

Carroll County, Illinois

Mount Carroll, Illinois

Financial Report

Year Ended November 30, 2016

Carroll County, Illinois

Year Ended November 30, 2016

Table of Contents

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	16
Reconciliation of the Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Fiduciary Funds -	
Statement of Fiduciary Net Position	20
Notes to Financial Statements	21 - 45
Required Supplementary Information:	
Budgetary Comparison Schedules for:	
General Fund	46
County Highway Fund	47
Illinois Municipal Retirement Fund	48
Community Mental Health Fund	49
Maintenance and Child Support Fund	50
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios	51 - 52
Multiyear Schedule of IMRF Contributions	53
Notes to Required Supplementary Information	54 - 55
Supplementary Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	56 - 62
Combining Statement of Revenues and Expenditures and Changes in Fund Balances	63 - 70
All Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	71 - 74
Schedule of Expenditures from Taxes Extended for Tort Immunity Purposes	75

Carroll County, Illinois

Year Ended November 30, 2016

Illinois Department of Human Services – Consolidated Financial Report	76 - 85
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	86 - 87
Schedule of Finding and Responses	88



Independent Auditor's Report

To the County Board
Carroll County, Illinois
Mount Carroll, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Illinois (the "County"), as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Illinois, as of November 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis and required supplementary information on pages 4 through 13 and 46 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The schedules listed as supplementary information on page 56 through 75 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information on pages 76 through 85 including the "Illinois Department of Human Services Consolidated Financial Report" is presented for purposes of additional analysis as required by the Illinois Department of Human Services and is also not a required part of the basic financial statements. The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
February 21, 2017

Management's Discussion and Analysis

Carroll County, Illinois

Management's Discussion and Analysis

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

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2016 and the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the basic financial statements, notes to the financial statements, required and supplementary information.

FINANCIAL HIGHLIGHTS FOR FY2016

- The County's assets exceeded its liabilities at the close of the fiscal year by \$11.3 million (net position). Of this amount, \$0.8 million (unrestricted net position) may be used to meet the County's ongoing obligations.
- The County's total net position decreased by \$0.4 million during fiscal year 2016 as reported in the statement of activities.
- The County's major revenue consisted of \$2.9 million in property tax distributions, \$1.4 million in operating grants and contributions, and \$1.2 million in charges for services.
- At the close of fiscal year 2016, the County's governmental funds reported combined ending fund balances of \$6.0 million, an increase of \$144 thousand in comparison to the prior year.
- At the end of fiscal year 2016, the unassigned fund balance in the General Fund was \$1.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

Carroll County, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

These statements highlight the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Carroll County include general control and administration, public safety, judiciary and court related, public health, public welfare, transportation, and corrections. There are no business-type activities accounted for by the County.

Fund Financial Statements

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

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

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

Carroll County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major funds, (the General Fund, the County Highway, Illinois Municipal Retirement, Community Mental Health, and the Maintenance and Child Support Fund). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Carroll County, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

Notes to the Financial Statements

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

Required Supplementary Information

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

Supplementary Information

This information as discussed earlier in connection with the non-major governmental funds, agency funds, tort immunity expenditures, and Illinois Department of Human Services – Consolidated Financial Report are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously addressed, net position may serve the purpose over time as a useful indicator of a government's financial position. To that end, Carroll County's assets exceeded its liabilities by \$11.3 million for FY2016.

Carroll County, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table represents a condensed Statement of Net Position of the County for governmental activities as of November 30, 2016 and 2015.

Net Position (in millions) Governmental Activities November 30		
	2016	2015
Current assets	\$9.3	\$9.2
Noncurrent assets	6.1	6.4
Total assets	15.4	15.6
Deferred outflows of resources	1.7	1.0
Total assets and deferred outflows of resources	17.1	16.6
Current liabilities	0.3	0.4
Noncurrent liabilities	2.4	1.5
Total liabilities	2.7	1.9
Deferred inflows of resources	3.1	3.0
Total liabilities and deferred inflows of resources	5.8	4.9
Net position		
Net investment in capital assets	6.0	6.2
Restricted	4.5	4.2
Unrestricted	0.8	1.3
Total net position	\$11.3	\$11.7

At November 30, 2016, the County is able to report positive balances in all three categories of net position.

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

Carroll County, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

Changes in Net Position (in millions)		
Governmental Activities		
For the year ended November 30		
	2016	2015
Revenues:		
Program revenues:		
Charge for services	\$1.2	\$1.4
Operating grants and contributions	1.4	1.4
Capital grants and contributions	0.5	0.4
General revenue:		
Local property taxes	2.9	2.8
Sales taxes	0.5	0.4
State income taxes	0.6	0.7
Public safety taxes	0.2	0.2
Other taxes	0.3	0.3
Unrestricted investment earnings	0.0	0.0
Miscellaneous	0.1	0.1
Total revenues	7.7	7.7
Expenses:		
General control and administration	1.9	1.6
Public safety	1.8	1.6
Judiciary and court related	1.0	0.8
Public health	0.4	0.3
Public welfare	0.6	0.7
Transportation	2.0	1.8
Corrections	0.4	0.3
Interest	0.0	0.0
Total expenses	8.1	7.1
Change in net position	(0.4)	0.6
Net position, beginning, as restated	11.7	11.1
Net position, ending	\$11.3	\$11.7

The County's 2016 total revenues come from a variety of sources including 38% from property taxes, and 20% of every dollar raised comes from some other type of tax. Another 18% comes from operating grants and contributions along with 16% from fees charged for services.

The County's 2016 expenses cover a range of services, with about 25% related to transportation and 23% related to general control and administration. Another 22% is devoted to public safety along with 12% towards judiciary and court related services.

Carroll County, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Net position decreased \$0.4 million from the previous year. For the fiscal year ended November 30, 2016 revenues from governmental activities totaled \$7.7 million. Tax revenues (\$4.5 million, or 58%) represent the largest source. Operating grants and contributions in 2016 account for \$1.4 million (18%) of the governmental activities revenue. These are mainly derived from federal and state grants.

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

For the year ended November 30, 2016		
	Total cost of service (in millions)	Net cost of service (in millions)
General control and administration	\$1.9	\$1.4
Public safety	1.8	1.4
Judiciary and court related	1.0	0.4
Public health	0.4	0.1
Public welfare	0.6	0.5
Transportation	2.0	0.8
Corrections	0.4	0.4
Interest	0.0	0.0
Total governmental activities	\$8.1	\$5.0

For the year ended November 30, 2015		
	Total cost of service (in millions)	Net cost of service (in millions)
General control and administration	\$1.6	\$1.1
Public safety	1.6	1.2
Judiciary and court related	0.8	0.2
Public health	0.3	0.1
Public welfare	0.7	0.4
Transportation	1.8	0.6
Corrections	0.3	0.3
Interest	0.0	0.0
Total governmental activities	\$7.1	\$3.9

For the fiscal year ended November 30, 2016, expenses for governmental activities totaled \$8.1 million. Transportation related expenses accounted for \$2.0 million (25%) of the total governmental activities expenses in 2016. Various funds established for the County Highway Department account for these expenses.

General control and administrative expenses accounted for \$1.9 or 23% of the governmental activities total. These expenses are used for the operations of departments conducting such functions as administrative and financial functions, elections, document recording and retrieval, and assessment of property.

Carroll County, Illinois

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Public Safety (22% of the total) accounted for \$1.8 million in expenses during 2016. The highest percentage of public safety is directly tied to the operations of the Sheriff's Department. The coroner, animal control, and emergency service function is also part of this activity group.

Judiciary and Court related expenses totaled \$1.0 million (12%) in 2016. Expenses relating to the circuit court, public defender, court services, and the State's Attorney relate to this function.

Public Welfare related expenses represented \$0.6 million (8%) of the total governmental expenses activity. The highest percentage of public welfare is directly tied to the operations of the public transportation grant.

Public Health related expenses represented \$0.4 million (5%) of the total governmental expenses activity. These expenses are used for the operations of the health department.

Corrections related expenses represented \$0.4million (5%) of the total governmental expenses activity. These expenses are used for the operations of the county jail.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year the County's governmental funds reported combined ending fund balances of \$6.0 million, an increase of \$144 thousand in comparison with the previous fiscal year.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1.5 million. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures.

The fund balance of the General Fund decreased by \$0.4 million before transfers during the current fiscal year.

For the year ended November 30, 2016			
	(A) Unassigned/Restricted fund balance (in millions)	(B) Total expenditures (in millions)	(A) / (B) Percent of Expenditures to Fund Balance
General Fund	\$1.5	\$3.7	40.3%
County Highway	\$0.5	\$0.7	69.1%

Carroll County, Illinois

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

	For the year ended November 30, 2015		
	(A) Unassigned/Restricted fund balance (in millions)	(B) Total expenditures (in millions)	(A) / (B) Percent of Expenditures to Fund Balance
General Fund	\$1.5	\$3.6	43.2%
County Highway	\$0.5	\$0.9	55.2%

Budgetary Highlights

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

General Fund Budgetary Variances

Revenues

The most significant revenue sources for all funds during fiscal year 2016 continue to be property taxes and intergovernmental sources. There were no significant variances compared to budget.

Expenditures

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

General control and administration expenses for 2016 were \$1,355,182 compared with budgeted amount of \$1,476,838. The County over budgeted for health insurance, GIS, and general utilities.

Highway Fund Budgetary Variances

Revenues

The most significant revenue sources for all funds during fiscal year 2016 continue to be property taxes, intergovernmental revenues, and revenues from services. Intergovernmental revenues for 2016 were \$130,837 compared to budgeted amount of \$176,000. The variance is as a result of the County not receiving flood control land lease revenue as well as a decrease in township revenue for street projects.

Expenditures

Transportation expenses for 2016 were \$703,417 compared with budgeted amount of \$843,320. The County did not have as many County road projects or equipment purchases as anticipated.

Illinois Municipal Retirement Fund Budgetary Variances

Revenues

There were no significant variances compared to budget.

Expenditures

There were no significant variances compared to budget.

Carroll County, Illinois

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

Community Mental Health Fund Budgetary Variances

Revenues

There were no significant variances compared to budget.

Expenditures

There were no significant variances compared to budget.

Maintenance and Child Support Fund Budgetary Variances

Revenues

There were no significant variances compared to budget.

Expenditures

There were no significant variances compared to budget.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets

Carroll County's investment in capital assets for its governmental activities at year end totaled \$6.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and highway infrastructure such as roads and bridges. There were \$0.2 million of capital asset additions recorded during the year and \$0.4 million of depreciation charges were expensed on the total capital assets. More detailed information can be found in Note 5 of the financial statements.

Net Book Value of Capital Assets at November 30 (in millions)		
	2016	2015
Land and other nondepreciable assets	\$0.1	\$0.1
Buildings	0.3	0.3
Building improvements	0.8	0.8
Office furniture, equipment and vehicle	0.7	0.7
Infrastructure	4.3	4.5
Total	\$6.2	\$6.4

Debt Administration

At November 30, 2016, the County had \$141 thousand in governmental activities long term debt which consisted of a capital lease. Amounts due next year on these obligations are \$34 thousand. See Notes 11 and 12 for details of debt.

Governmental Activities Outstanding Debt at November 30, 2016 (in millions)	
Capital leases	\$0.1

Governmental Activities Outstanding Debt at November 30, 2015 (in millions)	
Capital leases	\$0.2

Carroll County, Illinois

Management's Discussion and Analysis

ECONOMIC FACTORS

Unemployment is stable with no change from November of 2015 to December of 2016 at 5.3%.

Based on the U.S. Census Bureau, the County's population is estimated at 14,715 in 2016 a decrease from the 2010 census of 15,387.

Municipal and Supplemental sales tax revenue are stable and have decreased in 2016. County property tax revenues collected in 2016 were approximately one percent more than the 2015 collection.

REQUESTS FOR INFORMATION

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

Diane Powers
County Treasurer
Carroll County, Illinois
301 North Main
Mount Carroll, IL 61053
Phone number (815) 244-0243

Basic Financial Statements

Carroll County, Illinois

Statement of Net Position

November 30, 2016

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Cash on hand and in bank	\$5,579,287
Deposits	51,514
Investments	8,654
Inventory	1,860
Property taxes receivable	2,975,200
Accounts receivable	65,314
Due from State of Illinois	557,932
Prepaid expenses	30,000
Total current assets	9,269,761
Capital assets:	
Land and other non-depreciable assets	109,056
Depreciable property and equipment, net of depreciation	6,054,228
Total capital assets	6,163,284
Deferred outflows of resources -	
Deferred outflows of pension resources	1,678,985
Total assets and deferred outflows of resources	17,112,030
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Accounts payable and accrued payroll	329,383
Accrued compensated absences due within one year	0
Capital lease payable	34,265
Total current liabilities	363,648
Accrued compensated absences due in more than one year	121,115
Capital lease payable	107,175
Net pension liability	2,151,004
Total noncurrent liabilities	2,379,294
Deferred inflows of resources -	
Deferred inflows of pension resources	116,089
Unavailable property taxes	2,975,200
Total deferred inflows of resources	3,091,289
Total liabilities and deferred inflows of resources	5,834,231
NET POSITION	
Net investment in capital assets	6,021,844
Restricted	4,473,607
Unrestricted	782,348
Total net position	\$11,277,799

See Accompanying Notes to Financial Statements.

Carroll County, Illinois

Statement of Activities

For the year ended November 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General control and administration	\$1,849,783	\$443,964	\$39,348	\$0	(\$1,366,471)
Public safety	1,781,078	96,326	241,947	1,007	(1,441,798)
Judiciary and court related	1,024,775	354,499	253,678	0	(416,598)
Public health	375,276	93,363	230,739	0	(51,174)
Public welfare	646,045	0	190,788	0	(455,257)
Transportation	2,031,544	214,326	449,488	516,939	(850,791)
Corrections	389,261	0	0	0	(389,261)
Interest	3,675	0	0	0	(3,675)
Total governmental activities	\$8,101,437	\$1,202,478	\$1,405,988	\$517,946	(4,975,025)

General revenues:

Taxes:

Property taxes	2,885,334
Sales taxes	433,714
State income taxes	605,579
Public safety taxes	207,812
Other	316,589
Unrestricted investment earnings	19,828
Miscellaneous	75,200
Total general revenues	4,544,056

Change in net position (430,969)

Net position - beginning 11,708,768

Net position - ending **\$11,277,799**

Carroll County, Illinois

Governmental Funds

Balance Sheet

November 30, 2016

ASSETS	General	County Highway	Illinois Municipal Retirement	Community Mental Health	Maintenance and Child Support	Other Governmental Funds	Total Governmental Funds
Cash on hand	\$926	\$100	\$0	\$0	\$0	\$200	\$1,226
Cash in banks	1,269,942	500,454	265,426	15,296	111,687	3,415,256	5,578,061
Deposits	1,514	0	0	0	50,000	0	51,514
Investments	8,654	0	0	0	0	0	8,654
Inventory	813	0	0	0	0	1,047	1,860
Property taxes receivable	940,000	355,000	430,000	340,000	0	910,200	2,975,200
Accounts receivable	44,368	1,968	0	0	0	18,978	65,314
Due from other governments	304,055	0	0	0	0	253,877	557,932
Prepaid expenses	30,000	0	0	0	0	0	30,000
Due from other funds	0	0	0	0	0	0	0
Total assets	\$2,600,272	\$857,522	\$695,426	\$355,296	\$161,687	\$4,599,558	\$9,269,761
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$62,456	\$6,310	\$0	\$10,000	\$90	\$91,982	\$170,838
Accrued payroll	106,245	10,344	16,535	0	0	25,421	158,545
Accrued compensated absences	0	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0	0
Total liabilities	168,701	16,654	16,535	10,000	90	117,403	329,383
Deferred inflows of resources -							
Unavailable property taxes	940,000	355,000	430,000	340,000	0	910,200	2,975,200
Fund balances:							
Nonspendable	30,813	0	0	0	0	1,047	31,860
Restricted	0	485,868	248,891	5,296	161,597	3,570,908	4,472,560
Committed	0	0	0	0	0	0	0
Unassigned	1,460,758	0	0	0	0	0	1,460,758
Total fund balances	1,491,571	485,868	248,891	5,296	161,597	3,571,955	5,965,178
Total liabilities, deferred inflows of resources and fund balances	\$2,600,272	\$857,522	\$695,426	\$355,296	\$161,687	\$4,599,558	\$9,269,761

See Accompanying Notes to Financial Statements.

Carroll County, Illinois

Reconciliation of the Balance Sheet to the Statement of Net Position For the year ended November 30, 2016

Total fund balances - governmental funds	\$5,965,178
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Net book value of assets reported.	6,163,284
Accrued long-term employee benefits are not due and payable in the current period and therefore are not reported as liabilities of the funds, but are included as liabilities and deferred items in the statement of net position	
Accrued net pension liability and related deferred outflows/inflows of resources	(588,108)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds -	
Capital leases	(141,440)
Compensated absences not due and payable from current resources are not reported in the governmental funds.	<u>(121,115)</u>
Total net position - governmental activities	<u><u>\$11,277,799</u></u>

Carroll County, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended November 30, 2016

	General	County Highway	Illinois Municipal Retirement	Community Mental Health	Maintenance and Child Support	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$917,030	\$339,641	\$369,700	\$338,724	\$0	\$920,239	\$2,885,334
Intergovernmental revenue	1,655,000	130,837	0	0	0	1,701,791	3,487,628
Licenses and permits	0	0	0	0	0	6,090	6,090
Revenues from services, fees, and fines	656,593	214,326	0	0	668	324,801	1,196,388
Revenue from use of money and property	4,893	1,068	712	117	463	12,575	19,828
Other revenue	38,441	25,596	0	0	0	11,163	75,200
Total revenues	3,271,957	711,468	370,412	338,841	1,131	2,976,659	7,670,468
Expenditures:							
Current:							
General control and administration	1,292,908	0	88,467	0	0	340,382	1,721,757
Public safety	1,222,634	0	138,524	0	0	249,455	1,610,613
Judiciary and court related	775,717	0	84,309	0	2,264	80,139	942,429
Public health	0	0	277	0	0	343,560	343,837
Public welfare	32,631	0	1,434	339,280	0	271,458	644,803
Transportation	800	584,075	47,258	0	0	1,065,230	1,697,363
Corrections	313,258	0	33,974	0	0	18,529	365,761
Debt service:							
Principal	0	33,560	0	0	0	0	33,560
Interest	0	3,675	0	0	0	0	3,675
Capital outlay	62,274	82,107	0	0	0	18,226	162,607
Total expenditures	3,700,222	703,417	394,243	339,280	2,264	2,386,979	7,526,405
Excess (deficiency) of revenues over expenditures	(428,265)	8,051	(23,831)	(439)	(1,133)	589,680	144,063
Other financing sources and (uses):							
Proceeds from capital lease	0	0	0	0	0	0	0
Transfers in	318,906	0	5,899	0	0	82,457	407,262
Transfers out	(10,000)	0	(24,682)	0	(3,003)	(369,577)	(407,262)
Net change in fund balance	(119,359)	8,051	(42,614)	(439)	(4,136)	302,560	144,063
Fund balances, beginning of year	1,610,930	477,817	291,505	5,735	165,733	3,269,395	5,821,115
Fund balances, end of year	\$1,491,571	\$485,868	\$248,891	\$5,296	\$161,597	\$3,571,955	\$5,965,178

See Accompanying Notes to Financial Statements.

Carroll County, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the year ended November 30, 2016

Net change in fund balance - Governmental funds	\$144,063
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Donated capital assets are only reported in the statement of activities. This is the amount by which newly capitalized fixed assets exceeds depreciation expense in the period.	(242,057)
The net effect of various transactions involving capital assets (i.e., disposals and sales) is to decrease net position.	(204)
In the statement of activities, postretirement obligations, net pension obligations, and deferred sources are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year net pension liabilities and related deferred outflows exceed the amount paid by.	(332,682)
Repayment of capital leases are reported in governmental funds as expenditures, but the repayment reduced long-term liabilities in the statement of net position: Capital lease repayment	33,560
Vacation and compensated pay for employees is expensed in the statement of activities. However, since these amounts will not be paid from current resources, this expense is not recorded in the governmental funds. This is the amount by which vacation and compensated pay increased over the prior period.	<u>(33,649)</u>
Change in net position of governmental activities	<u><u>(\$430,969)</u></u>

Carroll County, Illinois

Statement of Fiduciary Net Position

November 30, 2016

ASSETS	Agency Funds
Cash in banks	\$681,242
Deposits	40,693
Investments	78
Accounts receivable	48,305
Due from other governments	58,213
Total assets	\$828,531
 LIABILITIES	
Accounts payable	\$41,744
Agency funds due to others	786,787
Total liabilities	\$828,531

See Accompanying Notes to Financial Statements.

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Introduction

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

Description of Government-wide Financial Statements

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

Financial Reporting Entity

The County is governed by a nine-member County Board. The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship.

Blended Component Unit - The 911 Fund serves all the citizens of the County. The budget and appropriation ordinance is approved by the 911 Board of Trustees, and the legal liability for any 911 Fund debt remains with the County. The 911 Fund is reported as a Special Revenue Fund.

Joint Ventures

The County has entered into an intergovernmental agreement with Jo Daviess County, Illinois to establish an entity known as the Jo-Carroll Depot Local Redevelopment Authority (LRA). This LRA replaces an entity previously known as the Savanna Army Depot Local Redevelopment Authority. The former entity was charged with the authority to prepare a plan for the re-use of the Savanna Army Depot facilities in accordance with the Base Closure Community Redevelopment Assistance Act. The current LRA is charged with the authority to implement the re-use plan for the Savanna Army Depot and to modify the plan as may become necessary. Both Counties are jointly and severally liable for all liabilities, debts and obligations of any kind incurred by the LRA. The County's share of LRA's operating expenses for the fiscal year ended November 30, 2016 was \$0. The agreement provides for the LRA to consent to an audit of its funds by either County as either County may direct. These financial statements are available through the Jo-Carroll Depot Local Redevelopment Authority offices in Savanna, Illinois.

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Basis of Presentation – Government-wide Financial Statements

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

Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the County except those which are required to be accounted for in another fund. This fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Department and accounted for in the general fund include general control and administration, county development, public safety, judiciary and court related public health, and other miscellaneous expenditures.

County Highway Fund – This fund is used to operate the County Highway Department, including, but not limited to salaries, supplies, and purchase of machinery and equipment.

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

Community Mental Health Fund – This fund is used to assist local public welfare non-profit agencies.

Maintenance and Child Support Fund – This fund is used to operate the County services of collecting and distributing maintenance and child support payments. The County collects an annual \$36 fee from users of this service to help pay for postage, supplies, and wages relating to maintenance and child support payments.

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

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

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Basis of Presentation – Fund Financial Statements (continued)

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

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

Measurement Focus and Basis of Accounting

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

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

Use of Estimates

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

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

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

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Cash and Cash Equivalents

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

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

Investments

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

Inventories and Prepaid Items

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

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

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Capital Assets

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

Land	\$20,000
Land improvements	5,000
Buildings	20,000
Building improvements	5,000
Vehicles	2,000
Office furniture and equipment	2,000
Infrastructure	20,000
Software	5,000

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

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

Land improvements	1-20 years
Buildings	1-50 years
Building improvements	1-50 years
Vehicles	1-10 years
Office furniture and equipment	1-10 years
Infrastructure	1-40 years
Software	1-5 years

Deferred Outflows/Inflows of Resources

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

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Net Position Flow Assumption

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

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Fund Balance Policies (continued)

To avoid service disruption due to revenue short falls, the County Board has set a minimum of 30% fund balance target of annual expenses and transfers for funds that routinely pay wages and benefits. These funds are the General Fund, Highway Fund, Motor Fuel Tax Fund, Social Security Fund, IMRF Fund, GIS Fund and the County Health Fund. If the fund balance drops below the 30% value, the County Board will develop an action plan to restore the fund balance to the desired level.

Program Revenues

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

Property Taxes

The County's property tax is levied each year on all taxable real property located in the County. Since the 2016 property tax levy is levied to finance the operations of fiscal year 2017, the 2016 property tax is recorded as a receivable and the 2016 property tax revenue is unavailable. The 2015 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2016. The County must file its tax levy by the last Tuesday of December each year. The 2015 levy was approved on November 19, 2015. The 2016 levy was approved on November 18, 2016.

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

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

Compensated Absences

Vacation -The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability will be paid from available funds within 60 days after year end. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave - Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists.

Carroll County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Pensions

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

Note 2 Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the year ended November 30, 2016, expenditures exceeded appropriations in the following Funds.

Fund	Amount
Squad Car Acquisition and Maintenance	\$2,369
Historical Society	\$19,782

Deficit Fund Equity

At November 30, 2016, there were no funds with a deficit fund balance.

Note 3 Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of November 30, 2016, the County's bank balance was \$6,480,303 and the entire balance was insured and collateralized with securities in the County's name.

Note 4 Investments

As of November 30, 2016, the County had the following investments:

	Fair Value		
	Statement of Net Position	Statement of Fiduciary Net Position	Total
Illinois Funds Money Market Fund	\$8,654	\$78	\$8,732

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

Carroll County, Illinois

Notes to Financial Statements

Note 4 Investments (continued)

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13-24 Months	25-60 Months	
Local government investment pool	\$8,732	\$0	\$0	\$8,732

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U.S. Government obligations are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. Presented below is the actual rating as of year-end for each investment type:

Investment Type	Total as of November 30, 2016	AAAm	Aa	Unrated
Local government investment pool	\$8,732	\$8,732	\$0	\$0

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

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

As of November 30, 2016, there are no investments with custodial credit risk in that all of its investments are insured.

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

Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2016 is as follows:

Governmental activities:	Balance 12/1/2015	Increases	Decreases and Transfers	Balance 11/30/2016
Capital assets, not being depreciated:				
Land	\$85,032	\$0	\$0	\$85,032
Construction in progress	24,024	0	0	24,024
Total capital assets, not being depreciated:	109,056	0	0	109,056

Carroll County, Illinois

Notes to Financial Statements

Note 5 Capital Assets (continued)

Governmental activities:	Balance 12/1/2015	Increases	Decreases and Transfers	Balance 11/30/2016
Capital assets, being depreciated:				
Buildings	588,081	0	0	588,081
Building improvements	1,236,669	10,000	0	1,246,669
Office furniture, equipment and vehicle	4,621,567	152,607	(178,280)	4,595,894
Infrastructure	6,051,006	0	0	6,051,006
Total capital assets, being depreciated:	12,497,323	162,607	(178,280)	12,481,650
Accumulated depreciation:				
Buildings	(324,218)	(11,027)	0	(335,245)
Building improvements	(377,733)	(36,221)	0	(413,954)
Office furniture, equipment and vehicle	(3,932,488)	(152,285)	178,076	(3,906,697)
Infrastructure	(1,566,395)	(205,131)	0	(1,771,526)
Total accumulated depreciation	(6,200,834)	(404,664)	178,076	(6,427,422)
Total capital assets, being depreciated, net	6,296,489	(242,057)	(204)	6,054,228
Governmental activities capital assets, net	\$6,405,545	(\$242,057)	(\$204)	\$6,163,284

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General control and administration	\$41,368
Public safety	49,114
Judiciary and court related	2,056
Public health	9,030
Transportation	303,096
Total depreciation expense, governmental activities	\$404,664

Note 6 Retirement Plans

Illinois Municipal Retirement Fund

IMRF Plan Description

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

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

Benefits Provided

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

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

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

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

Regular Plan (RP):

Employees Covered by the Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	17
Active plan members	48
Total	108

Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 12.08%. For the fiscal year ended November 30, 2016, the County contributed \$257,033 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

Net Pension Liability

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

Actuarial assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

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

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

Regular Personnel (RP) (continued):

Single Discount Rate

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

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

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

Changes in the Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	\$11,381,866	\$10,266,548	\$1,115,318
Changes for the year:			
Service cost	223,551	0	223,551
Interest on the total pension liability	844,274	0	844,274
Differences between expected and actual experience of the total pension liability	(60,454)	0	(60,454)
Changes of assumptions	14,957	0	14,957
Contributions – employer	0	301,109	(301,109)
Contributions – employees	0	93,542	(93,542)
Net investment income	0	51,211	(51,211)
Benefit payments, including refunds of employee contributions	(443,251)	(443,251)	0
Other (net transfer)	0	(35,229)	35,229
Net changes	579,077	(32,618)	611,695
Balances at December 31, 2015	\$11,960,943	\$10,233,930	\$1,727,013

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

Regular Personnel (RP) (continued):

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

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

	1% Lower (6.48%)	Current Discount (7.48%)	1% Higher (8.48%)
Net pension liability	\$3,358,517	\$1,727,013	\$401,280

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

For the year ended November 30, 2016, the County recognized pension expense of \$257,033. At November 30, 2016, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$81,226	\$48,040
Changes of assumptions	267,237	0
Net difference between projected and actual earnings on pension plan investments	654,412	0
Total deferred amounts to be recognized in pension expense in future periods	1,002,875	48,040
Pension contributions made subsequent to the measurement date	238,227	0
Total deferred amounts related to pensions	\$1,241,102	\$48,040

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

Regular Personnel (RP) (continued):

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

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$276,172
2017	276,172
2018	267,487
2019	135,004
2020	0
Thereafter	0
Total	\$954,835

Payable to the Pension Plan

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

Sheriff's Law Enforcement (SLEP):

Employees Covered by the Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	15
Total	30

Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 16.53%. For the fiscal year ended November 30, 2016, the County contributed \$105,300 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Benefits (continued)

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

Actuarial assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.49%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

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

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Benefits (continued)

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

Single Discount Rate

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

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

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

Changes in the Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	\$4,429,155	\$4,299,226	\$129,929
Changes for the year:			
Service cost	132,357	0	132,357
Interest on the total pension liability	331,999	0	331,999
Differences between expected and actual experience of the total pension liability	(54,068)	0	(54,068)
Changes of assumptions	5,393	0	5,393
Contributions – employer	0	114,848	(114,848)
Contributions – employees	0	66,088	(66,088)
Net investment income	0	21,605	(21,605)
Benefit payments, including refunds of employee contributions	(137,369)	(137,369)	0
Other (net transfer)	0	(80,922)	80,922
Net changes	278,312	(15,750)	294,062
Balances at December 31, 2015	\$4,707,467	\$4,283,476	\$423,991

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

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

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

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

	1% Lower (6.49%)	Current Discount (7.49%)	1% Higher (8.49%)
Net pension liability	\$1,005,947	\$423,991	(\$57,191)

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

For the year ended November 30, 2016, the County recognized pension expense of \$105,300. At November 30, 2016, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$0	\$68,049
Changes of assumptions	67,262	0
Net difference between projected and actual earnings on pension plan investments	273,544	0
Total deferred amounts to be recognized in pension expense in future periods	340,806	68,049
Pension contributions made subsequent to the measurement date	97,077	0
Total deferred amounts related to pensions	\$437,883	\$68,049

Carroll County, Illinois

Notes to Financial Statements

Note 6 Retirement Plans (continued)

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

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

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$73,112
2017	73,112
2018	73,114
2019	61,539
2020	(8,111)
Thereafter	(9)
Total	\$272,757

Payable to the Pension Plan

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

Note 7 Deferred Compensation Plan

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

Note 8 Other Postemployment Benefits

The County has evaluated its potential other postemployment benefits liability. The County provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the County are required to pay 100% of the current premium. However, only two former employees have chosen to stay in the County's current health insurance plan. Therefore, there has been low utilization and, therefore, an immaterial implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the County has no former employees for whom the County was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the County has not recorded any postemployment benefit liability as of November 30, 2016.

Carroll County, Illinois

Notes to Financial Statements

Note 9 Construction and Other Significant Commitments

Construction commitments. There are no significant construction commitments as of November 30, 2016.

Note 10 Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to protect against such risks of loss, the County purchases insurance coverage. The maximum deductible in effect through these policies as of November 30, 2016 was \$2,000. During the year ended November 30, 2016, there were no significant reductions in coverage. Also, there have been no settlements which have exceeded insurance coverage in the past three years.

For risks of loss related to injuries to employees, the County purchases coverage through the Illinois Counties Risk Management Pool. Potentially the County could be assessed additional premiums for its share of any losses of the pool. Historically, the County has not been assessed any additional premiums.

Note 11 Lease Obligations

Capital Lease

The County entered into a capital lease for the purchase of a John Deere Grader in the amount of \$225,000 for the Highway Department. The scheduled minimum lease payment under the lease agreement includes interest of 2.10%.

Leased equipment under capital leases in capital assets, included the following:

Equipment	\$225,000
Less: accumulated depreciation	(26,250)
Total	\$198,750

The future minimum lease obligations and the net present value of these minimum lease payments as of November 30, 2016 were as follows:

Fiscal Year Ended November 30,	
2017	\$37,236
2018	37,236
2019	37,236
2020	37,236
Less imputed interest	(7,504)
Present value of minimum lease payments	\$141,440

Carroll County, Illinois

Notes to Financial Statements

Note 11 Lease Obligations (continued)

Operating Lease

The County leases various software under operating lease agreements which expire in 2020. Total lease expense paid for November 30, 2016 was \$39,842. The following is a schedule of future minimum lease payments under operating leases at November 30, 2016:

Fiscal Year Ended November 30,	Operating Leases
2017	\$39,756
2018	23,344
2019	23,344
2020	23,344
	\$109,788

Note 12 Long-Term Debt

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

	Balance 12/1/2015	Increase	Decrease	Balance 11/30/2016	Amounts Due Within One Year
Long-term debt:					
Capital lease	\$175,000	\$0	\$33,560	\$141,440	\$34,265
Compensated absences	122,483	155,032	156,400	121,115	0
Totals	\$297,483	\$155,032	\$189,960	\$262,555	\$34,265

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$339,923,492. As of November 30, 2016, the County had \$19,545,601 remaining legal debt margin.

Note 13 Net Position

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

Governmental Activities:

Net investment in capital assets:

Land and other non-depreciable assets	\$109,056
Other capital assets, net of accumulated depreciation	6,054,228
Less: related long-term debt outstanding	(141,440)
Total invested in capital assets, net of related debt	6,021,844

Restricted:

State statutes and enabling legislation	4,466,137
Externally imposed by grantors	7,470
Total restricted	4,473,607

Unrestricted	782,348
--------------	---------

Total governmental activities net position	\$11,277,799
---	---------------------

Carroll County, Illinois

Notes to Financial Statements

Note 14 Fund Balance

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

The County commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The County has no committed balances at year end.

Assigned Fund Balance

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

Unassigned Fund Balance

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

Nonspendable Fund Balance

Major Funds:	
General Fund - prepaid	\$30,000
General Fund - inventory	813
Non-Major Funds -	
Health Department - Inventory	1,047
Total nonspendable fund balance	\$31,860

Carroll County, Illinois

Notes to Financial Statements

Note 14 Fund Balance (continued)

Restricted Fund Balance

Major Funds:

State statutes and enabling legislation:

County Highway	\$485,868
Illinois Municipal Retirement	248,891
Community Mental Health	5,296
Maintenance and Child Support	161,597

Non-Major Funds:

State statutes and enabling legislation:

County Bridge	426,427
911	302,276
Matching	737,997
Motor Fuel Tax	312,143
Court Security Fee	77,818
State's Attorney Drug Fines and Forfeiture	21,771
Senior Citizen	3,053
Social Security	340,135
Tourism Promotion	33,880
Court Automation	17,963
Law Library	10,768
Electronic Monitoring	5,446
Probation Service Fee	51,932
Document Storage Fee	18,773
Geographic Information Systems	32,185
Animal Control	12,469
Tax Sale Automation	13,412
DUI Enforcement Equipment	7,034
Geographic Information Systems Fee Resolution	9,516
County Recorder's Automation	94,197
Vital Records Automation	26,340
Liability Insurance	508,096
County Health Department	371,508
States Attorney Task Force	11,060
Public Safety Tax	60,136
Pet Population Control	13,900
Squad Car Acquisition and Maintenance	5,475
Victims Impact	4,466
Failure to Appear	6,214
Circuit Clerk Operation and Administration	11,544
Sex Offender Registry	1,712
Coroner's Fees	13,792

Externally imposed by grantors:

State's Attorney VOCA	2,821
Grant	4,649

Total restricted fund balance	\$4,472,560
-------------------------------	-------------

Unassigned Fund Balance

Major Funds -

General Fund	\$1,460,758
--------------	-------------

Carroll County, Illinois

Notes to Financial Statements

Note 15 Interfund Receivables and Payables

There were no interfund balances as of November 30, 2016.

Note 16 Interfund Transfers

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

	Transfers In	Transfers Out
Major funds:		
General Fund	\$318,906	\$10,000
Illinois Municipal Retirement Fund	5,899	24,682
Maintenance and Child Support Fund	0	3,003
Nonmajor funds	82,457	369,577
Total all funds	\$407,262	\$407,262

All transfers were made to simplify cash flows within the County and for budgeted capital outlays and accumulation of funds for future needs of the County.

Note 17 Contingencies

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

Note 18 Impact of Pending Accounting Principles

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

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

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

Carroll County, Illinois

Notes to Financial Statements

Note 18 Impact of Pending Accounting Principles (continued)

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

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

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

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

Note 19 Subsequent Events

In January 2017, the County purchased two dump trucks for a total of \$285,322. The County paid \$145,000 from the County Highway fund, and the remaining \$140,322 was financed through a loan. The loan is to be repaid in full on January 19, 2018 with \$140,322 allocated to principal and \$2,837 allocated to interest, which is 2% of the principal amount of the loan.

In January 2017, the County board approved a contract for 911 services to be the provider of the new CAD system at a total cost of \$179,917. The County will pay a down payment of \$27,869, and the 911 Department will pay a down payment of \$72,378. The rest of the cost will be split by 1/3 to be paid by the County, and 2/3 to be paid by the 911 Department.

In January 2017, the County approved a Local Agency Agreement with the Illinois Department of Transportation for the Galena Street Bridge project Sec 08-00027-00-BR. The County's portion of the project is expected to be \$352,000.

Required Supplementary Information

Carroll County, Illinois

General Fund

Budgetary Comparison Schedule for the General Fund

Required Supplementary Information

For the year ended November 30, 2016

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$940,900	\$917,030	(\$23,870)
Intergovernmental revenue	1,638,900	1,655,000	16,100
Revenues from services, fees, and fines	640,555	656,593	16,038
Revenue from use of money and property	7,300	4,893	(2,407)
Other revenue	23,650	38,441	14,791
Total revenues	3,251,305	3,271,957	20,652
Expenditures:			
General control and administration	1,476,838	1,355,182	121,656
Public safety	1,263,124	1,222,634	40,490
Judiciary and court related	811,500	775,717	35,783
Public welfare	35,300	32,631	2,669
Transportation	1,500	800	700
Corrections	327,856	313,258	14,598
Total expenditures	3,916,118	3,700,222	200,598
Excess (deficiency) of revenues over expenditures	(664,813)	(428,265)	236,548
Other financing sources (uses):			
Transfers in	406,624	318,906	(87,718)
Transfers out	(10,000)	(10,000)	0
Total other financing sources/(uses)	396,624	308,906	(87,718)
Net change in fund balance	<u>(\$268,189)</u>	<u>(119,359)</u>	<u>\$148,830</u>
Fund balance, beginning of year		<u>1,610,930</u>	
Fund balance, end of year		<u>\$1,491,571</u>	

See Notes to Required Supplementary Information.

Carroll County, Illinois

County Highway Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2016

	Budgeted Amounts		
	Original and Final	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$370,250	\$339,641	(\$30,609)
Intergovernmental revenue	176,000	130,837	(45,163)
Revenues from services, fees, and fines	225,700	214,326	(11,374)
Revenue from use of money and property	700	1,068	368
Other revenue	11,000	25,596	14,596
Total revenues	783,650	711,468	(72,182)
Expenditures -			
Transportation	843,320	703,417	139,903
Other financing sources (uses) -			
Proceeds from capital lease	0	0	0
Net change in fund balance	(\$59,670)	8,051	\$67,721
Fund balance, beginning of year		477,817	
Fund balance, end of year		\$485,868	

See Notes to Required Supplementary Information.

Carroll County, Illinois

Illinois Municipal Retirement Fund
Budgetary Comparison Schedule
Required Supplementary Information
For the year ended November 30, 2016

	Budgeted Amounts		
	Original and Final	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$370,400	\$369,700	(\$700)
Intergovernmental revenue	0	0	0
Revenue from use of money and property	800	712	(88)
Total revenues	371,200	370,412	(788)
Expenditures:			
General control and administration	96,855	88,467	8,388
Public safety	151,658	138,524	13,134
Judiciary and court related	92,303	84,309	7,994
Public health	303	277	26
Public welfare	1,570	1,434	136
Transportation	51,739	47,258	4,481
Corrections	37,195	33,974	3,221
Total expenditures	431,623	394,243	37,380
Excess (deficiency) of revenues over expenditures	(60,423)	(23,831)	36,592
Other financing sources (uses):			
Transfers in	6,203	5,899	(304)
Transfers out	(24,682)	(24,682)	0
Total other financing sources/(uses)	(18,479)	(18,783)	(304)
Net change in fund balance	<u>(\$78,902)</u>	<u>(42,614)</u>	<u>\$36,288</u>
Fund balance, beginning of year		291,505	
Fund balance, end of year		<u>\$248,891</u>	

See Notes to Required Supplementary Information.

Carroll County, Illinois

Community Mental Health

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2016

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
Revenues:			
Property taxes	\$339,200	\$338,724	(\$476)
Revenue from use of money and property	80	117	37
Total revenues	339,280	338,841	(439)
Expenditures -			
Public welfare	339,280	339,280	0
Net change in fund balance	<u>\$0</u>	<u>(439)</u>	<u>(\$439)</u>
Fund balance, beginning of year		<u>5,735</u>	
Fund balance, end of year		<u>\$5,296</u>	

See Notes to Required Supplementary Information.

Carroll County, Illinois

Maintenance and Child Support Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2016

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
Revenues:			
Intergovernmental revenues	\$0	\$0	\$0
Revenue from services, fees and fines	9,000	668	(8,332)
Revenue from use of money and property	600	463	(137)
Total revenues	9,600	1,131	(8,469)
Expenditures -			
Judiciary and court related	15,400	2,264	13,136
Excess (deficiency) of revenues over expenditures	(5,800)	(1,133)	4,667
Other financing sources (uses) -			
Transfers out	(2,997)	(3,003)	(6)
Net change in fund balance	<u>(\$8,797)</u>	<u>(4,136)</u>	<u>\$4,661</u>
Fund balance, beginning of year		<u>165,733</u>	
Fund balance, end of year		<u>\$161,597</u>	

See Notes to Required Supplementary Information.

Carroll County, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

IMRF Regular Plan

Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$223,551	\$235,052								
Interest on the total pension liability	844,274	759,959								
Changes of benefit changes	0	0								
Difference between expected and actual experience of the total pension liability	(60,454)	136,774								
Changes of assumptions	14,957	429,979								
Benefit payments, including refunds of employee contributions	(443,251)	(390,316)								
Net change in total pension liability	579,077	1,171,448								
Total pension liability - beginning	11,381,866	10,210,418								
Total pension liability - ending (a)	\$11,960,943	\$11,381,866								
Plan fiduciary net position:										
Contributions - employer	\$301,109	\$293,354								
Contributions - employees	93,542	92,647								
Net investment income	51,211	588,000								
Benefit payments, including refunds of employee contributions	(443,251)	(390,316)								
Other (net transfers)	(35,229)	41,358								
Net change in plan fiduciary net position	(32,618)	625,043								
Plan fiduciary net position - beginning	10,266,548	9,641,505								
Plan fiduciary net position - ending (b)	\$10,233,930	\$10,266,548								
Net pension liability(asset) - Ending (a) - (b)	1,727,013	1,115,318								
Plan fiduciary net position as a percentage of total pension liability	85.56%	90.20%								
Covered valuation payroll	2,074,773	2,058,826								
Net pension liability as a percentage of covered valuation payroll	83.24%	54.17%								

The County adopted GASB Statement No. 68 in November 2015

Carroll County, Illinois

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

IMRF SLEP Plan

Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$132,357	\$135,571								
Interest on the total pension liability	331,999	304,438								
Changes of benefit changes	0	0								
Difference between expected and actual experience of the total pension liability	(54,068)	(34,557)								
Changes of assumptions	5,393	94,344								
Benefit payments, including refunds of employee contributions	(137,369)	(124,046)								
Net change in total pension liability	278,312	375,750								
Total pension liability - beginning	4,429,155	4,053,405								
Total pension liability - ending (a)	\$4,707,467	\$4,429,155								
Plan fiduciary net position:										
Contributions - employer	\$114,848	\$118,513								
Contributions - employees	66,088	52,782								
Net investment income	21,605	245,249								
Benefit payments, including refunds of employee contributions	(137,369)	(124,046)								
Other (net transfers)	(80,922)	9,875								
Net change in plan fiduciary net position	(15,750)	302,373								
Plan fiduciary net position - beginning	4,299,226	3,996,853								
Plan fiduciary net position - ending (b)	\$4,283,476	\$4,299,226								
Net pension liability(asset) - Ending (a) - (b)	423,991	129,929								
Plan fiduciary net position as a percentage of total pension liability	90.99%	97.07%								
Covered valuation payroll	690,766	703,758								
Net pension liability as a percentage of covered valuation payroll	61.38%	18.46%								

The County adopted GASB Statement No. 68 in November 2015

Carroll County, Illinois
Required Supplementary Information
Multiyear Schedule of IMRF Contributions

Multiyear Schedule of Contributions (IMRF – RP)
Last 10 Fiscal Years

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2016	\$257,033	\$257,033	\$0	\$2,064,551	12.45%
2015	250,378	250,378	0	2,068,145	12.11%

* Estimated based on 12.48% 2016 calendar year contribution rate, 12.08% 2015 calendar year contribution rate, and covered valuation payroll of \$2,064,551.

Multiyear Schedule of Contributions (IMRF – SLEP)
Last 10 Fiscal Years

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2016	\$105,300	\$105,300	\$0	\$664,549	15.85%
2015	115,355	115,355	0	695,032	16.60%

* Estimated based on 15.79% 2016 calendar year contribution rate, 16.53% 2015 calendar year contribution rate, and covered valuation payroll of \$664,549.

The County implemented GASB Statement No. 68 in 11/30/15

Carroll County, Illinois

Notes to Required Supplementary Information

Note 1 Basis of Accounting

Annual budgets are adopted for all governmental funds using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

Note 2 Excess of Disbursements Over Appropriations

There were no major funds that had excess of expenditures over appropriations for fiscal year 2016.

Note 3 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate for IMRF *

Valuation date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation

Carroll County, Illinois

Notes to Required Supplementary Information

Note 3 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate for IMRF * (continued)

Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes	There were no benefit changes during the year.
-------	--

** Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.*

Supplementary Information

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds

November 30, 2016

ASSETS	Total Nonmajor Governmental	County Bridge	911	Matching	Motor Fuel Tax
Cash on hand	\$200	\$0	\$0	\$0	\$0
Cash in banks	3,415,256	440,085	236,797	738,874	291,909
Deposits	0	0	0	0	0
Investments	0	0	0	0	0
Inventory	1,047	0	0	0	0
Property taxes receivable	910,200	175,000	0	175,000	0
Accounts receivable	18,978	1,210	0	0	0
Due from other governments	253,877	0	68,622	0	25,149
Prepaid expenses	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	\$4,599,558	\$616,295	\$305,419	\$913,874	\$317,058
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$91,982	\$14,868	\$3,143	\$877	\$0
Accrued payroll	25,421	0	0	0	4,915
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	117,403	14,868	3,143	877	4,915
Deferred inflows of resources -					
Unavailable property taxes	910,200	175,000	0	175,000	0
Fund balances (deficit) -					
Nonspendable	1,047	0	0	0	0
Restricted	3,570,908	426,427	302,276	737,997	312,143
Unassigned	0	0	0	0	0
Total fund balances	3,571,955	426,427	302,276	737,997	312,143
Total liabilities, deferred inflows of resources and fund balances	\$4,599,558	\$616,295	\$305,419	\$913,874	\$317,058

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Court Security Fee	State's Attorney Drug Fines and Forfeiture	Senior Citizen	Social Security	Agriculture Co-op Extension
Cash on hand	\$0	\$0	\$0	\$0	\$0
Cash in banks	87,531	21,771	5,724	349,819	0
Deposits	0	0	0	0	0
Investments	0	0	0	0	0
Inventory	0	0	0	0	0
Property taxes receivable	0	0	85,000	247,000	75,000
Accounts receivable	2,107	0	0	0	0
Due from other governments	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	\$89,638	\$21,771	\$90,724	\$596,819	\$75,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$10,582	\$0	\$2,671	\$0	\$0
Accrued payroll	1,238	0	0	9,684	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	11,820	0	2,671	9,684	0
Deferred inflows of resources -					
Unavailable property taxes	0	0	85,000	247,000	75,000
Fund balances (deficit) -					
Nonspendable	0	0	0	0	0
Restricted	77,818	21,771	3,053	340,135	0
Unassigned	0	0	0	0	0
Total fund balances	77,818	21,771	3,053	340,135	0
Total liabilities, deferred inflows of resources and fund balances	\$89,638	\$21,771	\$90,724	\$596,819	\$75,000

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Tourism Promotion	Court Automation	Law Library	Electronic Monitoring	Probation Service Fee
Cash on hand	\$0	\$0	\$0	\$0	\$0
Cash in banks	33,925	16,338	10,598	5,446	51,175
Deposits	0	0	0	0	0
Investments	0	0	0	0	0
Inventory	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	47	1,625	170	0	915
Due from other governments	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	\$33,972	\$17,963	\$10,768	\$5,446	\$52,090
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$92	\$0	\$0	\$0	\$158
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	92	0	0	0	158
Deferred inflows of resources -					
Unavailable property taxes	0	0	0	0	0
Fund balances (deficit) -					
Nonspendable	0	0	0	0	0
Restricted	33,880	17,963	10,768	5,446	51,932
Unassigned	0	0	0	0	0
Total fund balance	33,880	17,963	10,768	5,446	51,932
Total liabilities, deferred inflows of resources and fund balances	\$33,972	\$17,963	\$10,768	\$5,446	\$52,090

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Document Storage Fee	State's Attorney VOCA	Geographic Information Systems	Animal Control	Tax Sale Automation	DUI Enforcement Equipment
Cash on hand	\$0	\$0	\$0	\$0	\$0	\$0
Cash in banks	17,537	3,397	34,290	12,064	13,412	7,034
Deposits	0	0	0	0	0	0
Investments	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Property taxes receivable	0	0	0	0	0	0
Accounts receivable	1,585	0	245	431	0	0
Due from other governments	0	0	0	0	0	0
Prepaid expenses	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
Total assets	\$19,122	\$3,397	\$34,535	\$12,495	\$13,412	\$7,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$349	\$0	\$0	\$26	\$0	\$0
Accrued payroll	0	576	2,350	0	0	0
Accrued compensated absences	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0
Total liabilities	349	576	2,350	26	0	0
Deferred inflows of resources -						
Unavailable property taxes	0	0	0	0	\$0	0
Fund balances (deficit) -						
Nonspendable	0	0	0	0	0	0
Restricted	18,773	2,821	32,185	12,469	13,412	7,034
Unassigned	0	0	0	0	0	0
Total fund balances	18,773	2,821	32,185	12,469	13,412	7,034
Total liabilities, deferred inflows of resources and fund balances	\$19,122	\$3,397	\$34,535	\$12,495	\$13,412	\$7,034

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (Continued)

November 30, 2016

	Geographic Information					
	Systems	County	Vital	Liability	County	
	Fee	Recorder's	Records	Insurance	Health	
ASSETS	Resolution	Automation	Automation		Department	Grant
Cash on hand	\$0	\$0	\$0	\$0	\$200	\$0
Cash in banks	7,208	91,931	26,185	508,096	329,019	4,649
Deposits	0	0	0	0	0	0
Investments	0	0	0	0	0	0
Inventory	0	0	0	0	1,047	0
Property taxes receivable	0	0	0	137,000	10,000	0
Accounts receivable	2,308	2,431	155	0	4,536	0
Due from other governments	0	0	0	0	49,491	0
Prepaid expenses	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
Total assets	\$9,516	\$94,362	\$26,340	\$645,096	\$394,293	\$4,649
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$0	\$165	\$0	\$0	\$5,213	\$0
Accrued payroll	0	0	0	0	6,525	0
Accrued compensated absences	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0
Total liabilities	0	165	0	0	11,738	0
Deferred inflows of resources -						
Unavailable property taxes	0	0	0	137,000	10,000	0
Fund balances (deficit) -						
Nonspendable	0	0	0	0	1,047	0
Restricted	9,516	94,197	26,340	508,096	371,508	4,649
Unassigned	0	0	0	0	0	0
Total fund balance	9,516	94,197	26,340	508,096	372,555	4,649
Total liabilities, deferred inflows of resources and fund balances	\$9,516	\$94,362	\$26,340	\$645,096	\$394,293	\$4,649

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (Continued)

November 30, 2016

	States Attorney Task Force	Public Safety Tax	Pet Population Control	Squad Car Acquisition And Maintenance	Victims Impact Fund
ASSETS					
Cash on hand	\$0	\$0	\$0	\$0	\$0
Cash in banks	11,415	3,034	13,771	4,775	4,466
Deposits	0	0	0	0	0
Investments	0	0	0	0	0
Inventory	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	0	0	232	700	0
Due from other governments	0	57,102	0	0	0
Prepaid expenses	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	\$11,415	\$60,136	\$14,003	\$5,475	\$4,466
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$222	\$0	\$103	\$0	\$0
Accrued payroll	133	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	355	0	103	0	0
Deferred inflows of resources -					
Unavailable property taxes	0	0	0	0	0
Fund balances (deficit) -					
Nonspendable	0	0	0	0	0
Restricted	11,060	60,136	13,900	5,475	4,466
Unassigned	0	0	0	0	0
Total fund balance	11,060	60,136	13,900	5,475	4,466
Total liabilities, deferred inflows of resources and fund balances	\$11,415	\$60,136	\$14,003	\$5,475	\$4,466

Carroll County, Illinois

Combining Balance Sheet

Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Transportation Grant	Failure to Appear	Circuit Clerk Operation and Administration	Sex Offender Registry	Historical Society	Coroner's Fees
Cash on hand	\$0	\$0	\$0	\$0	\$0	\$0
Cash in banks	0	6,214	11,463	1,712	0	13,592
Deposits	0	0	0	0	0	0
Investments	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Property taxes receivable	0	0	0	0	6,200	0
Accounts receivable	0	0	81	0	0	200
Due from other governments	53,513	0	0	0	0	0
Prepaid expenses	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
Total assets	\$53,513	\$6,214	\$11,544	\$1,712	\$6,200	\$13,792
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$53,513	\$0	\$0	\$0	\$0	\$0
Accrued payroll	0	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0
Total liabilities	53,513	0	0	0	0	0
Deferred inflows of resources -						
Unavailable property taxes	0	0	0	0	6,200	0
Fund balances (deficit) -						
Nonspendable	0	0	0	0	0	0
Restricted	0	6,214	11,544	1,712	0	13,792
Unassigned	0	0	0	0	0	0
Total fund balance	0	6,214	11,544	1,712	0	13,792
Total liabilities, deferred inflows of resources and fund balances	\$53,513	\$6,214	\$11,544	\$1,712	\$6,200	\$13,792

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the year ended November 30, 2016

	Total Nonmajor Governmental	County Bridge	911	Matching	Motor Fuel Tax
Revenues:					
Property taxes	\$920,239	\$169,822	\$0	\$169,822	\$0
Intergovernmental revenue	1,701,791	386,102	217,655	0	449,488
Licenses and permits	6,090	0	0	0	0
Revenues from services, fees, and fines	324,801	0	13,757	0	0
Revenue from use of money and property	0 12,575	1,705	633	2,372	2,006
Other revenue	11,163	0	28	0	0
Total revenues	2,976,659	557,629	232,073	172,194	451,494
Expenditures:					
Current:					
General control and administration	340,382	0	0	0	0
Public safety	249,455	0	109,943	0	0
Judiciary and court related	80,139	0	0	0	0
Public health	343,560	0	0	0	0
Public welfare	271,458	0	0	0	0
Transportation	1,065,230	619,580	0	84,715	335,161
Corrections	18,529	0	0	0	0
Debt service:	0				
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	18,226	0	10,226	0	0
Total expenditures	2,386,979	619,580	120,169	84,715	335,161
Excess (deficiency) of revenues over expenditures	589,680	(61,951)	111,904	87,479	116,333
Other financing sources and (uses):					
Operating transfers in	82,457	0	0	0	0
Operating transfers out	(369,577)	0	(56,323)	0	0
Net change in fund balance	302,560	(61,951)	55,581	87,479	116,333
Fund balances (deficit), beginning of year	3,269,395	488,378	246,695	650,518	195,810
Fund balances (deficit), end of year	\$3,571,955	\$426,427	\$302,276	\$737,997	\$312,143

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the year ended November 30, 2016

	Court Security Fee	State's Attorney Drug Fines and Forfeiture	Senior Citizen	Social Security	Agriculture Co-op Extension
Revenues:					
Property taxes	\$0	\$0	\$82,941	\$246,816	\$47,970
Intergovernmental revenue	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Revenues from services, fees, and fines	31,213	6,001	0	0	0
Revenue from use of money and property	322	122	0	1,047	0
Other revenue	0	0	0	0	0
Total revenues	31,535	6,123	82,941	247,863	47,970
Expenditures:					
Current:					
General control and administration	0	0	0	48,248	47,970
Public safety	44,900	0	0	75,548	0
Judiciary and court related	0	1,638	0	45,981	0
Public health	0	0	0	151	0
Public welfare	0	0	79,888	782	0
Transportation	0	0	0	25,774	0
Corrections	0	0	0	18,529	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	8,000	0	0	0	0
Total expenditures	52,900	1,638	79,888	215,013	47,970
Excess (deficiency) of revenues over expenditures	(21,365)	4,485	3,053	32,850	0
Other financing sources and (uses):					
Operating transfers in	0	0	0	3,486	0
Operating transfers out	0	0	0	(15,289)	0
Net change in fund balance	(21,365)	4,485	3,053	21,047	0
Fund balances (deficit), beginning of year	99,183	17,286	0	319,088	0
Fund balances (deficit), end of year	\$77,818	\$21,771	\$3,053	\$340,135	\$0

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (Continued) For the year ended November 30, 2016

	Tourism Promotion	Court Automation	Law Library	Electronic Monitoring	Probation Service Fee
Revenues:					
Property taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenue	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Revenues from services, fees, and fines	33,355	14,127	2,300	1,556	19,817
Revenue from use of money and property	183	106	33	15	231
Other revenue	2,085	0	0	0	0
Total revenues	35,623	14,233	2,333	1,571	20,048
Expenditures:					
Current:					
General control and administration	25,462	0	0	0	0
Public safety	0	0	0	0	0
Judiciary and court related	0	8,126	0	0	2,075
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	25,462	8,126	0	0	2,075
Excess (deficiency) of revenues over expenditures	10,161	6,107	2,333	1,571	17,973
Other financing sources and (uses):					
Operating transfers in	0	0	0	0	0
Operating transfers out	(1,670)	0	0	0	(27,280)
Net change in fund balance	8,491	6,107	2,333	1,571	(9,307)
Fund balances (deficit), beginning of year	25,389	11,856	8,435	3,875	61,239
Fund balances (deficit), end of year	\$33,880	\$17,963	\$10,768	\$5,446	\$51,932

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the year ended November 30, 2016

	Document Storage Fee	State's Attorney VOCA	Geographic Information Systems	Animal Control	Tax Sale Automation
Revenues:					
Property taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenue	0	12,000	0	0	0
Licenses and permits	0	0	0	6,090	0
Revenues from services, fees, and fines	14,124	0	8,191	949	2,340
Revenue from use of money and property	124	0	78	36	39
Other revenue	0	0	4,320	0	0
Total revenues	14,248	12,000	12,589	7,075	2,379
Expenditures:					
Current:					
General control and administration	0	0	58,149	0	0
Public safety	0	0	0	4,044	0
Judiciary and court related	7,569	14,750	0	0	0
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	7,569	14,750	58,149	4,044	0
Excess (deficiency) of revenues over expenditures	6,679	(2,750)	(45,560)	3,031	2,379
Other financing sources and (uses):					
Operating transfers in	0	0	39,000	0	0
Operating transfers out	(277)	0	0	0	0
Net change in fund balance	6,402	(2,750)	(6,560)	3,031	2,379
Fund balances (deficit), beginning of year	12,371	5,571	38,745	9,438	11,033
Fund balances (deficit), end of year	\$18,773	\$2,821	\$32,185	\$12,469	\$13,412

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (Continued) For the year ended November 30, 2016

	DUI Enforcement Equipment	Geographic Information Systems Fee Resolution	County Recorder's Automation	Vital Records Automation
Revenues:				
Property taxes	\$0	\$0	\$0	\$0
Intergovernmental revenue	0	0	0	0
Licenses and permits	0	0	0	0
Revenues from services, fees, and fines	4,829	30,650	32,035	3,445
Revenue from use of money and property	15	65	349	89
Other revenue	0	0	0	0
Total revenues	4,844	30,715	32,384	3,534
Expenditures:				
Current:				
General control and administration	0	0	18,391	1,700
Public safety	0	0	0	0
Judiciary and court related	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Transportation	0	0	0	0
Corrections	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	0	0	18,391	1,700
Excess (deficiency) of revenues over expenditures	4,844	30,715	13,993	1,834
Other financing sources and (uses):				
Operating transfers in	0	0	0	0
Operating transfers out	0	(29,000)	(19,000)	0
Net change in fund balance	4,844	1,715	(5,007)	1,834
Fund balances (deficit), beginning of year	2,190	7,801	99,204	24,506
Fund balances (deficit), end of year	\$7,034	\$9,516	\$94,197	\$26,340

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (Continued) For the year ended November 30, 2016

	Liability Insurance	County Health Department	Grant	State's Attorney Task Force	Public Tax Safety
Revenues:					
Property taxes	\$166,866	\$10,020	\$0	\$0	\$0
Intergovernmental revenue	0	230,739	7,207	0	207,812
Licenses and permits	0	0	0	0	0
Revenues from services, fees, and fines	0	93,363	0	0	0
Revenue from use of money and property	1,410	1,059	14	45	336
Other revenue	0	3,018	0	0	0
Total revenues	168,276	338,199	7,221	45	208,148
Expenditures:					
Current:					
General control and administration	114,480	0	0	0	0
Public safety	0	0	6,200	2,883	0
Judiciary and court related	0	0	0	0	0
Public health	0	343,409	0	0	0
Public welfare	0	0	0	0	0
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	114,480	343,409	6,200	2,883	0
Excess (deficiency) of revenues over expenditures	53,796	(5,210)	1,021	(2,838)	208,148
Other financing sources and (uses):					
Operating transfers in	0	39,971	0	0	0
Operating transfers out	(10,000)	0	0	(738)	(210,000)
Net change in fund balance	43,796	34,761	1,021	(3,576)	(1,852)
Fund balances (deficit), beginning of year	464,300	337,794	3,628	14,636	61,988
Fund balances (deficit), end of year	\$508,096	\$372,555	\$4,649	\$11,060	\$60,136

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (Continued) For the year ended November 30, 2016

	Pet Population Control	Squad Car Acquisition And Maintenance	Victims Impact Fund	Transportation Grant
Revenues:				
Property taxes	\$0	\$0	\$0	\$0
Intergovernmental revenue	0	0	0	190,788
Licenses and permits	0	0	0	0
Revenues from services, fees, and fines	2,567	2,740	420	0
Revenue from use of money and property	48	19	14	0
Other revenue	0	0	0	0
Total revenues	2,615	2,759	434	190,788
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	3,568	2,369	0	0
Judiciary and court related	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	190,788
Transportation	0	0	0	0
Corrections	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	3,568	2,369	0	190,788
Excess (deficiency) of revenues over expenditures	(953)	390	434	0
Other financing sources and (uses):				
Operating transfers in	0	0	0	0
Operating transfers out	0	0	0	0
Net change in fund balance	(953)	390	434	0
Fund balances (deficit), beginning of year	14,853	5,085	4,032	0
Fund balances (deficit), end of year	\$13,900	\$5,475	\$4,466	\$0

Carroll County, Illinois

Combining Statement of Revenues and Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (Continued) For the year ended November 30, 2016

	Failure to Appear	Circuit Clerk Operation and Administration	Sex Offender Registry	Historical Society	Coroner's Fees
Revenues:					
Property taxes	\$0	\$0	\$0	\$25,982	\$0
Intergovernmental revenue	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Revenues from services, fees, and fines	2,670	1,852	0	0	2,500
Revenue from use of money and property	16	0	0	0	44
Other revenue	0	0	1,712	0	0
Total revenues	2,686	1,852	1,712	25,982	2,544
Expenditures:					
Current:					
General control and administration	0	0	0	25,982	0
Public safety	0	0	0	0	0
Judiciary and court related	0	0	0	0	0
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	0	0	0	25,982	0
Excess (deficiency) of revenues over expenditures	2,686	1,852	1,712	0	2,544
Other financing sources and (uses):					
Operating transfers in	0	0	0	0	0
Operating transfers out	0	0	0	0	0
Net change in fund balance	2,686	1,852	1,712	0	2,544
Fund balances (deficit), beginning of year	3,528	9,692	0	0	11,248
Fund balances (deficit), end of year	\$6,214	\$11,544	\$1,712	\$0	\$13,792

Carroll County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Township Motor Fuel Tax Fund				
Assets:				
Cash in banks	\$193,023	\$929,956	\$627,762	\$495,217
Due from other governments	287,483	58,213	287,483	58,213
Total assets	\$480,506	\$988,169	\$915,245	\$553,430
Liabilities:				
Accounts payable	\$16,403	1,435	16,403	\$1,435
Agency funds due to others	464,103	986,734	898,842	551,995
Total liabilities	\$480,506	\$988,169	915,245	\$553,430

Township Bridge Program Fund

Assets -				
Cash in banks	\$4,713	\$213,057	\$212,989	\$4,781
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$0
Agency funds due to others	4,713	213,057	212,989	4,781
Total liabilities	4,713	213,057	212,989	4,781

Non-Resident Heirs Fund

Assets -				
Cash in banks	\$13,530	\$137	\$772	\$12,895
Liabilities -				
Agency funds due to others	\$13,530	\$137	\$772	\$12,895

Rental Housing Surcharge Fund

Assets -				
Cash in banks	\$0	\$23,049	\$23,049	\$0
Accounts receivable	0	1,728	0	1,728
Total assets	\$0	\$24,777	\$23,049	\$1,728
Liabilities:				
Accounts payable	\$0	\$1,728	\$0	\$1,728
Agency funds due to others	0	23,049	23,049	0
Total liabilities	\$0	\$24,777	\$23,049	\$1,728

Carroll County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Circuit Clerk				
Assets :				
Cash in banks	\$147,759	\$692,895	\$727,452	\$113,202
Deposits	40,693	305	305	40,693
Total assets	\$188,452	\$693,200	\$727,757	\$153,895
Liabilities -				
Agency funds due to others	\$188,452	\$693,200	\$727,757	\$153,895
County Clerk's Tax Redemption Fund				
Assets -				
Cash in banks	\$737	\$248,478	\$247,866	\$1,349
Accounts receivable	0	15,323	0	15,323
Total assets	\$737	\$263,801	\$247,866	\$16,672
Liabilities :				
Accounts payable	\$23,676	\$16,043	\$23,676	\$16,043
Agency funds due to others	(22,939)	247,758	224,190	629
Total liabilities	\$737	\$263,801	\$247,866	\$16,672
Death and Fetal Death Fees Account				
Assets -				
Cash in banks	\$312	\$4,552	\$4,804	\$60
Accounts receivable	0	320	0	320
Total assets	\$312	\$4,872	\$4,804	\$380
Liabilities -				
Accounts payable	\$0	\$60	\$0	\$60
Agency funds due to others	\$312	\$4,812	\$4,804	\$320
Total liabilities	\$737	\$4,872	\$4,804	\$380
Clerk & Recorder's Fees Account				
Assets -				
Cash in banks	\$26,785	\$297,149	\$297,446	\$26,488
Accounts receivable	0	30,934	0	30,934
Total assets	\$26,785	\$328,083	\$297,446	\$57,422
Liabilities :				
Accounts payable	\$18,645	\$22,478	\$18,645	\$22,478
Agency funds due to others	8,140	305,605	278,801	34,944
Total liabilities	\$26,785	\$328,083	\$297,446	\$57,422

Carroll County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Sheriff Fees Account				
Assets -				
Cash in banks	\$3,962	\$50,034	\$53,851	\$145
Liabilities -				
Agency funds due to others	\$3,962	\$50,034	\$53,851	\$145
Prisoner Commissary Account				
Assets -				
Cash in banks	\$178	\$25,880	\$23,775	\$2,283
Liabilities -				
Agency funds due to others	\$178	\$25,880	\$23,775	\$2,283
Sheriff's Trust Account Fund				
Assets -				
Cash in banks	\$5,562	\$30,526	\$30,526	\$5,562
Liabilities -				
Agency funds due to others	\$5,562	\$30,526	\$30,526	\$5,562
County Trustee				
Assets -				
Cash in banks	\$3,251	\$4,930	\$8,181	\$0
Liabilities -				
Agency funds due to others	\$3,251	\$4,930	\$8,181	\$0
Probation Restitution Fund				
Assets -				
Cash in banks	\$2,287	\$1,300	\$3,166	\$421
Liabilities -				
Agency funds due to others	\$2,287	\$1,300	\$3,166	\$421

Carroll County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Marriage Fund				
Assets -				
Cash in banks	\$1,448	\$220	\$0	\$1,668
Liabilities -				
Agency funds due to others	\$1,448	\$220	\$0	\$1,668
K-9 Fund				
Assets -				
Cash in banks	\$2,790	\$100	\$385	\$2,505
Liabilities -				
Agency funds due to others	\$2,790	\$100	\$385	\$2,505
Tax Collection Fund				
Assets :				
Cash in banks	\$31,038	\$28,432,745	\$28,449,117	\$14,666
Investments	290	337,616	337,828	78
Total assets	\$31,328	\$28,770,361	\$28,786,945	\$14,744
Liabilities -				
Agency funds due to others	\$31,328	\$28,770,361	\$28,786,945	\$14,744
All Agency Funds				
Assets:				
Cash in banks	\$437,375	\$30,955,008	\$30,711,141	\$681,242
Deposits	40,693	305	305	40,693
Investments	290	337,616	337,828	78
Accounts Receivable	0	48,305	0	48,305
Due from other governments	287,483	58,213	287,483	58,213
Total assets	\$765,841	\$31,399,447	\$31,336,757	\$828,531
Liabilities:				
Accounts payable	\$58,724	\$41,744	\$58,724	\$41,744
Agency funds due to others	707,117	31,357,703	31,278,033	786,787
Total liabilities	\$765,841	\$31,399,447	\$31,336,757	\$828,531

Carroll County, Illinois

Schedule of Expenditures from Taxes Extended for Tort Immunity Purposes

For the year ended November 30, 2016

Property, liability, and workers' compensation insurance	\$111,839
Unemployment	140
County's share of insurance costs paid by the Regional Superintendent's Trust Fund	2,337
Arbitration and litigation	0
Miscellaneous	164
Total	\$114,480

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536
DUNS: 962732223

Year - End FY2016 - Summary

Expenses/Revenues	Agency Total	All Other Not Allocated	Supplemental Nutrition Program for Women Infant and Children	Family Case Management
Total Program Expenses	255,660.19	169,467.02	45,842.23	40,350.94
Total Support Expenses	1,920.00	1,039.78	477.02	403.20
Total Occupancy Expenses	17,455.86	15,072.03	1,293.21	1,090.62
Total Administrative Expenses	68,372.65	53,919.63	7,871.39	6,581.63
Total Expenses	343,408.70	239,498.46	55,483.85	48,426.39
Total Non-Reimbursable Expenses	0.00	0.00	0.00	0.00
Net Expenses	343,408.70	239,498.46	55,483.85	48,426.39
Total Fees + Purchases of Services	130,445.30	130,445.30	0.00	0.00
Total Grant Revenues	230,739.00	145,901.00	49,651.00	35,187.00
Total Contributions & Other	16,984.25	16,984.25	0.00	0.00
Total Investment Income	0.00	0.00	0.00	0.00
Total Revenues	378,168.55	293,330.55	49,651.00	35,187.00

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536
DUNS: 962732223

Year - End FY2016 - Schedule of Program Revenue

Account Title	Agency Total	All Other Not Allocated	Supplemental Nutrition Program for Women Infant and Children	Family Case Management
Fees + Purchase of Service				
1. Department of Aging	0.00	0.00	0.00	0.00
2. Department of Children and Family Services	0.00	0.00	0.00	0.00
3. Department of Corrections	0.00	0.00	0.00	0.00
4. Medicaid Rehab Option (MRO) Payments	0.00	0.00	0.00	0.00
5. Department of Human Services	0.00	0.00	0.00	0.00
6. Department of Public Aid	13,958.80	13,958.80	0.00	0.00
7. Department of Public Health	0.00	0.00	0.00	0.00
8. Local Education Agency/ School District	0.00	0.00	0.00	0.00
9. Local Government	49,991.00	49,991.00	0.00	0.00
10. Federal Government	0.00	0.00	0.00	0.00
11. Other Government Agencies	0.00	0.00	0.00	0.00
12. Client / Family Program Fees (incl. SSI, SSA, pensions, etc.)	37,032.00	37,032.00	0.00	0.00
13. Special Service Fees for Individual Clients	0.00	0.00	0.00	0.00
14. Diagnostic Service Fees	0.00	0.00	0.00	0.00
15.1. EH Fees	29,463.50	29,463.50	0.00	0.00
15.2.	0.00	0.00	0.00	0.00
15.3.	0.00	0.00	0.00	0.00
15.4.	0.00	0.00	0.00	0.00
16. Total Fees + Purchase of Service	130,445.30	130,445.30	0.00	0.00
Grant Revenues				
17. Department of Aging	0.00	0.00	0.00	0.00
18. Department of Children and Family Services	0.00	0.00	0.00	0.00
19. Department of Corrections	0.00	0.00	0.00	0.00
20. Donated/Certified Funds Initiative (DFI / CFI)	0.00	0.00	0.00	0.00
21. Department of Human Services	84,838.00	0.00	49,651.00	35,187.00
22. Department of Public Aid	0.00	0.00	0.00	0.00
23. Department of Public Health	145,901.00	145,901.00	0.00	0.00
24. Local Education Agency/ School District	0.00	0.00	0.00	0.00
25. Local Government Awards	0.00	0.00	0.00	0.00
26. Federal Government Awards	0.00	0.00	0.00	0.00
27. Other Government Awards	0.00	0.00	0.00	0.00
28. JTPA / CETA	0.00	0.00	0.00	0.00
29.1. Other (Specify)	0.00	0.00	0.00	0.00
29.2.	0.00	0.00	0.00	0.00

CARROLL COUNTY HEALTH DEPARTMENT
Year - End FY2016 - Schedule of Program Revenue

Last Four Digits FEIN: 6536
DUNS: 962732223

Account Title	Agency Total	All Other Not Allocated	Supplemental Nutrition Program for Women Infant and Children	Family Case Management
29.3.	0.00	0.00	0.00	0.00
29.4.	0.00	0.00	0.00	0.00
30. Total Grant Revenues	230,739.00	145,901.00	49,651.00	35,187.00
Contribution & Other				
31. Restricted to Operations	0.00	0.00	0.00	0.00
32. Restricted to Capital	0.00	0.00	0.00	0.00
33. Unrestricted	0.00	0.00	0.00	0.00
34. Contributions - Goods and Services	0.00	0.00	0.00	0.00
35. Child & Adult Food Programs (school meals, commodities)	0.00	0.00	0.00	0.00
36. School Transportation Payments (to/from school)	0.00	0.00	0.00	0.00
37. Sales of Goods and Services	0.00	0.00	0.00	0.00
38. Rent Income	15,925.00	15,925.00	0.00	0.00
39. Gain on Sale of Assets	0.00	0.00	0.00	0.00
40. Cafeteria and Vending Machine	0.00	0.00	0.00	0.00
41.1. Intrest	1,059.25	1,059.25	0.00	0.00
41.2.	0.00	0.00	0.00	0.00
41.3.	0.00	0.00	0.00	0.00
41.4.	0.00	0.00	0.00	0.00
42. Total Contribution & Other	16,984.25	16,984.25	0.00	0.00
Investment Income				
43. Income on Restricted Assets / Investments	0.00	0.00	0.00	0.00
44. Income on Unrestricted Assets / Investments	0.00	0.00	0.00	0.00
45. Total Investment Income	0.00	0.00	0.00	0.00
46. Total Revenues (Sum Lines 16, 30, 42, 45)	378,168.55	293,330.55	49,651.00	35,187.00

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536
DUNS: 962732223

Year - End FY2016 - Schedule of Program Costs

Account Title	Agency Total	All Other Not Allocated	Supplemental Nutrition Program for Women Infant and Children	Family Case Management
Program Expenses				
1. Program Staff Salaries	112,468.00	71,674.53	18,125.22	22,668.25
2. Program Clerical Staff Salaries	58,157.00	29,013.16	17,553.96	11,589.88
3. Program Payroll Taxes and Fringe Benefits	65,206.00	53,047.43	7,151.62	5,006.95
4. Program Consultants	0.00	0.00	0.00	0.00
5. Consumer Wages and Fringe Benefits	0.00	0.00	0.00	0.00
6. Medicine and Drugs	12,064.00	10,976.86	1,087.14	0.00
7. All Other Program Equipment and Supplies	296.71	257.00	4.71	35.00
8. Staff Transportation	5,219.68	3,786.99	1,169.58	263.11
9. Client Transportation	0.00	0.00	0.00	0.00
10. Transportation To / From School	0.00	0.00	0.00	0.00
11. Direct Service Staff Conferences & Conventions	0.00	0.00	0.00	0.00
12. Program Insurance	0.00	0.00	0.00	0.00
13. Direct Client Specific Assistance	0.00	0.00	0.00	0.00
14. Telecommunication Costs Assigned to Program	37.75	0.00	0.00	37.75
15. Foster Care Payments	0.00	0.00	0.00	0.00
16.1. Audit	1,500.00	0.00	750.00	750.00
16.2. Training	711.05	711.05	0.00	0.00
16.3.	0.00	0.00	0.00	0.00
16.4.	0.00	0.00	0.00	0.00
16.5.	0.00	0.00	0.00	0.00
17. Total Program Expenses	255,660.19	169,467.02	45,842.23	40,350.94
Support Expenses				
18. Support Salaries	0.00	0.00	0.00	0.00
19. Support Payroll Taxes and Fringe Benefits	0.00	0.00	0.00	0.00
20. Dietary Supplies	0.00	0.00	0.00	0.00
21. Housekeeping and Laundry Supplies	1,920.00	1,039.78	477.02	403.20
22.1. Repairs	0.00	0.00	0.00	0.00
22.2.	0.00	0.00	0.00	0.00
22.3.	0.00	0.00	0.00	0.00
22.4.	0.00	0.00	0.00	0.00
23. Total Support Expenses	1,920.00	1,039.78	477.02	403.20
Occupancy Expenses				
24. Occupancy Salaries	0.00	0.00	0.00	0.00
25. Occupancy Payroll Taxes and Fringe Benefits	0.00	0.00	0.00	0.00

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536
DUNS: 962732223

Year - End FY2016 - Schedule of Program Costs

Account Title	Agency Total	All Other Not Allocated	Supplemental Nutrition Program for Women Infant and Children	Family Case Management
26. Building & Equip. Operations and Maintenance	10,805.00	10,805.00	0.00	0.00
27. Vehicle Depreciation	0.00	0.00	0.00	0.00
28. All Other Depreciation & Amortization	0.00	0.00	0.00	0.00
29. Vehicle Rent	0.00	0.00	0.00	0.00
30. All Other Lease / Rent / Taxes	765.86	765.86	0.00	0.00
31. Equipment Under \$500	257.00	257.00	0.00	0.00
32. Mortgage & Installment Interest	0.00	0.00	0.00	0.00
33. Operating Interest	0.00	0.00	0.00	0.00
34.1. Building repairs and maintenance	0.00	0.00	0.00	0.00
34.2. Utilities	5,628.00	3,244.17	1,293.21	1,090.62
34.3.	0.00	0.00	0.00	0.00
34.4.	0.00	0.00	0.00	0.00
34.5.	0.00	0.00	0.00	0.00
35. Total Occupancy Expenses	17,455.86	15,072.03	1,293.21	1,090.62
Admin & Office Expenses				
36. Administrative Salaries	0.00	0.00	0.00	0.00
37. Administrative Payroll Taxes and Fringe Benefits	0.00	0.00	0.00	0.00
38. Administrative Consultants	0.00	0.00	0.00	0.00
39. Telecommunication Costs Not Assigned to Program	4,358.00	3,001.36	738.30	618.34
40. Office Supplies and Equip	11,422.00	9,097.21	1,257.17	1,067.62
41. Indirect Costs	0.00	0.00	0.00	0.00
42.1. Contractual	28,988.00	28,988.00	0.00	0.00
42.2. Management Contract	22,894.00	12,444.65	5,690.76	4,758.59
42.3. Repairs	710.65	388.41	185.16	137.08
42.4.	0.00	0.00	0.00	0.00
42.5.	0.00	0.00	0.00	0.00
42.6.	0.00	0.00	0.00	0.00
43. Total Admin & Office Expenses	68,372.65	53,919.63	7,871.39	6,581.63
44. Total Expenses (Sum lines 17, 23, 35, 43)	343,408.70	239,498.46	55,483.85	48,426.39
Non-Reimbursable Expenses				
45. Depreciation on DMHDD Funded Capital Assets Included Above	0.00	0.00	0.00	0.00
46. Cost of Production and Workshop Client Wages included Above	0.00	0.00	0.00	0.00
47.1. Other (Specify)	0.00	0.00	0.00	0.00
47.2.	0.00	0.00	0.00	0.00

CARROLL COUNTY HEALTH DEPARTMENT

Year - End FY2016 - Schedule of Program Costs

Last Four Digits FEIN: 6536
DUNS: 962732223

Account Title	Agency Total	All Other Not Allocated	Supplemental Nutrition Program for Women Infant and Children	Family Case Management
47.3.	0.00	0.00	0.00	0.00
47.4.	0.00	0.00	0.00	0.00
48. Total Non-Reimbursable Expenses	0.00	0.00	0.00	0.00
49. Net Expenses (Line 44 minus Line 48)	343,408.70	239,498.46	55,483.85	48,426.39

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536
DUNS: 962732223

Year - End FY2016 - Program Personnel

Program Staff Positions	Agency Total				Supplemental Nutrition Program for Women Infant and Children		
	Total Hours	Total Agency Amnt	Total Head Count	Amount Not Allocated	% Allocated	Total Program Amnt	Total Head Count
1. Audiologist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Behavior Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Dietary Technician	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Dietitian	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Habilitation Aide / Child Care Aide	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Habilitation Professional or Supervisory Staff	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7. LPN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8. Occupational Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9. Physical Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10. Physician	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11. Principal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12. Program Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13. Program Clerical Staff	3,614.84	58,157.00	2.00	29,013.16	30.18	17,553.96	2.00
14. Psychiatrist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15. Psychologist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16. Recreation Staff	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17. Registered Nurse	3,128.77	71,043.94	3.00	30,250.47	25.51	18,125.22	3.00
18. Social Worker	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. Speech Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20. Substance Abuse Counselor / Professional	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21. Substance Abuse Paraprofessional	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22. Teacher	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23. Teacher Aide	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24. Vocational Staff (incl. Job Coach, workshop staff, etc.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25. Other Academic Instruction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26. Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27. Other Habilitation / Rehabilitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28. Other Substance Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29. Case Manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30. Case Manager Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31. Health Educator	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32.1. EH Associate	1,820.00	41,424.06	1.00	41,424.06	0.00	0.00	0.00
32.2.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32.3.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32.4.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33. Total All Positions (1)	8,563.61	170,625.00	6.00	100,687.69		35,679.18	5.00

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536
DUNS: 962732223

Year - End FY2016 - Program Personnel

Program Staff Positions	Family Case Management		
	% Allocated	Total Program Amnt	Total Head Count
1. Audiologist	0.00	0.00	0.00
2. Behavior Therapist	0.00	0.00	0.00
3. Dietary Technician	0.00	0.00	0.00
4. Dietitian	0.00	0.00	0.00
5. Habilitation Aide / Child Care Aide	0.00	0.00	0.00
6. Habilitation Professional or Supervisory Staff	0.00	0.00	0.00
7. LPN	0.00	0.00	0.00
8. Occupational Therapist	0.00	0.00	0.00
9. Physical Therapist	0.00	0.00	0.00
10. Physician	0.00	0.00	0.00
11. Principal	0.00	0.00	0.00
12. Program Director	0.00	0.00	0.00
13. Program Clerical Staff	19.93	11,589.88	2.00
14. Psychiatrist	0.00	0.00	0.00
15. Psychologist	0.00	0.00	0.00
16. Recreation Staff	0.00	0.00	0.00
17. Registered Nurse	31.91	22,668.25	3.00
18. Social Worker	0.00	0.00	0.00
19. Speech Therapist	0.00	0.00	0.00
20. Substance Abuse Counselor / Professional	0.00	0.00	0.00
21. Substance Abuse Paraprofessional	0.00	0.00	0.00
22. Teacher	0.00	0.00	0.00
23. Teacher Aide	0.00	0.00	0.00
24. Vocational Staff (incl. Job Coach, workshop staff, etc.)	0.00	0.00	0.00
25. Other Academic Instruction	0.00	0.00	0.00
26. Other Medical Care	0.00	0.00	0.00
27. Other Habilitation / Rehabilitation	0.00	0.00	0.00
28. Other Substance Abuse	0.00	0.00	0.00
29. Case Manager	0.00	0.00	0.00
30. Case Manager Assistant	0.00	0.00	0.00
31. Health Educator	0.00	0.00	0.00
32.1. EH Associate	0.00	0.00	0.00
32.2.	0.00	0.00	0.00
32.3.	0.00	0.00	0.00
32.4.	0.00	0.00	0.00
33. Total All Positions (1)		34,258.13	5.00

CARROLL COUNTY HEALTH DEPARTMENT

Last Four Digits FEIN: 6536

DUNS: 962732223

Year - End FY2016 - Program Personnel

Program Staff Positions	Agency Total				Supplemental Nutrition Program for Women Infant and Children		
	Total Hours	Total Agency Amnt	Total Head Count	Amount Not Allocated	% Allocated	Total Program Amnt	Total Head Count
Standard Weekly Hours: 35.0							
34. Mental Health Professional (MHP)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35. Qualified Mental Health Professional (QMHP)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36. Qualified Mental Retardation Professional (QMRP)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37. Rehabilitative Services Associate (RSA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38. Total All Positions	0.00	0.00	0.00	0.00		0.00	0.00

(1) Totals must equal line 1 + line 2 of the Schedule of Program Costs.

Medicaid Reporting: All Medicaid programs are required to report all substitute care contract positions/salaries into the following categories: MHP, QMHP, QMRP and RSA (Lines 34-37). The expenses reported in Lines 34-37 are from the salaries that were included in the totals of Line 33.

CARROLL COUNTY HEALTH DEPARTMENT

Year - End FY2016 - Program Personnel

Last Four Digits FEIN: 6536
DUNS: 962732223

Program Staff Positions	Family Case Management		
	% Allocated	Total Program Amnt	Total Head Count
Standard Weekly Hours: 35.0			
34. Mental Health Professional (MHP)	0.00	0.00	0.00
35. Qualified Mental Health Professional (QMHP)	0.00	0.00	0.00
36. Qualified Mental Retardation Professional (QMRP)	0.00	0.00	0.00
37. Rehabilitative Services Associate (RSA)	0.00	0.00	0.00
38. Total All Positions		0.00	0.00

(1) Totals must equal line 1 + line 2 of the Schedule of Program Costs.

Medicaid Reporting: All Medicaid programs are required to report all substitute care contract positions/salaries into the following categories: MHP, QMHP, QMRP and RSA (Lines 34-37). The expenses reported in Lines 34-37 are from the salaries that were included in the totals of Line 33.



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

To the County Board
Carroll County, Illinois
Mount Carroll, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Illinois (the "County") as of and for the year ended November 30, 2016 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 21, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and responses as items 2016-001, 2016-002.

Compliance and Other Matters

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

Responses to Findings

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

Purpose of this Report

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

Wipfli LLP

Sterling, Illinois
February 21, 2017

Carroll County, Illinois

Schedule of Findings and Responses

Finding 2016-001:

Criteria – *Governmental Auditing Standards* require that management prepare the financial statements with footnote disclosures.

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

Cause - The County does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with the modified accrual basis of accounting.

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

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

View of responsible officials and planned corrective actions - The County will continue to review the financial statements and required footnotes prepared by the external auditors. The County believes this process to be the most economical and appropriate to help ensure complete and proper financial reporting.

Finding 2016-002:

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

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

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

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

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

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