

Stephenson County

Freeport, Illinois

Financial Statements

Year Ended November 30, 2014

Stephenson County, Illinois

County Board Members and Elected Officials

Fiscal Year Ending November 30, 2014

Board Members

Bennie Brown
Sheila Hooper
Jeffrey Mikkelsen
William Hadley, Chairman
Christopher Clukey
Anthony Kuhlemeier
David Schexnayder
Kenneth Ward
Ronald Fluegel
Jim DeMeester
Jerry Clay

Samuel Newton
Edward Mulligan
Charles Hilton
Dan Neal
Donald Parker
Gail Clore
Alvin Wire
James Schultz
Salvatore "Sol" Detente
Mark Diddens
David Martindale

Elected Officials

Circuit Clerk
Coroner
County Clerk
Sheriff
State's Attorney
Treasurer

Bonnie Curran
Tom Leamon
Vici Otte
David Synders
John Vogt
Adrienne Becker

Stephenson County, Illinois

County Board Members and Elected Officials

Fiscal Year Beginning December 1, 2014

Board Members

Bennie Brown
Sheila Hooper
Jeffrey Mikkelsen
William Hadley, Chairman
Christopher Clukey
Anthony Kuhlemeier
David Schexnayder
Kenneth Ward
Ronald Fluegel
Jim DeMeester
Jerry Clay

Samuel Newton
Edward Mulligan
Charles Hilton
Dan Neal
Donald Parker
Gail Clore
Alvin Wire
James Schultz
Steve Fricke
Mark Diddens
David Martindale

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John Vogt
Adrienne Becker

Stephenson County, Illinois

November 30, 2014

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Stephenson County, Illinois

November 30, 2014

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Independent Auditor's Report

Honorable Chairman and Members
Of the County Board
Stephenson County, Illinois
Freeport, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Stephenson County, Illinois (the "County"), as of and for the year ended November 30, 2014, 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, business-type activities, each major fund, and the aggregate remaining fund information of Stephenson County, Illinois, as of November 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended November 30, 2014. Statement No. 65 changed the classifications of certain items on the statement of net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 4 through 9 and the schedule of IMRF funding progress and budgetary comparison information on pages 46 through 71 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 Stephenson County, Illinois' financial statements taken as a whole. The schedules listed as supplementary information and other information on pages 77 through 83 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates 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 standard generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information on pages 84 – 89 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2015, on our consideration of Stephenson County, Illinois' 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 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 Stephenson County, Illinois' internal control over financial reporting and compliance.

Wipfli LLP

Freeport, Illinois
August 3, 2015

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Management Discussion and Analysis (Unaudited)

Stephenson County, Illinois

Management Discussion and Analysis

As management of Stephenson County, Illinois, we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Stephenson County, Illinois for the year ended November 30, 2014.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2014 and the results of operations for the year. This summary should not be taken as a replacement for the annual financial report, which consists of the financial statements, notes to the financial statements, required, supplementary and other information.

USING THIS FINANCIAL REPORT

The financial section of this annual report consists of: Independent Auditor's Reports, required supplementary information which includes the MD&A (this section), the basic financial statements, supplementary and other information. The basic financial statements include two kinds of statements that present different views of the County:

Government -Wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long term information about the County's overall financial status, similar to a private sector business. In the government-wide financial statements the County's activities are shown in two categories - governmental activities and business-type activities. The County's basic services are general government, public safety, public works, health sanitation & welfare, and judiciary & court related. These activities are largely financed with property taxes and state grants. The County's business-type activities include the County Nursing Center. This activity is largely financed with charges for services.

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 whether the financial position of the County is improving or deteriorating. To assess the overall health of the County you need to consider additional non-financial factors such as the condition of the County's buildings and facilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned regardless of when the cash is received and expenditures/expenses and liabilities are recognized when incurred, regardless of when payment is made.

Stephenson County, Illinois

Management Discussion and Analysis

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds - not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the County is properly using certain revenues.

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

Governmental Funds - The County maintains thirty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balances for all these funds. Four of these thirty-five funds are considered major funds of the County. More detail of the individual revenues and expenditures for these funds is presented in the supplementary section of this report.

The County adopts annual budgets for a majority of the governmental funds. A budgetary comparison statement has been provided for the major governmental funds only, which is in compliance with generally accepted accounting principles.

Proprietary Funds - Stephenson County maintains two types of proprietary funds, an enterprise fund and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Stephenson County uses an enterprise fund to account for its Nursing Center activities. Internal service funds are used to report internal revenues and expenses of the County. Stephenson County uses an internal service fund to account for its health insurance activities.

The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nursing Center Fund which is considered a major fund of Stephenson County.

Fiduciary Funds - The County is the trustee, or fiduciary, for assets that belong to others or are designated to be used for a specific purpose with the principal left intact. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The County's fiduciary activities are reported in a separate statement of fiduciary net position.

Stephenson County, Illinois

Management Discussion and Analysis

These activities are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations.

Condensed Financial Information

Net position are summarized in the table below.

Condensed Statement of Net Position as of November 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current Assets	\$ 20,134,700	\$ 19,833,337	\$4,140,207	\$3,709,871	\$ 24,274,907	\$ 23,543,208
Non-current Assets	<u>93,238,136</u>	<u>125,245,288</u>	<u>1,233,229</u>	<u>1,096,011</u>	<u>94,471,365</u>	<u>126,341,299</u>
Total Assets	<u>113,372,836</u>	<u>145,078,625</u>	<u>5,373,436</u>	<u>4,805,882</u>	<u>118,746,272</u>	<u>149,884,507</u>
Current Liabilities	1,882,803	2,113,917	455,184	453,712	2,337,987	2,567,629
Non-current Liabilities	<u>10,997,518</u>	<u>11,724,902</u>	<u>111,237</u>	<u>118,305</u>	<u>11,108,755</u>	<u>11,843,207</u>
Total liabilities	<u>12,880,321</u>	<u>13,838,819</u>	<u>566,421</u>	<u>572,017</u>	<u>13,446,742</u>	<u>14,410,836</u>
Deferred inflows of resources	<u>8,197,498</u>	<u>8,345,685</u>	<u>500,000</u>	<u>400,000</u>	<u>8,697,498</u>	<u>8,745,685</u>
Total liabilities and deferred Inflows of resources	<u>21,077,819</u>	<u>22,184,504</u>	<u>1,066,421</u>	<u>872,017</u>	<u>22,144,240</u>	<u>23,156,521</u>
Net Position:						
Net investment in capital assets	77,906,634	109,076,019	1,233,229	1,096,011	79,139,863	110,172,030
Restricted	12,248,269	11,579,134	19,300	19,973	12,267,569	11,599,107
Unrestricted	<u>2,140,114</u>	<u>2,238,968</u>	<u>3,054,486</u>	<u>2,717,881</u>	<u>5,194,600</u>	<u>4,956,849</u>
Total net position	<u>\$ 92,295,017</u>	<u>\$122,894,121</u>	<u>\$4,307,015</u>	<u>\$3,833,865</u>	<u>\$96,602,032</u>	<u>\$126,727,986</u>

Current assets consist of cash, investments, and receivables.

The County's largest asset group is its capital assets. This includes land, land improvements, buildings, equipment, and infrastructure.

Current liabilities consist of accounts payable, accrued payroll, accrued interest, compensated absences, and the current portion of long-term debt.

Debt Certificates, compensated absences and net pension obligation constitute the County's long-term debt.

Deferred inflows of resources consists of deferred property taxes and other deferred other revenue.

The County's net position consists of capital assets net of related debt, restricted and unrestricted net position.

Stephenson County, Illinois

Management Discussion and Analysis

Condensed Financial Information (Continued)

Revenues, expenses, and changes in net position are summarized in the table below.

Condensed Statement of Activities For Fiscal Years Ending November 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program:						
Charges for services	\$ 3,849,044	\$ 5,276,351	\$7,015,034	\$6,872,832	\$10,864,078	\$12,149,183
Operating grants & Contributions	4,048,318	3,847,025	-	-	4,048,318	3,847,025
Capital grants & Contributions	676,321	-	-	-	676,321	-
General:						
Property & other taxes	13,736,306	13,187,115	396,060	499,685	14,132,366	13,686,800
Other	<u>801,936</u>	<u>1,158,986</u>	<u>2,251</u>	<u>7,482</u>	<u>804,187</u>	<u>1,166,468</u>
Total revenue	<u>23,111,925</u>	<u>23,469,477</u>	<u>7,413,345</u>	<u>7,379,999</u>	<u>30,525,270</u>	<u>30,849,476</u>
Expenses:						
General government	5,819,580	4,898,847	-	-	5,819,580	4,898,847
Public safety	4,539,740	5,111,561	-	-	4,539,740	5,111,561
Public works	34,729,096	35,305,418	-	-	34,729,096	35,305,418
Health, sanitation, & Welfare	2,954,779	3,205,923	-	-	2,954,779	3,205,923
Judiciary & court related	5,069,388	5,364,303	-	-	5,069,388	5,364,303
Interest on long-term debt	693,446	566,361	-	-	693,446	566,361
Nursing Center	<u>-</u>	<u>-</u>	<u>6,845,193</u>	<u>7,204,141</u>	<u>6,845,193</u>	<u>7,204,141</u>
Total expenses	<u>53,806,029</u>	<u>54,452,413</u>	<u>6,845,193</u>	<u>7,204,141</u>	<u>60,651,222</u>	<u>61,656,554</u>
Transfers	<u>95,000</u>	<u>-</u>	<u>(95,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$(30,599,104)</u>	<u>\$(30,982,936)</u>	<u>\$ 473,152</u>	<u>\$ 175,858</u>	<u>\$(30,125,952)</u>	<u>\$(30,807,078)</u>

Major sources of operating revenues for the County include: Property and state taxes, state/federal grants, charges for services, & fines & fees.

Stephenson County, Illinois

Management Discussion and Analysis

Management's Analysis of the County's Overall Financial Position and Results of Operations

Generally accepted accounting principles affect the County's reporting model, but not the day-to-day operations or the budgeting process of the County. The County's total governmental funds fund balances increased \$1,551,449 year over year. The General Fund had a net gain of \$687,443 on a modified accrual basis. Fund balances in the other fund types are limited in use according to the source of revenue. The activities in the major funds of the County are as follows: The IMRF fund had a net gain of \$190,967 during the year leaving an ending fund balance of \$2,116,348. The Health Department had a net gain of \$80,587 for the year leaving an ending fund balance of \$1,368,402. The Liability Insurance Fund had a net gain of \$104,840 leaving a fund balance of \$1,138,385.

General Fund Budgetary Comparison

The General Fund revenues were comparable to budget. The expenditures were \$1,007,738 below the allocated expense budget. The reason for the variance was expenditures were less than anticipated in Corrections and Public Safety. Also, the chillers were budgeted for in facilities and management but paid for out of Judicial. On the budgetary basis, the General Fund had a net gain of \$638,131 for the fiscal year, after financing transfers to other County funds.

Capital Assets/Long term Debt

The County refinanced the highway debt certificates. The outstanding balance of the Highway Debt Certificates Series 2002 was paid in the full amount of \$1,085,000. The new debt certificates, totaling \$915,000, will fully mature in 2020. These bonds are to be repaid from funds generated by the County Consolidated Program in the County Motor Fuel Tax Fund. During the fiscal year, a principle payment of \$115,000 was made, reducing the outstanding principal to \$800,000. See Note 6 for further information on long term debt. Major capital asset events during the fiscal year included the purchase and installation of chillers and a new canopy project was started at the Nursing Home. Note 5 contains details of the County's capital assets.

Factors or Conditions Impacting Future Periods

Major factors that may impact the County's finances are the economy, unfunded State Mandates and declining assessed evaluation values of real property in the County.

The County secured the first development at Mill Race Crossing Industrial Park this year. It is projected the facility will employ 75 people, pay approximately \$80,000 in property taxes annually and contribute 2% of their net profit to infrastructure improvements to Mill Race Crossing Industrial Park. An additional 2% of net profit will fund scholarships at Highland Community College and 1% of net profits will fund programs to prevent drug and alcohol abuse through the Stephenson County Health Department.

Another business development which has occurred in the County has been in the expansion of Pearl Valley Eggs. Pearl Valley Eggs is expending \$20 million to expand their existing facility and employing up to an additional 30 people in Stephenson County.

Stephenson County, Illinois

Management Discussion and Analysis

Factors or Conditions Impacting Future Periods (Continued)

In 2013, the County Board approved an agreement with the United States Marshal's Service to house Federal Inmates in empty cell space at the Stephenson County Jail. This program began in Mid-2014 and continues to provide the County with an additional revenue stream from which the County can repay bonds issued for the construction of the Stephenson County Jail in 1998.

In 2014, the County Board authorized the installation and operation of video gaming machines in establishments in unincorporated Stephenson County. The revenue stream generated by these machines has continued to grow. More businesses in the rural areas are installing machines.

The Nursing Center's business model continues to show positive results and the County is reinvesting funds back into the Nursing Center Facility and operational systems in order to ensure the facility is a viable option for our gaining population now and in the future. The Nursing Center continues to operate without interfund loans ("in the black").

The Employee Health Insurance Fund (031) which had been operating in the red is now operating in the black and repaying interfund loans. This is due to the County Board increasing employee contribution rates, adjusting benefits offered to employees and employing more accurate budgeting methodology as it applies to health insurance costs.

The County Board continues to improve upon best management practices and has begun to implement a Capital Improvement Plan, making significant reinvestments in facilities at the Nursing Center, Stephenson County Courthouse and looking forward to meeting future obligations by setting aside monies for upcoming projects.

January of 2014 saw the County Board aggressively move to pay down the existing debt on the Highway Building Bonds and take advantage of lower interest rates to restructure the remaining debt thereby saving the citizens over \$120,000 and reducing future obligations.

Improvement was also made in 2014 to the repayment of outstanding interfund loans. This illustrates the Administration, Board and Staff's commitment to improving the County's Financial Condition.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Stephenson County Administrator's Office, 50 W. Douglas Street, Suite 1002, Freeport, IL 61032.

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Basic Financial Statements

Stephenson County, Illinois

Statement of Net Position

November 30, 2014

Assets	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and cash equivalents	\$ 4,657,330	\$ 219,072	\$ 4,876,402
Investments	4,979,939	1,650,858	6,630,797
Prepaid asset	470,000	-	470,000
Accounts receivables, net of an allowance for doubtful accounts of \$30,000	2,224,989	1,365,277	3,590,266
Property tax receivable	8,174,377	500,000	8,674,377
Inventory	33,065	-	33,065
Internal balances	(405,000)	405,000	-
Total current assets	20,134,700	4,140,207	24,274,907
Other assets	4,592,738	-	4,592,738
Capital Assets:			
Not depreciated	288,555	109,048	397,603
Depreciated (Net of accumulated depreciation)	88,356,846	1,124,180	89,481,026
Total capital assets	88,645,401	1,233,228	89,878,629
Total assets	113,372,839	5,373,435	118,746,274
Liabilities			
Current liabilities:			
Accounts payable	848,832	334,562	1,183,394
Accrued payroll	347,456	120,622	468,078
Accrued interest	7,266	-	7,266
Compensated absences	84,249	-	84,249
Current portion long term debt	595,000	-	595,000
Total current liabilities	1,882,803	455,184	2,337,987
Noncurrent liabilities:			
Compensated absences	461,304	111,237	572,541
Net pension obligation	201,214	-	201,214
Bonds, leases, and other long-term debt	10,335,000	-	10,335,000
Total noncurrent liabilities	10,997,518	111,237	11,108,755
Total liabilities	12,880,321	566,421	13,446,742
Deferred Inflows of Resources			
Unearned revenue	23,121	-	23,121
Unavailable property taxes	8,174,377	500,000	8,674,377
Total deferred inflows of resources	8,197,498	500,000	8,697,498
Net Position			
Net investment in capital assets	77,906,637	1,233,228	79,139,865
Restricted	12,204,512	19,300	12,223,812
Unrestricted	2,183,871	3,054,486	5,238,357
Total net position	\$ 92,295,020	\$ 4,307,014	\$ 96,602,034

See accompanying notes to financial statements.

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Stephenson County, Illinois

Statement of Activities

Year ended November 30, 2014

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,819,580	\$ 910,629	\$ 64,010	\$ -
Public safety	4,539,740	923,639	275,197	-
Judicial & court related	5,069,388	1,363,357	586,681	-
Public works	34,729,093	266,362	1,344,213	676,321
Health, welfare, and sanitation	2,954,779	385,057	1,778,217	-
Interest	693,446	-	-	-
Total governmental activities	\$ 53,806,026	\$ 3,849,044	\$ 4,048,318	\$ 676,321
Business-type activities:				
Nursing Center	\$ 6,845,194	\$ 7,015,034	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes				
State taxes				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (4,844,941)	\$ -	\$ (4,844,941)
(3,340,904)	-	(3,340,904)
(3,119,350)	-	(3,119,350)
(32,442,197)	-	(32,442,197)
(791,505)	-	(791,505)
(693,446)	-	(693,446)
(45,232,343)	-	(45,232,343)
-	169,840	169,840
8,315,367	396,060	8,711,427
5,420,939	-	5,420,939
16,376	2,161	18,537
785,560	90	785,650
14,538,242	398,311	14,936,553
95,000	(95,000)	-
(30,599,101)	473,151	(30,125,950)
122,894,121	3,833,863	126,727,984
\$ 92,295,020	\$ 4,307,014	\$ 96,602,034

Stephenson County, Illinois

Balance Sheet - Governmental Funds

November 30, 2014

Assets	General Fund	Illinois Municipal Retirement
Cash and cash equivalents	\$ 115,011	\$ 1,226,439
Investments	518	618,364
Prepaid asset	-	-
Accounts receivable	713,947	4,000
Property tax receivable	4,368,990	300,000
Due from other funds	100,540	267,545
Inventory	30,658	-
Total assets	\$ 5,329,664	\$ 2,416,348
Liabilities and Fund Balance		
Vouchers payable	\$ 136,447	\$ -
Accrued payroll	241,419	-
Compensated absences	20,062	-
Due to other funds	415,040	-
Total liabilities	812,968	-
Deferred inflows of resources		
Unearned revenue	-	-
Unavailable property taxes	4,368,990	300,000
Total deferred inflows of resources	4,368,990	300,000
Fund balances:		
Nonspendable	30,658	-
Restricted	-	2,116,348
Committed	-	-
Unassigned	117,048	-
Total fund balances	147,706	2,116,348
Total liabilities, deferred inflows of resources and fund balances	\$ 5,329,664	\$ 2,416,348

County Health Department	Liability Insurance	Other Governmental Funds	Total Governmental Funds
\$ 123,561	\$ 173,651	\$ 3,014,521	\$ 4,653,183
669,894	1,000,117	2,691,046	4,979,939
-	-	470,000	470,000
732,464	-	700,927	2,151,338
40,722	940,000	2,524,666	8,174,378
-	-	1,730,000	2,098,085
2,407	-	-	33,065
<u>\$ 1,569,048</u>	<u>\$ 2,113,768</u>	<u>\$ 11,131,160</u>	<u>\$ 22,559,988</u>
\$ 84,847	\$ 34,564	\$ 204,517	\$ 460,375
51,956	819	53,262	347,456
-	-	64,187	84,249
-	-	1,203,045	1,618,085
<u>136,803</u>	<u>35,383</u>	<u>1,525,011</u>	<u>2,510,165</u>
23,121	-	-	23,121
40,722	940,000	2,524,665	8,174,377
<u>63,843</u>	<u>940,000</u>	<u>2,524,665</u>	<u>8,197,498</u>
2,407	-	470,000	503,065
1,365,995	1,138,385	7,583,784	12,204,512
-	-	45,119	45,119
-	-	(1,017,419)	(900,371)
<u>1,368,402</u>	<u>1,138,385</u>	<u>7,081,484</u>	<u>11,852,325</u>
<u>\$ 1,569,048</u>	<u>\$ 2,113,768</u>	<u>\$ 11,131,160</u>	<u>\$ 22,559,988</u>

Stephenson County, Illinois

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

November 30, 2014

Total fund balances - governmental funds	\$ 11,852,325
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. The cost of the assets is \$676,778,785 and the accumulated depreciation is \$588,133,384.	88,645,401
Other assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. This is the cost of other assets	4,592,738
An internal service fund is used to charge to costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(1,195,660)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(11,599,784)
Total net position - governmental activities	\$ 92,295,020

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Stephenson County, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year ended November 30, 2014

Revenues	General Fund	Illinois Municipal Retirement
Taxes	\$ 3,489,730	\$ 1,200,978
Fees, licenses, permits, and fines	1,445,714	-
Intergovernmental revenue	4,486,667	198,962
Sale of goods and services	-	-
Other revenue	391,454	5,967
Total revenues	9,813,565	1,405,907
Expenditures		
Current:		
General government	2,375,385	120,330
Public safety	2,040,203	471,063
Judiciary and court related	4,027,891	303,576
Public works	-	133,435
Health and welfare	-	186,536
Capital outlay	149,655	-
Debt service	-	-
Total expenditures	8,593,134	1,214,940
Excess (deficiency) of revenues over expenses	1,220,431	190,967
Other Financing Sources (Uses)		
Proceeds from the issuance of bonds	-	-
Premium on issuance of bonds	-	-
Payment to escrow	-	-
Transfers in	106,991	-
Transfers out	(639,979)	-
Total other financing sources and uses	(532,988)	-
Net change in fund balances	687,443	190,967
Fund balance (deficit) - beginning	(539,737)	1,925,381
Fund balance (deficit) - ending	\$ 147,706	\$ 2,116,348

County Health Department	Liability Insurance	Other Governmental Funds	Total Governmental Funds
\$ 40,348	\$ 965,356	\$ 2,618,955	\$ 8,315,367
115,773	-	2,917,170	4,478,657
1,799,531	-	2,110,396	8,595,556
87,859	-	89,842	177,701
45,148	388	200,872	643,829
2,088,659	965,744	7,937,235	22,211,110
-	-	561,668	3,057,383
-	-	1,898,157	4,409,423
-	-	438,264	4,769,731
-	860,904	2,719,142	3,713,481
2,177,426	-	519,563	2,883,525
-	-	183,910	333,565
28,651	-	1,405,643	1,434,294
2,206,077	860,904	7,726,347	20,601,402
(117,418)	104,840	210,888	1,609,708
-	-	915,000	915,000
-	-	16,741	16,741
-	-	(1,085,000)	(1,085,000)
201,505	-	1,442,251	1,750,747
(3,500)	-	(1,012,268)	(1,655,747)
198,005	-	276,724	(58,259)
80,587	104,840	487,612	1,551,449
1,287,815	1,033,545	6,593,872	10,300,876
\$ 1,368,402	\$ 1,138,385	\$ 7,081,484	\$ 11,852,325

Stephenson County, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended November 30, 2014

Excess (deficiency) of revenues and other sources over (under) expenditures and other uses - Governmental funds	\$ 1,551,449
Amounts reported for governmental activities in the statement of activities are different because:	
Some receivables were not received within 60 days therefore they are not recorded as revenue in the funds. This is the difference in those amounts recognized between the two years.	(70,258)
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. This is the amount by which depreciation expense (\$32,324,394) and loss on disposal (\$16,680) exceeds capitalized fixed assets (\$333,565).	(32,007,509)
An internal service fund is used to charge the costs of health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(931,375)
Debt issuance and payments are reported in governmental funds as expenditures and revenues. However, only the interest on bonds is recorded in the statement of activities. This is the amount of debt payments in the period.	758,429
Accrued interest is expensed in the government-wide funds as an expense when accrued. However, in the governmental funds, interest is expensed when paid. This is the difference in accrued interest at year end compared to the prior year accrual.	152,779
Vacation pay and net pension obligation 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 these liabilities increased over the prior period.	(52,616)
Change in net position of governmental activities	\$ (30,599,101)

Stephenson County, Illinois

Statement of Net Position - Proprietary Funds

November 30, 2014

Assets	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Current assets:		
Cash and cash equivalents	\$ 199,772	\$ 4,147
Investments	1,650,858	-
Receivables, net of a \$30,000 allowance	1,365,277	253,191
Property tax receivable	500,000	-
Due from other funds	405,000	-
Restricted assets	19,300	-
Total current assets	4,140,207	257,338
Noncurrent assets:		
Capital Assets (Net of accumulated depreciation):		
Buildings	1,315,129	-
Equipment	(81,901)	-
Total capital assets	1,233,228	-
Total assets	5,373,435	257,338
Liabilities		
Current liabilities:		
Accounts payable	334,562	567,998
Accrued payroll	120,622	-
Due to other funds	-	885,000
Compensated absences	111,237	-
Total liabilities	566,421	1,452,998
Deferred inflows of resources		
Unearned revenue	500,000	-
Net Position		
Net investment in capital assets	1,233,228	-
Restricted	19,300	-
Unrestricted	3,054,486	(1,195,660)
Total net position	\$ 4,307,014	\$ (1,195,660)

See accompanying notes to financial statements.

Stephenson County, Illinois

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

Year ended November 30, 2014

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<i>Operating Revenues</i>		
Charges for services	\$ 7,015,034	\$ -
Employee contributions	-	413,690
County contributions	-	2,184,444
Reimbursements	-	557,195
Total operating revenues	7,015,034	3,155,329
<i>Operating Expenses</i>		
Nursing Center	6,902,128	-
Depreciation	105,090	-
Administrative fees	-	70,908
Health and life insurance premiums	-	212,301
Health claims	-	3,803,683
Total expenses	7,007,218	4,086,892
Operating income (loss)	7,816	(931,563)
<i>Non-Operating Revenue (Expense)</i>		
Property taxes	396,060	-
Interest income	2,161	188
Miscellaneous	88	-
Return of prior year revenue	162,024	-
Total non-operating revenue	560,333	188
Other financing sources (uses):		
Operating transfer out	(95,000)	-
Net income (loss)	473,149	(931,375)
Net position - beginning	3,833,865	(264,285)
Net position - ending	\$ 4,307,014	\$ (1,195,660)

Stephenson County, Illinois

Statement of Cash Flows - Proprietary Funds

Year ended November 30, 2014

	Business-Type Activities Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<i>Cash Flows from Operating Activities</i>		
Cash received for services	\$ 7,026,991	\$ -
Cash received for internal services	-	3,097,171
Cash payments to suppliers	(3,716,543)	(3,893,892)
Cash payments to employees	(3,191,181)	-
Net cash provided by operating activities	119,267	(796,721)
<i>Cash Flows from Non-Capital Financing Activities</i>		
Property taxes	396,060	-
Miscellaneous	88	-
Activity from interfund loan	(405,000)	555,000
Transfer to other funds	(95,000)	-
Net cash (used in) non-capital financing activities	(103,852)	555,000
<i>Cash Flows from Capital and Related Financing Activities</i>		
Purchase of fixed assets	(242,307)	-
Net cash (used in) capital & related financing activities	(242,307)	-
<i>Cash Flows from Investing Activities</i>		
Sale of investments	310,786	-
Interest income	2,161	188
Increase in restricted assets	673	-
Net cash provided by investing activities	313,620	188
Net increase/decrease in cash and cash equivalents	86,728	(241,533)
Cash and cash equivalents - beginning	113,044	245,680
Cash and cash equivalents - ending	\$ 199,772	\$ 4,147

Stephenson County, Illinois

Statement of Cash Flows - Proprietary Funds (Continued)

Year ended November 30, 2014

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Fund
<i>Reconciliation of operating income to net cash provided (used) by operating activities</i>		
Operating income (loss)	\$ 7,816	\$ (931,563)
Adjustments needed to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	105,090	-
Return of prior year revenue	162,024	-
Increase in accounts receivable	(150,067)	(58,158)
(Decrease) increase in vouchers payable	4,541	193,000
Increase in accrued payroll	(3,069)	-
Decrease in compensated absences	(7,068)	-
Net cash provided by operating activities	\$ 119,267	\$ (796,721)

Stephenson County, Illinois

Statement of Fiduciary Net Position - Fiduciary Funds

November 30, 2014

		Agency
Assets		
Cash	\$	1,745,000
Investments, at cost		1,161,823
Accounts receivable		108,962
Total assets		\$ 3,015,785
Liabilities		
Due to others	\$	3,015,785
Total liabilities		\$ 3,015,785

Stephenson County, Illinois

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Introduction

The financial statements of Stephenson County, Illinois (the "County") 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, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. 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 a municipal corporation governed by twenty-two 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. The County has one blended component unit.

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.

Stephenson 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 and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Illinois Municipal Retirement Fund* accounts for tax monies and reimbursements restricted for funding of the county IMRF retirement system.

The *County Health Department Fund* accounts for tax monies, fees, grants and other reimbursements used to operate the County's Health Department.

The *Liability Insurance Fund* accounts for the risk management activities of the County.

The County reports the following major enterprise funds:

The *Nursing Center Fund* accounts for the tax monies and charges for services used to operate the County Nursing Home

Additionally, the County reports the following fund types:

Internal service funds account for health insurance provided to other departments or agencies of the County, or to other governments.

Stephenson 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 and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type 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. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Use of Estimates

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

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with the cash basis.

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.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

Inventories

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

Stephenson 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 or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). 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:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	40
Equipment and vehicles	5-7
Infrastructure	20-50

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, 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.

Stephenson 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 governing council is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Program Revenues

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

Property Taxes

The County's property tax is levied each year on all taxable real property located in the County. Since the 2014 property tax levy is levied to finance the operations of fiscal year 2015, the 2014 property tax is recorded as a receivable and the 2014 property tax revenue is unavailable. The 2013 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2014. The County must file its tax levy by the last Tuesday of December each year. The 2013 levy was approved on November 14, 2013. The 2014 levy was approved on November 25, 2014.

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 2013 became due and payable in two installments, generally in June 2014 and September 2014. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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 and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Earned sick days can accumulate to a maximum of 60 days, and at the end of each calendar year, depending on their contract employees may receive two working day's pay for every three sick days accumulated above the 60 maximum days. Except in cases of over accumulation, payment is only made for illness.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Note 2 Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the year ended November 30, 2014, expenditures exceeded appropriations in the County Highway Fund by \$109,312, the County Matching Fund by \$232,986, the Capital Fund by \$120,000, the Debt Service Fund \$701,940, the Highway Building Fund by \$1,701, the Mill Race Crossing Fund by \$16,181, the Circuit Clerk Fees Fund by \$30,340, the Drug Fund by \$4,460, the Court Supervision Fund by \$1,750, and the Employee's Health Insurance Fund by \$947,167.

Stephenson County, Illinois

Notes to Financial Statements

Note 2 Stewardship, Compliance and Accountability (Continued)

Deficit Fund Balance

At November 30, 2014, the County Highway Fund had a deficit fund balance of \$749,353 and the Coroner's Fund had a deficit fund balance of \$268,066.

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, 2014, the County's bank balance was \$12,463,467 and the entire balance was insured and collateralized with securities in the County's name.

For financial statement purposes, the County shows certificates of deposits and money market accounts as temporary cash investments.

Note 4 Investments

As of November 30, 2014, the County had the following investments:

	<u>Fair Value</u>
Investment in State Investment Pool	<u>\$2,112,097</u>

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

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

	<u>Remaining Maturity (in Months)</u>			
	<u>12 Months or Less</u>	<u>13-60 Months</u>	<u>60+ Months</u>	<u>Total</u>
External investment pool	<u>\$2,112,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,112,097</u>

Stephenson County, Illinois

Notes to Financial Statements

Note 4 Investments (Continued)

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:

	Total as of <u>November 30, 2014</u>	<u>A1</u>
External investment pool	<u>\$2,112,097</u>	<u>\$2,112,097</u>

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, 2014 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.

Stephenson County, Illinois

Notes to Financial Statements

Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2014 is as follows:

	Balance December 1, 2013	Additions	Deletions	Balance November 30, 2014
Capital assets not being depreciated:				
Land	\$ 288,555	\$ -	\$ -	\$ 288,555
Capital assets being depreciated:				
Infrastructure	655,053,642	-	-	655,053,642
Buildings and Improvements	15,448,352	98,150	-	15,546,502
Equipment and Vehicles	5,713,826	235,415	59,155	5,890,086
Total capital assets being depreciated	676,215,820	333,565	59,155	676,490,230
Less accumulated depreciation for:				
Infrastructure	545,147,443	31,667,834	-	576,815,277
Buildings and Improvements	6,095,274	381,260	-	6,476,534
Equipment and Vehicles	4,608,748	275,300	42,475	4,841,573
Total accumulated depreciation	555,851,465	32,324,394	42,475	588,133,384
Total capital assets being depreciated, net:	120,364,355	(31,990,829)	16,680	88,356,846
Governmental activities capital assets, net	\$120,652,910	\$(31,990,829)	\$ 16,680	\$ 88,645,401

Stephenson County, Illinois

Notes to Financial Statements

Note 5 Capital Assets (Continued)

The business-type activities capital asset activity for the year ended November 30, 2014 is as follows:

	Balance December 1, 2013	Additions	Deletions	Balance November 30, 2014
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$109,048	\$ -	\$ 109,048
Capital assets being depreciated:				
Buildings and Improvements	3,099,946	-	50,560	3,049,386
Equipment and Vehicles	854,236	133,936	180,347	807,825
Total capital assets being depreciated	3,954,182	133,936	230,907	3,857,211
Less accumulated depreciation for:				
Buildings and Improvements	2,105,982	62,709	50,312	2,118,379
Equipment and Vehicles	752,189	42,381	179,918	614,652
Total accumulated depreciation	2,858,171	105,090	230,230	2,733,031
Business type activities capital assets, net	\$1,096,011	\$ 28,846	\$ 677	\$1,233,228

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:

Public safety	\$ 113,607
Public works	31,874,805
Health, sanitation, and welfare	33,563
Judicial and court related	302,419
Total depreciation expense, governmental activities	\$32,324,394

Business-type activities:

Nursing Center	\$105,090
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Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt

Jail Debt Certificates, Series 2007

In 1998, the County issued \$11,060,000 of Illinois Rural Bond Bank Revenue Bonds to construct and equip a new County jail through a trustee, who will in turn, lease the jail to the County. The County's lease payments to the trustee will be used to repay the bonds. A referendum was passed during the 1997 fiscal year allowing for a Public Safety sales tax.

On October 1, 2007, the County issued Debt Certificates to refinance the Revenue Bonds and pay off the lease. The Debt Certificates were issued in the amount of \$6,395,000.

Principal and interest payments are due annually on December 1 ending December 1, 2026. Interest only payments are due annually on June 1. Interest rates range from 4.0% to 5.0%. The following is a schedule of debt payments due over the life of the certificates:

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 285,000	\$ 211,200
2016	300,000	196,575
2017	315,000	181,200
2018	330,000	165,075
2019	350,000	148,075
2020 - 2024	1,990,000	489,363
2025 - 2027	<u>1,400,000</u>	<u>85,400</u>
Total	<u>\$4,970,000</u>	<u>\$1,476,888</u>

Real Estate Mortgage

During the year ended November 30, 1999, the Stephenson County Board of Health entered into a promissory note with State Bank for the renovation of the new Health Department building. The original amount of the note was \$600,000, with a fixed rate of interest of 4.37% to mature August 14, 2004. It was refinanced with a balance of \$559,039 on September 22, 2003 to mature August 14, 2008. On April 25, 2008, an additional \$200,000 was paid to reduce the principal balance and the mortgage was refinanced to be due October 25, 2016. The debt is secured by the Health Department building. Payments of \$2,573 are due monthly with an interest rate of 4.05%. The note was paid off during the fiscal year.

Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt (Continued)

General Obligation Debt Certificates

In May 2006, the County issued \$6,000,000 of debt certificates to pay part of the cost of a public improvement project related to economic development. Interest only payments were made quarterly at a rate of 4.6% until May 15, 2011. The entire principal of \$6,000,000 was scheduled to be refinanced with TIF Bonds on May 15, 2011. The County received an extension to January 15, 2012 to refinance the Debt Certificates. \$500,000 was paid on May 15, 2012 and the remaining \$5,500,000 was refinanced with Refunding Debt.

On January 5, 2012, the County issued \$5,645,000 in debt certificates. Principal payments are due December 1 of each year with final payment on December 1, 2031. Interest payments are made every June 1 and December 1 at rates from 3% to 6.375% with final payment on December 1, 2031.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 180,000	\$ 281,638
2016	185,000	276,088
2017	200,000	268,488
2018	200,000	260,488
2019	215,000	249,988
2020 – 2024	1,255,000	1,078,440
2025 – 2029	1,670,000	629,390
2030 – 2032	<u>1,255,000</u>	<u>119,788</u>
Total	<u>\$5,265,000</u>	<u>\$3,164,308</u>

Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt (Continued)

Highway Department Building Debt Certificates

In August 2002, the County issued \$2,000,000 of Debt certificates to pay part of the cost of building and equipping a building and related facilities for the County's Highway Department.

On April 14, 2014, the County issued Refunding Debt certificates, Series 2014, to pay the remaining principal and interest on the County's outstanding Debt certificate, Series 2002. The Refunding Debt Certificates, Series 2014, were issued in the amount of \$915,000 and, 100% of the proceeds were used to defease the Debt certificate, Series 2002. This refunding was undertaken to reduce the total debt service payments and resulted in an economic gain of \$75,589.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$125,000	\$21,800
2016	130,000	19,300
2017	130,000	16,700
2018	135,000	12,800
2019	140,000	8,750
2020	<u>140,000</u>	<u>4,550</u>
Total	<u>\$800,000</u>	<u>\$83,900</u>

The following is a summary of changes in long-term debt for the year ended November 30, 2014:

	<u>Balance December 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance November 30, 2014</u>
Mortgage Payable	\$ 28,069	\$ -	\$ 28,069	\$ -
Debt Certificates	<u>11,660,000</u>	<u>915,000</u>	<u>1,645,000</u>	<u>10,930,000</u>
Total	<u>\$11,688,069</u>	<u>\$915,000</u>	<u>\$1,673,069</u>	<u>\$10,930,000</u>

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$632,731,324. As of November 30, 2014 the County had \$25,452,051 of remaining legal debt margin.

Stephenson County, Illinois

Notes to Financial Statements

Note 7 Debt Defeasance

In April 2014, the County defeased the series 2002 general obligation bond by placing the proceeds of the Series 2014 general obligation refunding bond issue in an irrevocable trust fund. New debt was issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's financial statements. As of November 30, 2014, the amount of defeased debt from the series 2002 bond outstanding but removed from the County's financial statements amounted to \$1,085,000.

Note 8 Interfund Receivables and Payables

The following is a summary of interfund receivables and payables due at November 30, 2014.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major funds:		
General	\$ 100,540	\$ 415,040
IMRF	267,545	-
Non-major Governmental	1,730,000	1,203,045
Proprietary funds:		
Internal Service	-	885,000
Nursing Home	<u>405,000</u>	<u>-</u>
Totals	<u>\$2,503,085</u>	<u>\$2,503,085</u>

The purpose of the interfund balances is to fund short-term cash shortfalls in the various funds. They will be paid back as cash positions as the borrowing funds improve.

Note 9 Fund Balance Reporting

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.

Stephenson County, Illinois

Notes to Financial Statements

Note 9 Fund Balance Reporting (Continued)

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 \$33,065 in inventory and \$470,000 in prepaid asset that is nonspendable at year end.

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 the following balances that are restricted at year end.

Major Funds:

State statutes and enabling legislation:

Illinois Municipal Retirement	\$ 2,116,348
County Health Department	1,365,995
Liability Insurance	1,138,385

Stephenson County, Illinois

Notes to Financial Statements

Note 9 Fund Balance Reporting (Continued)

Non-Major Funds

State statutes and enabling legislation:

County Bridge	1,476,649
County Matching	36,655
County Motor Fuel	465,259
Geographic Information Systems	19,697
DUI Equipment	16,233
Mental Health	138,525
Tuberculosis	83,442
Animal Control	232,195
Circuit Clerk Fees	12,945
Social Security	952,243
Educational Extension Service	169,802
Emergency Service & Disaster	26,121
ETSB 911	978,683
Drug Funds	64,754
Waste Management	134,847
Mechanical Document Storage	63,410
Public Safety	2,023,478
Court Automation	58,834
Probation Service Fee	285,402
Document Storage – Circuit Clerk	51,859
Treasurer Automation	86,692
Court Supervision	5,589
Law Library	31
Mill Race Crossing	191,236
Highway Building	4,059
Externally imposed by grantors - Environmental Remediation	5,144

Total restricted fund balance	\$12,204,512
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Stephenson County, Illinois

Notes to Financial Statements

Note 9 Fund Balance Reporting (Continued)

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 \$1,362 committed to debt and \$43,757 committed to capital improvements.

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 balances that are assigned at year end.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund unassigned fund balance was \$117,048 and Other Governmental Funds unassigned fund balance was (\$1,017,419).

Note 10 Restricted Net Position

The Nursing Center has in restricted cash and investments. The monies have been received through donations and bequests. These funds have been restricted to future capital additions of the Nursing Center.

Note 11 Pension Plan

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Stephenson County, Illinois

Notes to Financial Statements

Note 11 Pension Plan (Continued)

Funding Policy. As set by statute, the County's Regular plan members are required to contribute 4.5 percent (7.5 percent for SLEP members) 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 required contribution rate for calendar year 2013 was 10.46 percent (21.94 percent for SLEP members). 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$897,099, (\$595,767 for SLEP members).

	<u>REG</u>	<u>SLEP</u>
Annual required contribution	\$897,099	\$595,767
Interest adjustment	10,396	4,341
Adjustment to amortize unfunded liability	<u>(7,072)</u>	<u>(2,953)</u>
Annual pension cost	900,423	597,155
Contributions made	<u>897,099</u>	<u>595,767</u>
Increase (decrease) in net pension obligation	3,324	1,388
Net pension obligation, beginning	<u>138,620</u>	<u>57,882</u>
Net pension obligation, ending	<u>\$141,944</u>	<u>\$ 59,270</u>

Three-Year Trend Information for the Regular Plan

REG:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$900,423	100%	\$141,944
12/31/12	837,957	100%	138,620
12/31/11	808,062	98%	135,374

Stephenson County, Illinois

Notes to Financial Statements

Note 11 Pension Plan (Continued)

Annual Pension Cost (Continued)

SLEP:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$597,155	100%	\$59,270
12/31/12	540,433	100%	57,882
12/31/11	547,391	98%	56,527

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Regular plan's unfunded and (SLEP plan's unfunded) actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 95.17 percent funded, (73.27 percent for SLEP funded). The actuarial accrued liability for benefits was \$22,630,437 (\$12,901,611 for SLEP) and the actuarial value of assets was \$21,537,473, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,092,964, and (\$9,452,516 for SLEP, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,449,095). The covered payroll for calendar year 2013 (annual payroll of active employees covered by the Regular plan) was \$8,576,469 and the ratio of the UAAL to the covered payroll was 13 percent. For SLEP members, the covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,715,437 and the ratio of the UAAL to the covered payroll was 127 percent.

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

Stephenson County, Illinois

Notes to Financial Statements

Note 12 Interfund Transfers

Below are the interfund transfers as of November 30, 2014:

	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General	\$ 106,991	\$ 639,979
County Health Department	201,505	3,500
Non-Major Governmental	1,442,251	1,012,268
Proprietary funds:		
Nursing Home	<u>-</u>	<u>95,000</u>
	<u>\$1,750,747</u>	<u>\$1,750,747</u>

All transfers were made for budgeted capital outlays or to subsidize small funds.

Note 13 Other Assets

During the years ended November 30, 2006 through 2011, the County purchased land, incurred engineering costs, and made land improvements totaling \$4,824,326 related to the Mill Race Crossing Economic Development Project. With the cooperation of the Northwest Illinois Development Alliance, the County intends to develop infrastructure in the area and use the land for new business development. Any proceeds from the sale of the land will go to the County to offset the cost of the original purchase and further costs the County incurs to develop the land.

Note 14 Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the County purchases insurance coverage through ICRMT. The deductibles in effect through these policies as of November 30, 2014 were \$50,000 for liability and \$5,000 for property. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

Note 15 Self-Insurance

The County is partially self-insured for health care benefits provided to its own employees. The purpose of this program is to pay medical insurance claims of the County employees and their covered dependents and minimize the total costs of annual insurance to the County. The health insurance consultant determines premium payments to be made by the County. Annual claims are paid from accumulated premium payments, and claims exceeding accumulated premium payments are paid by the private insurance carrier. Employee and dependent coverage is partially funded by charges to employees and the remainder by the County.

Stephenson County, Illinois

Notes to Financial Statements

Note 15 Self-Insurance (Continued)

Under the program, the County is responsible for the first \$135,000 of covered charges per individual per year and an additional aggregating specific deductible of \$67,500 and approximately the first \$3,645,662 of covered charges in aggregate. Health care claims which exceed \$135,000 of covered charges per individual per year and an additional aggregating specific deductible of \$67,500 or which aggregate more than \$3,645,662 are covered by insurance.

<u>Year Ending November 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2012	\$350,000	\$2,913,851	\$3,063,851	\$200,000
2013	\$200,000	\$3,126,107	\$2,951,107	\$375,000
2014	\$375,000	\$3,803,683	\$3,610,683	\$568,000

Note 16 Contingencies

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

Note 17 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 one former employee has 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, 2014.

Stephenson County, Illinois

Notes to Financial Statements

Note 18 Impact of Pending GASB Statements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The County is required to implement this standard for the fiscal year ending November 30, 2015. The County has not yet determined the full impact that adoption of GASB Statement 68 will have on the financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The County is required to implement this standard for the fiscal year ending November 30, 2015. The County has not yet determined the full impact that adoption of GASB Statement 71 will have on the financial statements

Note 19 New Reporting Standard

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The County has implemented this statement in the year ended November 30, 2014.

Required Supplementary Information (Unaudited)

Stephenson County, Illinois

Required Supplementary Information

Schedule of Funding Progress

REG:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/13	\$21,537,473	\$22,630,437	\$1,092,964	95.17%	\$8,576,469	12.74%
12/31/12	19,239,880	22,105,519	2,865,639	87.04%	8,465,628	33.85%
12/31/11	18,789,849	21,783,076	2,993,227	86.26%	8,337,338	35.90%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$25,952,453. On a market basis, the funded ratio would be 114.68%.

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

SLEP:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/13	\$9,452,516	\$12,901,611	\$3,449,095	73.27%	\$2,715,437	127.02%
12/31/12	9,521,206	13,504,232	3,983,026	70.51%	2,629,693	151.46%
12/31/11	8,219,431	12,435,463	4,216,032	66.10%	2,764,537	152.50%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$11,621,336. On a market basis, the funded ratio would be 90.08%.

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

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Revenues	Original Budget	Final Budget	Actual	Over (Under) Budget
Taxes:				
Property taxes	\$ 3,272,298	\$ 3,272,298	\$ 3,489,730	\$ 217,432
State income tax	1,254,600	1,254,600	1,369,910	115,310
State sales tax	382,500	382,500	413,675	31,175
State supplemental sales tax	1,060,800	1,060,800	1,090,872	30,072
State use tax	210,000	210,000	260,391	50,391
Replacement tax	156,084	156,084	224,027	67,943
Treasurer/tax sale automation	125,000	125,000	148,780	23,780
Total taxes	6,461,282	6,461,282	6,997,385	536,103
Fees, licenses, permits, and fines:				
County clerk fees	190,000	190,000	168,303	(21,697)
Circuit clerk fees	451,500	451,500	401,818	(49,682)
County sheriff fees	133,841	133,841	116,605	(17,236)
State's attorney fees	40,000	40,000	38,497	(1,503)
County coroner fees	1,800	1,800	1,000	(800)
Supervisor of assessment fees	49,000	49,000	44,767	(4,233)
Zoning fees	12,000	12,000	21,232	9,232
Licenses	14,880	14,880	1,100	(13,780)
Criminal fines	238,000	238,000	214,940	(23,060)
Jail medical fees	10,000	10,000	11,269	1,269
Traffic fines	291,000	291,000	236,886	(54,114)
Cable franchise fees	30,000	30,000	47,653	17,653
Court security fees	122,000	122,000	105,162	(16,838)
County ordinances	360	360	300	(60)
Video gaming	5,000	5,000	20,053	15,053
Total fees, licenses, permits, and fines	1,589,381	1,589,381	1,429,585	(159,796)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Revenues (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Intergovernmental revenue received:				
State of Illinois salary reimbursements	931,290	968,227	944,282	(23,945)
Boarding of prisoners	350,000	350,000	180,077	(169,923)
State's attorney grant	20,250	20,250	22,075	1,825
Total intergovernmental revenues received	1,301,540	1,338,477	1,146,434	(192,043)
Other revenue received:				
Interest on investments	360	360	116	(244)
Revenue stamps	50,000	50,000	61,042	11,042
Street value	2,000	2,000	4,774	2,774
Probation dept - work release	60,000	60,000	23,852	(36,148)
Miscellaneous	112,750	112,750	80,961	(31,789)
Total other revenue received	225,110	225,110	170,745	(54,365)
Total revenues received	\$ 9,577,313	\$ 9,614,250	\$ 9,744,149	\$ 129,899

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government:				
County Properties				
Personnel:				
Salaries - other full time	\$ 38,382	\$ 38,382	\$ 36,175	\$ (2,207)
Salaries - overtime	1,300	1,300	1,135	(165)
Total personnel	39,682	39,682	37,310	(2,372)
Commodities:				
Cleaning supplies	2,500	2,500	1,992	(508)
Paper supplies - towels, etc.	3,000	3,000	3,201	201
Electrical supplies	800	800	42	(758)
Hardware supplies	80	80	14	(66)
Plumbing supplies	500	500	66	(434)
Painting supplies	50	50	-	(50)
Salt	750	750	558	(192)
Total commodities	7,680	7,680	5,873	(1,807)
Contractual:				
Advertising and publishing	100	100	-	(100)
Boiler - state inspection	330	330	210	(120)
Gas - natural	15,000	15,000	18,512	3,512
Electric	45,000	45,000	35,767	(9,233)
Telephone - alarm system	100	100	-	(100)
Water and sewer	2,675	2,675	2,191	(484)
Garbage disposal	2,380	2,380	2,083	(297)
Pest control	50	50	-	(50)
Maintenance - environmental	7,500	7,500	9,655	2,155
Maintenance - painting & decoratin	250	250	9	(241)
Maintenance - elevators	24,700	24,700	23,503	(1,197)
Maintenance - general	12,340	12,340	11,090	(1,250)
Maintenance - telephone system	800	800	-	(800)
Courthouse building repair	3,100	3,100	662	(2,438)
Janitorial contract	920	920	784	(136)
Total contractual	115,245	115,245	104,466	(10,779)
Capital outlay:				
Equipment	300	300	298	(2)
Total county properties	162,907	162,907	147,947	(14,960)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
County Clerk and Recorder				
Personnel:				
Salaries - department head	52,000	52,000	52,000	-
Salaries - deputies	96,772	98,707	106,069	7,362
Overtime salaries	10	10	-	(10)
Excess sick days	1,800	1,800	1,130	(670)
Total personnel	150,582	152,517	159,199	6,682
Commodities:				
Stationery and supplies	10,000	9,985	7,754	(2,231)
Computerized recording system	10	10	-	(10)
Office equipment (under \$500)	350	350	350	-
Books, periodicals, and manuals	10	10	-	(10)
Operational expense	1,000	1,000	746	(254)
Total commodities	11,370	11,355	8,850	(2,505)
Contractual:				
Auto mileage	50	50	-	(50)
Publishing	400	4,761	4,761	-
Printing, duplicating, and binding	2,000	2,000	759	(1,241)
Photocopies	10	10	-	(10)
Office equipment repair	1,010	1,010	85	(925)
Dues and memberships	465	465	465	-
Meetings and seminars	275	275	-	(275)
Miscellaneous fees (register births and deaths)	1,000	1,000	992	(8)
Telephone	70	70	-	(70)
IT Equipment	2,615	1,575	1,575	-
Total contractual	7,895	11,216	8,637	(2,579)
Total county clerk and recorder	169,847	175,088	176,686	1,598

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
County Treasurer				
Personnel:				
Salaries - department head	49,000	49,000	49,000	-
Salaries - deputies	27,118	27,660	25,679	(1,981)
Salaries - part-time deputy	15,000	15,144	9,195	(5,949)
Overtime salaries - deputies	10	10	-	(10)
Total personnel	91,128	91,814	83,874	(7,940)
Commodities:				
Stationery and supplies	600	600	539	(61)
Computer supplies	3,500	3,500	3,500	-
Office equipment	1,000	1,000	988	(12)
Total commodities	5,100	5,100	5,027	(73)
Contractual:				
Mileage	10	10	-	(10)
Advertising and publishing	700	700	-	(700)
Office equipment repair	200	200	-	(200)
Total contractual	910	910	-	(910)
Total county treasurer	97,138	97,824	88,901	(8,923)
County Board Expense Disbursed				
Personnel:				
Salaries - per diem	78,400	79,501	65,520	(13,981)
Chairman	20,725	20,725	19,427	(1,298)
Total personnel	99,125	100,226	84,947	(15,279)
Contractual:				
Auto mileage	5,900	4,799	7,321	2,522
Dues and memberships	1,988	1,988	565	(1,423)
Meetings and seminars	3,500	3,500	2,560	(940)
Total contractual	11,388	10,287	10,446	159
Total county board	110,513	110,513	95,393	(15,120)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Administrative Services				
Personnel:				
Salaries - department head	60,000	60,000	50,706	(9,294)
Salaries - secretary	30,600	31,200	30,885	(315)
Total personnel	90,600	91,200	81,591	(9,609)
Commodities:				
Stationery and supplies	500	825	825	-
Computer supplies	300	300	544	244
Printing paper and supplies	5,700	5,700	5,940	240
Total commodities	6,500	6,825	7,309	484
Contractual:				
Auto mileage	750	750	118	(632)
Postage	66,000	66,000	57,599	(8,401)
Postage presort service	1,000	1,000	881	(119)
Printing, duplicating and binding	150	150	-	(150)
Photocopies	1,100	1,100	1,251	151
Telephone	106,290	41,362	38,361	(3,001)
Office equipment repair	720	1,405	719	(686)
Dues and memberships	285	7,214	6,929	(285)
Postage meter rental	1,250	565	497	(68)
Computer contract	13,000	13,000	13,685	685
Professional services	30,000	30,000	30,000	-
Office equipment	6,750	6,425	3,928	(2,497)
Total contractual	227,295	168,971	153,968	(15,003)
Total administrative services	324,395	266,996	242,868	(24,128)
Recreation and Conservation				
Contractual:				
Electric	200	200	209	9
Maintenance and repair	4,000	4,000	1,077	(2,923)
Maintenance - Kent Monument	-	-	816	816
Atten Landing	3,473	3,473	-	(3,473)
Pec prairie path	33,333	33,333	34,000	667
Jane Addams trail	31,030	31,030	3,030	(28,000)
Total recreation & conservation	72,036	72,036	39,132	(32,904)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Supervisor of Assessments				
Personnel:				
Salaries - department head	65,600	66,912	66,835	(77)
Salaries - deputies	59,470	61,104	59,695	(1,409)
Salaries - board of review	10,500	10,500	10,500	-
Excess sick days	3,350	3,350	3,269	(81)
Total personnel	138,920	141,866	140,299	(1,567)
Commodities:				
Stationery and supplies	1,500	1,500	1,314	(186)
Total commodities	1,500	1,500	1,314	(186)
Contractual:				
Appraisal Maintenance	40,572	40,572	40,572	-
Independent appraisal	10	10	-	(10)
Auto mileage	1,750	1,750	1,269	(481)
Advertising and publishing	14,500	14,500	8,619	(5,881)
Printing, duplicating, and binding	2,500	2,500	1,204	(1,296)
Photocopies	1,500	1,500	1,545	45
Dues and memberships	750	750	540	(210)
Meetings and seminars	3,000	3,000	2,255	(745)
Appraisal software	15,500	15,500	15,170	(330)
Total contractual	80,082	80,082	71,174	(8,908)
Total supervisor of assessments	220,502	223,448	212,787	(10,661)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Economic Development				
Personnel:				
Enterprise Zone Administrator	1,500	1,500	1,500	-
Total personnel	1,500	1,500	1,500	-
Contractual:				
Soil & water conservation	25,000	25,000	25,000	-
Blackhawk Hills-R.C. & D	11,036	11,036	11,036	-
Total contractual	36,036	36,036	36,036	-
Total economic development	37,536	37,536	37,536	-
Facilities Management				
Personnel:				
Salaries - department head	68,900	70,278	68,900	(1,378)
Salaries - secretary	1,000	251	-	(251)
Salaries - maintenance	37,440	38,189	38,189	-
Total salaries	107,340	108,718	107,089	(1,629)
Commodities:				
Stationery and supplies	50	50	-	(50)
Books, periodicals, and manuals	100	100	-	(100)
Total commodities	150	150	-	(150)
Contractual:				
Auto mileage	2,500	2,411	1,131	(1,280)
Total contractual	2,500	2,411	1,131	(1,280)
Capital & Equipment:				
Chillers	150,000	103,089	(90)	(103,179)
Total contractual	150,000	103,089	(90)	(103,179)
Total facilities management	259,990	214,368	108,130	(106,238)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Election Expense				
Personnel:				
Salaries - deputies	100,510	51,855	52,207	352
Salaries - part-time	2,500	2,500	-	(2,500)
Salaries - per diem	50,000	50,000	44,785	(5,215)
Total personnel	153,010	104,355	96,992	(7,363)
Commodities:				
Books, periodicals, and manuals	10	10	-	(10)
Printing paper and supplies	100,000	93,289	79,606	(13,683)
Total commodities	100,010	93,299	79,606	(13,693)
Contractual:				
Auto mileage	700	751	768	17
Advertising and publishing	20,000	15,654	8,481	(7,173)
Photocopies	10	10	-	(10)
Telephone	10	10	-	(10)
Building and rooms	4,000	4,000	3,750	(250)
Election software	46,010	53,710	56,390	2,680
Office equipment	500	500	376	(124)
Total contractual	71,230	74,635	69,765	(4,870)
Capital outlay:				
Office equipment (over \$500)	10	10	-	(10)
Total election expense	324,260	272,299	246,363	(25,936)
Zoning				
Personnel:				
Salaries - department head	37,681	50,599	51,404	805
Salaries - secretary	8,400	8,400	5,840	(2,560)
Salaries - per diem	1,000	2,330	2,434	104
Excess sick days	961	10,873	10,153	(720)
Total personnel	48,042	72,202	69,831	(2,371)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Zoning (Continued):				
Commodities:				
Stationery and supplies	500	500	424	(76)
Office equipment (under \$500)	300	300	289	(11)
Total commodities	800	800	713	(87)
Contractual:				
Auto mileage	2,000	2,000	1,761	(239)
Advertising and publishing	300	185	157	(28)
Photocopies	800	915	915	-
Office equipment repairs	500	500	290	(210)
Telephone	1,300	1,300	1,244	(56)
Total contractual	4,900	4,900	4,367	(533)
Total zoning	53,742	77,902	74,911	(2,991)
Miscellaneous				
Contractual:				
Annual audit	48,000	48,000	54,500	6,500
Special Asst. State's Attorney	12,000	4,000	1,032	(2,968)
Labor attorney fees	60,000	88,000	104,349	16,349
Insurance premiums	746,200	746,200	685,262	(60,938)
County Code Book	3,500	3,500	1,195	(2,305)
Youth diversion program	15,000	15,000	7,800	(7,200)
Regional office of education	37,395	37,395	40,290	2,895
Stockton School District	5,307	5,307	5,742	435
Interest expense	-	-	263	263
GIS miscellaneous	-	-	-	-
Contingencies	-	16,937	5	(16,932)
Total miscellaneous	927,402	964,339	900,438	(63,901)
Total general government	2,760,268	2,675,256	2,371,092	(304,164)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related:				
State's Attorney				
Personnel:				
Salaries - department head	166,508	166,508	166,508	-
Salaries - assistants	276,080	274,333	272,387	(1,946)
Salaries - secretaries	78,764	80,332	73,150	(7,182)
Salaries - teen court coordinator	5,000	5,000	5,089	89
Salaries - victim coordinator	20,500	26,675	26,529	(146)
Excess sick days	4,261	4,261	-	(4,261)
Total personnel	551,113	557,109	543,663	(13,446)
Commodities:				
Stationery and supplies	7,500	7,000	6,130	(870)
Office equipment	500	-	-	-
Books, periodicals, and manuals	750	1,750	1,676	(74)
Peer jury expense	100	100	49	(51)
Total commodities	8,850	8,850	7,855	(995)
Contractual:				
Court reporting	1,000	2,025	1,696	(329)
Appellate service	13,000	13,000	13,000	-
Travel expense	500	500	63	(437)
Office equipment maintenance	2,000	2,000	1,569	(431)
Dues and memberships	1,500	1,500	1,481	(19)
Meetings and seminars	1,000	1,000	724	(276)
Sheriff's fees	500	500	136	(364)
Investigation expense	500	500	392	(108)
Instruction and schooling	200	200	-	(200)
Total contractual	20,200	21,225	19,061	(2,164)
Capital outlay:				
Equipment	6,000	6,000	1,330	(4,670)
Total state's attorney	586,163	593,184	571,909	(21,275)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Judicial				
Commodities:				
Stationery and supplies	2,600	2,600	1,546	(1,054)
Office equipment (under \$500)	1,350	1,350	1,325	(25)
Books, periodicals, and manuals	2,500	2,500	597	(1,903)
Total commodities	6,450	6,450	3,468	(2,982)
Contractual:				
Office of the Chief Judge	900	900	900	-
Photocopies	450	450	398	(52)
Office equipment repair	6,300	6,300	5,242	(1,058)
Assessment for judges salaries	2,250	2,250	2,175	(75)
Continuing education	2,400	2,400	2,140	(260)
Office equipment	2,500	2,500	1,413	(1,087)
Total contractual	14,800	14,800	12,268	(2,532)
Total judicial	21,250	21,250	15,736	(5,514)
Jury Commission				
Personnel:				
Coroner jurors	100	100	-	(100)
Circuit jurors	21,000	21,000	17,879	(3,121)
Jury commissioners	3,300	3,300	3,300	-
Total personnel	24,400	24,400	21,179	(3,221)
Contractual:				
Juror meals	3,200	3,200	3,330	130
Printing, duplicating and binding	900	900	795	(105)
Total contractual	4,100	4,100	4,125	25
Total jury commission	28,500	28,500	25,304	(3,196)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Circuit Clerk				
Personnel:				
Salaries - department head	54,500	54,500	54,500	-
Salaries - deputies	282,000	282,000	276,122	(5,878)
Total personnel	336,500	336,500	330,622	(5,878)
Commodities:				
Stationery and supplies	3,000	3,000	-	(3,000)
Total commodities	3,000	3,000	-	(3,000)
Contractual:				
Photocopies	5,000	5,000	9,367	4,367
Telephone	200	200	64	(136)
Total contractual	5,200	5,200	9,431	4,231
Total circuit clerk	344,700	344,700	340,053	(4,647)
Probation				
Personnel:				
Salaries - department head	99,394	99,394	97,818	(1,576)
Salaries - officers	589,563	589,563	529,833	(59,730)
Salaries - supervisors	84,041	84,041	83,503	(538)
Salaries - office manager	35,632	35,632	35,240	(392)
Salaries - secretaries	45,547	45,547	46,070	523
Excess sick days	10,929	10,929	10,328	(601)
Total personnel	865,106	865,106	802,792	(62,314)
Contractual:				
Youth diversion programs	80,000	110,000	105,155	(4,845)
Medical and dental	200	200	748	548
Total contractual	80,200	110,200	105,903	(4,297)
Total probation	945,306	975,306	908,695	(66,611)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Safety:				
Law Enforcement				
Personnel:				
Salaries - department head	65,000	65,000	65,000	-
Salaries - safety director	2,500	2,500	2,500	-
Salaries - deputies	1,250,457	1,254,140	1,157,879	(96,261)
Salaries - communication	281,298	281,298	256,848	(24,450)
Salaries - clerical	102,734	103,624	99,411	(4,213)
Salaries - overtime	68,000	68,000	68,555	555
Salaries - overtime - communicatio	40,000	40,000	8,038	(31,962)
Salaries - court deputies	131,158	131,158	123,115	(8,043)
Excess sick days	59,290	59,290	60,250	960
Total personnel	2,000,437	2,005,010	1,841,596	(163,414)
Commodities:				
Crime prevention supplies	250	250	-	(250)
Stationery and supplies	1,800	1,800	1,786	(14)
Stationery and supplies - communi	280	280	85	(195)
Office equipment (under \$500)	400	400	342	(58)
Books, periodicals, and manuals	380	380	267	(113)
Gasoline and operating fuel	96,100	96,100	90,350	(5,750)
Clothing - uniforms	8,000	8,000	7,444	(556)
Lubricants	3,000	3,000	1,926	(1,074)
Automotive tires	7,000	7,000	6,722	(278)
Automotive accessories	1,500	1,500	1,427	(73)
Sheriff's reserve unit	1,000	1,000	1,000	-
Mounted patrol	800	800	509	(291)
Total commodities	120,510	120,510	111,858	(8,652)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Safety (Continued):				
Law Enforcement (Continued)				
Contractual:				
Postage	300	300	156	(144)
Travel expense	5,000	5,000	3,919	(1,081)
Advertising and publishing	250	250	-	(250)
Photocopies	2,600	2,671	1,663	(1,008)
Telephone	6,500	6,500	4,319	(2,181)
Automotive repairs	15,000	15,000	19,152	4,152
Equipment repairs	3,000	3,000	2,761	(239)
Ammunition	6,000	6,000	6,055	55
Radio and tower	23,766	23,766	20,763	(3,003)
Machines and equipment	14,800	14,800	14,386	(414)
Office equipment	300	300	299	(1)
Dues and memberships	850	850	820	(30)
Instruction and schooling	11,000	11,000	2,468	(8,532)
Investigation expense	4,500	4,500	2,951	(1,549)
Emergency response	500	500	334	(166)
Emergency management agency	-	1,518	1,517	(1)
Total contractual	94,366	95,955	81,563	(14,392)
Capital outlay:				
Automotive	61,000	61,000	34,599	(26,401)
Radio	12,000	12,000	9,040	(2,960)
Total capital outlay	73,000	73,000	43,639	(29,361)
Total public safety	2,288,313	2,294,475	2,078,656	(215,819)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Corrections				
Personnel:				
Salaries - jail administrator	60,948	62,167	62,073	(94)
Salaries - correction officers	1,185,755	1,164,616	1,150,963	(13,653)
Salaries - clerical	33,694	34,354	34,030	(324)
Salaries - transporting inmates	6,000	6,000	10,584	4,584
Salaries - overtime	60,000	60,000	58,083	(1,917)
Excess sick days	8,675	8,675	22,216	13,541
Total personnel	1,355,072	1,335,812	1,337,949	2,137
Commodities:				
Stationery and supplies	4,000	4,000	4,269	269
Computer supplies	4,000	4,000	4,788	788
Films and tapes	100	100	-	(100)
Books, periodicals, and manuals	150	150	149	(1)
Laundry	7,460	7,460	2,947	(4,513)
Food-county inmates	245,000	245,000	230,511	(14,489)
Medical and dental supplies	200	200	28	(172)
Clothing - uniforms	9,000	9,000	7,292	(1,708)
Kitchen	500	500	276	(224)
Total commodities	270,410	270,410	250,260	(20,150)
Contractual:				
Medical, dental and barber	162,000	162,000	144,421	(17,579)
Postage	500	500	225	(275)
Telephone	12,000	12,000	13,735	1,735
Instruction and schooling	11,000	11,000	11,657	657
Transporting prisoners	3,000	3,000	6,228	3,228
Live scan	4,500	4,500	4,494	(6)
Radio	500	500	620	120
Chaplain education services	10,000	10,000	10,000	-
Federal inmate program	370,959	370,959	-	(370,959)
Total contractual	574,459	574,459	191,380	(383,079)
Total corrections	2,199,941	2,180,681	1,779,589	(401,092)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

Expenditures (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Court Ordered Expenses				
Contractual:				
Legal/Guard/Attorney fees	3,000	3,000	831	(2,169)
Legal/Special Defender	18,000	18,000	7,359	(10,641)
Mental examinations	11,000	11,000	5,140	(5,860)
Interpreter-Transcripts	6,000	6,000	4,280	(1,720)
Advertising and publishing	4,000	4,000	3,662	(338)
Investigation expense	250	250	-	(250)
Total court ordered expenses	42,250	42,250	21,272	(20,978)
Public Defender				
Personnel:				
Salaries - department head	149,857	149,857	183,733	33,876
Salaries - assistants	139,816	142,612	137,422	(5,190)
Salaries - juvenile G.A.L.	32,500	32,500	32,800	300
Salaries - office manager	32,987	33,657	34,144	487
Part time - receptionist	18,000	9,000	2,590	(6,410)
Excess sick days	5,693	5,693	20,569	14,876
Total personnel	378,853	373,319	411,258	37,939
Contractual:				
Books & periodicals	350	350	350	-
Transcripts	500	500	312	(188)
Mileage	500	500	280	(220)
Photocopies	250	250	-	(250)
Office expense	2,539	2,539	2,488	(51)
Meetings & seminars	1,000	1,000	789	(211)
Office equipment	1,500	1,500	1,499	(1)
Total contractual	6,639	6,639	5,718	(921)
Total public defender	385,492	379,958	416,976	37,018

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Jail Building				
Personnel:				
Salaries - maintenance	16,503	16,503	16,257	(246)
Commodities:				
Cleaning supplies	400	400	23	(377)
Paper supplies - towels, etc.	300	300	227	(73)
Electrical supplies	250	250	67	(183)
Hardware supplies	50	50	-	(50)
Plumbing supplies	80	80	1	(79)
Painting supplies	50	50	15	(35)
Total commodities	1,130	1,130	333	(797)
Contractual:				
Boiler - State inspection	100	100	70	(30)
Gas - natural	5,500	5,500	5,505	5
Electrical service	10,000	10,000	8,219	(1,781)
Water and sewer	1,275	1,275	1,034	(241)
Garbage disposal	190	190	-	(190)
Pest control	50	50	8	(42)
Maintenance - environmental	250	250	186	(64)
Maintenance - general	5,811	5,811	5,529	(282)
Total contractual	23,176	23,176	20,551	(2,625)
Total jail building	40,809	40,809	37,141	(3,668)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures (Continued)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Merit Commission				
Contractual:				
Consultants - testing	2,700	2,700	2,314	(386)
Court reporter	100	100	3,349	3,249
Attorney fees	100	100	-	(100)
Medical and dental	600	600	154	(446)
Witness fees and mileage	100	100	-	(100)
Advertising and publishing	800	800	791	(9)
Total merit commission	4,400	4,400	6,608	2,208
Total judiciary and court related	4,598,811	4,611,038	4,123,283	(487,755)
Total expenditures disbursed	\$ 9,647,392	\$ 9,580,769	\$ 8,573,031	\$ (1,007,738)
<i>Other financing sources (uses)</i>				
Operating transfers in (out):				
ETSB 911	\$ 93,000	\$ 92,940	\$ 106,991	\$ (14,051)
Debt service	-	-	(438,474)	438,474
County Health Department Fund	(195,300)	(213,505)	(201,505)	(12,000)
Total operating transfers out	\$ (102,300)	\$ (120,565)	\$ (532,988)	\$ 412,423

Stephenson County, Illinois

Budgetary Comparison Schedule - Illinois Municipal Retirement Fund (Budgetary Basis)

Year ended November 30, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes:				
Property taxes	\$ 1,213,000	\$ 1,213,000	\$ 1,200,978	\$ (12,022)
Intergovernmental revenue:				
Replacement taxes	201,393	201,393	196,962	(4,431)
Other revenue received:				
Interest on investments	4,500	4,500	4,007	(493)
Miscellaneous	1,000,000	1,000,000	1,960	(998,040)
Employee contributions	-	-	-	-
Total other revenue received	1,004,500	1,004,500	5,967	(998,533)
Total revenue received	\$ 2,418,893	\$ 2,418,893	\$ 1,403,907	\$ (1,014,986)
Expenditures				
General government:				
Illinois Municipal Retirement Fund	\$ 1,850,000	\$ 1,850,000	\$ 1,214,940	\$ (635,060)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2014

Revenues	Original Budget	Final Budget	Actual	Over (Under) Budget
Taxes:				
Property taxes	\$ 40,722	\$ 40,722	\$ 40,348	\$ (374)
Fees, licenses, permits, and fines:				
Contractor	3,050	3,050	3,950	900
Food permits	53,220	53,220	41,905	(11,315)
Radon kit	2,000	2,000	1,308	(692)
Vital records	43,800	43,800	40,671	(3,129)
Well and septic	34,496	34,496	26,489	(8,007)
Food certification	2,560	2,560	2,942	382
TB	100	100	330	230
Physicals	2,880	2,880	1,120	(1,760)
Total fees, licenses, permits, and fines	142,106	142,106	118,715	(23,391)
Intergovernmental revenue:				
State of IL Grants-Other	5,487	5,487	7,720	2,233
FCM-public health	195,064	195,064	188,270	(6,794)
FCM-federal match	34,000	34,000	49,483	15,483
WIC grant	238,037	238,037	292,760	54,723
Health protection	85,354	85,354	-	(85,354)
Family planning	55,042	55,042	51,787	(3,255)
Peer counseling - WIC	18,000	18,000	23,812	5,812
Childhood lead	2,175	2,175	2,232	57
Dental sealant	3,000	3,000	3,042	42
IPC grant: Lead agency	71,239	71,239	52,157	(19,082)
IPC grant: Stephenson	59,251	59,251	46,153	(13,098)
Ounce of prevention	78,158	78,158	30,000	(48,158)
Healthy families	231,400	231,400	235,000	3,600
Breast and cervical cancer	100,590	100,590	87,776	(12,814)
Breast and cervical-primary care	163,056	163,056	116,419	(46,637)
Wise women	76,925	76,925	57,287	(19,638)
0 to 3 Assurance Network	81,980	81,980	81,980	-
Tobacco settlement grant	29,247	29,247	24,304	(4,943)
Tobacco compliance grant	4,620	4,620	4,510	(110)
West Nile virus	16,518	16,518	16,040	(478)
Bioterrorism grant	48,246	48,246	41,249	(6,997)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2014

Revenues (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Intergovernmental revenue (continued):				
VFC - Afix grant	30,000	30,000	27,796	(2,204)
Radon grant	30,000	30,000	19,761	(10,239)
Freeport Township	3,600	3,600	1,800	(1,800)
Brownfield study	15,000	15,000	2,660	(12,340)
Carroll County health admin	23,278	23,278	24,548	1,270
Carroll County tobacco	25,681	25,681	21,357	(4,324)
We Choose Health	42,000	42,000	32,000	(10,000)
Komen Foundation	8,100	8,100	8,093	(7)
IDPA: Family planning	13,100	13,100	17,965	4,865
IDPA: Lead	50	50	-	(50)
IDPA: FCM	18,000	18,000	27,886	9,886
IDPA: Immunizations	3,000	3,000	3,612	612
Medicare	8,640	8,640	5,702	(2,938)
Other grants & contracts	-	-	3,408	3,408
Tuberculosis board	58,665	58,665	-	(58,665)
Total intergovernmental revenue	1,876,503	1,876,503	1,608,569	(267,934)
Sale of goods and services:				
Private pay-family planning	8,500	8,500	5,985	(2,515)
Private pay-CHSP	25,000	25,000	51,537	26,537
Private pay-flu vaccine	17,750	17,750	20,032	2,282
Private pay-immunizations	10,800	10,800	8,288	(2,512)
Private pay-records search	100	100	140	40
Private pay-other	-	-	977	977
Total sale of goods and services	62,150	62,150	86,959	24,809
Other revenue received:				
Interest	2,200	2,200	1,399	(801)
Donations	9,800	9,800	8,569	(1,231)
Miscellaneous	500	500	423	(77)
County reimbursements	268,636	268,636	245,213	(23,423)
Total other revenue received	281,136	281,136	255,604	(25,532)
Total revenue received	\$ 2,402,617	\$ 2,402,617	\$ 2,110,195	\$ (292,422)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2014

<i>Expenditures</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Health and welfare:				
Salaries-administrator	\$ 85,394	\$ 83,494	\$ 86,945	\$ 3,451
Salaries-full time	1,146,431	1,175,536	1,052,784	(122,752)
Salaries-part time	105,720	105,720	197,001	91,281
Office supplies	44,988	44,988	48,935	3,947
Pamphlets	3,613	3,613	3,820	207
Printing	4,975	4,975	4,570	(405)
Medical supplies	53,800	53,800	28,771	(25,029)
Care of patients - TB	100	100	-	(100)
Med/Prof contracts: Other	64,426	55,426	64,755	9,329
We Choose Health - Carroll	4,000	4,000	4,000	-
Breast & Cervical: Primary Care	171,156	171,156	119,762	(51,394)
Wise women: Primary Care	42,650	42,650	-	(42,650)
Travel	54,318	54,318	46,802	(7,516)
Postage	8,405	8,405	8,220	(185)
Advertising and publishing	19,071	19,071	10,047	(9,024)
Health & accident insurance	310,762	310,762	308,269	(2,493)
Natural gas	2,250	2,250	2,433	183
Electricity	15,000	15,000	22,804	7,804
Telephone	21,020	21,020	19,464	(1,556)
Water and sewer	2,300	2,300	2,419	119
Garbage disposal	600	600	609	9
Equipment repair	14,850	14,850	9,250	(5,600)
Rent	5,126	5,126	1,821	(3,305)
Vehicle lease	4,200	4,200	4,200	-
Janitorial service	24,000	24,000	24,395	395
Janitorial supplies	4,250	4,250	3,174	(1,076)
Dues & memberships	4,965	4,965	4,883	(82)
Meetings & seminars	9,289	9,289	3,916	(5,373)
IDPH-vital records fee	17,000	17,000	18,144	1,144
Software	1,560	1,560	769	(791)
Computer service contracts	24,600	24,600	11,172	(13,428)
Flood doors	6,000	6,000	-	(6,000)
Office equipment	17,800	17,800	22,012	4,212
Medical equipment	2,000	2,000	-	(2,000)
Capital improvement-roof	10,700	10,700	-	(10,700)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Health and welfare (continued):				
Interest expense	1,415	1,415	582	(833)
Mortgage payment	26,892	26,892	28,069	1,177
Insurance premiums	21,528	21,528	-	(21,528)
FICA	102,322	102,322	106,361	4,039
IMRF	139,907	139,907	138,852	(1,055)
Workers compensation	3,975	3,975	-	(3,975)
Unemployment	904	904	-	(904)
Total health and welfare	\$ 2,604,262	\$ 2,622,467	\$ 2,410,010	\$ (212,457)
Other financing sources (uses)				
Operating transfers in	\$ 195,300	\$ 213,505	\$ 201,505	\$ (12,000)
Operating transfers out	-	-	(3,500)	(3,500)
Total other financing sources (uses)	\$ 195,300	\$ 213,505	\$ 198,005	\$ (15,500)

Stephenson County, Illinois

Budgetary Comparison Schedule - Liability Insurance Fund (Budgetary Basis)

Year ended November 30, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes:				
Property taxes	\$ 905,000	\$ 905,000	\$ 965,356	\$ 60,356
Other revenue received:				
Interest on investments	15	15	187	172
Miscellaneous	668,180	668,180	201	(667,979)
Total revenue received	\$ 1,573,195	\$ 1,573,195	\$ 965,744	\$ (607,451)
Expenditures				
Public works:				
Regular salaries - risk manager	18,000	18,000	21,294	3,294
Uniforms & equipment	500	500	-	(500)
General liability	598,000	598,000	647,290	49,290
Workers' compensation	179,188	179,188	179,188	-
Unemployment compensation	60,000	60,000	52,128	(7,872)
Premiums	2,000	2,000	-	(2,000)
Work comp deductible paid	55,000	55,000	41,661	(13,339)
Liability deductible paid	200,000	200,000	34,806	(165,194)
Interest on tax warrants	10,000	10,000	-	(10,000)
Interfund loan interest	-	-	66	66
Total expenditures disbursed	\$ 1,122,688	\$ 1,122,688	\$ 976,433	\$ (146,255)

Stephenson County, Illinois

Notes to Required Supplementary Information

Budgets

The term "budget" used throughout the financial statements represents the estimated revenues and appropriations as set forth in the County's annual appropriation ordinance adopted for the fiscal year ended November 30, 2014.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. At least 15 days prior to the enactment of the budget, the committee on Finance and Procurement submits to the County Board a proposed means of financing and expenditure appropriations for the fiscal year commencing the following December 1.
- b. Normally on the last Wednesday in November, but no later than November 30, the budget is legally enacted through passage of the appropriation ordinance.
- c. Budgeted amounts are as originally reported or as amended by the County Board. Individual amendments were not material in relation to the original appropriations.
- d. Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Financial statements in this report are prepared on the modified accrual basis while the budget is prepared on the cash basis. Due to this, the amounts shown on the "Combined Statement of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)" do not match the amounts shown on the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types."

The following schedule reconciles the cash basis revenues, expenditures, and other operating sources (uses) and the modified accrual basis.

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2014

General Fund Revenues	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Taxes	\$ 6,461,282	\$ 6,997,385	\$ 19,478	\$ 7,016,863
Fees, licenses, permits, and fines	1,589,381	1,429,585	16,129	1,445,714
Intergovernmental revenue	1,338,477	1,146,434	(186,900)	959,534
Other revenue	225,110	170,745	220,708	391,453
Total revenue	\$ 9,614,250	\$ 9,744,149	\$ 69,415	\$ 9,813,564

Expenditures				
General government:				
County Properties	\$ 162,907	\$ 147,947	\$ (1,053)	\$ 146,894
County Board	110,513	95,393	-	95,393
County Treasurer	97,824	88,901	(44)	88,857
County Clerk and Elections	175,088	176,686	283	176,969
Zoning	77,902	74,911	(1,158)	73,753
Administrative services	266,996	242,868	10,190	253,058
Facilities Management	214,368	108,130	58	108,188
Election expense	272,299	246,363	(2,254)	244,109
Assessor	223,448	212,787	(9,081)	203,706
Recreation and conservation	72,036	39,132	32,312	71,444
Economic development	37,536	37,536	-	37,536
Miscellaneous	964,339	900,438	(24,960)	875,478
Public safety:				
Sheriff	2,294,475	2,078,656	13,052	2,091,708
Judiciary and court related:				
State's Attorney	593,184	571,909	(5,089)	566,820
Public Defender	379,958	416,976	(2,302)	414,674
Circuit Clerk	344,700	340,053	10,482	350,535
Judiciary	21,250	15,736	(870)	14,866
Corrections	2,180,681	1,779,589	(10,208)	1,769,381
Court ordered	42,250	21,272	1,056	22,328
Jury commission	28,500	25,304	-	25,304
Probation	975,306	908,695	11,129	919,824
Merit commission	4,400	6,608	-	6,608
Jail building	40,809	37,141	(1,440)	35,701
Total expenditures	\$ 9,580,769	\$ 8,573,031	\$ 20,103	\$ 8,593,134

Other financing sources (uses)				
Operating transfers in	\$ 92,940	\$ 106,991	-	\$ 106,991
Operating transfers out	(213,505)	(639,979)	-	(639,979)
Total other financing (uses)	\$ (120,565)	\$ (532,988)	\$ -	\$ (532,988)

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2014

Illinois Municipal Retirement Revenues	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Taxes	\$ 1,213,000	\$ 1,200,978	\$ -	\$ 1,200,978
Intergovernmental revenue	201,393	196,962	2,000	198,962
Other revenue	1,004,500	5,967	-	5,967
Total revenue	\$ 2,418,893	\$ 1,403,907	\$ 2,000	\$ 1,405,907

Expenditures

General government	\$ 1,850,000	\$ 1,214,940	\$ (1,094,610)	\$ 120,330
Public safety	-	-	471,063	471,063
Judiciary and court related	-	-	303,576	303,576
Public works	-	-	133,435	133,435
Health and welfare	-	-	186,536	186,536
Total expenditures	\$ 1,850,000	\$ 1,214,940	\$ -	\$ 1,214,940

County Health Department Revenues

Taxes	\$ 40,722	\$ 40,348	\$ -	\$ 40,348
Fees, licenses, permits, and fines	142,106	118,715	(2,942)	115,773
Intergovernmental revenue	1,876,503	1,608,569	190,962	1,799,531
Sale of goods and services	62,150	86,959	900	87,859
Other revenue	281,136	255,604	(210,456)	45,148
Total revenue	\$ 2,402,617	\$ 2,110,195	\$ (21,536)	\$ 2,088,659

Expenditures

Health and welfare	\$ 2,622,467	\$ 2,410,010	\$ (203,933)	\$ 2,206,077
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Other financing sources (uses)

Operating transfers in	\$ 213,505	\$ 201,505	\$ -	\$ 201,505
Operating transfers out	-	(3,500)	-	(3,500)
Total other financing (uses)	\$ 213,505	\$ 198,005	\$ -	\$ 198,005

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2014

<i>Liability Insurance Revenues</i>	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Taxes	\$ 905,000	\$ 965,356	\$ -	\$ 965,356
Other revenue	668,195	388	-	388
Total revenue	\$ 1,573,195	\$ 965,744	\$ -	\$ 965,744

<i>Expenditures</i>				
Central Administration	\$ 1,122,688	\$ 976,433	\$ (115,529)	\$ 860,904

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Supplementary Information

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2014

Assets	Total Nonmajor Governmental Funds	Revenue		
		County Bridge	County Matching	County Motor Fuel Tax
Cash	\$ 3,014,521	\$ 802,196	\$ 12,550	\$ 159,609
Investments	2,691,046	-	-	284,034
Prepaid assets	470,000	-	-	-
Accounts receivable	700,927	-	75,000	59,693
Property tax receivable	2,524,666	302,500	302,500	-
Due from other funds	1,730,000	715,000	-	-
Total assets	\$ 11,131,160	\$ 1,819,696	\$ 390,050	\$ 503,336
Liabilities				
Vouchers payable	\$ 204,517	\$ 40,547	\$ -	\$ 21,766
Accrued payroll	53,262	-	895	16,311
Compensated absences	64,187	-	-	-
Due to other funds	1,203,045	-	50,000	-
Total liabilities	1,525,011	40,547	50,895	38,077
Deferred inflows of resources				
Unavailable property taxes	2,524,665	302,500	302,500	-
Fund Balance				
Fund balances:				
Nonspendable	470,000	-	-	-
Restricted	7,583,784	1,476,649	36,655	465,259
Committed	45,119	-	-	-
Unassigned	(1,017,419)	-	-	-
Total fund balance	7,081,484	1,476,649	36,655	465,259
Total liabilities, deferred inflows of resources and fund balances	\$ 11,131,160	\$ 1,819,696	\$ 390,050	\$ 503,336

Revenue						
Geographic Information Systems	DUI Equipment	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Fees
\$ 20,959	\$ 16,233	\$ 138,525	\$ 83,441	\$ 231,269	\$ -	\$ 12,945
10	-	-	-	1	-	-
-	-	-	-	-	-	-
10,416	-	-	-	6,691	-	-
-	-	305,000	58,666	-	186,000	-
-	-	-	-	-	-	-
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\$ 31,385	\$ 16,233	\$ 443,525	\$ 142,107	\$ 237,961	\$ 186,000	\$ 12,945
<hr/>						
\$ 9,478	\$ -	\$ -	\$ -	\$ 4,799	\$ -	\$ -
1,799	-	-	-	967	-	-
411	-	-	-	-	-	-
-	-	-	-	-	-	-
<hr/>						
11,688	-	-	-	5,766	-	-
<hr/>						
-	-	305,000	58,665	-	186,000	-
<hr/>						
-	-	-	-	-	-	-
19,697	16,233	138,525	83,442	232,195	-	12,945
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<hr/>						
19,697	16,233	138,525	83,442	232,195	-	12,945
<hr/>						
\$ 31,385	\$ 16,233	\$ 443,525	\$ 142,107	\$ 237,961	\$ 186,000	\$ 12,945
<hr/>						

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2014

Assets	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Cash	\$ 70,500	\$ 169,802	\$ 31,525	\$ 236,720
Investments	184,243	-	-	720,239
Prepaid assets	-	-	-	-
Accounts receivable	2,500	-	-	39,466
Property tax receivable	600,000	165,000	-	-
Due from other funds	695,000	-	-	-
Total assets	\$ 1,552,243	\$ 334,802	\$ 31,525	\$ 996,425
Liabilities				
Vouchers payable	\$ -	\$ -	\$ 3,000	\$ 16,224
Accrued payroll	-	-	2,404	1,518
Compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	5,404	17,742
Deferred inflows of resources				
Unavailable property taxes	600,000	165,000	-	-
Fund Balance				
Fund balances:				
Nonspendable	-	-	-	-
Restricted	952,243	169,802	26,121	978,683
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	952,243	169,802	26,121	978,683
Total liabilities, deferred inflows of resources and fund balances	\$ 1,552,243	\$ 334,802	\$ 31,525	\$ 996,425

Revenue

Drug Funds	Waste Management	Mechanical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$ 64,754	\$ -	\$ 61,908	\$ 134,025	\$ -	\$ 55,739	\$ 278,674
-	104,847	1	1,397,671	-	-	-
-	-	-	-	-	-	-
-	30,000	1,501	447,114	5,850	5,045	8,636
-	-	-	-	-	-	-
-	-	-	320,000	-	-	-
<u>\$ 64,754</u>	<u>\$ 134,847</u>	<u>\$ 63,410</u>	<u>\$ 2,298,810</u>	<u>\$ 5,850</u>	<u>\$ 60,784</u>	<u>\$ 287,310</u>
\$ -	\$ -	\$ -	\$ 21,321	\$ 5,021	\$ -	\$ 1,908
-	-	-	3,971	1,350	1,950	-
-	-	-	30,040	-	-	-
-	-	-	220,000	267,545	-	-
-	-	-	275,332	273,916	1,950	1,908
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64,754	134,847	63,410	2,023,478	-	58,834	285,402
-	-	-	-	-	-	-
-	-	-	-	(268,066)	-	-
<u>64,754</u>	<u>134,847</u>	<u>63,410</u>	<u>2,023,478</u>	<u>(268,066)</u>	<u>58,834</u>	<u>285,402</u>
<u>\$ 64,754</u>	<u>\$ 134,847</u>	<u>\$ 63,410</u>	<u>\$ 2,298,810</u>	<u>\$ 5,850</u>	<u>\$ 60,784</u>	<u>\$ 287,310</u>

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2014

Assets	Special			
	Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision	Environmental Remediation
Cash	\$ 46,833	\$ 88,721	\$ 5,589	\$ 5,144
Investments	-	-	-	-
Prepaid assets	-	-	-	-
Accounts receivable	5,026	-	-	-
Property tax receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 51,859	\$ 88,721	\$ 5,589	\$ 5,144
Liabilities				
Vouchers payable	\$ -	\$ 2,029	\$ -	\$ -
Accrued payroll	-	-	-	-
Compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	2,029	-	-
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Fund Balance				
Fund balances:				
Nonspendable	-	-	-	-
Restricted	51,859	86,692	5,589	5,144
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	51,859	86,692	5,589	5,144
Total liabilities, deferred inflows of resources and fund balances	\$ 51,859	\$ 88,721	\$ 5,589	\$ 5,144

Revenue		Capital Projects			Debt Service	
Law Library	County Highway	Capital	Mill Race Crossing	Highway Building	Debt Service	
\$ 1,364	\$ 45,082	\$ 43,757	\$ 191,236	\$ 4,059	\$ 1,362	
-	-	-	-	-	-	
-	-	-	-	-	470,000	
1,203	2,786	-	-	-	-	
-	605,000	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 2,567</u>	<u>\$ 652,868</u>	<u>\$ 43,757</u>	<u>\$ 191,236</u>	<u>\$ 4,059</u>	<u>\$ 471,362</u>	
\$ 2,036	\$ 76,388	\$ -	\$ -	\$ -	\$ -	
-	22,097	-	-	-	-	
-	33,736	-	-	-	-	
500	665,000	-	-	-	-	
<u>2,536</u>	<u>797,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	605,000	-	-	-	-	
-	-	-	-	-	470,000	
31	-	-	191,236	4,059	-	
-	-	43,757	-	-	1,362	
-	(749,353)	-	-	-	-	
<u>31</u>	<u>(749,353)</u>	<u>43,757</u>	<u>191,236</u>	<u>4,059</u>	<u>471,362</u>	
<u>\$ 2,567</u>	<u>\$ 652,868</u>	<u>\$ 43,757</u>	<u>\$ 191,236</u>	<u>\$ 4,059</u>	<u>\$ 471,362</u>	

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended November 30, 2014

Revenues	Total Nonmajor Governmental Funds	Revenue		
		County Bridge	County Matching	County Motor Fuel Tax
Taxes	\$ 2,618,955	\$ 299,020	\$ 299,021	-
Fees	2,917,170	-	-	-
Intergovernmental revenue	2,110,396	200	441,230	1,472,212
Sale of goods and services	89,842	-	-	-
Other revenue	200,872	92,599	5,198	10,821
Total revenues	7,937,235	391,819	745,449	1,483,033
Expenditures				
General government	561,668	-	-	-
Public safety	1,898,157	-	-	-
Judiciary and court related	438,264	-	-	-
Public works	2,719,142	152,057	624,272	774,723
Health and welfare	519,563	-	-	-
Capital outlay	183,910	-	-	-
Debt service	1,405,643	-	-	-
Total expenditures	7,726,347	152,057	624,272	774,723
Excess (deficiency) of revenues over (under) expenditures	210,888	239,762	121,177	708,310
Other financing sources (uses)				
Proceeds from the issuance of bonds	915,000	-	-	-
Premium on issuance of bonds	16,741	-	-	-
Payment to escrow	(1,085,000)	-	-	-
Operating transfers in	1,442,251	-	-	-
Operating transfers out	(1,012,268)	-	-	(325,000)
Total other financing sources (uses)	276,724	-	-	(325,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	487,612	239,762	121,177	383,310
Fund balance (deficit), November 30, 2013	6,593,872	1,236,887	(84,522)	81,949
Fund balance (deficit), November 30, 2014	\$ 7,081,484	\$ 1,476,649	\$ 36,655	\$ 465,259

Revenue						
Geographic Information Systems	DUI Equipment	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Fees
\$ -	\$ -	\$ 299,021	\$ 58,083	\$ -	\$ 184,194	\$ -
139,646	-	-	-	116,785	-	41,010
-	-	-	-	-	-	-
-	4,425	-	-	-	-	-
4,644	-	65	1	1,322	-	-
144,290	4,425	299,086	58,084	118,107	184,194	41,010
-	-	-	-	-	184,194	-
-	-	-	-	-	-	-
-	-	-	-	-	-	30,340
189,079	-	-	-	-	-	-
-	-	305,000	-	116,200	-	-
-	-	-	-	22,310	-	-
-	-	-	-	-	-	-
189,079	-	305,000	-	138,510	184,194	30,340
(44,789)	4,425	(5,914)	58,084	(20,403)	-	10,670
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(44,789)	4,425	(5,914)	58,084	(20,403)	-	10,670
64,486	11,808	144,439	25,358	252,598	-	2,275
\$ 19,697	\$ 16,233	\$ 138,525	\$ 83,442	\$ 232,195	\$ -	\$ 12,945

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended November 30, 2014

Revenues	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Taxes	\$ 594,056	\$ 163,419	-	-
Fees	-	-	-	479,333
Intergovernmental revenue	115,436	-	26,973	-
Sale of goods and services	-	-	-	-
Other revenue	2,044	207	5,964	4,360
Total revenues	711,536	163,626	32,937	483,693
Expenditures				
General government	63,415	165,000	-	-
Public safety	248,399	-	117,821	381,633
Judiciary and court related	160,080	-	-	-
Public works	70,362	-	-	-
Health and welfare	98,363	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	640,619	165,000	117,821	381,633
Excess (deficiency) of revenues over (under) expenditures	70,917	(1,374)	(84,884)	102,060
Other financing sources (uses)				
Proceeds from the issuance of bonds	-	-	-	-
Premium on issuance of bonds	-	-	-	-
Payment to escrow	-	-	-	-
Operating transfers in	-	-	90,000	-
Operating transfers out	-	-	-	(11,992)
Total other financing sources (uses)	-	-	90,000	(11,992)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	70,917	(1,374)	5,116	90,068
Fund balance (deficit), November 30, 2013	881,326	171,176	21,005	888,615
Fund balance (deficit), November 30, 2014	\$ 952,243	\$ 169,802	\$ 26,121	\$ 978,683

Revenue

Drug Funds	Waste Management	Mechanical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,194	-	25,413	1,727,388	375	77,789	129,928
-	-	-	-	11,425	-	-
-	-	-	75,027	-	-	-
-	288	85	1,308	-	122	641
3,194	288	25,498	1,803,723	11,800	77,911	130,569
-	5,056	15,279	-	-	-	-
4,460	-	-	1,024,005	79,306	-	-
-	-	-	-	-	70,792	82,132
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,460	5,056	15,279	1,024,005	79,306	70,792	82,132
(1,266)	(4,768)	10,219	779,718	(67,506)	7,119	48,437
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(303,325)	-	-	-
-	-	-	(303,325)	-	-	-
(1,266)	(4,768)	10,219	476,393	(67,506)	7,119	48,437
66,020	139,615	53,191	1,547,085	(200,560)	51,715	236,965
\$ 64,754	\$ 134,847	\$ 63,410	\$ 2,023,478	\$ (268,066)	\$ 58,834	\$ 285,402

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended November 30, 2014

	Special				Revenue
	Document Storage Circuit Clerk	Treasurer Automation	Court Supervision	Environmental Remediation	Law Library
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	77,812	11,809	-	-	18,766
Intergovernmental revenue	-	-	-	37,578	-
Sale of goods and services	-	-	-	-	-
Other revenue	75	84	-	-	3
Total revenues	77,887	11,893	-	37,578	18,769
Expenditures					
General government	-	8,724	-	-	-
Public safety	-	-	-	42,533	-
Judiciary and court related	69,064	-	1,750	-	24,106
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	69,064	8,724	1,750	42,533	24,106
Excess (deficiency) of revenues over (under) expenditures	8,823	3,169	(1,750)	(4,955)	(5,337)
Other financing sources (uses)					
Proceeds from the issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Payment to escrow	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,823	3,169	(1,750)	(4,955)	(5,337)
Fund balance (deficit), November 30, 2013	43,036	83,523	7,339	10,099	5,368
Fund balance (deficit), November 30, 2014	\$ 51,859	\$ 86,692	\$ 5,589	\$ 5,144	\$ 31

Capital Projects				Debt Service
County Highway	Capital	Mill Race Crossing	Highway Building	Debt Service
\$ 599,063	\$ -	\$ 123,078	\$ -	\$ -
67,922	-	-	-	-
400	-	4,942	-	-
10,390	-	-	-	-
59,585	10,942	219	34	261
737,360	10,942	128,239	34	261
-	120,000	-	-	-
-	-	-	-	-
-	-	-	-	-
895,174	-	13,475	-	-
-	-	-	-	-
161,600	-	-	-	-
-	-	-	46,741	1,358,902
1,056,774	120,000	13,475	46,741	1,358,902
(319,414)	(109,058)	114,764	(46,707)	(1,358,641)
-	-	-	915,000	-
-	-	-	16,741	-
-	-	-	(1,085,000)	-
223,500	-	-	305,000	823,751
(200,000)	-	(25,000)	(146,951)	-
23,500	-	(25,000)	4,790	823,751
(295,914)	(109,058)	89,764	(41,917)	(534,890)
(453,439)	152,815	101,472	45,976	1,006,252
\$ (749,353)	\$ 43,757	\$ 191,236	\$ 4,059	\$ 471,362

Stephenson County, Illinois

Assessed Valuations, Tax Rates, Extensions, and Collections

November 30, 2014

TAX YEAR

2013

Assessed valuation

\$ 632,731,324

Property tax rates and extensions:

Rate

Amount

County General	0.55096	\$ 3,486,097
County Highway	0.09458	598,437
County Bridge	0.04721	298,712
County Matching	0.04721	298,712
Tuberculosis	0.00917	58,021
Mental Health	0.04721	298,712
Illinois Municipal Retirement	0.18961	1,199,722
Educational Extension Service	0.02580	163,245
Liability Insurance	0.15241	964,346
County Health Department	0.00637	40,305
Social Security Contribution	0.09379	593,439
Veterans Assistance	0.02908	183,998
Nursing Home	0.06253	395,647

Total property tax rates and extensions

1.35593

\$ 8,579,394

Property tax collection:

County General	\$ 3,489,730
County Highway	599,063
County Bridge	299,021
County Matching	299,020
Tuberculosis	58,083
Mental Health	299,021
Illinois Municipal Retirement	1,200,978
Educational Extension Service	163,419
Liability Insurance	965,356
County Health Department	40,348
Social Security Contribution	594,056
Veterans Assistance	184,194
Nursing Home	396,060

Total property tax collection

\$ 8,588,349

Percentage collected

100.1%

TAX YEAR			
2012		2011	
\$ 647,086,349		\$ 652,585,852	
Rate	Amount	Rate	Amount
0.47877	\$ 3,098,055	0.37513	\$ 2,448,045
0.09325	603,408	0.09271	605,012
0.04656	301,283	0.04628	302,017
0.04656	301,283	0.04628	302,017
0.00905	58,561	0.00899	58,667
0.04656	301,283	0.04628	302,017
0.18695	1,209,728	0.16952	1,106,264
0.02543	164,554	0.02529	165,039
0.13948	902,556	0.16181	1,055,949
0.00629	40,702	0.00624	40,721
0.09248	598,425	0.12571	820,366
0.02881	186,426	0.02864	186,901
0.07706	498,645	0.07662	500,011
1.27725	\$ 8,264,910	1.20950	\$ 7,893,026
	\$ 3,104,512		\$ 2,442,816
	604,661		603,726
	301,908		301,375
	301,908		301,375
	58,687		58,544
	301,908		301,375
	1,212,246		1,103,903
	164,897		164,683
	904,432		1,053,700
	40,789		40,633
	599,675		818,620
	186,812		186,500
	499,685		498,941
	\$ 8,282,120		\$ 7,876,191
	100.2%		99.8%

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Other Information (Unaudited)

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

General Information Concerning the County

Site, Location, Organization, and Government

The County of Stephenson, Illinois (the "County") is located in extreme northern Illinois with its northern boundary bordering Green County, Wisconsin. JoDaviess County borders the County on its west and Winnebago County (Rockford, its County Seat) borders the County on its east. U.S. Route 20 runs east - west through the County, connecting it with Interstate 39 and Interstate 90 (approximately 30 miles to the east). Illinois Routes 26 and 73 run north - south through the County.

The County consists of 568 square miles with a good mix of residential, commercial, and agricultural properties. Freeport, the County Seat, is the largest City in the County and home to its major taxpayers and employers. The County currently has 257 full-time employees with an additional 74 part-time employees.

The County was incorporated on March 4, 1837, under the provisions of the laws of the State of Illinois. The County operates under a Chairman/County Board form of government and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, planning and zoning, maintenance and operation of nursing home facilities and general administrative services.

The County is governed by 22 elected members who make up the County Board. The County Board sets budgets and policies for departments that serve the entire county. The County has 11 incorporated cities and villages, 4 multi-townships, 13 fire districts, 4 library districts, 4 park districts and several special purpose bodies. The County is served by 11 unit school districts and 2 community colleges.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of specified levels.

The County has covenanted that it will take no action, nor fail to take any required action, which in any way would adversely affect the levy and collection of taxes for the payment of the Certificates, and that it will comply with all present and future applicable laws regarding the levy, extension and collection of taxes for the payment of the Certificates.

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Illinois Personal Property Replacement Tax

The Illinois General Assembly abolished all ad valorem personal property taxes effective January 1, 1979. A Personal Property Replacement Tax was enacted effective July 1, 1979. The constitutionality of this replacement tax has been upheld by the Supreme Court of Illinois and the period of review by the United States Supreme Court has expired. The Personal Property Replacement Tax represents a state-wide, additional income tax for corporations (including certain utilities) at the rate of 2.5% of net taxable income; an additional income tax for trusts at the rate of 1.5% of net taxable income; an income tax for partnerships and S Corporations at the rate of 1.5% of net taxable income; and a tax at the rate of 0.8% of invested capital for public utilities providing gas, communications, electrical and water services. Partnerships and S Corporations previously had not been subject to the Illinois income tax.

Replacement taxes are allocated in accordance with the ratio of local personal property valuation in the year prior to the effective date of the law to total personal property valuation in the State of Illinois. Revenues collected under the Personal Property Replacement Tax are held in a special fund in the State Treasury called the Personal Property Replacement Tax Fund and are allocated to each taxing district.

Population, Median Home Value, Median Family Income, and Per Capita Income

	<u>2000 Population</u>	<u>2010 Population</u>	<u>2010 Median Home Value (Owner occupied)</u>	<u>2010 Median Family Income</u>	<u>2010 Per Capita Income</u>
Stephenson County	48,979	47,711	\$118,328	\$51,162	\$37,426
State of Illinois	12,419,293	12,830,632	145,000	66,806	44,731

Source: U.S. Bureau of Census

Average Unemployment Rates

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Stephenson County	8.7%	11.3%	11.6%	9.7%	9.8%	8.0%	6.9%
State of Illinois	7.4%	10.1%	9.4%	9.8%	8.9%	7.2%	6.0%

Source: Illinois Bureau of Employment Security

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Building Permits-Stephenson County

	Number of Building <u>Permits</u>	Value of Home Building <u>Permits</u>	Value of All Building <u>Permits</u>
2014	142	\$ 2,959,000	\$ 8,968,679
2013	147	2,159,000	10,191,997
2012	199	4,683,000	15,879,000
2011	133	1,237,000	5,702,000
2010	183	5,093,000	11,512,000
2009	162	4,614,000	10,080,000
2008	261	3,274,000	119,568,908
2007	214	6,543,000	13,252,000
2006	199	8,255,000	12,989,000
2005	209	10,982,000	17,199,000

Economic and Employment Data

Below is a listing of some major employers located in the County:

<u>Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Freeport Health Network	Health Care Provider	1,400
Honeywell	Electrical Switches & Sensors	800
Freeport School District #145	Pre K-12 Public School	750
Titan Tire Co.	Tire manufacturer	650
Highland Community College	2 year Junior College	425
Wal-Mart	Retail	380
Mechanical, Inc.	Plumbing, heating & fabrication	369
Stephenson County	Government	350
Berner Food & Beverage	Private Label Food Manufacturing	345
Newell Rubbermaid	Consumer durable products	310
Stewart & Associates	Variety of Business Services	300
Snak King	Snack Food	275
Sauer-Danfoss Co.	Hydrostatic Transmissions – Manufacturing	260
City of Freeport	Municipality	216
Liberty Village	Healthcare/Nursing Home	183
Provena/St. Joseph Campus	Healthcare/Nursing Home	160
Sentry Insurance	Insurance	150
Menards	Retail	145
Willowglen Academy of IL, Inc.	Social Service Agency	145

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

The following are the estimated largest taxpayers in the County:

<u>Name</u>	<u>Equalized Assessed Valuation</u>
Acciona	\$11,252,382
Titan Tire Co.	4,115,605
CJF2, LLC	3,900,000
Micro Switch, Div. Of Honeywell	2,455,340
Wal-Mart Stores	2,263,100
Menards	2,238,170
Pearl City Elevator	2,040,415
Adkins Energy	1,855,301
Meadows LLC	1,690,490
Freeport Farm & Fleet	1,475,800
Residential Alternatives of Illinois, Inc.	1,416,410

Total Equalized Assessed Valuation

2014	\$623,471,258
2013	662,830,953
2012	683,304,092
2011	696,600,226
2010	702,755,136
2009	688,122,768
2008	676,620,884
2007	645,173,592
2006	612,900,702
2005	587,523,281

Make-up of 2013 Equalized Assessed Valuation

	<u>Amount</u>	<u>Percentage</u>
Residential	\$396,627,905	58.04%
Farmland	150,502,705	22.03
Commercial	99,022,356	14.49
Industrial	22,500,536	3.29
Mineral	11,603,998	1.70
Railroad	3,046,592	.45

Statutory Debt Margin See page 36.

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Future Financings

None

Default Record

The County has no record of default and has met its debt repayments promptly.

Statement of Direct and Overlapping Debt (including this issue)

	Outstanding Debt <u>11/30/2014</u>
Direct Debt:	
Stephenson County	<u>\$10,930,000</u>
Overlapping Debt:	
All School Districts	30,555,134
Park Districts	2,115,948
City of Freeport	25,225,000
Fire Districts	<u>2,159,610</u>
Overlapping Debt	<u>60,055,692</u>
Direct and overlapping Debt	<u><u>\$70,985,692</u></u>
2013 Estimated Full Valuation	\$1,988,492,859
2013 Equalized Assessed Valuation	623,471,258
Population - Current Estimate	47,711
Full Valuation Per Capita	\$41,678

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Debt Ratios

		<u>% EAV</u>	<u>%Full Value</u>	<u>Per Capita</u>
Direct Debt	\$10,930,000	1.75%	.55%	\$ 229
Direct Debt and Overlapping Debt	70,985,692	11.38%	3.57%	1,488

Tax Trend Rate

See page 83.

Sales and Income Tax Trend

	<u>1% Sales Tax</u>	<u>¼% SUP Tax</u>	<u>State Income Tax</u>
FYE 2014	\$421,689	\$1,100,765	\$1,371,277
FYE 2013	398,732	1,055,724	1,369,136
FYE 2012	355,363	1,034,776	1,285,236
FYE 2011	381,077	1,025,334	1,167,534
FYE 2010	340,525	971,910	961,983
FYE 2009	334,051	921,850	1,216,730
FYE 2008	377,222	1,055,281	1,414,280
FYE 2007	485,405	934,397	1,322,349
FYE 2006	418,064	958,839	1,223,242
FYE 2005	477,278	964,535	1,114,886

General Fund Summary Fiscal Year Ended 11/30

	<u>FYE 2011</u>	<u>FYE 2012</u>	<u>FYE 2013</u>	<u>FYE 2014</u>
Revenue	\$8,692,836	\$8,564,737	\$9,174,316	\$9,813,565
Expenditures	<u>8,343,595</u>	<u>8,200,637</u>	<u>8,358,206</u>	<u>8,593,134</u>
Excess Rev/(Exp.)	349,241	364,100	816,110	1,220,431
Net Transfers	(151,317)	(235,442)	(628,921)	(532,988)
Beginning Fund Balance	<u>(1,053,508)</u>	<u>(855,584)</u>	<u>(726,926)</u>	<u>(539,737)</u>
Ending Fund Balance	<u>\$ (855,584)</u>	<u>\$ (726,926)</u>	<u>\$ (539,737)</u>	<u>\$ 147,706</u>

