000	35,000			35,000
Total expenditures	539,936	539,936	216,923		323,013
NET CHANGE IN FUND BALANCE	(209,736)	(209,736)	135,457	-	345,193
FUND BALANCE - BEGINNING	468,070	468,070	449,915		(18,155)
FUND BALANCE - ENDING	\$ 258,334	\$ 258,334	\$ 585,372	<u> </u>	\$ 327,038

SCHEDULE OF EMPLOYER CONTRIBUTIONS (REGULAR) ILLINOIS MUNICIPAL RETIREMENT FUND

Year Ended November 30,]	Annual Pension Cost (APC)	Percentage of APC Contributed	Per	Vet 1sion gation
2009	\$	188,493	100%	\$	-
2010	\$	463,261	100%	\$	-
2011	\$	462,772	100%	\$	-
2012	\$	467,859	100%	\$	-
2013	\$	462,772	100%	\$	-

November 30, 2013

SCHEDULE OF EMPLOYER CONTRIBUTIONS (ECO) ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2013

Year Ended November 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Pen	et sion gation
2009	\$ 126,054	100%	\$	-
2010	\$ 162,948	100%	\$	-
2011	\$ 149,349	100%	\$	-
2012	\$ 151,118	100%	\$	-
2013	\$ 147,809	100%	\$	-

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SLEP) ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2013

Year Ended November 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Pen	et sion gation
2009	\$ 83,145	100%	\$	-
2010	\$ 105,987	100%	\$	-
2011	\$ 105,065	100%	\$	-
2012	\$ 103,511	100%	\$	-
2013	\$ 102,557	100%	\$	-

SCHEDULE OF FUNDING PROGRESS (REGULAR) ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2013

UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)	-6.63%	-7.38%	-15.99%	-7.73%	7.28%	
(5) Covered Payroll	\$4,871,167	\$5,176,087	\$5,224,865	\$5,287,261	\$5,055,083	,034.
(4) Unfunded (Overfunded) AAL (UAAL) / (OAAL) (2) - (1)	322,797	382,052	835,654	408,860	(368,174)	l, 2013 is \$12,152
(0) (UA	69	69	69	\$	\$	nber 31
(3) Funded Ratio (1)/(2)	96.43%	95.91%	91.03%	95.90%	103.68%	issets as of Decei
(2) Actuarial Accrued Liability (AAL) - Entry Age	9,041,492	9,332,186	9,317,573	9,964,425	10,015,566	Note On a market value basis, the actuarial value of assets as of December 31, 2013 is \$12,152,034.
Ac Ac	69	\$	\$	69	69	sis, the
(1) Actuarial Value of Assets	\$ 8,718,695	\$ 8,950,134	\$ 8,481,919	\$ 9,555,565	\$ 10,383,740	a market value ba
Actuarial Valuation Date	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	Note On i

On a market value basis, the funded ratio would be 121.33%.

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

SCHEDULE OF FUNDING PROGRESS (ECO) ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2013

UAAL / (OAAL) As a Percentage of Covered Payroll (4) / (5)	-419.60%	-401.27%	-368.23%	-330.30%	7.81%	
(5) Covered Payroll	368,472	371,737	378,420	393,004	389,351	
u	\$	\$	\$	\$	69	944
(4) Unfunded (Overfunded) AAL (UAAL) / (OAAL) (2) - (1)	1,546,093	1,590,867	1,393,465	1,298,093	(30,397)	, 2013 is \$1,911,
(0) (UA	69	\$	69	69	\$	ber 31
(3) Funded Ratio (1)/(2)	30.37%	36.65%	44.20%	51.80%	101.99%	Note On a market value basis, the actuarial value of assets as of December 31, 2013 is \$1,911,944
(2) Actuarial Accrued Liability (AAL) - Entry Age	2,220,541	2,354,603	2,497,456	2,693,231	1,528,177	ctuarial value of a
Actu Lia	69	69	€?	69	69	the ac
(1) Actuarial Value of Assets	674,448	862,942	1,103,991	1,395,138	1,558,574	ket value basis,
	69	69	69	\$	\$	a mar
Actuarial Valuation Date	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	Note On

On a market value basis, the funded ratio would be 125.11%.

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

SCHEDULE OF FUNDING PROGRESS (SLEP) ILLINOIS MUNICIPAL RETIREMENT FUND

November 30, 2013

Actuarial	*	(1) Actuarial	Actua	(2) Actuarial Accrued	(3) Funded	D VO	(4) Unfunded (Overfunded) AAL		(5)	UAAL / (OAAL) As a Percentage of Covered
valuation Date		value of Assets	-	- Entry Age	Katio (1) / (2))))	(UAAL) (UAAL) (2) - (1)		Payroll	(4) / (5)
12/31/09	69	1,259,431	69	1,811,028	69.54%	69	551,597	9	538,634	102.41%
12/31/10	69	1,135,868	\$	1,773,542	64.05%	\$	637,674	69	599,741	106.32%
12/31/11	69	1,366,303	\$	2,002,494	68.23%	69	636,191	69	578,470	109.98%
12/31/12	69	1,156,854	\$	1,909,460	60.59%	\$	752,606	69	548,849	137.12%
12/31/13	\$	1,478,889	69	2,070,132	71.44%	69	591,243	69	533,938	110.73%
Note On a mark	a mai	rket value basis,	, the ac	et value basis, the actuarial value of assets as of December 31, 2012 is \$1,824,692	issets as of Decer	nber 31,	2012 is \$1,824,	592		

On a market value basis, the funded ratio would be 88.14%.

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

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION For the year ended November 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING

Budget amounts are determined on a basis consistent with generally accepted accounting principles for the specific fund types.

Appropriation balances lapse at year-end; consequently, the County does not utilize encumbrance accounting, a system by which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

The County generally follows these procedures in establishing its budget -

- 1. In October of each year, the County Board of Commissioners develops a proposed operating budget for the fiscal year commencing the following December 1. The budget includes proposed expenditures and the means of financing them for virtually all of the County's individual funds.
- 2. A copy of the proposed budget is placed on file with the County Clerk for public inspection.
- 3. Each year the budget is adopted by resolution of the County Board of Commissioners.

After adoption of the budget, further appropriations are prohibited for appropriated funds except in the event of an emergency. Transfers from one appropriation of any one fund to another appropriation of the same fund, not affecting the total amount appropriated, may be made at any meeting of the County Board by a vote of the members.

Formal budgetary integration is employed during the year as a management control device. Appropriation balances lapse at year-end. The following governmental funds had an excess of actual expenditures over budgeted expenditures for the year ended November 30, 2013.

	 r	Ex	penditures	
	 Actual		Budget	 Excess
Nonmajor Funds	 			
Emergency Relief Fund	\$ 4,227	\$	2,800	\$ 1,427
Senior Transport Fund	\$ 43,361	\$	34,841	\$ 8,520

MENARD COUNTY, ILLINOIS Notes to Required Supplementary Information – Continued

A management budget is prepared each year for the two *enterprise funds* that comprise the County's *business-type activities*. The County Board of Commissioners' and management's expectations for *Sunny Acres Nursing Home* and *Countryside Estates of the County* results of operations is always greater than what is documented in the management budgets for those operations.

2. DEFINED BENEFIT PENSION PLANS

The County maintains three defined benefit pension plans through the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. They are as follows -

Regular Plan 03042R

Plan Description – The County's defined benefit pension plan for regular employees does not include elected officials and certain law enforcement personnel. It provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at <u>www.imrf.org</u>.

Funding Policy – As set by statute, Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2013 was 9.49% of annual covered payroll. The required employer contribution rate for calendar year 2012 was 8.88%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County's required annual pension cost for the Regular Plan for the year ended November 30, 2013 was \$477,978. The County contributed \$477,978.

Year ending	Annual	Percent	Net Pension
November 30,	Pension Cost	Contributed	Obligation
2013	\$ 477,978	100%	\$ -
2012	\$ 467,859	100%	\$
2011	\$ 462,772	100%	\$

Three – Year Trend Information for Regular Plan 03042R

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included

(a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2013, the most recent actuarial valuation date, the *Regular* plan was 104% percent funded. The actuarial accrued liability for benefits was \$10,015,566 and the actuarial value of assets was \$10,383,740, resulting in an overfunded actuarial accrued liability (OAAL) of \$368,174. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$5,055,083; because the plan is overfunded there is no ratio of the OAAL to the covered payroll.

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

Elected County Officials Plan 03042E

Plan Description – The County's defined benefit pension plan for *Elected County Officials* provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at <u>www.imrf.org</u>.

Funding Policy – As set by statute, the County's Elected County Officials plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2013 was 37.11% of annual covered payroll. The required employer contribution rate for calendar year 2012 was 38.41%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County's required annual pension cost for the *Elected County* Officials Plan for the year ended November 30, 2013 was \$147,809. The County contributed \$147,809.

Year ending November 30,		Annual Pension Cost	Percent Contributed		Net Pension
					Obligation
2013	\$	147,809	100%	\$	0
2012	\$	151,118	100%	\$	
2011	\$	149,349	100%	S	

Three – Year Trend Information for Elected County Officials Plan 03042E

MENARD COUNTY, ILLINOIS Notes to Required Supplementary Information – Continued

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open 30 year basis

Funded Status and Funding Progress – As of December 31, 2013, the most recent actuarial valuation date, the *Elected County Officials* plan was 102% percent funded. The actuarial accrued liability for benefits was \$1,528,177 and the actuarial value of assets was \$1,558,574 resulting in an overfunded actuarial accrued liability (OAAL) of \$30,397. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$389,351; because the plan is overfunded there is no ratio of the OAAL to the covered payroll.

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

Sheriff's Law Enforcement Personnel Plan 03042S

Plan Description – The County's defined benefit pension plan for *Sheriff's Law Enforcement Personnel* employees provides retirement and disability benefits, post retirement increases, and death benefits to its plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at <u>www.imrf.org</u>.

Funding Policy – As set by statute, the County's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the County for calendar year 2013 was 19.43% of annual covered payroll. The required employer contribution rate for calendar year 2012 was 18.68%. The County also contributes for disability benefits, death benefits, and supplemental retirements, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost – The County's required annual pension cost for the Sheriff's Law Enforcement Personnel Plan for the year ended November 30, 2013 was \$102,557. The County contributed \$102,557.

MENARD COUNTY, ILLINOIS Notes to Required Supplementary Information – Continued

Year ending	Annual	Percent	Net Pension
November 30,	Pension Cost	Contributed	Obligation
2013	\$ 102,557	100%	\$ -
2012	\$ 103,511	100%	\$
2011	\$ 105,065	100%	\$ -

Three – Year Trend Information for Sheriff's Law Enforcement Personnel Plan 03042S

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post – retirement benefit increases of 3% annually. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open 30 year basis.

Funded Status and Funding Progress – As of December 31, 2012, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 71% percent funded. The actuarial accrued liability for benefits was \$2,070,132 and the actuarial value of assets was \$1,478,889 resulting in an underfunded actuarial accrued liability (UAAL) of \$591,243. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$533,938, and the ratio of the UAAL to the covered payroll was 111%;

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Retirement and FICA Fund

To account for the levy and collection of the annual tax for payment of the County's contribution to the United States Social Security System and the Illinois Municipal Retirement Fund.

Tuberculosis Fund

To account for the levy and collection of the annual tax for the purpose of providing for the care and treatment of inhabitants who may be afflicted with tuberculosis.

Animal Control Fund

To account for the receipt of service fees from Municipalities, registration fees and fines, and the payment of costs of the Animal Control Program in the County including payment of damages to individuals for the loss of livestock and poultry. One-third of all fees collected must be retained in the Fund until the first Monday in March for the purpose of paying damage claims.

County Farm Fund

To account for the proceeds derived from the leasing of farmland owned by the County and the payment of necessary expenditures. The County Board may appropriate accumulated proceeds for general county purposes.

General Assistance Fund

To account for the levy and collection of the annual tax for general assistance purposes in the County.

County Fair Fund

To account for the levy and collection of the annual tax for County fair purposes.

County Clerk Document Storage System Fund

To account for the collection of a recording fee used for automating the County Clerk's office.

SPECIAL REVENUE FUNDS - continued

Tax Sale Automation Fund

To account for the collection of fees for costs related to the automation of the property tax system and delinquent property tax sales.

County Elections Fund

To account for funds provided by the General Fund for annual elections costs.

Court Automation Fund

To account for the collection of an automation fee to be used for automating the Circuit Clerk's office.

Cooperative Extension Service Fund

To account for the levy and collection of the annual tax for the Cooperative Extension Service.

Senior Transport Fund

To account for the revenues and costs of providing transportation to Menard County citizens sixty years of age and older.

Building Improvement Fund

To account for monies designated for anticipated major improvements to the County Courthouse including the County jail facility.

Court Document Storage System Fund

To account for the collection of a court document fee to be used to establish a court document storage system in the Circuit Clerk's office.

Probation Services Fund

To account for funds collected and expended for costs associated with the probation office. Plans for expenditure are subject to approval by the State probation office.

County Bridge Fund

To account for the levy and collection of the annual tax for the purpose of aiding in the constructing and repairing of County bridges, culverts, grade separations and drainage structures.

SPECIAL REVENUE FUNDS - continued

Federal Aid Matching Fund

To account for the levy and collection of the annual tax for the purpose of providing funds to pay the expenses for engineering and other costs and its proportionate share of construction or maintenance of highways in the Federal primary, secondary, or County highway network.

Road Repair and Maintenance Fund

To account for the levy and collection of the annual tax for the purpose of improving, constructing, maintaining or repairing certain County roads.

Court Services Fund

To account for the collection of court services fees for costs related to the providing of court security.

Court Fund

To account for the collection of fees from the Circuit Clerk for Court improvements.

D.U.I. Equipment Fund

To account for the collection of fees from the Circuit Clerk to be used for the purchase of equipment.

County G.I.S. Fund

To account for the resources to implement a Digitalized Geographic Information Mapping System for the County.

State's Attorney Drug Forfeiture Fund

To account for the receipt of drug forfeiture funds and proceeds in accordance with provisions of the prevailing State Statute.

Emergency Relief Fund

To account for certain grants and contributions received for programs to aid certain Menard County residents in the payment of specific emergency expenditures.

Public Land Dedication Fees Fund

To account for certain zoning fees pertaining to the dedication of public lands.

SPECIAL REVENUE FUNDS – continued

Tourism Promotion Fund

To account for the receipt of a county wide hotel tax to be used for funding certain costs relating to tourism promotion, conventions, expositions, theatrical, sports, and cultural activities within the County.

Drug Traffic Prevention Fund

To account for fees and contributions received for funding certain costs pertaining to preventing drug traffic activities in the County.

Circuit Clerk Operation and Administration Fund

To account for fees collected by the Circuit Clerk that are designated for funding certain operations and administration costs.

Sheriff Vehicle Fund

To account for fees collected by the Circuit Clerk that are designated to assist in funding the costs of acquiring and replacing the Sheriff Department's vehicles.

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

	Rei	ketirement and Fica	Tut	Tuberculosis	₹0	Animal Control	Ŭ	County Farm	As C	General Assistance	0	County Fair
		Fund		Fund		Fund	ļ	Fund		Fund		Fund
ASSETS Cash and certificates of deposit	69	369.387	\$	34.847	69	12.348	69	134,113	(/)	154,734	Ś	1,649
Investments		ı				1		I		1		ľ
Accounts receivable		·		46		ı		661		•		,
Taxes receivables		1		•		ı		ı		ı		,
Due from other funds		26,639		•		I		ı		1		1
Total assets	S	396,026	\$	34,893	÷	12,348	Ś	134,774	Ś	154,734	Ś	1,649
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Accounts payable	\$	85,980	69	•	Ś	•	S	ı	69	ı	S	ı
Accrued compensation		,		۱		3,500		ı		ı		ı
Deferred revenue		ı		ı		ı		ı		15,000		ı
Due to other funds		ı		•		"		113,333		,		•
Total liabilities		85,980		I		3,500		113,333		15,000		ı
FUND BALANCES		310,046		34,893		8,848		21,441		139,734		1,649
Total liabilities and fund balances	\$	396,026	\$	34,893	S	12,348	S	134,774	\$	154,734	S	1,649

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COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

	Cour Do Stora	County Clerk Document Storage System Fund	Ta Auto I	Tax Sale Automation Fund	OE	County Elections Fund	Aut	Court Automation Fund	Coo Ex Serv	Cooperative Extension Service Fund	ů L	Senior Transport Fund
ASSETS Cash and certificates of deposit	69	110,973	\$	9,945	Ś	147,178	÷	50,780	\$	17,970	69	15,224
Investments				•		•		·		•		ı
Accounts receivable		ı		,		•		ı		ı		ı
Taxes receivables		·		•		ı		•		ı		ı
Due from other funds		1,072		•		·		455		•		'
Total assets	S	112,045	S	9,945	S	147,178	÷	51,235	S	17,970	Ś	15,224
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Accounts payable	\$	4,000	S	908	∽	ı	69	ı	S	ı	\$	1
Accrued compensation		ı		1		•		r		ı		·
Deferred revenue		ı		•		7,775		1		ı		2,500
Due to other funds		'		•		•		ı		ı		1,204
Total liabilities		4,000		908		7,775		ı		ı		3,704
FUND BALANCES		108,045		9,037		139,403		51,235		17,970		11,520
Total liabilities and fund balances	S	112,045	\$	9,945	Ś	147,178	÷	51,235	Ś	17,970	\$	15,224

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

	Building	Ŭ Å	Court Document	Pr	Probation	0,	County	Fee	Federal Aid	Road	Road Repair
	Improvement Fund	Stora	Storage System Fund		Services Fund		Bridge Fund	Ξ	Matching Fund	and Ma F	and Maintenance Fund
ASSETS											
Cash and certificates of deposit	\$ 391,825	69	100,344	\$	128,040	\$	580,468	\$	315,921	69	54,269
Investments	I		ı		•		•		•		1
Accounts receivable	r		1,842		ı		8,176		14,852		ı
Taxes receivables	ı		ı		ı		•		I		•
Due from other funds			264		2,196		4,810		9,490		B
Total assets	\$ 391,825	S	102,450	\$	130,236	Ś	593,454	ŝ	340,263	\$	54,269
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable	•	\$	•	\$	r	\$	95,353	69	ı	\$	•
Accrued compensation	ı		ı		1		•		ı		ı
Deferred revenue	T		4,500		ı		1		1		I
Due to other funds	8		•		•		19,490		ا		1
Total liabilities	·		4,500		·		114,843		I		ı
FUND BALANCES	391,825		97,950		130,236		478,611		340,263		54,269
Total liabilities and fund balances	\$ 391,825	\$	102,450	Ś	130,236	⇔	593,454	Ś	340,263	÷	54,269

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

	S S	Court Services Fund		Court Fund	D.1 Equip	D.U.I. Equipment Fund		County G.I.S. Fund	S At Drug]	State's Attorney Drug Forfeiture Fund	E	Emergency Relief Fund
ASSETS Cash and certificates of deposit	\$	42,958	69	11,607	6	1	69	176,180	\$	1,079	6	18,340
Investments Accounts receivable				1 1								
Taxes receivables		ı		I		r		ı		ı		
Due from other funds		1,785		605		1		2,805		1		1
Total assets	÷	44,743	S	12,212	S	1	69	178,985	S	1,079	S	18,340
LIABILITIES AND FUND BALANCES												
LIABILITIES Accounts navable	ť	1	4		÷		(2 500	¥		¥	•
Accrued compensation	9		9		9		9	-	9		.	
Deferred revenue Due to other funds		11				1 1						2,000 -
Total liabilities		1	1	1				2,500				2,000
FUND BALANCES		44,743		12,212		-		176,485		1,079		16,340
Total liabilities and fund balances	Ś	44,743	Ś	12,212	S		69	178,985	S	1,079	ઝ	18,340

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

NOVEMBER 30, 2013

Totals	\$ 2,896,931	- 25,577 2,325 50,513	\$ 2,975,346		S 188,741	3,500 31.775	134,027	358,043	2,617,303	\$ 2,975,346
Sheriff Vehicle Fund	-	- - 247	248		1	1 1	1	ı	248	248
Sh Ve	÷		S		\$					S
Circuit Clerk Operation and Administration Fund	4,530	 145	4,675				'	,	4,675	4,675
Circı Opera Admii F	S		S		69					\$
Drug Traffic Prevention Fund	3,812		3,812		ı	гı	I	ı	3,812	3,812
Dru	69		\$		69					S
Tourism Promotion Fund	6,848	- - 2,325 -	9,173				•	ı	9,173	9,173
Pr T	69		Ś		69					÷
Public Land Dedication Fees Fund	1,560	••••	1,560				ı	ı	1,560	1,560
Pub Dedic	÷		÷		69					ss
	ASSETS Cash and certificates of deposit Invotements	Accounts receivable Taxes receivables Due from other funds	Total assets	LIABILITIES AND FUND BALANCES	LIABILITIES Accounts payable	Accrued compensation Deferred revenue	Due to other funds	Total liabilities	FUND BALANCES	Total liabilities and fund balances

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2013

	Retirement and Fica Fund	Tuberculosis Fund	Animal Control Fund	County Farm Fund	General Assistance Fund	County Fair Fund	County Clerk Document Storage System Fund	Tax Sale Automation Fund	County Elections Fund	Court Automation Fund
REVENUES										
Property taxes	S 673,958	S 8,600	, s	1 643	S 41,769	S 34,891	s.	•	s	•
Mobile home privilege tax	400	¥0	•	•	25	21		•	•	•
Other taxes	2,898	37		•	180	150	•	•	•	•
Personal property replacement tax	25,314	•	'	•	•	1		•	•	
Fines, fees, forfeitures and licenses	ı	,	•	'	ı		25,126	2,482		5,297
Federal and State payments	•	•	•	•	ı	I	•	•	11,068	•
Charges for services	I	·	38,133	91,535		•		•	,	1
Other		- c	940	•	1,037	•	1	•		
Interest		0cl	•	•	•	•	•	ĭ	1	
Total revenues	702,570	8,792	39,073	91,535	43,011	35,062	25,126	2,482	11,068	5,297
EXPENDITURES										
Current:										
General government	1	•	·	589	•	•	8,230	1,151	38,236	•
Public safety	,	•	87,134	•	'	•	•	1	•	•
Roads and bridges	ı	'	,	•	•	•	1	•	1	,
Public health	•	4,617	•	•	'	•	•	•	•	- 010
Judiciary and court	•	•	ı	•	•		•	•	•	0/0/0
County development	,	•	1	•	1	000,40	•	•	•	
Liability and insurance			•	•	•	•	•	•	ı	
Kettrement and FICA	600,439	•	ı	•	- -	•			• •	
rubic weitare Dobt Somitore	•	•	•		007 ⁶ 00	l	I			
Deut del vice. Drincinal refirement		•	•	•	•	1	,	•	•	
Thereast and fiscal charges			•	•	•	ı	•	•	ł	
Canital outlay:		1	'	•	•	•	•	•	7,302	1
Total expenditures	600,439	4,617	87,134	589	36,265	34,500	8,230	1,151	45,538	5,078
EXCESS REVENUES OVER (UNDER) EXPENDITURES	102,131	4,175	(48,061)	90,946	6,746	562	16,896	1,331	(34,470)	219
OTHER FINANCING SOURCES (USES)										
Operating transfers in		•	52,500	•	•	1	•	•	60,000	•
Operating transfers out	•	*	•	(85,000)	ľ	•	(10,000)	T	•	•
Total other financing sources (uses)	1	•	52,500	(85,000)	•		(10,000)	•	60,000	'
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	102,131	4,175	4,439	5,946	6,746	562	6,896	1,331	25,530	219
FUND BALANCE - BEGINNING	207,915	30,718	4,409	15,495	132,988	1,087	101,149	7,706	113,873	51,016
Residual equity transfer	1	•		r	•		•	•	•	•
FUND BALANCE - ENDING	S 310,046	S 34,893	S 8,848	<u>s 21,441</u>	S 139,734	S 1,649	\$ 108,045	\$ 9,037	\$ 139,403	<u>\$ 51,235</u>

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

			FOR THE YEAR	FOR THE YEAR ENDED NOVEMBER 30, 2013	CR 30, 2013					
	Cooperative Extension Service Fund	Senior Transport Fund	Building Improvement Fund	Court Document Storage System Fund	Probation Services Fund	County Bridge Fund	Federal Aid Matching Fund	Road Repair and Maintenance Fund	Court Services Fund	Court Fund
REVENUES Property taxes	S 26.290	S	, S	1 69	\$ •	S 122,115	\$ 122.115	S 122.115	\$ \$	•
Mobile home privilege tax		•	•	•	1					•
Other taxes	113	۱	•	•	•	525	525	525	1	ı
Personal property replacement tax	•	'	•	•	•	•	•	•	•	ı
Fines, fees, forfeitures and licenses	•	,	'	3,168	37,034	,	•	•	18,116	6,728
Federal and State payments	•	15,107	•	5,497	•	17,769	25,402	۲	•	•
Charges for services	•	12,113	•	,	•	29,712	•	•	•	
Other	•	14,923	1	1	ı	ı	•	ı	ı	t
Interest	•	'	•	t	•	•	•		•	•
Total revenues	26,418	42,143	'	8,665	37,034	170,193	148,114	122,712	18,116	6,728
EXPENDITURES										
Current:										
General government	,	•	37,793		'	ı	•		,	ı
Public safety		,	8,682	•	•		•	•	•	ı
Roads and bridges		,	•	•	,	101,367	149,428	90,856	1	•
Public health	•	•	•	•	,	•	•	r	٠	•
Judiciary and court	•	•	·	6,640	21,866	•	•		37,233	ı
County development	29,730	•	•	t	•	•	'	•	•	•
Liability and insurance	•	1		•	'		r	'	•	1
Retirement and FICA	•	'	•	•	•	•	ı	•	•	1
Public welfare	•	43,361	•	•	,	,	,		•	ı
Debt Service:										
Principal retirement	•	•	•	. •	•	•	•	,	•	,
Interest and fiscal charges	•	•	•	•	•	•	•	•	•	•
Capital outlay:	•	•	4,998	•	1	71,299	1		1	•
Total expenditures	29,730	43,361	51,473	6,640	21,866	172,666	149,428	90,856	37,233	
EXCESS REVENUES OVER (UNDER)										
EXPENDITURES	(3,312)	(1,218)	(51,473)	2,025	15,168	(2,473)	(1,314)	31,856	(19,117)	6,728
OTHER FINANCING SOURCES (USES) Operating transfers in			50,000	,	,				5,000	

-

(5,000)12,212 (5,000)1,728 10,484 s 44,743 (14,117) 5,000 58,860 5,000 ŝ 54,269 31,856 22,413 ı. \$ (1,314) S 340,263 . , 341,577 (2,473) ī 481,084 S 478,611 (7, 500)(7,500)S 130,236 7,668 122,568 97,950 1 2,025 95,925 \$ (1,473) 391,825 50,000 393,298 ວບູບບບ ŝ 11,520 (1,218) • 12,738 • ŝ 17,970 ۰Į (3,312) ı 21,282 Ś EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES Total other financing sources (uses) FUND BALANCE - BEGINNING FUND BALANCE - ENDING Residual equity transfer Operating transfers in Operating transfers out

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2013

	D.U.I. Equipment Fund	County G.I.S. Fund	State's Attorney Drug Forfeiture Fund	Emergency Relief Fund	Public Land Dedication Fees Fund	Tourism Promotion Fund	Drug Traffic Prevention Fund	Circuit Clerk Operation and Administration Fund	Sheriff Vehicle Fund
REVENUES Property taxes	- S	5	- S	s	5	s -	5	S	\$
Mobile home privilege tax Other taxes						- 9,888			
Personal property replacement tax Fines fass forfatimes and licenses	- 1701	- FUC 30					•	- -	-
Funcy, used, to iteration as and incluses Federal and State payments	-	-		- 1,200		1 1		- -	/ 00°11
Charges for services Other	• •	- 100	• •	- 1,874		r 1			
Interest	'	I	1	1	I	'	'	' 	
Total revenues	4,701	45,303	-	3,074		9,888		1,694	1,387
EXPENDITURES									
General government					,		·	ı	
Public safety	ı	ı	ı		,	ı	ı	I	ı
Roads and bridges Public health							, ,		
Judiciary and court		•	• •	•	•	•		•	•
County development	ı	21,560	3	•	•	12,500	•	ı	•
Liability and insurance Refirement and RICA	, ,			1 1					, ,
Public welfare				4,227					
Debt Service: Deinsing rotinoment									
A moupair concentration Interest and fiscal charges									
Capital outlay: Total expenditures	•	21,560	1	4,227	' ' 	12,500	•	' '	
EXCESS REVENUES OVER (UNDER) EXPENDITURES	4,701	23,743	١	(1,153)	•1	(2,612)	•	1,694	1,387
OTHER FINANCING SOURCES (USES)									
Operating transfers in Operating transfers out	(4,344)	• '	• •	• •	• •	• •	• •	(1,200)	(1,139)
Total other financing sources (uses)	(4,344)			•		•	•	(1,200)	(1,139)
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	357	23,743		(1,153)	·	(2,612)		494	248
FUND BALANCE - BEGINNING	(356)	152,742	1,079	17,493	1,560	11,785	3,812	4,181	•
Residual equity transfer	•	'	•	•	,	•		•	•
FUND BALANCE - ENDING	<u>s</u>	S 176,485	S 1,079	S 16,340	\$ 1,560	S 9,173	\$ 3,812	S 4,675	<mark>\$</mark> 248

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED NOVEMBER 30, 2013

Totals	S 1,151,853	682	14,841	25,314	150,936	76,043	171,493	18,874	150	1,610,186			85,999	95,816 341 £51	100'14C	70.817	98,290	•	600,439	83,853		ı	•	83,599	1,465,081	145,105		167,500 (114,183)	53,317	198,422	2,418,881	•	S 2,617,303
	REVENUES Property taxes	Mobile home privilege tax	Other taxes	Personal property replacement tax	Fines, fees, forfeitures and licenses	Federal and State payments	Charges for services	Other	Interest	Total revenues	EXPENDITURES	Current:	General government	Public safety	Koads and Drigges Public health	. Judiciary and court	County development	Liability and insurance	Retirement and FICA	Public welfare	Debt Service:	Principal retirement	Interest and fiscal charges	Capital outlay:	Total expenditures	EXCESS REVENUES OVER (UNDER) EXPENDITURES	OTHER FINANCING SOURCES (USES)	Operating transfers in Operating transfers out	Total other financing sources (uses)	EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	FUND BALANCE - BEGINNING	Residual equity transfer	FUND BALANCE - ENDING

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

Law Library Fund

To account for the revenues derived from the "law library" fee and the payment of expenses incurred in establishing and maintaining a law library. The money available in the fund may not be appropriated by the County Board but is disbursed on order of the Chief Circuit Judge. The fees are collected by the Circuit Clerk and paid into the Law Library Fund.

Indemnity Fund

To account for indemnity fees paid to the County Collector derived from tax sales; the fund is to accumulate until it reaches .03% of the assessed valuation or \$50,000, whichever is greater. The purpose of the fund is to indemnify the Treasurer for judgments against the Treasurer arising from tax sales.

Child Advocacy Center Fund

To account for monies collected for the purpose of establishing and maintaining a Children's Advocacy Center to coordinate the investigation, prosecution, and treatment referral of child abuse.

Sheriff's Drug Forfeiture Fund

To account for proceeds from forfeitures received by the fund and used by the County Sheriff for certain investigative and training expenditures.

Tax Sale in Error Interest Payment Fund

To account for certain fees collected during the tax sale process by the County Collector and the expenditure of those funds for court ordered payments.

Road Districts Truck Fund

To account for certain pooled resources of the County's road districts for the purpose of maintaining certain roads in the County.

AGENCY FUNDS

Circuit Clerk's Fund

Functions as a clearing account for the operations of the Office of the Circuit Clerk. Clerk's fees, fines and bail bond deposits and other deposits are received by the fund and retained until proper disposition of the funds is determined. Fees earned are remitted to the General Fund.

Accounts for the collection and distribution of court-ordered child support and alimony payments.

County Clerk's Fund

Functions as a clearing account for the operation of the Office of the County Clerk. Fees earned are remitted to the General Fund.

County Sheriff's Fund

Functions as a clearing account for the operations of the Office of the County Sheriff Fees earned are remitted to the General Fund.

State's Attorney's Fund

Functions as a clearing account for the operations of the Office of the State's Attorney. Fees earned are remitted to the General Fund.

County Collector's General Tax Fund

To account for the collection and distribution of property taxes to the various taxing districts inside and outside of the County.

County Collector's Mobile Home Privilege Tax Fund

To account for the collection and distribution of mobile home privilege tax to the various taxing districts of the County.

Township Bridge Program Fund

To account for the collection of State allotments to road districts for bridge construction projects in the County.

Township Motor Fuel Tax Fund

To account for the collection and distribution of State motor fuel tax allotments for the road districts of the County.

AGENCY FUNDS - continued

Inheritance Tax Fund

To account for collections of State inheritance taxes assessed and their remittance to the State Treasurer.

Payroll Clearing Funds

To account for the payment of salaries and wages of County employees, and the related payroll taxes and certain employee benefits.

Inmates Fund

To account for commissary transactions at the County jail and other amounts credited to the benefit of County jail inmates.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

NOVEMBER 30, 2013

				Totals		S 218,836	168	390	42,940	262,334		878	878		\$ 261.456	
	Road	Districts	Truck	Fund		\$ 106,895	•	'	42,940	149,835		878	878		\$ 148.957	
	Tax sale in	Error Interest	Payment	Fund		\$ 10,850	ı	·	T	10,850		•			S 10.850	
Private-Purpose Trust Funds	Sheriff's	Drug	Forfeiture	Fund		•	•	•	1	•		1	·		1 69	
Private-Purp	Child	Advocacy	Center	Fund		\$ 2,090		1	T	2,090		1	•		\$ 2.090	
			Indemnity	Fund		\$ 97,417	168	•	ı	97,585		1	•		\$ 97.585	
		Law	Library	Fund		\$ 1,584	1	390	1	1,974		1			\$ 1.974	
					ASSETS	Cash	Receivables	Due from other funds	Capital assets, net	Total assets	LIABILITIES	Accounts payable	Total lia hilities	NET POSITION Held in trust for -	Individuals, organizations, and other governments	D

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED NOVEMBER 30, 2013

Private-Purpose Trust FundsChildSheriff'sTax Sale inRoadLawAdvocacyDrugError InterestDistrictsbraryIndemnityCenterForfeiturePaymentTruck'undFundFundFundTotals	3,545 \$ 3,292 \$ 5 \$ \$ \$ \$ 1,166 \$ 36,942 \$ 44,945 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	3,545 3,722 2 - 1,176 37,281 45,726 5,334 - - 5,334 - 5,334 5,334 - - - 5,334 - - - - 5,334 - - - - 5,334 - - - - 5,334 - - - - 5,334 - - - - 5,334 - - - - 5,334 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	<u>1,974 S 97,585 S 2,090 S - S 10,850 S 148,957 S 261,456</u>
Law Library Inc Fund J	1	3,545 5,334 - -	5,334 (1,789) 3,763	
	ADDITIONS Fines, fees, and forfeitures Charges for services Contributions Other Interest	Total additions DEDUCTIONS Costs of maintaining County law library Investigations and training Operating expenses Depreciation	Total deductions Change in net position NET POSITION-BEGINNING	NET POSITION-ENDING

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED AT NOVEMBER 30, 2013

Township Motor Fuel Tax Fund	\$ 474,882 43,536	1 1 1	\$ 518,418	\$ 492,725 - 25,693	\$ 518,418
Township Bridge Program Fund	\$ 70,032	- 10,000 -	\$ 80,032	\$ 80,032	\$ 80,032
County Collector's Mobile Home Tax Fund	1 1		'		1
County Collector's General Tax Fund	315 \$	•••	315 <u>\$</u>	315 \$	315 \$
Co Coll Gene	\$		S	643	\$
State's Attorney's Fund	261 -	320	581	- - 320	581
Attc F	69		÷	Ś	Ś
County Sheriff's Fund	\$ 1,972 -	- 125 63	\$ 2,160	\$ 2,160	\$ 2,160
County Clerk's Fund	\$ 44,324 -	70,000	\$ 114,324	\$ - - 93,083 21,241	S 114,324
Circuit Clerk's Fund	\$ 99,701	1 1 1	S 99,701	\$ 80,167 19,534	\$ 99,701
	ASSETS Cash Receivables	Due from other funds Other Other	Total assets	LJABIL/TTES Accounts payable Due to road districts Due to taxing districts Due to others Due to other funds	Total liabilities

COMBINING STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED AT NOVEMBER 30, 2013

	Inheritance Tax Fund		Payroll Clearing Funds	Ц	Inmates' Fund	Totals
ASSETS	÷	.	70.630	6	10 201	C 781 517
Cash	, ,	•		÷	1/06/1	
Receivables	·		ı		1	43,536
Due from others			I		r	
Due from other funds	1		'		'	10,445
Other	•		ı		1	70,063
Total assets	S	\$	\$ 70,639	\$	\$ 19,391	\$ 905,561
LIABILITIES						
Accounts payable	۱ دی	\$	1	69	ı	\$
Due to road districts	1		ı		ı	572,757
Due to taxing districts	I		ı		·	315
Due to others	I		70,639		19,391	263,541
Due to other funds	1		•		ľ	68,948
Total Kakilian	6	6	002.02	6	102.01	900 6
I otal liabilities	- •	A	\$ 70,039	0	<u>8 19,391</u>	100,008 8