

Stephenson County

Freeport, Illinois

Financial Statements

Year Ended November 30, 2015

Stephenson County, Illinois

County Board Members and Elected Officials

Fiscal Year Ending November 30, 2015

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

Elected Officials

Circuit Clerk
Coroner
County Clerk
Sheriff
State's Attorney
Treasurer

Nathan A. Luy
Tom Leamon
Vici Otte
David Snyders
Carl Larson
Stephanie Helms

Stephenson County, Illinois

County Board Members and Elected Officials

Fiscal Year Beginning December 1, 2015

Board Members

Bennie Brown
Sheila Hooper
Jeffrey Mikkelsen
William Hadley, Chairman
Christopher Clukey
Anthony Kuhlemeier
David Schexnayder
Kenneth Ward
Ronald Fluegel
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Stephanie Helms

Stephenson County, Illinois

Year Ended November 30, 2015

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Stephenson County, Illinois

Year Ended November 30, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis and required supplementary information on pages 4 through 9, 54 through 85, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The schedules listed as supplementary information on page 86 through 105 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

The annual financial information disclosure 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 July 26, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wipfli LLP

Freeport, Illinois
July 26, 2016

Management Discussion and Analysis

Stephenson County, Illinois

Management Discussion and Analysis

As management of Stephenson County, Illinois, (the "County") we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended November 30, 2015.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2015 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 basic financial statements, notes to the financial statements, required information, supplementary information, 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; judicial and court related; public works; and health, welfare, and sanitation. 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 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 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. Three of the funds are considered major funds of the County. More detail of the individual revenues and expenditures for these funds is presented in the required 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 - The 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. The 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. The 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 the 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, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$22,073,808	\$20,134,700	\$4,079,059	\$4,140,207	\$26,152,867	\$24,274,907
Non-current assets	56,555,958	93,238,136	1,427,578	1,233,229	57,983,536	94,471,365
Total assets	78,629,766	113,372,836	5,506,637	5,373,436	84,136,403	118,746,272
Deferred outflows of resources	2,769,301	0	0	0	2,769,301	0
Total assets and deferred outflows of resources	85,991,805	113,372,836	5,506,637	5,373,436	91,498,442	118,746,272
Current liabilities	2,180,566	1,882,803	331,954	455,184	2,512,520	2,337,987
Non-current liabilities	10,381,555	10,997,518	113,045	111,237	10,494,600	11,108,755
Total liabilities	12,562,121	12,880,321	444,999	566,421	13,007,120	13,446,742
Deferred inflows of resources	8,186,951	8,197,498	500,000	500,000	8,686,951	8,697,498
Total liabilities and deferred inflows of resources	20,749,072	21,077,819	944,999	1,066,421	21,694,071	22,144,240
Net Position:						
Net investment in capital assets	46,115,958	77,906,634	1,427,578	1,233,229	47,543,536	79,139,863
Restricted	11,124,829	12,248,269	19,300	19,300	11,144,129	12,267,569
Unrestricted	8,001,946	2,140,114	3,114,760	3,054,486	11,116,706	5,194,600
Total net position	\$65,242,733	\$92,295,017	\$4,561,638	\$4,307,015	\$69,804,371	\$96,602,032

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

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. Deferred outflows of resources consists of deferred outflows of pension resources.

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 liability constitute the County's long-term debt. Deferred inflows of resources consists of deferred property taxes and other deferred other revenue.

Stephenson County, Illinois

Management Discussion and Analysis

Condensed Financial Information (Continued)

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

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

Condensed Statement of Activities for Fiscal Years Ending November 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program:						
Charges for services	\$3,379,667	\$3,849,044	\$6,677,913	\$7,015,034	\$10,057,580	\$10,864,078
Operating grants & Contributions	3,652,541	4,048,318	0	0	3,652,541	4,048,318
Capital grants & Contributions	676,429	676,321	0	0	676,429	676,321
General:						
Property & other taxes	14,314,338	13,736,306	499,851	396,060	14,814,189	14,132,366
Other	697,156	801,963	2,376	2,251	699,532	804,187
Total revenue	22,720,131	23,111,925	7,180,140	7,413,345	29,900,271	30,525,270
Expenses:						
General government:	6,197,575	5,819,580	0	0	6,197,575	5,819,580
Public safety	3,640,337	4,539,740	0	0	3,640,337	4,539,740
Judiciary & court related	4,810,836	5,069,388	0	0	4,810,836	5,069,388
Public works	33,675,131	34,729,096	0	0	33,675,131	34,729,096
Health, sanitation, & welfare	2,410,506	2,954,779	0	0	2,410,506	2,954,779
Interest on long-term debt	608,030	693,446	0	0	608,030	693,446
Nursing Center	0	0	6,925,516	6,845,193	6,925,516	6,845,193
Total expenses	51,342,415	53,806,029	6,925,516	6,845,193	58,267,931	60,651,222
Transfers	0	95,000	0	(95,000)	0	0
Change in net position	(\$28,622,284)	(\$30,599,104)	\$254,624	\$473,152	(\$28,367,660)	(\$30,125,952)

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

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 \$1,121,260 over prior year. The General Fund had a net gain of \$1,748,832 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 Health Department had a net loss of \$136,652 for the year leaving and ending fund balance of \$1,231,750. The Liability Insurance Fund had a net gain of \$17,115 leaving a fund balance of \$1,155,500.

General Fund Budgetary Comparison

The General Fund revenues were comparable to budget. The expenditures were \$943,988 below the allocated expense budget. The reason for the variance was expenditures were less than anticipated in Law Enforcement and misc/contractual. On the budgetary basis, the General Fund had a net gain of \$1,082,388 for the fiscal year, after financing transfers to other County funds.

Capital Assets/Long term Debt

Major capital asset events during the fiscal year included various road projects and a new roof at the Nursing Center. Note 5 contains details of the County's capital assets. There were no additions to long term debt during the year. The County made principle payments during the year bringing total outstanding long term debt balance to \$10,440,000. See Note 7, 8, and 9 for further information on long term debt.

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 continues with the development at Mill Race Crossing Industrial Park. In 2015 Ingrown Farms became the first occupant of the industrial park. 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 employ 150 people in Stephenson County.

Providing additional sources of revenue are the agreement with the United States Marshal's Service to house Federal Inmates in empty cell space at the Stephenson County Jail and video gaming machines.

Stephenson County, Illinois

Management Discussion and Analysis

Factors or Conditions Impacting Future Periods (Continued)

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 inter-fund loans ("in the black").

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.

During the 2015 Fiscal Year a more definitive inter fund loan repayment plan was developed with the intention of fully implementing in 2016. 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.

Basic Financial Statements

Stephenson County, Illinois

Statement of Net Position

November 30, 2015

Assets	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$11,279,356	\$1,488,634	\$12,767,990
Prepaid asset	490,000	0	490,000
Accounts receivables, net of an allowance for doubtful accounts of \$60,000	2,970,565	1,141,087	4,111,652
Property tax receivable	8,245,312	504,338	8,749,650
Inventory	33,575	0	33,575
Internal balances	(945,000)	945,000	0
Total current assets	22,073,808	4,079,059	26,152,867
Other assets	4,592,738	0	4,592,738
Capital assets:			
Not depreciated	288,555	0	288,555
Depreciated (net of accumulated depreciation)	56,267,403	1,427,578	57,694,981
Total capital assets	56,555,958	1,427,578	57,983,536
Deferred outflows of resources -			
Deferred outflows of pension resources	3,347,867	0	3,347,867
Total assets and deferred outflows of resources	86,570,371	5,506,637	92,077,008
Liabilities			
Current liabilities:			
Accounts payable	992,870	168,612	1,161,482
Accrued payroll	506,149	163,342	669,491
Accrued interest	6,433	0	6,433
Compensated absences	55,114	0	55,114
Current portion long term debt	620,000	0	620,000
Total current liabilities	2,180,566	331,954	2,512,520
Noncurrent liabilities:			
Compensated absences	338,565	113,045	451,610
Net pension obligation	222,990	0	222,990
Bonds, leases, and other long-term debt	9,820,000	0	9,820,000
Total noncurrent liabilities	10,381,555	113,045	10,494,600
Total liabilities	12,562,121	444,999	13,007,120
Deferred Inflows of Resources			
Unearned revenue	12,564	0	12,564
Unavailable property taxes	8,174,387	500,000	8,674,387
Deferred inflows of pension resources	578,566	0	578,566
Total deferred inflows of resources	8,765,517	500,000	9,265,517
Net Position			
Net investment in capital assets	46,115,958	1,427,578	47,543,536
Restricted	11,124,829	19,300	11,144,129
Unrestricted	8,001,946	3,114,760	11,116,706
Total net position	\$65,242,733	\$4,561,638	\$69,804,371

See accompanying notes to financial statements.

Stephenson County, Illinois

Statement of Activities

Year ended November 30, 2015

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$6,197,575	\$748,947	\$51,822	\$0	(\$5,396,806)	\$0	(\$5,396,806)
Public safety	3,640,337	901,758	741,956	0	(1,996,623)	0	(1,996,623)
Judicial & court related	4,810,836	1,142,388	915,163	0	(2,753,285)	0	(2,753,285)
Public works	33,675,131	255,511	212,343	676,429	(32,530,848)	0	(32,530,848)
Health, welfare, and sanitation	2,410,506	331,063	1,731,257	0	(348,186)	0	(348,186)
Interest	608,030	0	0	0	(608,030)	0	(608,030)
Total governmental activities	\$51,342,415	\$3,379,667	\$3,652,541	\$676,429	(43,633,778)	0	(43,633,778)
Business-type activities:							
Nursing Center	\$6,925,516	\$6,677,913	\$0	\$0	0	(247,603)	(247,603)
General revenues:							
Taxes:							
Property taxes					8,302,309	499,851	8,802,160
Sales taxes					3,182,661	0	3,182,661
Income taxes					1,540,164	0	1,540,164
Other taxes					1,289,204	0	1,289,204
Unrestricted investment earnings					16,831	1,639	18,470
Miscellaneous					680,325	737	681,062
Total general revenues					15,011,494	502,227	15,513,721
Transfers					0	0	0
Change in net position					(28,622,284)	254,624	(28,367,660)
Net position - beginning, as restated					93,865,017	4,307,014	98,172,031
Net position - ending					\$65,242,733	\$4,561,638	\$69,804,371

See accompanying notes to financial statements.

Stephenson County, Illinois

Balance Sheet - Governmental Funds

November 30, 2015

Assets	General Fund	County Health Department	Liability Insurance	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$1,608,077	\$702,195	\$1,216,088	\$6,992,664	\$10,519,024
Prepaid asset	0	0	0	490,000	490,000
Accounts receivable	1,285,470	638,945	0	937,633	2,862,048
Property tax receivable	4,862,906	41,076	708,156	2,633,174	8,245,312
Due from other funds	0	0	0	1,816,000	1,816,000
Inventory	29,183	4,392	0	0	33,575
Total assets	\$7,785,636	\$1,386,608	\$1,924,244	\$12,869,471	\$23,965,959
Liabilities and Fund Balance					
Vouchers payable	\$74,805	\$32,376	\$67,843	\$218,136	\$393,160
Accrued payroll	241,865	57,720	901	205,663	506,149
Compensated absences	26,428	11,476	0	17,210	55,114
Due to other funds	720,000	0	0	1,131,000	1,851,000
Total liabilities	1,063,098	101,572	68,744	1,572,009	2,805,423
Deferred Inflows of Resources					
Unearned revenue	0	12,564	0	0	12,564
Unavailable property taxes	4,825,000	40,722	700,000	2,608,665	8,174,387
Total deferred inflows of resources	4,825,000	53,286	700,000	2,608,665	8,186,951
Fund Balances					
Nonspendable	29,183	4,392	0	490,000	523,575
Restricted	0	1,227,358	1,155,500	8,887,218	11,270,076
Committed	0	0	0	144,427	144,427
Unassigned	1,868,355	0	0	(832,848)	1,035,507
Total fund balances	1,897,538	1,231,750	1,155,500	8,688,797	12,973,585
Total liabilities, deferred inflows of resources and fund balances	\$7,785,636	\$1,386,608	\$1,924,244	\$12,869,471	\$23,965,959

Stephenson County, Illinois

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

November 30, 2015

Total fund balances - governmental funds	\$12,973,585
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension liability and related deferred outflows and inflows, are not due and payable with the current resources so not reported in the funds.	2,546,311
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 \$676,982,968 and the accumulated depreciation is \$620,427,010.	56,555,958
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 the 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.	(640,861)
Long-term liabilities not due and payable with the current resources are not reported in the funds:	
Accrued compensated absences	(338,565)
Accrued interest payable	(6,433)
Bonds payable	(10,440,000)
<hr/>	
Total net position - governmental activities	\$65,242,733
<hr/>	

Stephenson County, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds Year ended November 30, 2015

	General Fund	County Health Department	Liability Insurance	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$8,273,094	\$40,757	\$939,678	\$5,737,238	\$14,990,767
Charges for service	1,465,964	247,149	0	1,251,519	2,964,632
Intergovernmental revenue	1,670,290	1,731,257	0	250,994	3,652,541
Other revenue	284,814	14,833	17,297	200,596	517,540
Total revenues	11,694,162	2,033,996	956,975	7,440,347	22,125,480
Expenditures					
Current:					
General government	1,662,647	0	939,860	555,965	3,158,472
Public safety	2,903,499	0	0	2,605,143	5,508,642
Judiciary and court related	4,719,633	0	0	908,423	5,628,056
Public works	0	0	0	2,313,872	2,313,872
Health and welfare	0	2,356,448	0	735,684	3,092,132
Debt service:					
Principal	0	0	0	595,000	595,000
Interest	0	0	0	503,863	503,863
Capital outlay	0	0	0	204,183	204,183
Total expenditures	9,285,779	2,356,448	939,860	8,422,133	21,004,220
Excess (deficiency) of revenues over expenses	2,408,383	(322,452)	17,115	(981,786)	1,121,260
Other Financing Sources (Uses)					
Transfers in	25,000	189,300	0	1,888,626	2,102,926
Transfers out	(683,551)	(3,500)	0	(1,415,875)	(2,102,926)
Total other financing sources and uses	(658,551)	185,800	0	472,751	0
Net change in fund balances	1,749,832	(136,652)	17,115	(509,035)	1,121,260
Fund balance (deficit) - beginning	147,706	1,368,402	1,138,385	9,197,832	11,852,325
Fund balance (deficit) - ending	\$1,897,538	\$1,231,750	\$1,155,500	\$8,688,797	\$12,973,585

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, 2015

Excess (deficiency) of revenues and other sources over (under) expenditures and other uses - Governmental funds	\$1,121,260
Amounts reported for governmental activities in the statement of activities are different because:	
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.	554,799
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 (\$32,293,626) exceeds capitalized fixed assets (\$204,183).	(32,089,443)
In the statement of activities, postretirement obligations, net pension obligations, and deferred sources are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year net pension liabilities and related deferred outflows exceed the amount paid by.	1,177,528
Principal payments on bonds payable are reported in governmental funds as expenditures. However, only the interest on bonds payables are recorded in the statement of activities. This is the amount of principal payments in the period.	490,000
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.	833
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.	122,739
Change in net position of governmental activities	(\$28,622,284)

Stephenson County, Illinois

Statement of Net Position - Proprietary Funds

November 30, 2015

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$1,469,334	\$760,332
Receivables, net of a \$60,000 allowance	1,141,087	108,517
Property tax receivable	504,338	0
Due from other funds	945,000	0
Restricted assets	19,300	0
Total current assets	4,079,059	868,849
Noncurrent assets:		
Capital assets (net of accumulated depreciation):		
Buildings	1,231,034	0
Equipment	196,544	0
Total capital assets	1,427,578	0
Total assets	5,506,637	868,849
Liabilities		
Current liabilities:		
Accounts payable	168,612	599,710
Accrued payroll	163,342	0
Due to other funds	0	910,000
Compensated absences	113,045	0
Total liabilities	444,999	1,509,710
Deferred inflows of resources		
Unavailable property taxes	500,000	0
Net Position		
Net investment in capital assets	1,427,578	0
Restricted	19,300	0
Unrestricted	3,114,760	(640,861)
Total net position	\$4,561,638	(\$640,861)

Stephenson County, Illinois

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

Year ended November 30, 2015

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Operating Revenues		
Charges for services	\$6,677,913	\$0
Employee contributions	0	415,034
County contributions	0	3,399,755
Reimbursements	0	179,140
Total operating revenues	6,677,913	3,993,929
Operating Expenses		
Nursing Center	6,806,685	0
Depreciation	118,831	0
Administrative fees	0	73,070
Health and life insurance premiums	0	237,596
Health claims	0	3,128,942
Total expenses	6,925,516	3,439,608
Operating income (loss)	(247,603)	554,321
Non-Operating Revenue (Expense)		
Property taxes	499,851	0
Interest income	1,639	478
Miscellaneous	737	0
Total non-operating revenue	502,227	478
Other financing sources (uses):		
Operating transfer out	0	0
Change in net position	254,624	554,799
Net position - beginning	4,307,014	(1,195,660)
Net position - ending	\$4,561,638	(\$640,861)

Stephenson County, Illinois

Statement of Cash Flows - Proprietary Funds

Year ended November 30, 2015

	Business-Type Activities Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities		
Cash received for services	\$6,902,103	\$0
Cash received for internal services	0	4,138,603
Cash payments to suppliers	(3,756,268)	(3,407,896)
Cash payments to employees	(3,171,839)	0
Net cash flows from operating activities	(26,004)	730,707
Cash Flows from Non-Capital Financing Activities		
Property taxes	495,513	0
Miscellaneous	737	0
Activity from interfund loan	(540,000)	25,000
Net cash flows from non-capital financing activities	(43,750)	25,000
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(313,181)	0
Net cash flows from capital and related financing activities	(313,181)	0
Cash Flows from Investing Activities		
Interest income	1,639	478
Net cash flows from investing activities	1,639	478
Net increase/decrease in cash and investments	(381,296)	756,185
Cash and investments - beginning	1,850,630	4,147
Cash and investments - ending	\$1,469,334	\$760,332

Stephenson County, Illinois

Statement of Cash Flows - Proprietary Funds (Continued)

Year ended November 30, 2015

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	(247,603)	554,321
Adjustments needed to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	118,831	0
Decrease in accounts receivable	224,190	144,674
Increase/(Decrease) increase in vouchers payable	(165,950)	31,712
Increase in accrued payroll	42,720	0
Increase in compensated absences	1,808	0
Net cash (used in) operating activities	(\$26,004)	\$730,707

Stephenson County, Illinois

Statement of Fiduciary Net Position - Fiduciary Funds

November 30, 2015

	Agency
Assets	
Cash	\$2,823,244
Accounts receivable	456,051
Total assets	\$3,279,295
Liabilities	
Due to others	\$3,279,295
Total liabilities	\$3,279,295

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 *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.

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

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 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.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Budgetary Basis of Accounting

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

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

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

Cash and Cash Equivalents

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Investments

Statutes authorize the County to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois 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 Outflows/Inflows of Resources

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

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.

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.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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 2015 property tax levy is levied to finance the operations of fiscal year 2016, the 2015 property tax is recorded as a receivable and the 2015 property tax revenue is unavailable. The 2014 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2015. The County must file its tax levy by the last Tuesday of December each year. The 2014 levy was approved on November 25, 2014. The 2015 levy was approved on November 24, 2015.

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

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

Compensated Absences

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

Depending on the employee contract, each employee's earned sick days can accumulate to a maximum of 60 to 120 days, and at the end of each calendar year, the employee may receive pay for the sick days accumulated above the maximum days. Except in cases of over accumulation, payment is only made for illness.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Pensions

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

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, 2015, expenditures exceeded appropriations in the Circuit Clerk Fees Fund by \$44,737, the Debt Service Fund by \$34,412, the Drug Funds by \$9,368, the Environmental Remediation Fund by \$5,501, the Public Safety Fund by \$84,276, the Social Security Contribution Fund by \$123,454, the Treasurer Automation Fund by \$2,142, and Mill Race Crossing Fund by \$41,421.

Deficit Fund Balance

At November 30, 2015, the County Highway Fund had a deficit fund balance of \$815,969 and the Environmental Remediation Fund had a deficit fund balance of \$16,879.

Note 3 Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, there is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of November 30, 2015, the County's bank balance was \$13,535,365 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.

In accordance with the provisions of donors and bequests, a special account has been established. As of November 30, 2015, the Nursing Center has \$19,300 in restricted cash.

Stephenson County, Illinois

Notes to Financial Statements

Note 4 Investments

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

	Fair Value
Investment in State Investment Pool	\$2,391,592

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

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	1-5 13-60 Months	5-10 60+ Months	
External investment pool	\$2,391,592	\$0	\$0	\$2,391,592

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 November 30, 2015	AAAm
External investment pool	\$2,391,592	\$2,391,592

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2015 is as follows:

Governmental activities	Balance 12/1/2014	Additions	Deletions	Balance 11/30/2015
Capital assets, not being depreciated:				
Land	\$288,555	\$0	\$0	\$288,555
Capital assets being depreciated:				
Infrastructure	655,053,642	185,273	0	655,238,915
Buildings and improvements	15,546,502	18,910	0	15,565,412
Equipment and vehicles	5,890,086	0	0	5,890,086
Total capital assets being depreciated	676,490,230	204,183	0	676,694,413
Less accumulated depreciation for:				
Infrastructure	576,815,277	31,669,307	0	608,484,584
Buildings and improvements	6,476,534	389,251	0	6,865,785
Equipment and vehicles	4,841,573	235,068	0	5,076,641
Total accumulated depreciation	588,133,384	32,293,626	0	620,427,010
Total capital assets being depreciated, net	88,356,846	(32,089,443)	0	56,267,403
Governmental activities capital assets, net	\$88,645,401	(\$32,089,443)	\$0	\$56,555,958

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, 2015 is as follows:

Business-type Activities	Balance 12/1/2014	Additions	Deletions	Balance 11/30/2015
Capital assets, not being depreciated:				
Construction in progress	\$109,048	\$0	\$109,048	\$0
Capital assets being depreciated:				
Buildings and improvements	3,049,386	367,947	0	3,417,333
Equipment and vehicles	807,825	54,282	0	862,107
Total capital assets being depreciated	3,857,211	422,229	0	4,279,440
Less accumulated depreciation for:				
Buildings and improvements	2,118,379	67,920	0	2,186,299
Equipment and vehicles	614,652	50,911	0	665,563
Total accumulated depreciation	2,733,031	118,831	0	2,851,862
Governmental activities capital assets, net	\$1,233,228	\$303,398	\$109,048	\$1,427,578

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

Governmental activities:	
Public safety	\$79,253
Judicial and court related	304,353
Public works	31,876,457
Health, sanitation, and welfare	33,563
Total depreciation expense, governmental activities	\$32,293,626

Business-type activities:

Business-type activities:	
Nursing Center	\$118,831

Stephenson County, Illinois

Notes to Financial Statements

Note 6 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 7 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:

Year Ending November 30,	Principal	Interest
2016	\$ 300,000	\$ 196,575
2017	315,000	181,200
2018	330,000	165,075
2019	350,000	148,075
2020	365,000	131,113
2021 - 2025	2,075,000	405,250
2026 - 2027	950,000	38,400
Total	\$4,685,000	\$1,265,688

Stephenson County, Illinois

Notes to Financial Statements

Note 7 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.

Year Ending November 30,	Principal	Interest
2016	\$ 190,000	\$ 272,286
2017	200,000	264,486
2018	210,000	255,236
2019	220,000	244,486
2020	230,000	233,236
2021 – 2025	1,350,000	947,157
2026 – 2030	1,810,000	469,015
2031 – 2032	870,000	40,701
Total	\$5,080,000	\$2,726,603

Stephenson County, Illinois

Notes to Financial Statements

Note 7 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.

The following is a repayment schedule for the debt.

Year Ending November 30,	Principal	Interest
2016	\$130,000	\$19,300
2017	130,000	16,700
2018	135,000	12,800
2019	140,000	8,750
2020	140,000	4,550
Total	\$675,000	\$62,100

The following is a summary of changes in long-term debt for the year ended November 30, 2015:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Debt certificates	\$10,930,000	\$0	(\$490,000)	\$10,440,000	\$620,000
Compensated absences	424,904	792,850	(860,475)	393,679	55,114
Governmental activity					
Long-term liabilities	\$11,391,304	\$792,850	(\$1,350,475)	\$10,833,679	\$675,114

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$623,471,258. As of November 30, 2015 the County had \$25,409,597 of remaining legal debt margin.

Stephenson County, Illinois

Notes to Financial Statements

Note 8 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, 2015, the amount of defeased debt from the series 2002 bond outstanding but removed from the County's financial statements amounted to \$880,000.

Note 9 Tax Anticipation Note

During the fiscal year, the County issued short-term Tax Anticipation Note (TAN) to finance its operations during times of the year where property taxes were not sufficient to fund operations. The TAN are payable from property tax revenue and were paid by the General Fund.

The TAN was issued with an annual interest rate of 2.171% in January 2015 and matured in November 2015. Interest was paid of \$11,866. Changes in short-term obligations for the year ended November 30, 2015 are as follows:

Business-type Activities	Balance 12/1/2014	Additions	Deletions	Balance 11/30/2015
Tax Anticipation Note	\$0	\$1,000,000	\$1,000,000	\$0

Note 10 Interfund Receivables and Payables

The following is a summary of interfund receivables and payables due at November 30, 2015.

Fund	Interfund Receivables	Interfund Payables
Major funds:		
General	\$0	\$720,000
Non-major governmental	1,816,000	1,131,000
Proprietary funds:		
Internal Service	0	910,000
Nursing Home	945,000	0
Total	\$2,761,000	\$2,761,000

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.

Stephenson County, Illinois

Notes to Financial Statements

Note 11 Net Position

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

Governmental Activities:

Net investment in capital assets:

Land and other nondepreciable assets	\$288,555
Other capital assets, net of accumulated depreciation	56,267,403
Less: related long-term debt outstanding	(10,440,000)

Total net investment in capital assets	46,115,958
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Restricted:

State statutes and enabling legislation	11,124,829
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Total restricted	11,124,829
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Unrestricted	8,001,946
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Total governmental activities net position	\$65,242,733
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Business-type Activities:

Net investment in capital assets:

Other capital assets, net of accumulated depreciation	\$1,427,578
Less: related long-term debt outstanding	0

Total net investment in capital assets	1,427,578
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Restricted:

Donors and bequests	19,300
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Total restricted	19,300
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Unrestricted	3,114,760
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Total business-type activities net position	\$4,561,638
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Stephenson County, Illinois

Notes to Financial Statements

Note 12 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.

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

The County commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The County has committed that are listed below.

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 and for funds with negative fund balances.

Stephenson County, Illinois

Notes to Financial Statements

Note 12 Fund Balance Reporting (Continued)

Nonspendable:

Major Funds

General Fund – inventory \$29,183

County Health Department – inventory 4,392

Nonmajor Funds

Prepaid items 490,000

Total nonspendable 523,575

Restricted:

Major Funds

State statutes and enabling legislation:

County Health Department 1,227,358

Liability Insurance 1,155,500

Non-Major Funds

State statutes and enabling legislation:

Illinois Municipal Retirement Fund 1,401,789

County Bridge 1,457,840

County Matching 208,888

County Motor Fuel Tax 469,019

Geographic Information Systems 17,241

DUI Equipment 19,297

Youth Diversion 8,278

Mental Health 139,011

Tuberculosis 142,088

Animal Control 186,716

Veteran's Assistance Commission 1,614

Circuit Clerk Fees 5,066

Social Security Contribution 968,716

Educational Extension Service 169,971

Emergency Service & Disaster Agency 56,752

ETSB 911 1,042,139

Drug Funds 63,700

Waste Management 130,092

Mechanical Document Storage 64,137

Public Safety 1,575,249

Coroner's Fund 61,068

Court Automation 50,379

Probation Service Fee 328,637

Document Storage – Circuit Clerk 32,160

Treasurer Automation 87,467

Court Supervision 8,877

Law Library 4,336

Stephenson County, Illinois

Notes to Financial Statements

Note 12 Fund Balance Reporting (Continued)

Mill Race Crossing	169,411
Highway Building	17,280
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Total restricted fund balance	11,270,076
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Committed:	
Non-major Funds	
Capital	36,463
Debt Service	107,964
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Total committed	144,427
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Unassigned:	
Major Fund	
General	1,868,355
Non-major Funds	
Environmental Remediation	(16,879)
County Highway	(815,969)
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Total unassigned	1,035,507
<hr/>	
Total governmental fund balances	\$12,973,585
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Note 13 Pension and Retirement Systems

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension Retirement Plans (Continued)

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

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

Regular Personnel:

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

Inactive employees or beneficiaries currently receiving benefits	201
Inactive employees entitled to but not yet receiving benefits	546
Active employees	271
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Total	1,018

Contributions - Employees are required to contribute 4.5 percent of their annual pay as set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension and Retirement Systems (Continued)

Regular Personnel (continued):

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

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

Changes in Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance January 1, 2014	\$43,107,423	\$45,983,784	(\$2,876,361)
Service costs	970,453	0	970,453
Interest on total pension liability	3,183,911	0	3,183,911
Difference between expected and actual experience	(591,620)	0	(591,620)
Changes in assumptions	1,654,801	0	1,654,801
Employer contributions	0	833,192	(833,192)
Employee contributions	0	391,175	(391,175)
Net investment income	0	2,772,783	(2,772,783)
Benefit payments – net of refunds	(2,281,012)	(2,281,012)	0
Other changes	0	99,910	(99,910)
Net changes	2,936,533	1,816,048	1,120,485
Balances as of December 31, 2014	\$46,043,956	\$47,799,832	(\$1,755,876)

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension and Retirement Systems (Continued)

Regular Personnel (continued):

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

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability	\$3,955,549	(\$1,755,876)	(\$6,461,384)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2014, the County recognized pension expense of \$768,413. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$0	\$374,591
Changes in assumptions	1,047,757	0
Net difference between projected and actual earnings	512,098	0
Employer contributions subsequent to the measurement date	635,247	0
Total	\$2,195,102	\$374,591

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension and Retirement Systems (Continued)

Regular Personnel (continued):

The County reported \$635,247 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:	Net Deferred Outflows of Resources
2015	\$518,040
2016	411,176
2017	128,025
2018	128,023
2019	0
Thereafter	0

Payable to the Pension Plan

At November 30, 2015, the County reported a payable of \$57,087 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

Sheriff's Law Enforcement (SLEP):

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

Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	18
Active employees	51
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Total	112

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension and Retirement Systems (Continued)

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

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

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2014	\$24,096,700	\$22,589,122	\$1,507,578
Service costs	529,175	0	529,175
Interest on total pension liability	1,790,859	0	1,790,859
Difference between expected and actual experience	(263,153)	0	(263,153)
Changes in assumptions	507,049	0	507,049
Employer contributions	0	626,776	(626,776)
Employee contributions	0	209,477	(209,477)
Net investment income	0	1,373,969	(1,373,969)
Benefit payments – net of refunds	(966,322)	(966,322)	0
Other changes	0	(117,580)	117,580
Net changes	1,597,608	1,126,320	471,288
Balances as of December 31, 2014	\$25,694,308	\$23,715,442	\$1,978,866

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension and Retirement Systems (Continued)

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

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

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net Pension liability	\$5,468,753	\$1,978,866	(\$878,081)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2014, the County recognized pension expense of \$660,275. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$0	\$203,975
Changes in assumptions	393,021	0
Net difference between projected and actual earnings	248,742	0
Employer contributions subsequent to the measurement date	511,002	0
Total	\$1,152,765	\$203,975

Stephenson County, Illinois

Notes to Financial Statements

Note 13 Pension and Retirement Systems (Continued)

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

The County reported \$511,002 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31:</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$117,035
2016	117,035
2017	117,035
2018	86,685
2019	0
Thereafter	0

Payable to the Pension Plan

At November 30, 2015, the County reported a payable of \$56,252 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

Note 14 Deferred Compensation Plan

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 15 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 six former employees have chosen to stay in the County's current health insurance plan. Therefore, there has been low utilization and, therefore, an immaterial implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the County has no former employees for whom the County was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the County has not recorded any postemployment benefit liability as of November 30, 2015.

Note 16 Interfund Transfers

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

<u>Year Ending December 31:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General	\$25,000	\$683,551
County Health Department	189,300	3,500
Non-major governmental	1,888,626	1,415,875
	<u>\$2,102,926</u>	<u>\$2,102,926</u>

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

Note 17 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, 2015 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 18 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 18 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 \$4,284,172 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 \$4,284,172 are covered by insurance.

Year Ending November 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2013	\$200,000	\$3,126,107	\$2,951,107	\$375,000
2014	375,000	3,803,683	3,610,683	568,000
2015	568,000	3,128,942	3,102,573	594,369

Note 19 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 20 Impact of Pending Accounting Principles

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 20 Impact of Pending Accounting Principles (Continued)

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

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

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

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

Note 21 New Reporting Standard

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

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

Stephenson County, Illinois

Notes to Financial Statements

Note 22 Restatement of Beginning Net Position

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

	Governmental Activities
Balance at December 1, 2014	\$92,295,020
Add beginning net pension asset for IMRF	1,368,783
Add prior year net pension obligation	201,214
<hr/>	
Balance at December 1, 2014, as restated	<u>\$93,865,017</u>

Required Supplementary Information

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes:				
Property taxes	\$4,368,990	\$4,368,990	\$4,329,613	(\$39,377)
State income tax	1,319,910	1,319,910	1,460,531	140,621
State sales tax	397,800	397,800	459,243	61,443
State supplemental sales tax	1,087,320	1,087,320	1,073,800	(13,520)
State use tax	235,000	235,000	231,668	(3,332)
Replacement tax	200,000	200,000	230,410	30,410
Treasurer/tax sale automation	125,000	125,000	127,781	2,781
Total taxes	7,734,020	7,734,020	7,913,046	179,026
Charges for services:				
County clerk fees	170,000	170,000	160,762	(9,238)
Circuit clerk fees	382,200	382,200	385,330	3,130
County sheriff fees	128,000	128,000	98,353	(29,647)
State's attorney fees	40,000	40,000	40,698	698
Probation transfer fee	1,800	1,800	625	(1,175)
Supervisor of assessment fees	53,000	53,000	53,973	973
Zoning fees	17,714	17,714	37,345	19,631
Licenses	15,570	15,570	0	(15,570)
Criminal fines	227,000	227,000	200,139	(26,861)
Jail medical fees	12,800	12,800	15,672	2,872
Traffic fines	239,000	239,000	280,697	41,697
Cable franchise fees	35,668	35,668	49,101	13,433
Court security fees	106,000	106,000	101,072	(4,928)
County ordinances	360	360	170	(190)
Video gaming	18,000	18,000	16,544	(1,456)
Total charges for services	1,447,112	1,447,112	1,440,481	(6,631)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues (continued)				
Intergovernmental revenue:				
State of Illinois salary reimbursements	984,174	984,174	1,057,966	73,792
Boarding of prisoners	348,500	348,500	463,590	115,090
Help America vote grant	3,039	3,039	0	(3,039)
Workforce investment grant	53,952	53,952	0	(53,952)
State's attorney grant	22,075	22,075	18,011	(4,064)
Total intergovernmental revenues	1,411,740	1,411,740	1,539,567	127,827
Other revenue:				
Interest on investments	80	80	256	176
Revenue stamps	50,000	50,000	82,110	32,110
Street value	5,000	5,000	2,648	(2,352)
Probation dept - work release	96,520	96,520	65,520	(31,000)
Miscellaneous	54,743	54,743	39,105	(15,638)
Total other revenue	206,343	206,343	189,639	(16,704)
Total revenues	\$10,799,215	\$10,799,215	\$11,082,733	\$283,518

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures				
General Government:				
County Properties				
Personnel:				
Salaries - other full time	\$39,155	\$39,155	\$37,675	(\$1,480)
Salaries - overtime	1,200	1,200	2,138	938
Total personnel	40,355	40,355	39,813	(542)
Commodities:				
Cleaning supplies	2,500	2,500	1,471	(1,029)
Paper supplies - towels, etc.	3,000	3,000	2,287	(713)
Electrical supplies	350	350	156	(194)
Hardware supplies	0	0	19	19
Plumbing supplies	250	250	237	(13)
Painting supplies	0	0	59	59
Salt	750	750	646	(104)
Total commodities	6,850	6,850	4,875	(1,975)
Contractual:				
Advertising and publishing	100	100	0	(100)
Boiler - state inspection	3,300	3,300	70	(3,230)
Gas - natural	20,000	20,000	13,995	(6,005)
Electric	40,000	40,000	34,685	(5,315)
Telephone - alarm system	100	100	0	(100)
Water and sewer	2,675	2,675	2,204	(471)
Garbage disposal	2,445	2,445	2,175	(270)
Pest control	50	50	0	(50)
Maintenance - environmental	7,500	7,500	7,179	(321)
Maintenance - painting & decorating	250	250	130	(120)
Maintenance - elevators	17,000	17,000	15,489	(1,511)
Maintenance - general	9,000	9,000	6,997	(2,003)
Monument maintenance	1,000	1,000	0	(1,000)
Landscaping	100	100	0	(100)
Janitorial contract	1,200	1,200	901	(299)
Total contractual	104,720	104,720	83,825	(20,895)
Capital outlay:				
Courthouse building repair	2,000	2,000	0	(2,000)
Equipment	300	300	300	0
Total capital outlay	2,300	2,300	300	(2,000)
Total county properties	154,225	154,225	128,813	(25,412)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
County Clerk and Recorder				
Personnel:				
Salaries - department head	53,000	53,000	52,962	(38)
Salaries - deputies	111,000	111,000	110,772	(228)
Overtime salaries	10	10	0	(10)
Excess sick days	2,076	2,076	1,999	(77)
Total personnel	166,086	166,086	165,733	(353)
Commodities:				
Stationery and supplies	10,000	10,000	8,218	(1,782)
Computerized recording system	10	10	0	(10)
Office equipment (under \$500)	350	350	339	(11)
Books, periodicals, and manuals	10	10	0	(10)
Operational expense	1,000	1,000	963	(37)
Total commodities	11,370	11,370	9,520	(1,850)
Contractual:				
Auto mileage	50	50	0	(50)
Publishing	400	400	368	(32)
Printing, duplicating, and binding	2,000	2,000	3,695	1,695
Photocopies	10	10	0	(10)
Telephone	70	70	0	(70)
Office equipment repairs	1,000	1,000	266	(734)
IT equipment and contracts	2,700	18,700	18,185	(515)
Dues and memberships	465	465	465	0
Meetings and seminars	275	275	0	(275)
Miscellaneous fees	1,010	1,010	881	(129)
Total contractual	7,980	23,980	23,860	(120)
Total county clerk and recorder	185,436	201,436	199,113	(2,323)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
County Treasurer				
Personnel:				
Salaries - department head	50,000	50,000	49,962	(38)
Salaries - deputies	28,300	28,300	26,270	(2,030)
Salaries - part-time deputy	10	10	0	(10)
Overtime salaries - deputies	14,500	12,300	12,286	(14)
Excess sick days	0	1,887	1,886	(1)
Total personnel	92,810	92,497	90,404	(2,093)
Commodities:				
Stationery and supplies	600	600	593	(7)
Computer supplies	3,000	3,000	2,421	(579)
Total commodities	3,600	3,600	3,014	(586)
Contractual:				
Mileage	0	313	313	0
Advertising and publishing	700	700	700	0
Office equipment repair	200	200	200	0
Total contractual	900	1,213	1,213	0
Capital outlay:				
Office equipment (over \$500)	1,000	1,000	1,000	0
Total capital outlay	1,000	1,000	1,000	0
Total county treasurer	98,310	98,310	95,631	(2,679)
County Board Expense Disbursed				
Personnel:				
Salaries - per diem	78,400	78,400	60,814	(17,586)
Chairman	20,725	20,725	19,988	(737)
Total personnel	99,125	99,125	80,802	(18,323)
Contractual:				
Auto mileage	6,500	6,500	6,120	(380)
Advertising and publishing	300	300	852	552
Dues and memberships	565	565	716	151
Meetings and seminars	3,200	3,200	1,940	(1,260)
Total contractual	10,565	10,565	9,628	(937)
Total county board	109,690	109,690	90,430	(19,260)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
Administrative Services				
Personnel:				
Salaries - department head	60,000	60,000	50,706	(9,294)
Salaries - secretary	31,200	31,200	27,354	(3,846)
Salaries - IT	10,000	10,000	1,924	(8,076)
Overtime salaries - secretary	600	600	0	(600)
Total personnel	101,800	101,800	79,984	(21,816)
Commodities:				
Stationery and supplies	500	500	807	307
Computer supplies	300	300	0	(300)
Office equipment (under \$500)	750	750	1,053	303
Photocopy paper	5,700	5,700	6,323	623
Total commodities	7,250	7,250	8,183	933
Contractual:				
Auto mileage	750	750	54	(696)
Postage	66,000	66,000	43,726	(22,274)
Postage presort service	1,000	1,000	746	(254)
Printing, duplicating and binding	150	150	0	(150)
Photocopies	1,100	1,100	0	(1,100)
Telephone	0	0	34,866	34,866
Office equipment repair	720	720	0	(720)
Postage meter rental	1,250	1,250	323	(927)
Dues and memberships	300	300	191	(109)
Professional services	0	0	12,432	12,432
Telephone system	38,000	38,000	3,156	(34,844)
Financial software	13,000	13,000	13,637	637
Total contractual	122,270	122,270	109,131	13,139
Capital outlay:				
Office equipment (over \$500)	4,000	4,000	1,108	(2,892)
Total capital outlay	4,000	4,000	1,108	(2,892)
Total administrative services	235,320	235,320	198,406	(36,914)
Recreation and Conservation				
Contractual:				
Electric - Kent Monument	250	250	264	14
Electric - Bob Town Landing	725	725	632	(93)
Maintenance - Kent Monument	500	500	591	91
Atten Landing	3,473	3,473	375	(3,098)
Maintenance - Bob Town Landing	2,000	2,000	1,841	(159)
Pec prairie path	33,333	33,333	33,000	(333)
Jane Addams trail	9,030	9,030	0	(9,030)
Mowing - Kent Monument	700	700	0	(700)
Total recreation & conservation	50,011	50,011	36,703	(13,308)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
Supervisor of Assessments				
Personnel:				
Salaries - department head	68,224	68,224	68,224	0
Salaries - deputies	68,500	68,500	67,144	(1,356)
Township duties	16,976	16,976	16,760	(216)
Salaries - board of review	10,500	10,500	10,822	322
Excess sick days	3,500	3,500	3,500	0
Total personnel	167,700	167,700	166,450	(1,250)
Commodities:				
Stationery and supplies	1,650	1,650	1,259	(391)
Total commodities	1,650	1,650	1,259	(391)
Contractual:				
Independent appraisal	10	10	0	(10)
Auto mileage	1,750	1,750	1,516	(234)
Advertising and publishing	15,000	15,000	13,852	(1,148)
Printing, duplicating, and binding	2,000	2,000	1,735	(265)
Photocopies	1,700	1,700	1,700	0
Devnet IL tax system	40,572	40,572	40,572	0
Proval appraisal software	16,000	16,000	15,661	(339)
Dues and memberships	750	750	425	(325)
Meetings and seminars	3,000	3,000	2,140	(860)
Total contractual	80,782	80,782	77,601	(3,181)
Total supervisor of assessments	250,132	250,132	245,310	(4,822)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
Economic Development				
Personnel:				
Enterprise Zone Administrator	375	375	375	0
Total personnel	375	375	375	0
Contractual:				
Soil & water conservation	5,000	5,000	5,000	0
Blackhawk Hills-R.C. & D	500	500	0	(500)
Blackhawk Hills-R.C. & D - EDD	10,535	10,535	10,536	1
Total contractual	16,035	16,035	15,536	(499)
Total economic development	16,410	16,410	15,911	(499)
Facilities Management				
Personnel:				
Salaries - department head	68,900	68,900	62,324	(6,576)
Salaries - maintenance	37,440	37,440	38,938	1,498
Total salaries	106,340	106,340	101,262	(5,078)
Contractual:				
Auto mileage	2,000	2,000	780	(1,220)
Automotive repairs	0	0	115	115
Total contractual	2,000	2,000	895	(1,105)
Total facilities management	108,340	108,340	102,157	6,183

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
Election Expense				
Personnel:				
Salaries - deputies	52,000	52,000	50,035	(1,965)
Salaries - part-time	1,500	1,500	0	(1,500)
Salaries - per diem	50,000	50,000	23,271	(26,729)
Excess sick days	840	840	420	(420)
Total personnel	104,340	104,340	73,726	(30,614)
Commodities:				
Books, periodicals, and manuals	10	10	0	(10)
Printing paper and supplies	100,000	100,000	42,213	(57,787)
Total commodities	100,010	100,010	42,213	(57,797)
Contractual:				
Auto mileage	1,000	1,000	1,113	113
Advertising and publishing	10,000	10,000	9,895	(105)
Photocopies	10	10	0	(10)
Telephone	10	10	0	(10)
Office equipment	510	510	452	(58)
Building and rooms	4,000	4,000	3,571	(429)
IT election equipment	40,000	40,000	46,569	6,569
Election equipment delivery	6,000	6,000	3,175	(2,825)
Help America vote	10	10	0	(10)
Total contractual	61,540	61,540	64,775	3,235
Total election expense	265,890	265,890	180,714	(85,176)
Zoning				
Personnel:				
Salaries - department head	22,194	22,194	20,878	(1,316)
Salaries - secretary	10,000	10,000	6,075	(3,925)
Part-time director	5,898	5,898	5,223	(675)
Salaries - per diem	2,000	2,000	1,105	(895)
Total personnel	40,092	40,092	33,281	(6,811)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
General Government (Continued):				
Zoning (Continued):				
Commodities:				
Stationery and supplies	500	500	494	(6)
Office equipment (under \$500)	500	500	343	(157)
Total commodities	1,000	1,000	837	(163)
Contractual:				
Auto mileage	2,000	2,000	1,702	(298)
Photocopies	1,100	1,100	356	(744)
Telephone	1,500	1,500	186	(1,314)
Office equipment repairs	500	500	363	(137)
Meetings and seminars	2,000	2,000	1,684	(316)
Total contractual	7,100	7,100	4,291	(2,809)
Total zoning	48,192	48,192	38,409	(9,783)
Miscellaneous				
Contractual:				
Capital fund	0	0	15,831	15,831
Annual audit	55,000	55,000	39,500	(15,500)
Special Asst. State's Attorney	4,000	4,000	0	(4,000)
Labor attorney fees	110,000	110,000	99,311	(10,689)
Insurance premiums	1,700,000	1,700,000	1,345,388	(354,612)
Office rent	0	5,835	6,462	627
County Code Book	3,500	3,500	4,682	1,182
Regional office of education	51,837	51,837	34,379	(17,458)
Stockton School District	0	0	4,798	4,798
Interest on TANs	0	0	11,866	11,866
Contingencies	50,000	17,165	0	(17,165)
Total miscellaneous	1,974,337	1,947,337	1,562,217	(385,120)
Total general government	3,496,293	3,485,293	2,893,814	(591,479)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related:				
State's Attorney				
Personnel:				
Salaries - department head	166,508	166,508	166,508	0
Salaries - assistants	283,790	280,447	269,381	(11,066)
Salaries - secretaries	81,376	84,719	82,530	(2,189)
Salaries - teen court coordinator	27,740	27,740	23,787	(3,953)
Salaries - victim coordinator	5,000	5,000	0	(5,000)
Excess sick days	5,945	5,945	5,945	0
Total personnel	570,359	570,359	548,151	(22,208)
Commodities:				
Stationery and supplies	7,500	7,500	6,320	(1,180)
Office equipment	500	500	500	0
Books, periodicals, and manuals	2,800	2,800	902	(1,898)
Peer jury expense	100	100	0	(100)
Total commodities	10,900	10,900	7,722	(3,178)
Contractual:				
Court reporting	2,000	2,000	2,000	0
Appellate service	15,000	15,000	15,000	0
Travel expense	500	500	1,898	1,398
Office equipment maintenance	2,000	2,000	1,543	(457)
Dues and memberships	1,500	1,500	1,500	0
Meetings and seminars	1,000	1,000	529	(471)
Sheriff's fees	500	500	168	(332)
Investigation expense	200	200	0	(200)
Instruction and schooling	500	500	500	0
Total contractual	23,200	23,200	23,138	(62)
Capital outlay:				
Equipment	6,000	6,000	6,000	0
Total state's attorney	610,459	610,459	585,011	(25,448)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related (Continued):				
Judicial				
Commodities:				
Stationery and supplies	2,600	2,600	2,033	(567)
Office equipment (under \$500)	1,350	1,350	1,209	(141)
Books, periodicals, and manuals	2,500	2,500	1,514	(986)
Total commodities	6,450	6,450	4,756	(1,694)
Contractual:				
Office of the Chief Judge	900	900	900	0
Photocopies	450	450	419	(31)
Office equipment repair	6,300	6,300	2,873	(3,427)
Continuing education	2,400	2,400	2,245	(155)
Assessment for judges salaries	2,250	2,250	2,165	(85)
Office equipment	2,500	2,500	2,376	(124)
Total contractual	14,800	14,800	10,978	(3,822)
Total judicial	21,250	21,250	15,734	(5,516)
Jury Commission				
Personnel:				
Coroner jurors	100	100	0	(100)
Circuit jurors	22,000	32,000	27,212	(4,788)
Jury commissioners	3,450	3,450	3,450	0
Total personnel	25,550	35,550	30,662	(4,888)
Contractual:				
Juror meals	3,500	4,500	4,150	(350)
Printing, duplicating and binding	900	900	795	(105)
Total contractual	4,400	5,400	4,945	(455)
Total jury commission	29,950	40,950	35,607	(5,343)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related (Continued):				
Circuit Clerk				
Personnel:				
Salaries - department head	55,000	55,000	53,000	(2,000)
Salaries - deputies	232,000	232,000	233,029	1,029
Total personnel	287,000	287,000	286,029	(971)
Commodities:				
Stationery and supplies	2,900	2,900	2,900	0
Total commodities	2,900	2,900	2,900	0
Contractual:				
Photocopies	10,000	10,000	2,997	(7,003)
Telephone	100	100	62	(38)
Total contractual	10,100	10,100	3,059	(7,041)
Total circuit clerk	300,000	300,000	291,988	(8,012)
Probation				
Personnel:				
Salaries - department head	100,865	100,865	89,900	(10,965)
Salaries - officers	551,681	551,681	549,214	(2,467)
Salaries - supervisors	86,104	86,104	61,170	(24,934)
Salaries - office manager	36,338	36,338	36,297	(41)
Salaries - secretaries	46,977	46,977	51,692	4,715
Salaries - other	20,000	12,075	12,075	0
Excess sick days	10,744	10,744	10,366	(378)
Total personnel	852,709	844,784	810,714	(34,070)
Contractual:				
Childcare	120,000	127,925	146,525	18,600
Medical and dental	360	360	364	4
Total contractual	120,360	128,285	146,889	18,604
Total probation	973,069	973,069	957,603	(15,466)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Public Safety:				
Law Enforcement				
Personnel:				
Salaries - Chief Deputy	64,896	64,896	64,896	0
Salaries - department head	66,000	66,000	65,962	(38)
Salaries - public safety	2,500	2,500	2,500	0
Salaries - deputies	1,261,579	1,261,579	1,094,194	(167,385)
Salaries - communication	281,856	281,856	257,538	(24,318)
Salaries - clerical	112,749	112,749	109,055	(3,694)
Salaries - overtime	45,000	45,000	80,505	35,505
Salaries - overtime - communication	20,000	20,000	21,278	1,278
Salaries - overtime - court security	17,000	17,000	14,436	(2,564)
Salaries - court deputies	126,522	126,522	121,996	(4,526)
Holiday pay	53,706	53,706	41,935	(11,771)
Excess sick days	103,660	103,660	83,496	(20,164)
Total personnel	2,155,468	2,155,468	1,957,791	(197,677)
Commodities:				
Stationery and supplies	1,800	1,800	1,780	(20)
Crime prevention supplies	250	250	140	(110)
Stationery and supplies - communication	280	280	237	(43)
Office equipment (under \$500)	400	400	249	(151)
Books, periodicals, and manuals	380	380	357	(23)
Gasoline and operating fuel	94,000	94,000	92,626	(1,374)
Clothing - uniforms	9,000	9,000	8,893	(107)
Lubricants	2,500	2,500	2,106	(394)
Automotive tires	7,000	7,000	6,600	(400)
Automotive accessories	1,500	1,500	1,457	(43)
Sheriff's reserve unit	1,000	1,000	1,000	0
Mounted patrol	800	800	800	0
Total commodities	118,910	118,910	116,245	(2,665)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Public Safety (Continued):				
Law Enforcement (Continued)				
Contractual:				
Postage	300	300	265	(35)
Travel expense	3,500	3,500	3,449	(51)
Advertising and publishing	250	250	0	(250)
Photocopies	1,800	1,800	1,817	17
Telephone	6,000	6,000	5,207	(793)
Automotive repairs	25,000	25,000	25,713	713
Equipment	2,500	2,500	2,492	(8)
Ammunition	5,000	5,000	5,108	108
Radio and tower	24,453	24,453	23,574	(879)
Machines and equipment	12,500	12,500	12,372	(128)
Office equipment	300	300	232	(68)
NW criminal justice comm	3,554	3,554	3,660	106
Dues and memberships	850	850	820	(30)
Instruction and schooling	10,000	10,000	8,848	(1,152)
Investigation expense	5,000	5,000	4,725	(275)
Emergency response	250	250	250	0
Total contractual	101,257	101,257	98,532	(2,725)
Capital outlay:				
Radio	10,000	10,000	9,843	(157)
Total capital outlay	10,000	10,000	9,843	(157)
Total public safety	2,385,635	2,385,635	2,182,411	(203,224)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related (Continued):				
Corrections				
Personnel:				
Salaries - jail administrator	63,386	63,386	63,844	458
Salaries - jail administrator asst	60,000	61,200	61,382	182
Salaries - correction officers	1,144,737	1,144,737	1,121,787	(22,950)
Salaries - clerical	35,338	35,338	53,165	17,827
Salaries - transporting inmates	25,200	25,200	27,795	2,595
Salaries - overtime	60,000	58,800	88,361	29,561
Holiday pay	53,781	53,781	42,283	(11,498)
Excess sick days	19,350	19,350	14,421	(4,929)
Total personnel	1,461,792	1,461,792	1,473,038	11,246
Commodities:				
Stationery and supplies	4,000	4,000	4,370	370
Computer supplies	4,000	4,000	5,831	1,831
Films and tapes	100	100	59	(41)
Books, periodicals, and manuals	150	150	0	(150)
Laundry	7,400	7,400	3,676	(3,724)
Food-county inmates	245,000	245,000	210,913	(34,087)
Medical and dental supplies	200	24,258	23,671	(587)
Clothing - uniforms	10,000	10,000	9,418	(582)
Kitchen	50	50	45	(5)
Total commodities	270,900	294,958	257,983	(36,975)
Contractual:				
Medical, dental and barber	150,000	150,000	143,410	(6,590)
Mental health	2,000	2,000	115	(1,885)
Postage	500	500	416	(84)
Telephone	13,000	13,000	13,569	569
Live scan	0	0	499	499
Instruction and schooling	9,000	9,000	23,955	14,955
Educational assistance program	3,000	3,000	1,463	(1,537)
Chaplain education services	10,000	10,000	10,000	0
Transporting prisoners	5,000	5,000	6,302	1,302
Radio	2,800	2,800	2,316	(484)
Federal inmate program	75,000	50,942	0	(50,942)
Total contractual	270,300	246,242	202,045	(44,696)
Total corrections	2,002,992	2,002,992	1,933,066	(69,926)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related (Continued):				
Court Ordered Expenses				
Contractual:				
Legal/Guard/Attorney fees	3,000	3,000	2,948	(52)
Legal/Special Defender	18,000	18,000	4,128	(13,872)
Mental examinations	11,000	11,000	10,462	(538)
Interpreter-Transcripts	6,000	6,000	3,350	(2,650)
Advertising and publishing	4,000	4,000	6,240	2,240
Investigation expense	250	250	0	(250)
Total court ordered expenses	42,250	42,250	27,128	(15,122)
Public Defender				
Personnel:				
Salaries - department head	149,857	149,857	149,857	0
Salaries - assistants	143,781	146,671	144,892	(1,779)
Salaries - juvenile G.A.L.	34,450	31,560	33,339	1,779
Salaries - office manager	35,057	35,057	35,057	0
Part time - receptionist	9,100	9,100	8,505	(595)
Excess sick days	1,755	1,755	1,755	0
Total personnel	374,000	374,000	373,405	(595)
Contractual:				
Office equipment	1,500	1,500	1,981	481
Books & periodicals	350	350	240	(110)
Transcripts	500	500	277	(223)
Mileage	500	500	0	(500)
Photocopies	250	250	0	(250)
Office expense	2,539	2,539	2,493	(46)
Meetings & seminars	1,000	1,000	825	(175)
Total contractual	6,639	6,639	5,816	(823)
Total public defender	380,639	380,639	379,221	(1,418)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related (Continued):				
Jail Building				
Personnel:				
Salaries - maintenance	16,840	16,840	17,617	777
Commodities:				
Cleaning supplies	400	400	233	(167)
Paper supplies - towels, etc.	300	300	98	(202)
Electrical supplies	250	250	42	(208)
Hardware supplies	50	50	0	(50)
Plumbing supplies	80	80	0	(80)
Painting supplies	50	50	31	(19)
Total commodities	1,130	1,130	404	(726)
Contractual:				
Boiler - State inspection	100	100	0	(100)
Gas - natural	6,500	6,500	4,311	(2,189)
Electrical service	9,000	9,000	7,452	(1,548)
Water and sewer	1,275	1,275	1,018	(257)
Pest control	50	50	5	(45)
Maintenance - environmental	250	250	382	132
Maintenance - general	2,000	2,000	1,703	(297)
Total contractual	19,175	19,175	14,871	(4,304)
Total jail building	37,145	37,145	32,892	(4,253)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Judiciary and Court Related (Continued):				
Merit Commission				
Contractual:				
Consultants - testing	4,300	4,300	5,906	1,606
Court reporter	500	500	787	287
Medical examination	500	500	157	(343)
Advertising and publishing	800	800	469	(331)
Total merit commission	6,100	6,100	7,319	1,219
Total judiciary and court related	4,403,854	4,414,854	4,265,569	(149,285)
Total expenditures	\$10,285,782	\$10,285,782	\$9,341,794	(\$943,988)
Other financing sources (uses)				
Operating transfers in (out):				
ETSB 911	90,000	90,000	25,000	65,000
Debt service	(466,088)	(466,088)	(494,251)	28,163
County Health Department Fund	(195,300)	(195,300)	(189,300)	(6,000)
Total operating transfers out	(\$571,388)	(\$571,388)	(\$658,551)	\$87,163

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes:				
Property taxes	\$40,722	\$40,722	\$40,403	(\$319)
Charges for services:				
Contractor	1,350	1,350	250	(1,100)
Food permits	51,870	51,870	53,602	1,732
Radon kit	1,600	1,600	983	(617)
Vital records	42,400	42,400	42,651	251
Well and septic	32,030	32,030	33,162	1,132
Food certification	800	800	1,315	515
TB	200	200	210	10
Physicals	1,000	1,000	1,360	360
Private pay-family planning	6,000	6,000	4,877	(1,123)
Private pay-CHSP	47,500	47,500	71,463	23,963
Private pay-flu vaccine	15,500	15,500	21,518	6,018
Private pay-immunizations	11,080	11,080	15,975	4,895
Private pay-records search	100	100	80	(20)
Private pay-other	780	780	603	(177)
Total charges for services	212,210	212,210	248,049	35,839
Intergovernmental revenue:				
State of IL Grants-Other	6,230	6,230	7,291	1,061
FCM-public health	195,064	195,064	192,970	(2,094)
FCM-federal match	49,000	49,000	22,979	(26,021)
WIC grant	244,707	244,707	264,381	19,674
Catch - Obesity	11,500	11,500	15,670	4,170
Health protection	85,354	85,354	85,354	0
Family planning	55,042	55,042	36,918	(18,124)
Peer counseling - WIC	19,200	19,200	17,561	(1,639)
Childhood lead	0	0	478	478
Dental sealant	4,100	4,100	3,574	(526)
IPC grant: Lead agency	273,910	273,910	204,773	(69,137)
IPC grant: Stephenson	0	0	3,620	3,620
Ounce of prevention	120,633	120,633	25,000	(95,633)
Healthy families	231,400	231,400	231,400	0
Breast and cervical cancer	106,550	106,550	130,206	23,656
Breast and cervical-primary care	146,792	146,792	42,698	(104,094)
Wise women	84,840	84,840	74,618	(10,222)
Ticket for the cure	0	0	16,478	16,478
0 to 3 Assurance Network	81,980	81,980	61,480	(20,500)
Tobacco settlement grant	24,247	24,247	10,123	(14,124)
Tobacco compliance grant	4,510	4,510	0	(4,510)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues (Continued)				
Intergovernmental revenue (continued):				
West Nile virus	18,040	18,040	17,751	(289)
Bioterrorism grant	50,016	50,016	64,852	14,836
Coordinated intake - HFI	25,000	25,000	30,948	5,948
Women's wellness intervention	150,000	150,000	42,555	(107,445)
Reality Illinois - tobacco	5,000	5,000	5,000	0
VFC - Afix grant	35,000	35,000	44,685	9,685
Radon grant	25,000	25,000	26,468	1,468
Brownfield study	3,220	3,220	7,185	3,965
Carroll County health admin	23,278	23,278	22,660	(618)
Carroll County tobacco	20,077	20,077	18,597	(1,480)
We Choose Health	60,000	60,000	0	(60,000)
IDPA: Family planning	20,000	20,000	15,022	(4,978)
IDPA: FCM	25,000	25,000	28,814	3,814
IDPA: Immunizations	5,673	5,673	5,470	(203)
Medicare	5,040	5,040	2,668	(2,372)
Other grants & contracts	2,658	2,658	32,859	30,201
Tuberculosis board	58,665	58,665	0	(58,665)
Total intergovernmental revenue	2,276,726	2,276,726	1,813,106	(463,620)
Other revenue:				
Interest	1,700	1,700	970	(730)
Komen Foundation	0	0	8,110	8,110
Donations	8,470	8,470	5,729	(2,741)
Miscellaneous	630	630	237	(393)
Total other revenue	10,800	10,800	15,046	4,246
Total revenue	\$2,540,458	\$2,540,458	\$2,116,604	(\$423,854)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures				
Health and welfare:				
Salaries-administrator	\$88,816	\$88,816	\$88,810	(\$6)
Salaries-full time	1,233,688	1,233,688	1,129,630	(104,058)
Salaries-part time	178,604	178,604	164,950	(13,654)
Office supplies	76,224	76,224	50,857	(25,367)
Pamphlets	2,961	2,961	4,542	1,581
Printing	7,865	7,865	7,105	(760)
Medical supplies	51,634	51,634	42,693	(8,941)
Med/Prof contracts: Other	54,801	54,801	65,387	10,586
Breast & Cervical: Primary Care	146,792	146,792	49,513	(97,279)
Wise women: Primary Care	27,720	27,720	7,138	(20,582)
Travel	61,847	61,847	41,605	(20,242)
Postage	8,300	8,300	5,846	(2,454)
Advertising and publishing	13,628	13,628	7,724	(5,904)
Health & accident insurance	442,368	442,368	423,550	(18,818)
Natural gas	2,500	2,500	1,688	(812)
Electricity	22,000	22,000	23,817	1,817
Telephone	20,079	20,079	19,761	(318)
Water and sewer	1,950	1,950	1,786	(164)
Garbage disposal	600	600	649	49
Equipment repair	22,942	22,942	21,405	(1,537)
Rent	6,600	6,600	3,296	(3,304)
Vehicle lease	4,200	4,200	4,199	(1)
Janitorial service	25,750	25,750	22,375	(3,375)
Janitorial supplies	3,100	3,100	2,683	(417)
Dues & memberships	6,305	6,305	6,853	548
Meetings & seminars	7,265	7,265	6,410	(855)
IDPH-vital records fee	17,810	17,810	18,400	590
Software	2,185	2,185	1,249	(936)
Computer service contracts	19,420	19,420	14,374	(5,046)
Flood doors	6,000	6,000	0	(6,000)
Office equipment	5,000	5,000	2,511	(2,489)
Medical equipment	5,000	5,000	2,484	(2,516)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)				
Health and welfare (continued):				
EMT records operations	7,800	7,800	0	(7,800)
Women's wellness intervention	80,854	80,854	22,046	(58,808)
Subcontracts - IPC	127,750	127,750	85,525	(42,225)
Cyber insurance	24,000	24,000	12,628	(11,372)
Insurance premiums	0	0	30,175	30,175
Total health and welfare	\$2,814,358	\$2,814,358	\$2,393,664	(\$420,694)
Other financing sources (uses)				
Operating transfers in	\$195,300	\$195,300	\$189,300	(\$6,000)
Operating transfers out	0	0	(3,500)	(3,500)
Total other financing sources (uses)	\$195,300	\$195,300	\$185,800	(\$9,500)

Stephenson County, Illinois

Budgetary Comparison Schedule - Liability Insurance Fund

Year ended November 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes:				
Property taxes	\$940,000	\$940,000	\$931,522	(\$8,478)
Other revenue:				
Interest on investments	0	0	1,208	1,208
Miscellaneous	0	0	16,089	16,089
Total revenue	\$940,000	\$940,000	\$948,819	\$8,819
Expenditures				
Public works:				
Regular salaries - risk manager	\$18,000	\$18,000	\$21,294	\$3,294
Uniforms & equipment	500	500	0	(500)
General liability	653,226	653,226	520,656	(132,570)
Workers' compensation	188,147	188,147	247,731	59,584
Unemployment compensation	50,000	50,000	9,565	(40,435)
Premiums	2,000	2,000	400	(1,600)
Work comp deductible paid	55,000	55,000	69,025	14,025
Liability deductible paid	50,000	50,000	37,828	(12,172)
Total expenditures	\$1,016,873	\$1,016,873	\$906,499	(\$110,374)

Stephenson County

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$970,453									
Interest on the total pension liability	3,183,911									
Benefit changes	0									
Difference between expected and actual experience	(591,620)									
Assumption changes	1,654,801									
Benefit payments and refunds	(2,281,012)									
Net change in total pension liability	2,936,533									
Total pension liability - beginning	43,107,423									
Total pension liability - ending (a)	\$46,043,956									
Plan fiduciary net position:										
Employer contributions	\$833,192									
Employee contributions	391,175									
Pension plan net investment income	2,772,783									
Benefit payments and refunds	(2,281,012)									
Other	99,910									
Net change in plan fiduciary net position	1,816,048									
Plan fiduciary net position - beginning	45,983,784									
Plan fiduciary net position - ending (b)	\$47,799,832									
Net pension liability(asset) - Ending (a) - (b)	(1,755,876)									
Plan fiduciary net position as a percentage of total pension liability	103.81%									
Covered valuation payroll	8,661,047									
Net pension liability as a percentage of covered valuation payroll	-20.27%									

The County implemented GASB 68 in November 30, 2015.

Stephenson County

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$529,175									
Interest on the total pension liability	1,790,859									
Benefit changes	0									
Difference between expected and actual experience	(263,153)									
Assumption changes	507,049									
Benefit payments and refunds	(966,322)									
Net change in total pension liability	1,597,608									
Total pension liability - beginning	24,096,700									
Total pension liability - ending (a)	\$25,694,308									
Plan fiduciary net position:										
Employer contributions	\$626,776									
Employee contributions	209,477									
Pension plan net investment income	1,373,969									
Benefit payments and refunds	(966,322)									
Other	(117,580)									
Net change in plan fiduciary net position	1,126,320									
Plan fiduciary net position - beginning	22,589,122									
Plan fiduciary net position - ending (b)	\$23,715,442									
Net pension liability(asset) - Ending (a) - (b)	1,978,866									
Plan fiduciary net position as a percentage of total pension liability	92.30%									
Covered valuation payroll	2,793,304									
Net pension liability as a percentage of covered valuation payroll	70.84%									

The County implemented GASB 68 in November 30, 2015.

Stephenson County, Illinois

Required Supplementary Information

Multiyear Schedule of IMRF Contributions

Stephenson County Regular Plan Multiyear Schedule of Contributions Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$833,193	\$833,192	\$1	\$8,661,047	9.62%

* Estimated based on contribution rate of 9.62% and covered valuation payroll of \$8,661,047.

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

Stephenson County SLEP Multiyear Schedule of Contributions Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$588,828	\$626,776	(\$37,948)	\$2,793,304	22.44%

* Estimated based on contribution rate of 21.08% and covered valuation payroll of \$2,793,304.

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

Stephenson County, Illinois

Notes to Required Supplementary Information

Note 1 Basis of Accounting

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

Note 2 Excess of Disbursements Over Appropriations

There were no major funds that have excess expenditures over appropriations for the year ended November 30, 2015.

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

Valuation date:

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method Aggregate Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period Non-Taxing bodies: 100-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period).

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years)>

Asset Valuation Method 5-Year smoothed market; 20% corridor

Wage growth 4.00%

Price Inflation 3.0% - approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases 4.40% to 16.00% including inflation

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2015

General Fund	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Revenues				
Taxes	\$7,734,020	\$7,913,046	\$360,048	\$8,273,094
Charges for service	1,447,112	1,440,481	25,483	1,465,964
Intergovernmental revenue	1,411,740	1,539,567	130,723	1,670,290
Other revenue	206,343	189,639	95,175	284,814
Total revenue	\$10,799,215	\$11,082,733	\$611,429	\$11,694,162
Expenditures				
General government:				
County properties	\$154,225	\$128,813	(\$4,005)	\$124,808
County board	109,690	90,430	0	90,430
County treasurer	98,310	95,631	8	95,639
County clerk and elections	201,436	199,113	(90)	199,023
Zoning	48,192	38,409	(109)	38,300
Administrative services	235,320	198,406	(3,912)	194,494
Facilities management	108,340	102,157	(2,501)	99,656
Election expense	265,890	180,714	213	180,927
Assessor	250,132	245,310	624	245,934
Recreation and conservation	50,011	36,703	(33,000)	3,703
Economic development	16,410	15,911	0	15,911
Miscellaneous	1,947,337	1,562,217	(18,700)	1,543,517
Public safety -				
Sheriff	2,385,635	2,182,411	(10,451)	2,171,960
Judiciary and court related:				
State's attorney	610,459	585,011	3,653	588,664
Public defender	380,639	379,221	1,431	380,652
Circuit clerk	300,000	291,988	(6,595)	285,393
Judiciary	21,250	15,734	0	15,734
Corrections	2,002,992	1,933,066	24,992	1,958,058
Court ordered	42,250	27,128	(1,623)	25,505
Jury commission	40,950	35,607	5,725	41,332
Probation	973,069	957,603	(11,072)	946,531
Merit commission	6,100	7,319	0	7,319
Jail building	37,145	32,892	(603)	32,289
Total expenditures	\$10,285,782	\$9,341,794	(\$56,015)	\$9,285,779
Other financing sources (uses)				
Operating transfers in	\$90,000	\$25,000	\$0	\$25,000
Operating transfers out	(661,388)	(683,551)	0	(683,551)
Total other financing (uses)	(\$571,388)	(\$658,551)	\$0	(\$658,551)

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2015

County Health Department	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Revenues				
Taxes	\$40,722	\$40,403	\$354	\$40,757
Charges for service	212,210	248,049	(900)	247,149
Intergovernmental revenue	2,276,726	1,813,106	(81,849)	1,731,257
Other revenue	10,800	15,046	(213)	14,833
Total revenue	\$2,540,458	\$2,116,604	(\$82,608)	\$2,033,996
Expenditures				
Health and welfare	\$2,814,358	\$2,393,664	(\$37,216)	\$2,356,448
Other financing sources (uses)				
Operating transfers in	\$195,300	\$189,300	\$0	\$189,300
Operating transfers out	0	(3,500)	0	(3,500)
Total other financing (uses)	\$195,300	\$185,800	\$0	\$185,800

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2015

Liability Insurance	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Revenues				
Taxes	\$940,000	\$931,522	\$8,156	\$939,678
Other revenue	0	17,297	0	17,297
Total revenue	\$940,000	\$948,819	\$8,156	\$956,975
Expenditures				
Central administration	\$1,016,873	\$906,499	\$33,361	\$939,860

Supplementary Information

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2015

Assets	Total Nonmajor Governmental Funds	Special			
		IMRF	County Bridge	County Matching	County Motor Fuel Tax
Cash and investments	\$6,992,664	\$1,512,525	\$360,886	\$207,165	\$170,974
Prepaid assets	490,000	0	0	0	0
Accounts receivable	937,633	0	200	2,701	314,639
Property tax receivable	2,633,174	302,603	17,625	306,375	0
Due from other funds	1,816,000	0	1,131,000	0	0
Total assets	\$12,869,471	\$1,815,128	\$1,509,711	\$516,241	\$485,613
Liabilities					
Vouchers payable	\$218,136	\$0	\$36,871	\$2,501	\$7,332
Accrued payroll	205,663	113,339	0	1,102	9,262
Compensated absences	17,210	0	0	0	0
Due to other funds	1,131,000	0	0	0	0
Total liabilities	1,572,009	113,339	36,871	3,603	16,594
Deferred inflows of resources					
Unavailable property taxes	2,608,665	300,000	15,000	303,750	0
Fund Balance					
Fund balances:					
Nonspendable	490,000	0	0	0	0
Restricted	8,887,218	1,401,789	1,457,840	208,888	469,019
Committed	144,427	0	0	0	0
Unassigned	(832,848)	0	0	0	0
Total fund balance	8,688,797	1,401,789	1,457,840	208,888	469,019
Total liabilities, deferred inflows of resources and fund balances	\$12,869,471	\$1,815,128	\$1,509,711	\$516,241	\$485,613

Revenue							
Geographic Information Systems	DUI Equipment	Youth Diversion	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Fees
\$13,307	\$19,297	\$8,278	\$136,365	\$141,579	\$185,126	\$0	\$5,066
0	0	0	0	0	0	0	0
11,832	0	0	0	0	6,530	0	0
0	0	0	306,396	59,174	0	184,114	0
0	0	0	0	0	0	0	0
\$25,139	\$19,297	\$8,278	\$442,761	\$200,753	\$191,656	\$184,114	\$5,066
\$4,921	\$0	\$0	\$0	\$0	\$2,334	\$0	\$0
1,979	0	0	0	0	2,451	0	0
998	0	0	0	0	155	0	0
0	0	0	0	0	0	0	0
7,898	0	0	0	0	4,940	0	0
0	0	0	303,750	58,665	0	182,500	0
0	0	0	0	0	0	0	0
17,241	19,297	8,278	139,011	142,088	186,716	1,614	5,066
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
17,241	19,297	8,278	139,011	142,088	186,716	1,614	5,066
\$25,139	\$19,297	\$8,278	\$442,761	\$200,753	\$191,656	\$184,114	\$5,066

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds (Continued)

November 30, 2015

Assets	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Cash and investments	\$413,922	\$168,539	\$47,351	\$973,256
Prepaid assets	0	0	0	0
Accounts receivable	0	0	12,046	87,298
Property tax receivable	655,206	166,432	0	0
Due from other funds	585,000	0	0	0
Total assets	\$1,654,128	\$334,971	\$59,397	\$1,060,554
Liabilities				
Vouchers payable	\$0	\$0	\$0	\$16,570
Accrued payroll	35,412	0	2,645	1,777
Compensated absences	0	0	0	68
Due to other funds	0	0	0	0
Total liabilities	35,412	0	2,645	18,415
Deferred inflows of resources				
Unavailable property taxes	650,000	165,000	0	0
Fund Balance				
Fund balances:				
Nonspendable	0	0	0	0
Restricted	968,716	169,971	56,752	1,042,139
Committed	0	0	0	0
Unassigned	0	0	0	0
Total fund balance	968,716	169,971	56,752	1,042,139
Total liabilities, deferred inflows of resources and fund balances	\$1,654,128	\$334,971	\$59,397	\$1,060,554

Revenue

Drug Funds	Waste Management	Mechanical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$63,700	\$100,092	\$64,137	\$1,082,647	\$62,595	\$46,668	\$320,792
0	0	0	0	0	0	0
0	30,000	0	431,948	0	7,907	9,891
0	0	0	0	0	0	0
0	0	0	100,000	0	0	0
\$63,700	\$130,092	\$64,137	\$1,614,595	\$62,595	\$54,575	\$330,683
\$0	\$0	\$0	\$23,114	\$0	\$0	\$2,046
0	0	0	4,570	1,527	4,196	0
0	0	0	11,662	0	0	0
0	0	0	0	0	0	0
0	0	0	39,346	1,527	4,196	2,046
0	0	0	0	0	0	0
0	0	0	0	0	0	0
63,700	130,092	64,137	1,575,249	61,068	50,379	328,637
0	0	0	0	0	0	0
0	0	0	0	0	0	0
63,700	130,092	64,137	1,575,249	61,068	50,379	328,637
\$63,700	\$130,092	\$64,137	\$1,614,595	\$62,595	\$54,575	\$330,683

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds (Continued)

November 30, 2015

Assets	Special		
	Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision
Cash and investments	\$25,201	\$87,467	\$8,877
Prepaid assets	0	0	0
Accounts receivable	7,938	0	0
Property tax receivable	0	0	0
Due from other funds	0	0	0
Total assets	\$33,139	\$87,467	\$8,877
Liabilities			
Vouchers payable	\$0	\$0	\$0
Accrued payroll	979	0	0
Compensated absences	0	0	0
Due to other funds	0	0	0
Total liabilities	979	0	0
Deferred inflows of resources			
Unavailable property taxes	0	0	0
Fund Balance			
Fund balances:			
Nonspendable	0	0	0
Restricted	32,160	87,467	8,877
Committed	0	0	0
Unassigned	0	0	0
Total fund balance	32,160	87,467	8,877
Total liabilities, deferred inflows of resources and fund balances	\$33,139	\$87,467	\$8,877

Revenue			Capital Projects			Debt Service
Environmental Remediation	Law Library	County Highway	Capital	Mill Race Crossing	Highway Building	Debt Service
\$41,278	\$1,984	\$362,291	\$26,463	\$209,592	\$17,280	\$107,964
0	0	0	0	0	0	490,000
0	2,352	2,351	10,000	0	0	0
0	0	635,249	0	0	0	0
0	0	0	0	0	0	0
\$41,278	\$4,336	\$999,891	\$36,463	\$209,592	\$17,280	\$597,964
\$58,157	\$0	\$24,109	\$0	\$40,181	\$0	\$0
0	0	26,424	0	0	0	0
0	0	4,327	0	0	0	0
0	0	1,131,000	0	0	0	0
58,157	0	1,185,860	0	40,181	0	0
0	0	630,000	0	0	0	0
0	0	0	0	0	0	490,000
0	4,336	0	0	169,411	17,280	0
0	0	0	36,463	0	0	107,964
(16,879)	0	(815,969)	0	0	0	0
(16,879)	4,336	(815,969)	36,463	169,411	17,280	597,964
\$41,278	\$4,336	\$999,891	\$36,463	\$209,592	\$17,280	\$597,964

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year ended November 30, 2015

	Total Nonmajor Governmental Funds	Special			
		IMRF	County Bridge	County Matching	County Motor Fuel Tax
Revenues					
Taxes	\$5,737,238	\$516,886	\$302,807	\$302,807	\$676,429
Charges for service	1,251,519	0	0	0	0
Intergovernmental revenue	250,994				170,709
Other revenue	200,596	4,585	11,675	2,010	69,677
Total revenues	7,440,347	521,471	314,482	304,817	916,815
Expenditures					
General government	555,965	113,805	0	0	0
Public safety	2,605,143	496,766	0	0	0
Judiciary and court related	908,423	298,076	0	0	0
Public works	2,313,872	134,410	333,291	132,584	763,055
Health and welfare	735,684	192,973	0	0	0
Capital outlay	204,183	0	0	0	0
Debt service	1,098,863	0	0	0	0
Total expenditures	8,422,133	1,236,030	333,291	132,584	763,055
Excess (deficiency) of revenues over (under) expenditures	(981,786)	(714,559)	(18,809)	172,233	153,760
Other financing sources (uses)					
Operating transfers in	1,888,626	0	0	0	10,000
Operating transfers out	(1,415,875)	0	0	0	(160,000)
Total other financing sources (uses)	472,751	0	0	0	(150,000)
Net change in fund balance	(509,035)	(714,559)	(18,809)	172,233	3,760
Fund balance (deficit), November 30, 2014	9,197,832	2,116,348	1,476,649	36,655	465,259
Fund balance (deficit), November 30, 2015	\$8,688,797	\$1,401,789	\$1,457,840	\$208,888	\$469,019

Revenue							
Geographic Information Systems	DUI Equipment	Youth Diversion	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Fees
\$0	\$0	\$0	\$304,895	\$58,646	\$0	\$185,980	\$0
144,948	3,064	12,605	0	0	83,914	0	36,858
0	0	0	0	0	0	0	0
10,167	0	0	91	0	3,472	0	0
155,115	3,064	12,605	304,986	58,646	87,386	185,980	36,858
0	0	0	0	0	0	184,366	0
0	0	0	0	0	0	0	0
0	0	4,327	0	0	0	0	44,737
157,571	0	0	0	0	0	0	0
0	0	0	304,500	0	127,865	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
157,571	0	4,327	304,500	0	127,865	184,366	44,737
(2,456)	3,064	8,278	486	58,646	(40,479)	1,614	(7,879)
0	0	0	0	0	0	0	0
0	0	0	0	0	(5,000)	0	0
0	0	0	0	0	(5,000)	0	0
(2,456)	3,064	8,278	486	58,646	(45,479)	1,614	(7,879)
19,697	16,233	0	138,525	83,442	232,195	0	12,945
\$17,241	\$19,297	\$8,278	\$139,011	\$142,088	\$186,716	\$1,614	\$5,066

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds (Continued)
Year ended November 30, 2015

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Revenues				
Taxes	722,874	164,978	0	0
Charges for Service	0	0	0	463,778
Intergovernmental revenue	0	0	35,771	0
Other revenue	388	191	420	3,155
Total revenues	723,262	165,169	36,191	466,933
Expenditures				
General government	65,077	165,000	0	0
Public safety	284,062	0	95,560	378,477
Judiciary and court related	170,446	0	0	0
Public works	76,858	0	0	0
Health and welfare	110,346	0	0	0
Capital outlay	0	0	0	0
Debt service	0	0	0	0
Total expenditures	706,789	165,000	95,560	378,477
Excess (deficiency) of revenues over (under) expenditures	16,473	169	(59,369)	88,456
Other financing sources (uses)				
Operating transfers in	0	0	90,000	0
Operating transfers out	0	0	0	(25,000)
Total other financing sources (uses)	0	0	90,000	(25,000)
Net change in fund balance	16,473	169	30,631	63,456
Fund balance (deficit), November 30, 2014	952,243	169,802	26,121	978,683
Fund balance (deficit), November 30, 2015	\$968,716	\$169,971	\$56,752	\$1,042,139

Revenue

Drug Funds	Waste Management	Mechanical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
0	0	0	1,706,973	0	0	0
8,314	0	18,381	39,128	20	100,471	134,794
0	0	0	0	2,880	0	0
0	245	100	2,575	656	138	763
8,314	245	18,481	1,748,676	3,556	100,609	135,557
0	0	17,754	0	0	0	0
9,368	0	0	1,202,830	74,422	0	0
0	0	0	0	0	109,064	92,322
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,368	0	17,754	1,202,830	74,422	109,064	92,322
(1,054)	245	727	545,846	(70,866)	(8,455)	43,235
0	0	0	0	400,000	0	0
0	(5,000)	0	(994,075)	0	0	0
0	(5,000)	0	(994,075)	400,000	0	0
(1,054)	(4,755)	727	(448,229)	329,134	(8,455)	43,235
64,754	134,847	63,410	2,023,478	(268,066)	58,834	285,402
\$63,700	\$130,092	\$64,137	\$1,575,249	\$61,068	\$50,379	\$328,637

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds (Continued)
Year ended November 30, 2015

	Special		
	Document Storage Circuit Clerk	Treasurer Automation	Court Supervision
Revenues			
Taxes	0	0	0
Charges for service	100,971	10,627	3,288
Intergovernmental revenue	0	0	0
Other revenue	39	111	0
Total revenues	101,010	10,738	3,288
Expenditures			
General government	0	9,963	0
Public safety	0	0	0
Judiciary and court related	120,709	0	0
Public works	0	0	0
Health and welfare	0	0	0
Capital outlay	0	0	0
Debt service	0	0	0
Total expenditures	120,709	9,963	0
Excess (deficiency) of revenues over (under) expenditures	(19,699)	775	3,288
Other financing sources (uses)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Total other financing sources (uses)	0	0	0
Net change in fund balance	(19,699)	775	3,288
Fund balance (deficit), November 30, 2014	51,859	86,692	5,589
Fund balance (deficit), November 30, 2015	\$32,160	\$87,467	\$8,877

		Revenue		Capital Projects			Debt Service
Environmental Remediation	Law Library	County Highway	Capital	Mill Race Crossing	Highway Building	Debt Service	
0	0	605,404	58,048	130,511	0	0	
0	25,922	64,436	0	0	0	0	
41,634	0	0	0	0	0	0	
1	4	39,793	689	49,266	46	339	
41,635	25,926	709,633	58,737	179,777	46	339	
0	0	0	0	0	0	0	
63,658	0	0	0	0	0	0	
0	21,621	0	47,121	0	0	0	
0	0	594,476	0	121,602	25	0	
0	0	0	0	0	0	0	
0	0	185,273	18,910	0	0	0	
0	0	0	0	0	0	1,098,863	
63,658	21,621	779,749	66,031	121,602	25	1,098,863	
(22,023)	4,305	(70,116)	(7,294)	58,175	21	(1,098,524)	
0	0	3,500	0	0	160,000	1,225,126	
0	0	0	0	(80,000)	(146,800)	0	
0	0	3,500	0	(80,000)	13,200	1,225,126	
(22,023)	4,305	(66,616)	(7,294)	(21,825)	13,221	126,602	
5,144	31	(749,353)	43,757	191,236	4,059	471,362	
(\$16,879)	\$4,336	(\$815,969)	\$36,463	\$169,411	\$17,280	\$597,964	

Stephenson County, Illinois

Assessed Valuations, Tax Rates,

November 30, 2015

	<u>TAX YEAR</u>	
	<u>2014</u>	
Assessed valuation	\$623,471,258	
<hr/>		
Property tax rates and extensions:	Rate	Amount
County General	0.70076	\$4,369,037
County Highway	0.09704	605,017
County Bridge	0.04852	302,508
County Matching	0.04852	302,508
Tuberculosis	0.00941	58,669
Mental Health	0.04892	305,002
Illinois Municipal Retirement	0.04812	300,014
Educational Extension Service	0.02647	165,033
Liability Insurance	0.15077	940,008
County Health Department	0.00654	40,775
Social Security Contribution	0.09624	600,029
Veterans Assistance	0.02984	186,044
Nursing Home	0.08020	500,024
<hr/>		
Total property tax rates and extensions	1.39135	\$8,674,667
<hr/>		
Property tax collection:		
County General		\$4,367,519
County Highway		604,804
County Bridge		302,407
County Matching		302,407
Tuberculosis		58,646
Mental Health		304,895
Illinois Municipal Retirement		299,909
Educational Extension Service		164,978
Liability Insurance		939,678
County Health Department		40,757
Social Security Contribution		599,818
Veterans Assistance		185,980
Nursing Home		499,851
<hr/>		
Total property tax collection		\$8,671,649
<hr/>		
Percentage collected		100.0%
<hr/>		

TAX YEAR			
2013		2012	
\$632,731,324		\$647,086,349	
Rate	Amount	Rate	Amount
0.55096	\$3,486,097	0.47877	\$3,098,055
0.09458	598,437	0.09325	603,408
0.04721	298,712	0.04656	301,283
0.04721	298,712	0.04656	301,283
0.00917	58,021	0.00905	58,561
0.04721	298,712	0.04656	301,283
0.18961	1,199,722	0.18695	1,209,728
0.02580	163,245	0.02543	164,554
0.15241	964,346	0.13948	902,556
0.00637	40,305	0.00629	40,702
0.09379	593,439	0.09248	598,425
0.02908	183,998	0.02881	186,426
0.06253	395,647	0.07706	498,645
1.35593	\$8,579,394	1.27725	\$8,264,910
	\$3,489,730		\$3,104,512
	599,063		604,661
	299,021		301,908
	299,020		301,908
	58,083		58,687
	299,021		301,908
	1,200,978		1,212,246
	163,419		164,897
	965,356		904,432
	40,348		40,789
	594,056		599,675
	184,194		186,812
	396,060		499,685
	\$8,588,349		\$8,282,120
	100.1%		100.2%

Other Information

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 264 full-time employees with an additional 110 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, 5 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Stephenson County	11.3%	11.6%	9.7%	9.8%	8.0%	6.9%	6.7%
State of Illinois	10.1%	9.4%	9.8%	8.9%	7.2%	6.0%	6.1%

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>
2015	152	\$ 1,390,000	\$ 14,138,408
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

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	1,650
Honeywell	Electrical Switches & Sensors	760
Freeport School District #145	Pre K-12 Public School	750
Titan Tire Co.	Tire manufacturer	700
Wal-Mart	Retail	400
Stephenson County	Government	375
Danfoss Power Solutions	Hydrostatic Transmissions – Manufacturing	350
Berner Food & Beverage	Private Label Food Manufacturing	250
Highland Community College	2 year Junior College	200
City of Freeport	Municipality	200
Sentry Insurance	Insurance	160
Mechanical, Inc.	Plumbing, heating, & fabrication	150
Menards	Retail	135
Willowglen Academy of IL, Inc.	Social Service Agency	130
Liberty Village	Healthcare/Nursing Home	100

Source: IDES

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	\$10,587,355
Bigs Mortgage LLC	3,320,770
Titan Tire Co.	3,034,031
Pearl City Elevator	3,010,404
Walmart Stores	2,073,930
Menards Inc	2,052,206
Adkins Energy LLC	2,018,705
Honeywell	1,928,868
Residential Alternatives of IL INC	1,715,630
Meadows LLC	1,549,183
Harborside Properties LLC	1,323,641

Total Equalized Assessed Valuation

2015	\$616,109,180
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

Make-up of 2015 Equalized Assessed Valuation

	<u>Amount</u>	<u>Percentage</u>
Residential	\$340,643,300	55.29%
Farmland	162,697,768	26.41
Commercial	80,130,797	13.01
Industrial	17,494,493	2.84
Mineral	10,389,355	1.68
Railroad	4,753,467	.77

Statutory Debt Margin See page 35.

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>11/30/2015</u>
Direct Debt:	
Stephenson County	<u>\$10,440,000</u>
Overlapping Debt:	
All School Districts	47,328,988
Park Districts	603,015
City of Freeport	26,805,684
Fire Districts	<u>1,621,573</u>
Overlapping Debt	<u>76,359,260</u>
 Direct and overlapping Debt	 <u>\$90,853,666</u>
2015 Estimated Full Valuation	\$1,848,327,540
2015 Equalized Assessed Valuation	616,109,180
Population - Current Estimate	47,711
Full Valuation Per Capita	\$38,740

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Debt Ratios

		<u>% EAV</u>	<u>% Full Value</u>	<u>Per Capita</u>
Direct Debt	\$10,440,000	1.69%	0.56%	\$ 219
Direct Debt and Overlapping Debt	90,853,666	14.75%	4.92%	\$1,904

Tax Trend Rate

See page 98.

Sales and Income Tax Trend

	<u>1% Sales Tax</u>	<u>¼% SUP Tax</u>	<u>State Income Tax</u>
FYE 2015	\$459,243	\$1,073,800	\$1,332,258
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

General Fund Summary Fiscal Year Ended 11/30

	<u>FYE 2012</u>	<u>FYE 2013</u>	<u>FYE 2014</u>	<u>FYE 2015</u>
Revenue	\$8,564,737	\$9,174,316	\$9,813,565	\$11,694,162
Expenditures	<u>8,200,637</u>	<u>8,358,206</u>	<u>8,593,134</u>	<u>9,285,779</u>
Excess Rev/(Exp.)	346,100	816,110	1,220,431	2,408,383
Net Transfers	(235,442)	(628,921)	(532,988)	(658,551)
Beginning Fund Balance	<u>(855,584)</u>	<u>(726,926)</u>	<u>(539,737)</u>	<u>147,706</u>
Ending Fund Balance	<u>\$ (726,926)</u>	<u>\$ (539,737)</u>	<u>\$ 147,706</u>	<u>\$ 1,897,538</u>