

ANNUAL
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2015

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2015

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JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2015

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INTRODUCTORY SECTION

July 7, 2016

To the Members of the Jackson County Board, Elected Officeholders of Jackson County, and Citizens of Jackson County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jackson County for the fiscal year ended November 30, 2015.

This report consists of management's representations concerning the finances of Jackson County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Jackson County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Jackson County's financial statements in conformity with GAAP. Because of the cost of internal controls should not outweigh their benefits, Jackson County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Jackson County's financial statements have been audited by Kerber, Eck & Braeckel, and a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Jackson County for the fiscal year ended November 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Jackson County's financial statements for the fiscal year ended November 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Jackson County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A. Jackson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Jackson County, incorporated January 10, 1816, is located in the southwestern part of the State of Illinois. Jackson County currently occupies a land area of 588 square miles and serves a population of 60,218 (2010 census). Jackson County is empowered to levy a property tax on real property located within its boundaries.

Jackson County operates under the county board form of government. Policy-making and legislative authority are vested in the county board consisting of fourteen members, two members representing each of the county's seven districts. The county board is responsible, among other things, for passing resolutions/ordinances, adopting the budget, and appointing committees. Board members serve four-year staggered terms, with seven county board members elected every two years.

Jackson County consists of the following publicly elected constitutional offices: County Clerk & Recorder, County Coroner, County Treasurer, Circuit Clerk, Sheriff, State's Attorney, Supervisor of Assessments, and Superintendent of Schools. Jackson County provides a full range of services, including: animal & rabies control; and board of review; the construction of roads, bridges, and other infrastructure; emergency & disaster services; ambulance service; health department; and the usual panoply of government services.

The annual budget serves as the foundation for Jackson County's financial planning and control. All departments and agencies of Jackson County are required to submit requests for appropriation to the accounting coordinator upon request of the Finance Committee in August of each year. The accounting coordinator uses these requests as the starting point for developing a proposed budget. The accounting coordinator then presents this proposed budget to the Finance Committee for review. The Finance Committee and accounting coordinator hold budget meetings with all elected officeholders and department heads. Typically, the Finance Committee holds several meetings to review and consider the budget before recommending a final version to the full Board. The county board is required to hold a special board meeting on the proposed budget and to adopt a final budget by no later than November 30, the close of Jackson County's fiscal year. The appropriated budget is prepared by fund (e.g. county general), and department (e.g. Sheriff's Department). Elected Officeholders and department heads may request adjustments to the final budget, however, the adjustments require approval of the Finance Committee and the full Jackson County Board. Budget-to-actual comparisons are provided to all elected office holders and department heads monthly, as well as in this report for which an appropriated annual budget has been adopted.

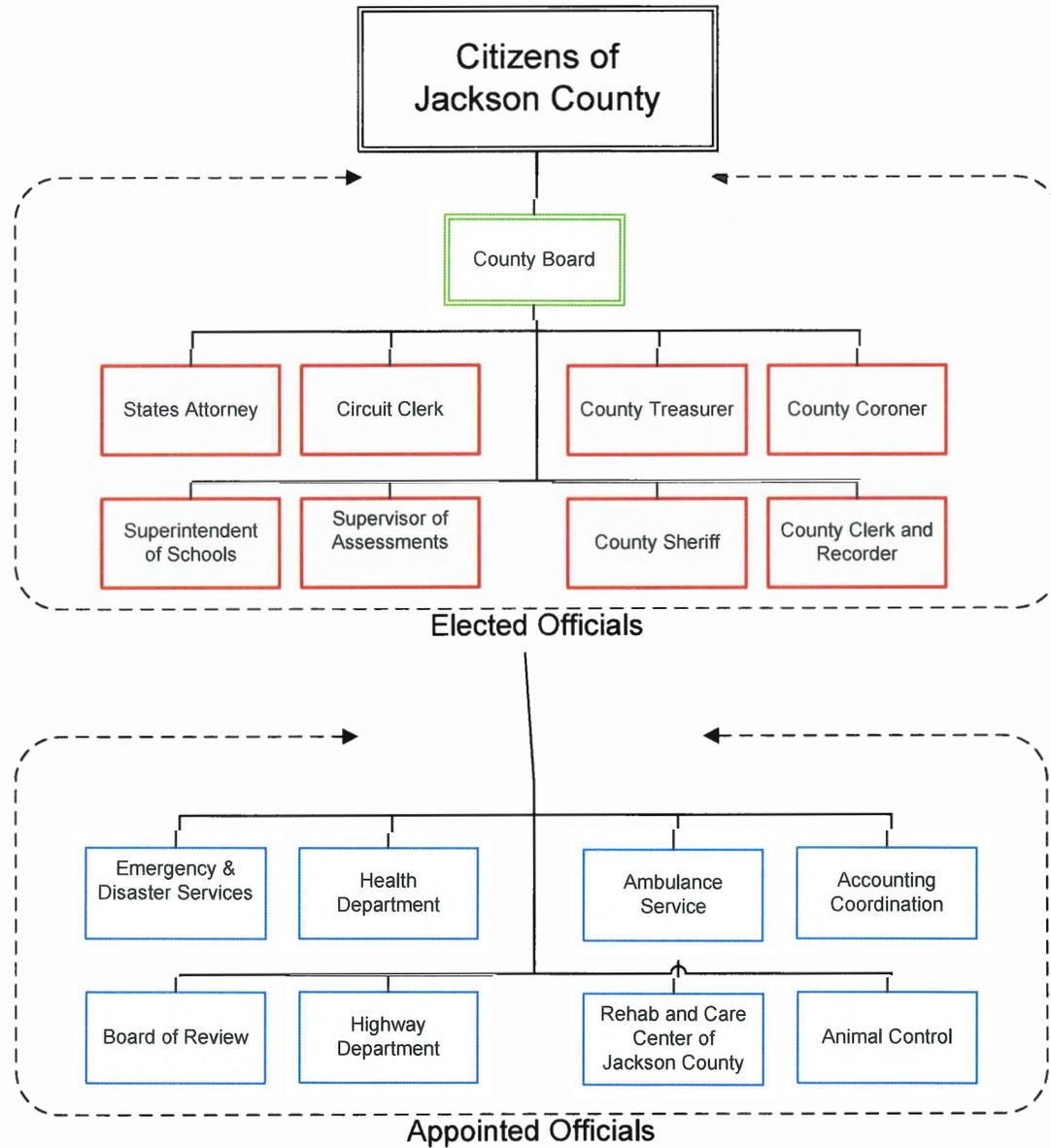
Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the Accounting Coordinator, Jackson County Treasurer's Office, Jackson County State's Attorney Office, Jackson County Ambulance Service, Jackson County Health Department, Jackson County Highway Department, and the Rehab & Care Center of Jackson County. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Chairman of the Jackson County Finance Committee and the Jackson County Board members for their unfailing support for maintaining the highest standards of professionalism in the management of Jackson County's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John S. Rendleman", with a long horizontal flourish extending to the right.

John S. Rendleman
Chairman
Jackson County Board



JACKSON COUNTY, ILLINOIS
LIST OF ELECTED OFFICIALS
NOVEMBER 30, 2015

JACKSON COUNTY ELECTED OFFICIALS

Circuit Clerk	Cindy Svanda
Coroner	Thomas Kupferer
County Clerk & Recorder	Larry Reinhardt
Regional Superintendent of Schools	Donna Boros
Sheriff	Robert Burns
State's Attorney	Michael Carr
Chief Assessment Officer	Maureen Berkowitz
Treasurer	Sharon Harris-Johnson

JACKSON COUNTY BOARD MEMBERS

District 1	Brian Chapman
District 2	Orval Rowe
District 3	Dan Bost
District 4	Andrew Erbes
District 5	Steven Bost
District 6	Emily Burke
District 7	Greg Legan
	Tamiko Mueller
	Julie Peterson
	John Rendleman
	Elizabeth Hunter
	Tom Redmond
	Keith Larkin
	Milton Maxwell

JACKSON COUNTY APPOINTED OFFICIALS

Accounting Coordinator	Michelle Tweedy
Ambulance Service Director	Derek Misener
Animal Control Officer	Lloyd Nelson
Board of Review	Allan Karnes
	Jessica Doer-Berger
	Wenonay Whitfield
	Derek Misener
	Miriam Link-Mullison
	Grant Guthman
	Michelle Tweedy
Emergency & Disaster Services	
Health Department Administrator	
Highway Engineer	
Rehab & Care Center Administrator	

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson 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 of America.

Change in Accounting Principle

As discussed in Note T to the financial statements, in 2015 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, 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*. Statement No. 68 and 71 changed how net pension liability is reported on the statement of net position and the foot notes related to the retirement systems the County participates in. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9-11 and 57-65 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 of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson County, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 7, 2016 on our consideration of the Jackson County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County Illinois' internal control over financial reporting and compliance.

Kerker, Eck & Bruechel LLP

Carbondale, Illinois
July 7, 2016

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
NOVEMBER 30, 2015

Management's Discussion and Analysis

As management of Jackson County, we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended November 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Jackson County sold the Rehab & Care Center building, grounds and equipment to Sovereign Health in September 2015, who plans to establish a residential rehabilitation center.
- The Jackson County website was updated to provide the citizens with open and convenient access to county financial records, policy information, and general government facts and services.
- Jackson County will be implementing a new county-wide financial management software system in FY16 in order to eliminate the variety of accounting software programs utilized, to reduce the duplication of processes and to provide the citizens with uniform financial records.
- Jackson County's FY16 Financial Statements reflect the required accounting and financial reporting for pensions.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson County's basic financial statements. Jackson County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains federal financial assistance information in addition to the basic financial statement themselves.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of Jackson County's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
NOVEMBER 30, 2015

Both of the government-wide financial statements distinguish functions of Jackson County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County include general government, public safety, roads and bridges, and solid waste. The business-type activities of Jackson County (for last fiscal year) include a rehab & care center and ambulance service.

The government-wide financial statements include not only Jackson County itself (known as the primary government), but also a legally separate health department, tuberculosis department, and mental health (708) department for which Jackson County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to easily identify and maintain control over resources that have been segregated for specific activities or objectives. Jackson County, like other county, state, and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Jackson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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 this comparison between governmental funds and governmental activities.

Jackson County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Jackson County adopts an annual Appropriation Ordinance, which sets forth the budget for its general fund. Expenditures in excess of the appropriation are prohibited without a Board approved Supplemental Appropriation. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
NOVEMBER 30, 2015

Proprietary funds - Jackson County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Jackson County uses enterprise funds to account for its ambulance services and for its rehab and care center.

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 ambulance service and for the rehab and care center, both of which are considered to be major funds of Jackson County.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The basic fiduciary fund financial statements can be found on page 21 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 22-56 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents all federal financial assistance awarded to Jackson County.

The required supplementary information can be found on pages of 57-65 of this report.

Requests for Information

This financial report is designed to provide a general overview of Jackson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Board: Accounting Coordinator, 1001 Walnut Street, Jackson County Courthouse, Murphysboro, Illinois, 62966, or by calling 618-687-7241.

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET POSITION
NOVEMBER 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash	\$ 6,588,552	\$ 2,583,212	\$ 9,171,764	\$ 1,304,557
Accounts receivable:				
Consumers	-	705,553	705,553	-
Other governmental units and agencies	1,710,069	-	1,710,069	705,205
Property taxes	8,035,807	1,476,455	9,512,262	1,223,420
Other receivables	-	-	-	2
Internal balance	968,164	(972,633)	(4,469)	4,469
Due from others	68,205	-	68,205	-
Prepayments	184,293	-	184,293	5,045
Inventories	-	34,076	34,076	53,606
Restricted assets:				
Cash	7,997,332	-	7,997,332	-
Investments	50,803	-	50,803	-
Accounts receivable:				
Other governmental units and agencies	247,096	-	247,096	-
Property taxes	3,025,726	-	3,025,726	-
Noncurrent assets:				
Land	150,000	66,458	216,458	49,500
Construction in progress	12,873,332	-	12,873,332	-
Capital assets, net	<u>23,123,200</u>	<u>411,334</u>	<u>23,534,534</u>	<u>1,129,430</u>
Total Assets	<u>65,022,579</u>	<u>4,304,455</u>	<u>69,327,034</u>	<u>4,475,234</u>
Deferred Outflows of Resources				
Deferred outflows - pension resources	<u>4,055,424</u>	<u>1,160,176</u>	<u>5,215,600</u>	<u>1,036,747</u>
Total Deferred Outflows of Resources	<u>4,055,424</u>	<u>1,160,176</u>	<u>5,215,600</u>	<u>1,036,747</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 69,078,003</u>	<u>\$ 5,464,631</u>	<u>\$ 74,542,634</u>	<u>\$ 5,511,981</u>
Liabilities:				
Accounts payable	\$ 762,255	\$ 34,290	\$ 796,545	\$ 112,949
Accrued payroll	517,632	96,199	613,831	108,886
Current portion - compensated absences	637,107	79,411	716,518	83,909
Current portion - general obligation bonds	85,000	-	85,000	-
Due to others	171,419	100,000	271,419	-
Restricted liabilities				
Accounts payable	204,424	-	204,424	-
Cash overdrawn	128,815	-	128,815	-
Current portion - compensated absences	13,065	-	13,065	-
Due to others	64,547	-	64,547	-
Noncurrent liabilities:				
Compensated absences	1,484,290	-	1,484,290	76,506
General obligation bonds	4,260,000	-	4,260,000	-
Net OPEB obligation	1,934,216	-	1,934,216	-
Net Pension Liability	<u>9,079,307</u>	<u>1,630,018</u>	<u>10,709,325</u>	<u>1,620,258</u>
Total Liabilities	<u>19,342,077</u>	<u>1,939,918</u>	<u>21,281,995</u>	<u>2,002,508</u>
Deferred Inflows of Resources				
Deferred inflows - property taxes	7,125,044	1,298,913	8,423,957	1,165,802
Deferred inflows - pension resources	154,986	26,997	181,983	27,106
Restricted deferred inflows				
Deferred inflows - property taxes	<u>2,576,794</u>	<u>-</u>	<u>2,576,794</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>9,856,824</u>	<u>1,325,910</u>	<u>11,182,734</u>	<u>1,192,908</u>
NET POSITION				
Net investment in capital assets	33,401,532	477,792	33,879,324	1,178,930
Restricted	8,333,312	-	8,333,312	-
Unrestricted	<u>(1,855,742)</u>	<u>1,721,011</u>	<u>(134,731)</u>	<u>1,137,635</u>
Total Net Position	<u>39,879,102</u>	<u>2,198,803</u>	<u>42,077,905</u>	<u>2,316,565</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 69,078,003</u>	<u>\$ 5,464,631</u>	<u>\$ 74,542,634</u>	<u>\$ 5,511,981</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Service Charges, Permits, and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 10,984,627	\$ 2,153,928	\$ 197,520	\$ -	\$ (8,633,179)	\$ -	\$ (8,633,179)	\$ -
Public Works	3,151,133	79,875	1,584,409	3,062,881	1,576,032	-	1,576,032	-
Public Safety	6,994,115	1,121,237	247,247	-	(5,625,631)	-	(5,625,631)	-
Interest on long term debt	200,303	-	-	-	(200,303)	-	(200,303)	-
Total governmental activities	21,330,178	3,355,040	2,029,176	3,062,881	(12,883,081)	-	(12,883,081)	-
Business-Type activities:								
Rehab & Care	856,289	-	-	-	-	(856,289)	(856,289)	-
Ambulance	4,026,621	2,572,988	-	-	-	(1,453,633)	(1,453,633)	-
Total Business-Type activities	4,882,910	2,572,988	-	-	-	(2,309,922)	(2,309,922)	-
Total Primary Government	\$ 26,213,088	\$ 5,928,028	\$ 2,029,176	\$ 3,062,881	(12,883,081)	(2,309,922)	(15,193,003)	-
Component Units:								
Health Department	\$ 4,353,154	\$ 593,556	\$ 2,507,666	\$ -	-	-	-	(1,251,932)
Tuberculosis	81,668	-	-	-	-	-	-	(81,668)
Mental Health 708 Board	278,384	-	-	-	-	-	-	(278,384)
Total Component Units	\$ 4,713,206	\$ 593,556	\$ 2,507,666	\$ -	-	-	-	(1,611,984)
General Revenues:								
Taxes:								
General property taxes					6,842,033	1,308,985	8,151,018	1,028,203
Property taxes, restricted					2,270,557	58,700	2,329,257	-
Sales and service taxes					2,070,173	-	2,070,173	-
Motor fuel tax					857,105	-	857,105	-
State Income Tax					2,241,516	-	2,241,516	-
Replacement Tax					688,758	-	688,758	-
Local Use Tax					453,354	-	453,354	-
County Hotel Tax					51,766	-	51,766	-
Investment earnings					2,902	9,137	12,039	213
Federal subsidies for Recovery Zone Economic Development and Build America Bonds					72,988	-	72,988	-
State grant					-	-	-	-
Miscellaneous					168,877	33,578	202,455	10,783
Total general revenues					15,720,029	1,410,400	17,130,429	1,039,199
Change in net position					2,836,948	(899,522)	1,937,426	(572,785)
Net position - beginning as previously stated					40,635,223	3,334,271	43,969,494	3,008,512
Prior period adjustment (Note T)					(3,593,069)	(235,946)	(3,829,015)	(119,162)
Net position - beginning as restated					37,042,154	3,098,325	40,140,479	2,889,350
Net position - ending					\$ 39,879,102	\$ 2,198,803	\$ 42,077,905	\$ 2,316,565

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
NOVEMBER 30, 2015

	General Fund	Federal Aid & Matching Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 3,860,959	\$ 1,055,180	\$ 510,572	\$ 1,161,841	\$ 6,588,552
Accounts receivable:					
Other governmental units and agencies	1,387,486	208,406	-	114,177	1,710,069
Property taxes	6,606,984	415,576	-	1,013,247	8,035,807
Due from other funds	1,803,646	3,197	2,742,839	234,057	4,783,739
Due from others	14,816	-	53,389	-	68,205
Prepayments	-	-	-	184,293	184,293
Restricted assets					
Cash	2,302,520	-	-	5,694,812	7,997,332
Investments	50,803	-	-	-	50,803
Accounts receivable:					
Other governmental units and agencies	-	-	-	247,096	247,096
Property taxes	-	-	-	3,025,726	3,025,726
Due from other funds	-	-	300,000	260,128	560,128
Total Assets	<u>16,027,214</u>	<u>1,682,359</u>	<u>3,606,800</u>	<u>11,935,377</u>	<u>33,251,750</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 16,027,214</u>	<u>\$ 1,682,359</u>	<u>\$ 3,606,800</u>	<u>\$ 11,935,377</u>	<u>\$ 33,251,750</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 329,832	\$ 399,066	\$ -	\$ 33,357	\$ 762,255
Accrued payroll	496,414	-	-	21,218	517,632
Compensated absences	538,475	-	-	98,632	637,107
Due to other funds	2,260,829	170,039	25,768	43,383	2,500,019
Due to others	171,419	-	-	-	171,419
Restricted liabilities					
Accounts payable	86,253	-	-	118,171	204,424
Cash overdrawn	-	-	-	128,815	128,815
Compensated absences	13,065	-	-	-	13,065
Due to other funds	1,851,333	-	-	24,351	1,875,684
Due to others	64,547	-	-	-	64,547
Total liabilities	<u>5,812,167</u>	<u>569,105</u>	<u>25,768</u>	<u>467,927</u>	<u>6,874,967</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	5,860,844	367,700	-	896,500	7,125,044
Restricted Deferred Revenue	-	-	-	2,576,794	2,576,794
Total Deferred Inflows of Resources	<u>5,860,844</u>	<u>367,700</u>	<u>-</u>	<u>3,473,294</u>	<u>9,701,838</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,673,011</u>	<u>936,805</u>	<u>25,768</u>	<u>3,941,221</u>	<u>16,576,805</u>
Fund Balances:					
Nonspendable	-	-	2,742,839	184,293	2,927,132
Restricted	338,125	-	300,000	6,379,631	7,017,756
Committed	-	47,876	538,193	169,247	755,316
Assigned	-	697,678	-	1,260,985	1,958,663
Unassigned	4,016,078	-	-	-	4,016,078
Total fund balances	<u>4,354,203</u>	<u>745,554</u>	<u>3,581,032</u>	<u>7,994,156</u>	<u>16,674,945</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,027,214</u>	<u>\$ 1,682,359</u>	<u>\$ 3,606,800</u>	<u>\$ 11,935,377</u>	<u>\$ 33,251,750</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF POSITION
NOVEMBER 30, 2015

Total fund balances for governmental funds \$ 16,674,945

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Construction in progress	12,873,332	
Land	150,000	
Land improvements, net of \$114,876 accumulated depreciation	47,500	
Buildings, net of \$5,272,804 accumulated depreciation	5,527,617	
Building improvements, net of \$947,743 accumulated depreciation	913,770	
Fixed equipment, net of \$248,968 accumulated depreciation	21,412	
Major movable equipment, net of \$1,404,561 accumulated depreciation	74,920	
Vehicles, net of \$2,376,353 accumulated depreciation	286,708	
Computers, net of \$791,682 accumulated depreciation	8,481	
Infrastructure, net of \$6,789,186 accumulated depreciation	<u>16,242,792</u>	
Total capital assets		36,146,532

Deferred outflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental fund balance sheet. 3,900,438

The OPEB obligation resulting from contributions less than the annual required contribution are not financial liabilities and, therefore, are not reported in the funds. (1,934,216)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of:

GOB bonds payable	4,345,000	
Compensated absences	(1,484,290)	
Net Pension Liability	<u>(9,079,307)</u>	
Total long-term liabilities		<u>(6,218,597)</u>

Total net position of governmental activities \$ 48,569,102

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	General Fund	Federal Aid & Matching Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
Revenues - Unrestricted Funds:					
General property taxes	\$ 5,628,716	\$ 352,919	\$ -	\$ 860,398	\$ 6,842,033
Sales and service taxes	2,070,173	-	-	-	2,070,173
Inergovernmental revenue	3,813,162	3,804,138	-	1,970,822	9,588,122
Use of money and property	1,435	234	175	763	2,607
Service charges, permits and fees	1,783,973	-	-	-	1,783,973
Sanitation fees	-	-	376,356	-	376,356
Federal subsidies for Recovery Zone Economic Development and Build America Bonds	-	-	-	72,988	72,988
Other revenue	-	-	-	82,083	82,083
Total Unrestricted Fund Revenues	13,297,459	4,157,291	376,531	2,987,054	20,818,335
Expenditures - Unrestricted Funds					
Current:					
General government	5,365,733	-	-	-	5,365,733
Public safety	6,693,809	-	-	-	6,693,809
Public health	-	-	390,989	-	390,989
Public works	-	17,980	-	2,152,800	2,170,780
Capital improvements	148,404	4,033,746	-	166,106	4,348,256
Debt Service	-	-	-	85,000	85,000
Principal	-	-	-	200,303	200,303
Interest	-	-	-	200,303	200,303
Other Expenditures	-	-	-	2,550	2,550
Total Unrestricted Fund Expenditures	12,207,946	4,051,726	390,989	2,606,759	19,257,420
Excess(Deficiency) of Revenues Over Expenditures - Unrestricted Funds	1,089,513	105,565	(14,458)	380,295	1,560,915
Revenues - Restricted Funds:					
General property taxes	-	-	-	2,270,557	2,270,557
Other revenues	911,262	-	-	166,972	1,078,234
Total Restricted Fund Revenues	911,262	-	-	2,437,529	3,348,791
Expenditures - Restricted Funds:					
General property taxes:					
Tort liability	-	-	-	382,866	382,866
Benefits	-	-	-	2,230,863	2,230,863
Other expenditures	1,049,490	-	-	-	1,049,490
Total Restricted Fund Expenditures	1,049,490	-	-	2,613,729	3,663,219
Excess (deficiency) of Revenues Over Expenditures - Restricted Funds	(138,228)	-	-	(176,200)	(314,428)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	1,600,000	1,600,000
Operating transfers in	-	-	-	1,600,593	1,600,593
Operating transfers out	-	-	-	(1,600,593)	(1,600,593)
Total Other Financing Sources (Uses)	-	-	-	1,600,000	1,600,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	951,285	105,565	(14,458)	1,804,095	2,846,487
FUND BALANCES, BEGINNING OF YEAR	3,402,918	639,989	3,595,490	6,190,061	13,828,458
FUND BALANCES, END OF YEAR	\$ 4,354,203	\$ 745,554	\$ 3,581,032	\$ 7,994,156	\$ 16,674,945

The accompanying notes are an integral part of this statement.

JACKSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Net change in fund balances - total governmental funds \$ 2,846,487

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$4,348,256) exceeds depreciation (\$1,002,014) in the current period. 3,346,242

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:

Change in compensated absences (108,902)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of long-term debt 85,000
Issuance of bonds (1,600,000)

Governmental funds report pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (1,731,879)

The increase in OPEB obligation resulting from contributions less than the annual required contribution is not a financial liability and is not reported in the funds. _____ - _____

Change in net position of governmental activities \$ 2,836,948

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2015

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 759,544	\$ 1,823,668	\$ 2,583,212
Accounts receivable:			
Consumers	-	705,553	705,553
Property taxes	423,982	1,052,473	1,476,455
Due from other funds	3,420	85,423	88,843
Inventories	-	34,076	34,076
Noncurrent assets:			
Capital Assets:			
Land and improvements	-	194,235	194,235
Buildings and improvements	-	641,492	641,492
Vehicles and equipment	-	2,524,675	2,524,675
Accumulated depreciation	-	(2,882,610)	(2,882,610)
Total Assets	<u>1,186,946</u>	<u>4,178,985</u>	<u>5,365,931</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension resources	<u>159,729</u>	<u>1,000,447</u>	<u>1,160,176</u>
Total Deferred Outflows of Resources	<u>159,729</u>	<u>1,000,447</u>	<u>1,160,176</u>
Total Assets and Deferred Outflows of Resources	<u>1,346,675</u>	<u>5,179,432</u>	<u>6,526,107</u>
LIABILITIES			
Accounts payable	-	34,290	34,290
Accrued payroll	-	96,199	96,199
Compensated absences	-	79,411	79,411
Due to other funds	916,262	145,214	1,061,476
Due to third party payors	100,000	-	100,000
Net pension liability	<u>47,301</u>	<u>1,582,717</u>	<u>1,630,018</u>
Total Liabilities	<u>1,063,563</u>	<u>1,937,831</u>	<u>3,001,394</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	<u>372,991</u>	<u>952,919</u>	<u>1,325,910</u>
Total Deferred Inflows of Resources	<u>372,991</u>	<u>952,919</u>	<u>1,325,910</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,436,554</u>	<u>2,890,750</u>	<u>4,327,304</u>
NET POSITION			
Net investment in capital assets	-	477,792	477,792
Unrestricted	<u>(89,879)</u>	<u>1,810,890</u>	<u>1,721,011</u>
Total Net Position	<u>\$ (89,879)</u>	<u>\$ 2,288,682</u>	<u>\$ 2,198,803</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
Operating Revenues:			
Charges for services, net of related bad debts	\$ -	\$ 2,572,988	\$ 2,572,988
Other operating revenues	-	-	-
Total Operating Revenues	-	2,572,988	2,572,988
Operating Expenses:			
Personnel services	201,465	2,796,636	2,998,101
Commodities	2,042	332,027	334,069
Contractual	139,865	233,144	373,009
Maintenance	2,027	7,014	9,041
Other charges	-	835	835
Depreciation	137,657	148,566	286,223
Pension expense	(245,644)	506,537	260,893
Total Operating Expenses	237,412	4,024,759	4,262,171
Operating Income (Loss)	(237,412)	(1,451,771)	(1,689,183)
Nonoperating Revenues (Expenses):			
General property taxes	434,599	933,086	1,367,685
Use of money and property	237	8,900	9,137
Miscellaneous	(24,637)	33,578	8,941
Loss on sale of assets	(594,240)	(1,862)	(596,102)
Total Nonoperating Revenues	(184,041)	973,702	789,661
Change in net position	(421,453)	(478,069)	(899,522)
Net Position - Beginning of Year, as previously stated	464,790	2,869,481	3,334,271
Prior Period Adjustment (Note T)	(133,216)	(102,730)	(235,946)
Net Position, Beginning of Year, as restated	331,574	2,766,751	3,098,325
Net Position - End of Year	\$ (89,879)	\$ 2,288,682	\$ 2,198,803

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from patients and third party payors	\$ 210,389	\$ 2,545,743	\$ 2,756,132
Payments to suppliers	(212,141)	(2,805,865)	(3,018,006)
Payments to employees	(293,920)	(629,394)	(923,314)
Net cash used in operating activities	<u>(295,672)</u>	<u>(889,516)</u>	<u>(1,185,188)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property tax support	434,599	933,086	1,367,685
Miscellaneous revenue	(24,637)	33,578	8,941
Net cash provided by noncapital financing activities	<u>409,962</u>	<u>966,664</u>	<u>1,376,626</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(164,352)	(164,352)
Proceeds from disposal of assets	291,197	28,967	320,164
Net cash used in capital and related financing activities	<u>291,197</u>	<u>(135,385)</u>	<u>155,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	237	8,900	9,137
Net cash provided by investing activities	<u>237</u>	<u>8,900</u>	<u>9,137</u>
NET INCREASE (DECREASE) IN CASH	405,724	(49,337)	356,387
CASH, BEGINNING OF YEAR	<u>353,820</u>	<u>1,873,005</u>	<u>2,226,825</u>
CASH, END OF YEAR	<u>\$ 759,544</u>	<u>\$ 1,823,668</u>	<u>\$ 2,583,212</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	\$ (237,412)	\$ (1,451,771)	\$ (1,689,183)
Items not requiring (providing) cash:			
Depreciation	137,657	148,566	286,223
Changes in:			
Accounts receivable	196,055	(62,464)	133,591
Due from other funds	1,977	6,961	8,938
Deferred outflows of resources	88,208	(839,610)	(751,402)
Inventories	8,755	(2,789)	5,966
Accounts payable	(29,307)	(1,643)	(30,950)
Accrued payroll	(44,538)	(15,849)	(60,387)
Accrued vacation	(47,917)	6,620	(41,297)
Due to other funds	76,856	(2,204)	74,652
Due to third parties	(99,863)	-	(99,863)
Due to Patient Trust Fund	(3,735)	-	(3,735)
Deferred revenue	(10,215)	(11,871)	(22,086)
Net pension liability	(332,193)	1,336,538	1,004,345
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (295,672)</u>	<u>\$ (889,516)</u>	<u>\$ (1,185,188)</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
NOVEMBER 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 4,575,338
Accounts receivable	250,293
Investments	924,212
Total assets	5,749,843
 LIABILITIES	
Due to others	1,093,518
Due to individuals	842,587
Due to taxing units	3,813,738
Total liabilities	5,749,843
NET POSITION	\$ -

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Jackson County, Illinois is governed by an elected board of fourteen members. The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. As required by GAAP, these financial statements present the government and its component units and entities for which the government is considered to be financially accountable. A blended component unit, although legally a separate entity, in substance, is a part of the government's operations and data from this unit is combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The following are the County's discretely presented component units:

The Health Department is responsible for providing various health services to the residents of Jackson County. The members of the Health Department Board are appointed by the County Board. The County Board sets the annual tax levy and approves the Health Department's budget. The Health Department is presented as a governmental fund type.

The Tuberculosis Fund is responsible for providing medication and counseling for individuals with tuberculosis. The Directors of the Tuberculosis Fund are appointed by the County Board. The County Board sets the annual tax levy and approves the Tuberculosis Fund's budget. The Tuberculosis Fund is presented as a governmental fund type.

The Mental Health (708) Board is responsible for providing grants to other social service agencies in Jackson County. The Mental Health Board members are appointed by the County Board. The County Board sets the annual tax levy and approves the 708 Board's budget. The 708 Board Fund is presented as a governmental fund type.

Complete financial statements for the discrete component units may be obtained from the respective units.

2. Basis of Presentation - Fund Accounting

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent on behalf of others.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct expenses of a given function, segment or program offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods or services of a program and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function, segment or program. Taxes and other items not properly included in program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services.

The County reports the following major governmental funds:

The General Fund is used to account for all financial transactions which are not required to be accounted for in another fund. This fund accounts for the general operating transactions of the County including police protection, administration, judiciary and court services.

The special revenue Solid Waste Fund provides for the operations relating to solid waste disposal and hauling.

The special revenue Federal Aid and Matching Fund provides for operations related to federal funding for construction and maintenance of county roads.

The County reports the following major proprietary funds:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; that is, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Rehab & Care Center Fund provides for the operation of the County's skilled nursing facility.

The Ambulance Fund provides for the operation of the County's ambulance service.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Government-Wide and Fund Financial Statements - Continued

Additionally, the County reports the following fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Housing of Prisoners Fund is used to account for proceeds from the housing of out-of-district prisoners to be used to pay down the 2010 general obligation bonds.

The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

4. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than compensated absences and principal and interest on long-term debt which are recorded when due, are recorded when the related liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. The County considers intergovernmental revenues available if they are collected within 90 days after a year end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note D for property tax accrual policy.

5. Legal Compliance - Budgetary Control and Budgetary Accounting

As required by state statutes, the annual operating budget is prepared and adopted by the County Board. The elected officials are authorized to transfer budget amounts between departments within any fund. Any supplemental appropriations that amend the total expenditures of any fund require County Board resolution. Budgetary appropriations lapse at the end of the fiscal year. The budget must be filed with the County Clerk so that it can be available to the public for inspection fifteen days prior to adoption. The budget must be adopted prior to December 1 of each year.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Encumbrances

The County does not maintain an encumbrance accounting system. Therefore, no reservations of fund balance have been made for outstanding purchase orders, contracts or other commitments.

7. Investments

Investments are reported at fair value.

8. Inventories and Prepays

Inventories are valued at cost using the first in/first out (FIFO) method.

9. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets for the Highway Fund are defined as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of one year.

Capital assets for Governmental and Enterprise Funds are defined by the County as assets with an initial, individual cost of \$1,000 or more and an estimated useful life. Such assets are valued at cost or estimated original cost. Depreciation has been provided using the straight-line method over the estimated useful life of each asset.

The estimated useful lives are as follows:

a. Land improvements	25-40 years
b. Buildings	20-40 years
c. Machinery & equipment	5-10 years
d. Infrastructure	40-50 years

10. Compensated Absences

Accumulated unpaid vacation and leave time are accrued when incurred in proprietary funds. County General and County Highway accrue unpaid vacation, vested sick pay and compensatory time. All other funds accrue unpaid vacation as a current liability for amounts to be expected to be used in the coming year. The long-term portion is reported in the government-wide financial statements.

11. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements.

In the fund financial statements long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section from deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that supplies to a future period and so will not be recognized as an inflow (revenue) until that time. The government has only one type of item that qualifies for the reporting in this category, unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

13. Fund Equity and Net Position

The following classifications describe the relative strength for the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - includes fund balance amounts that cannot be spent either because it is not in spendable form (such as inventory) or because of legal or contractual constraints.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts a government intends to use for a specific purposes; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - amounts that available for any purpose; positive amounts are reported only in the general fund.

The County Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established by the County Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned, and lastly unassigned amount of unrestricted fund balance when expenditures are made.

The County does not have a formal stabilization policy or minimum fund balance policy.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

13. Fund Equity and Net Position - Continued

The County report three types of net position in its government-wide statement of net assets:

Net investment in capital assets - consists of capital asset balances less accumulated depreciation and reduced by outstanding balances of debt used to acquire, construct, or improve those assets.

Restricted net position - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as creditors, grantors, or laws or regulations of other governments.

Unrestricted net position - consists of all other net position that does not meet the definitions of the above two components and are available for the County's general use.

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

As of November 30, 2015, a reconciliation of cash and investments (including fiduciary fund assets) as shown on the Statement of Net Position is as follows:

Cash on hand		\$ 1,634
Carrying amount of deposits		22,918,542
Carrying amount of investments		<u>975,015</u>
Total		<u>\$ 23,895,191</u>
Government-wide financial statement of net position:		
Cash		\$ 18,344,838
Investments		<u>50,803</u>
Total		<u>\$ 18,395,641</u>
Statement of fiduciary net position:		
Cash		\$ 4,575,338
Investments		<u>924,212</u>
Total		<u>\$ 5,499,550</u>

Custodial Credited Risk - Custodial risk is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County does have a policy to require banks to collateralize balances over the FDIC insured amount.

At November 30, 2015, the carrying value of the County's deposits, including fiduciary funds totaled \$23,895,191 and the bank balances totaled \$35,996,516, including fiduciary funds, \$1,478,736 was covered by federal depository insurance, \$22,519,957 were collateralized by pledged bank assets in the County's name, \$11,248,133 was deposited in the Illinois Funds, a state investment pool, and \$749,690 was uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the balance sheet.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Investments

As of November 30, 2015, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>1-3 Years</u>
Certificates of deposit	<u>\$ 50,803</u>	<u>\$ 50,803</u>

Interest Rate Risk - Interest rate risk is the risk that the fair value of an investment will decline as interest increase. The County's investment policy is described in the paragraph below. Due to the County's type of investments at November 30, 2015, certificates of deposits and U.S. Government Securities, interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the financial counter party will fail to meet its defined obligations. State statutes authorize the County to invest only in direct obligations of the U.S. Governments or its agencies; direct obligations of any financial institution that is insured by the Federal Deposit Insurance Corporation; short-term obligations of corporations rated A or better by at least two standard rating services; obligations of the State of Illinois and its political subdivisions; insured accounts of credit unions located in the State of Illinois; The Illinois Funds; certain money market mutual funds where the portfolio if limited to U.S. Government securities; and certain repurchase agreements. Credit quality ratings disclosures do not apply to debt securities of the U.S. government.

Custodial Credit Risk - For an investment, custodial credit risk 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. At November 30, 2015, the County's U.S. government securities were being held by the Agency's investment safekeeping agent in the name of the Agency.

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

1. Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing service and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy; however, no Level 3 securities exist at November 30, 2015.

2. Fair Value Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at November 30, 2015:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposits	\$ 50,803	\$ -	\$ 50,803	\$ -

A summary of the County's fiduciary fund's assets at November 30, 2015 measured at estimated fair value on a receiving basis were as follows:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposits	\$ 924,212	\$ -	\$ 924,212	\$ -

The County's other financial instruments are as follows:

- Cash and cash equivalents
- Accounts receivable
- Accounts payable and accrued expenses

The carrying amount reported in the balance sheet for the financial instruments approximates fair value.

NOTE C - ACCOUNTS RECEIVABLE AND CREDIT RISK

The County grants credit without collateral to the patients and residents of the Ambulance Fund and Rehab and Care Center Fund respectively, most of who are area residents and are insured under third-party payor agreements. At November 30, 2015, accounts receivable in the Enterprise Fund totaled \$705,553 which is net of contractual allowances and provisions for bad debts of \$2,359,396.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE D - PROPERTY TAXES

The County's property tax is levied as of January 1 each year on the assessed value listed as of the prior January 1 for all real property in the County. The County Clerk's Office determines necessary tax rates and extends the taxes based upon the equalized assessed values. Assessed values are established by the County Assessment Department at 33 1/3% of assumed market value.

Property taxes are normally due in two installments, the first installment is due 30 days after bills are issued and the second installment is due 30 days after the first installment due date. Interest at a maximum of 1 1/2% per month attaches to delinquent taxes. There is not a specific lien date; however, any property with taxes still delinquent is subject to the property tax sale.

Property taxes are recognized as revenue when they become available to finance expenditures. This occurs when the taxes have been collected.

The 2014 assessed valuation for property taxes collected in Fiscal Year 2015 was \$716,602,190. The tax levy for 2014, which represents the property taxes collected in Fiscal Year 2015, was 1.64721 per \$100 assessed valuation.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE E - RESTRICTED ASSETS - GOVERNMENTAL FUNDS

Certain resources are classified as restricted assets on the balance sheet because their use is limited to a specific purpose. A summary of restricted assets at November 30, 2015 is as follows:

<u>Restricted Assets</u>	<u>Cash</u>	<u>Investments</u>	<u>Property Tax Receivable</u>	<u>Other Accounts Receivable</u>	<u>Due From Other Funds</u>
General	\$ 575	\$ -	\$ -	\$ -	\$ -
Tort Liability	153,467	-	520,103	-	3,111
Worker's Compensation	(128,815)	-	138,053	-	186,203
Unemployment Insurance	187,400	-	35,507	-	52,489
Social Security	251,351	-	564,212	-	5,478
Illinois Municipal Retirement Fund	1,091,097	-	1,551,555	-	12,847
Circuit Clerk Child Support Admin Fund	95,825	-	-	-	-
Circuit Clerk Bond Interest	3,896	-	-	-	-
Circuit Clerk Abandoned Property	18,016	-	-	-	-
County Board Unclaimed Monies	9,137	-	-	-	-
Court Assessment	635,085	-	-	-	-
Court Automation	193,616	-	-	-	-
Court Document Storage	130,031	-	-	-	-
Court Security	1,038	50,803	-	-	-
Court Supervision	19,666	-	-	-	-
County Clerk Automation	178,361	-	-	-	-
County Clerk Revenue Stamps	129,763	-	-	-	-
Debt Service	841,307	-	216,296	-	-
Drug Court	33,006	-	-	-	-
Geographic Information System	281,739	-	-	-	-
Health Insurance/Medical	8,522	-	-	-	-
Hotel Tax	8,240	-	-	-	-
Housing of Prisoners	676,595	-	-	-	-
Kids in Court	501	-	-	-	-
Law Library	86,654	-	-	-	-
Mitigation Grant	888	-	-	-	-
Motor Fuel Tax	893,292	-	-	247,096	-
Prisoner Trust Accounts	64,547	-	-	-	-
River Levee Bonds	1,600,303	-	-	-	-
Sheriff Drug Federal	22,305	-	-	-	-
Sheriff Drug Fund	15,025	-	-	-	-
Sheriff DUI Fund	73,050	-	-	-	-
Enforcement Equipment	54,365	-	-	-	-
Solid Waste	-	-	-	-	300,000
State's Attorney Automation	6,304	-	-	-	-
State's Attorney Drug Asset Forfeiture	107,912	-	-	-	-
States Attorney Drug Equipment	33,464	-	-	-	-
States Attorney Victim Assistance Fund	1,387	-	-	-	-
Treasurer Automation	89,331	-	-	-	-
Treasure - Court Ordered Funds	56	-	-	-	-
Treasurer Inheritance Tax	215	-	-	-	-
Total	<u>\$ 7,868,517</u>	<u>\$ 50,803</u>	<u>\$ 3,025,726</u>	<u>\$ 247,096</u>	<u>\$ 560,128</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2015 was as follows:

General government

	Balance November 30, 2014	Additions	Deductions and Transfers	Balance November 30, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Construction in progress	<u>9,316,847</u>	<u>4,074,455</u>	<u>(517,970)</u>	<u>12,873,332</u>
 Total capital assets, not being depreciated	 <u>9,466,847</u>	 <u>4,074,455</u>	 <u>(517,970)</u>	 <u>13,023,332</u>
Capital assets, being depreciated:				
Land improvements	162,376	-	-	162,376
Buildings	10,800,421	-	-	10,800,421
Building improvements	1,487,987	373,526	-	1,861,513
Fixed equipment	269,147	1,233	-	270,380
Major movable equipment	1,479,481	-	-	1,479,481
Vehicles	2,516,261	146,800	-	2,663,061
Computers	798,164	1,999	-	800,163
Infrastructure	<u>22,763,765</u>	<u>268,213</u>	<u>-</u>	<u>23,031,978</u>
 Total capital assets being depreciated	 40,277,602	 791,771	 -	 41,069,373
Less accumulated depreciation for:				
Land improvements	(111,076)	(3,800)	-	(114,876)
Buildings	(5,015,640)	(257,164)	-	(5,272,804)
Building improvements	(853,693)	(94,050)	-	(947,743)
Fixed equipment	(244,515)	(4,453)	-	(248,968)
Major movable equipment	(1,387,585)	(16,976)	-	(1,404,561)
Vehicles	(2,279,387)	(96,966)	-	(2,376,353)
Computers	(790,749)	(933)	-	(791,682)
Infrastructure	<u>(6,261,514)</u>	<u>(527,672)</u>	<u>-</u>	<u>(6,789,186)</u>
 Total accumulated depreciation	 <u>(16,944,159)</u>	 <u>(1,002,014)</u>	 <u>-</u>	 <u>(17,946,173)</u>
 Total capital assets, being depreciated, net	 <u>23,333,443</u>	 <u>(210,243)</u>	 <u>-</u>	 <u>23,123,200</u>
 Governmental activities capital assets, net	 <u>\$32,800,290</u>	 <u>\$3,864,212</u>	 <u>\$ (517,970)</u>	 <u>\$ 36,146,532</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE F - CAPITAL ASSETS - CONTINUED

	Balance November 30, <u>2014</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance November 30, <u>2015</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 76,458	\$ -	\$ (10,000)	\$ 66,458
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>76,458</u>	<u>-</u>	<u>(10,000)</u>	<u>66,458</u>
Capital assets, being depreciated:				
Land improvements	435,147	33,400	(340,770)	127,777
Buildings and improvements	9,255,937	-	(8,614,445)	641,492
Vehicles and equipment	<u>4,746,303</u>	<u>130,950</u>	<u>(2,352,578)</u>	<u>2,524,675</u>
Total capital assets being depreciated	14,437,387	164,350	(11,307,793)	3,293,944
Less accumulated depreciation for:				
Land improvements	(325,294)	(14,503)	251,421	(88,376)
Buildings and improvements	(8,387,785)	(120,328)	10,048,812	(563,850)
Vehicles and equipment	<u>(4,284,837)</u>	<u>(151,392)</u>	<u>2,205,845</u>	<u>(2,230,384)</u>
Total accumulated depreciation	<u>(12,997,916)</u>	<u>(286,223)</u>	<u>12,506,078</u>	<u>(2,882,610)</u>
Total capital assets, being depreciated, net	<u>1,439,471</u>	<u>(121,873)</u>	<u>1,198,285</u>	<u>411,334</u>
Business-type activities capital assets, net	<u>\$ 1,515,929</u>	<u>\$ (121,873)</u>	<u>\$ 1,188,285</u>	<u>\$ 477,792</u>

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

Governmental activities:

General government	\$ 108,244
Public Safety	300,306
Public works	<u>593,464</u>
Total depreciation expense - governmental activities	<u>\$ 1,002,014</u>

Business-type activities:

Rehab & Care Center	\$ 137,657
Ambulance	<u>148,566</u>
Total depreciation expense - business-type activities	<u>\$ 286,223</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE F - CAPITAL ASSETS - CONTINUED

Construction in progress of the governmental activities capital assets consists of amounts expended for the following major projects at November 30, 2015:

<u>Project</u>	<u>CIP Balance</u>	Estimated to <u>Complete</u>	<u>Funding Source</u>
Craine Building Study	\$ 24,635	\$	Local funding

In addition, construction in progress includes amounts expended for various infrastructure replacement and improvement projects with an estimated cost of \$12,848,697. Funding for these projects will be provided from the County's operations, state aid (motor fuel tax), and federal awards.

Capital asset activity of the component unit for the year ended November 30, 2015 follows:

	Balance November 30, <u>2014</u>	<u>Additions</u>	Deductions And <u>Transfers</u>	Balance November 30, <u>2015</u>
Capital assets, not being depreciated:				
Land	\$ 49,500	\$ -	\$ -	\$ 49,500
Total capital assets, not being depreciated	49,500	-	-	49,500
Capital assets, being depreciated:				
Land improvements	120,965	-	-	120,965
Buildings and improvements	2,021,249	7,792	-	2,029,041
Equipment	<u>382,662</u>	<u>2,257</u>	<u>(52,883)</u>	<u>332,036</u>
Total capital assets being depreciated	2,524,876	10,049	(52,883)	2,482,042
Less accumulated depreciation for:				
Land improvements	(62,643)	(8,101)	-	(70,744)
Buildings and improvements	(918,235)	(61,982)	-	(980,217)
Equipment	<u>(337,113)</u>	<u>(17,008)</u>	<u>52,470</u>	<u>(301,651)</u>
Total accumulated depreciation	<u>(1,317,991)</u>	<u>(87,091)</u>	<u>52,470</u>	<u>(1,352,612)</u>
Total capital assets, being depreciated, net	<u>1,206,885</u>	<u>(77,042)</u>	<u>(413)</u>	<u>1,129,430</u>
Component unit, capital assets, net	<u>\$ 1,256,385</u>	<u>\$ (77,042)</u>	<u>\$ (413)</u>	<u>\$ 1,178,930</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE G - LONG-TERM DEBT

General Obligation Bonds

Proceeds from general obligation bonds have been used for governmental activities.

General obligation bonds payable at November 30, 2015 are comprised of the following:

Governmental Activities:

\$1,600,000 general obligation bonds dated July 15, 2015, due annually from December 1, 2016 through December 1, 2025 in installments ranging from \$140,000 to \$180,000 with interest at 2.60% per annum. \$ 1,600,000

\$1,374,000 series 2010A general obligation bonds dated December 30, 2010 due annually from December 1, 2011 through December 1, 2035 in installments ranging from \$4,000 to \$85,000. Interest is payable each June 1 and December 1 beginning December 1, 2011. The bonds bear interest rates of 4.00% to 8.00% per annum. 1,265,000

\$1,496,000 series 2010B general obligation bonds dated December 30, 2010 due annually from December 1, 2012 through December 1, 2035 in installments ranging from \$6,000 to \$115,000. Interest is payable each June 1 and December 1, beginning December 1, 2011. The bonds bear interest rates of 4.20% to 8.00% per annum. 1,450,000

\$130,000 series 2010C general obligation bonds dated December 30, 2010 due annually from December 1, 2011 through December 1, 2015 in installments ranging from \$10,000 to \$30,000 with interest at 4.00% per annum. 30,000

\$ 4,345,000

\$1,374,000 in series 2010A and \$1,496,000 in series 2010B general obligation bonds issued on December 30, 2010 are being used to finance the cost of various remodeling, repairs and rehabilitation of certain county facilities and pay certain costs associated with the issuance of the 2010A and 2010B bonds.

\$130,000 in series 2010C general obligation bonds issued on December 30, 2010 are being used to pay cost associated with the issuance costs of the 2010A, 2010B, and 2010C bonds.

These General Obligation Bonds, Series 2015 will be used to provide funds to reimburse Degognia-Fountain Bluff Levee and Drainage District for the cost of levee improvements, and related facilities, improvements and costs (the Project) and pay the cost of issuing the bonds. The County will levy taxes in the amount of the principal and interest that is due annually.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE G - LONG-TERM DEBT - CONTINUED

Governmental Activities - Continued:

The annual requirements to amortize all bonds outstanding as of November 30, 2015 are as follows:

Year Ending November 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 85,000	\$ 196,870
2017	225,000	269,261
2018	235,000	224,150
2019	245,000	214,765
2020	255,000	204,950
2021-2025	1,380,000	858,515
2026-2030	860,000	560,334
2031-2035	860,000	258,606
2036	<u>200,000</u>	<u>8,000</u>
	<u>\$ 4,345,000</u>	<u>\$ 2,795,451</u>

Interest above does not include rebates from federal government of interest paid relating to Build America, Recovery Zone Economic Development, and Alternate Revenue Source Bonds which will be approximately \$931,615 for the remaining duration of the bonds.

During the year ended November 30, 2015, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

	Balance November 30, 2014	<u>Additions</u>	<u>Reductions</u>	Balance November 30, 2015	<u>Due Within One Year</u>
	General Obligation Bonds	\$2,830,000	\$1,600,000	\$ 85,000	\$ 4,345,000
Compensated Absences	1,993,139	141,323	-	2,134,462	650,172
Net OPEB Obligation	<u>1,934,216</u>	<u>-</u>	<u>-</u>	<u>1,934,216</u>	<u>-</u>
	<u>\$6,757,355</u>	<u>\$1,741,323</u>	<u>\$ 85,000</u>	<u>\$ 8,413,678</u>	<u>\$ 735,172</u>

During the year ended November 30, 2015, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

	Balance November 30, 2014	<u>Additions</u>	<u>Reductions</u>	Balance November 30, 2015	<u>Due Within One Year</u>
	Compensated Absences	\$ 170,386	\$ -	\$ (9,971)	\$ 160,415
	<u>\$ 170,386</u>	<u>\$ -</u>	<u>\$ (9,971)</u>	<u>\$ 160,415</u>	<u>\$ 83,909</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS

Illinois Municipal Retirement Fund

IMRF Plan Description

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

Benefits Provided

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

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

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

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

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Regular Personnel (Non-SLEP)

Employees Covered by Benefit Terms-Regular Plan

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	362
Inactive Plan Members entitled to but not yet receiving benefits	608
Active Plan Members	217
Total	1,187

Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contributions for disability benefits, death benefits, and supplemental retirement benefits are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Price Inflation** 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.49%.
- **Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
- The IMRF-specific rates for **Mortality Non-Disabled Retirees** an IMRF specific mortality table was used with fully generational projection scale MR-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

There were no benefit changes during the year. A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund Annual Actuarial Valuation Report.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study dated April 15, 2016 for the period January 1, 2015 through December 31, 2015. As a result of the December 31, 2015 actuarial experience study, new assumptions for the assumed rate of return, salary increase, inflation and related economic assumptions were adopted in the December 31, 2015 actuarial valuation to more closely reflect actual experience.

Single Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flows used to determine the Single Discount Rate assumed that the plan members' 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 member rate. The Single Discount Rate reflects:

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

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

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Changes in the Net Pension Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability <u>(A) - (B)</u>
Balances at December 31, 2014	\$ 71,991,150	\$ 70,381,079	\$ 1,610,071
Changes for the year:			
Service Cost	874,693	-	874,693
Interest on the Total Pension Liability	5,294,334	-	5,294,334
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	858,591	-	858,591
Changes of Assumptions	85,451	-	85,451
Contributions - Employer	-	1,008,020	(1,008,020)
Contributions - Employees	-	410,282	(410,282)
Net Investment Income	-	346,264	(346,264)
Benefit Payments, including Refunds of Employee Contributions	(3,674,753)	(3,674,753)	-
Other (Net Transfer)	-	(549,573)	549,573
Net Changes	<u>3,438,316</u>	<u>(2,459,760)</u>	<u>5,898,076</u>
Balances at December 31, 2015	<u>\$ 75,429,466</u>	<u>\$ 67,921,319</u>	<u>\$ 7,508,147</u>

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

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

	<u>1% Lower 6.49%</u>	<u>Current Discount 7.49%</u>	<u>1% Higher 8.49%</u>
Net Pension Liability	\$ 16,833,253	\$ 7,508,147	\$ (54,414)

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

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

For the year ended December 31, 2015, the County recognized pension expense of \$3,057,768. At November 30, 2015, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	\$ 433,693	\$ (7,573)	\$ 426,120
Changes of assumptions	53,897	-	53,897
Net difference between projected and actual earnings on pension plan investments	<u>4,420,226</u>	<u>-</u>	<u>4,420,226</u>
Total Deferred Amounts to be recognized in pension expense in future periods	4,907,816	(7,573)	4,900,243
Pension Contributions made subsequent to the Measurement Date	<u>-</u>	<u>(126,077)</u>	<u>(126,077)</u>
Total Deferred Amounts Related to Pensions	<u>\$ 4,907,816</u>	<u>\$ (133,650)</u>	<u>\$ 4,774,166</u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$ 1,621,950	\$ -
2017	1,161,273	-
2018	1,151,601	-
2019	965,419	-
2020	-	-
Thereafter	-	-
Total	<u>\$ 4,900,243</u>	<u>\$ -</u>

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Sheriff's Law Enforcement (SLEP)

Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	34
Inactive Plan Members entitled to but not yet receiving benefits	12
Active Plan Members	<u>68</u>
Total	114

Contributions

As set by statute, the County's SLEP Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contributions for disability benefits, death benefits, and supplemental retirement benefits are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Price Inflation** 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
- The IMRF-specific rates for **Mortality Non-Disabled Retirees** an IMRF specific mortality table was used with fully generational projection scale MR-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

There were no benefit changes during the year. A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund Annual Actuarial Valuation Report.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study dated April 15, 2016 for the period January 1, 2015 through December 31, 2015. As a result of the December 31, 2015 actuarial experience study, new assumptions for the assumed rate of return, salary increase, inflation and related economic assumptions were adopted in the December 31, 2015 actuarial valuation to more closely reflect actual experience.

Single Discount Rate

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flows used to determine the Single Discount Rate assumed that the plan members' 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 member rate. The Single Discount Rate reflects:

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

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

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 21,588,572	\$ 18,463,191	\$ 3,125,381
Changes for the year:			
Service Cost	689,180	-	689,180
Interest on the Total Pension Liability	1,613,382	-	1,613,382
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(305,290)	-	(305,290)
Changes of Assumptions	32,249	-	32,249
Contributions - Employer	-	686,819	(686,819)
Contributions - Employees	-	268,830	(268,830)
Net Investment Income	-	92,742	(92,742)
Benefit Payments, including Refunds of Employee Contributions	(785,358)	(785,358)	-
Other (Net Transfer)	-	(288,943)	288,943
Net Changes	<u>1,244,163</u>	<u>(25,910)</u>	<u>1,270,073</u>
Balances at December 31, 2015	<u>\$ 22,832,735</u>	<u>\$ 18,437,281</u>	<u>\$ 4,395,454</u>

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

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

	1% Lower <u>6.48%</u>	Current Discount <u>7.48%</u>	1% Higher <u>8.48%</u>
Net Pension Liability	\$ 7,913,484	\$ 4,395,454	\$ 1,544,792

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

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

For the year ended December 31, 2015, the County recognized pension expense of \$1,245,403. At November 30, 2015, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience \$	-	\$ (327,377)	\$ (327,377)
Changes of assumptions	276,641	-	276,641
Net difference between projected and actual earnings on pension plan investments	<u>1,177,195</u>	<u>-</u>	<u>1,177,195</u>
Total Deferred Amounts to be recognized in pension expense in future periods	1,453,836	(327,377)	1,126,459
Pension Contributions made subsequent to the Measurement Date	<u>-</u>	<u>(83,012)</u>	<u>(83,012)</u>
Total Deferred Amounts Related to Pensions	<u>\$ 1,453,836</u>	<u>\$ (410,389)</u>	<u>\$ 1,043,447</u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$ 303,018	\$ -
2017	303,018	-
2018	303,016	-
2019	253,963	-
2020	(3,545)	-
Thereafter	<u>(33,011)</u>	<u>-</u>
Total	<u>\$ 1,126,459</u>	<u>\$ -</u>

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Elected County Officials (ECO)

Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	3
Inactive Plan Members entitled to but not yet receiving benefits	2
Active Plan Members	<u>3</u>
Total	8

Contributions

As set by statute, the County's ECO Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contributions for disability benefits, death benefits, and supplemental retirement benefits are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Price Inflation** 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
- The IMRF-specific rates for **Mortality Non-Disabled Retirees** an IMRF specific mortality table was used with fully generational projection scale MR-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

There were no benefit changes during the year. A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund Annual Actuarial Valuation Report.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study dated April 15, 2016 for the period January 1, 2015 through December 31, 2015. As a result of the December 31, 2015 actuarial experience study, new assumptions for the assumed rate of return, salary increase, inflation and related economic assumptions were adopted in the December 31, 2015 actuarial valuation to more closely reflect actual experience.

Single Discount Rate

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flows used to determine the Single Discount Rate assumed that the plan members' 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 member rate. The Single Discount Rate reflects:

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

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

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

Changes in the Net Pension Liability

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability <u>(A) - (B)</u>
Balances at December 31, 2014	\$ 3,112,719	\$ 2,894,999	\$ 217,720
Changes for the year:			
Service Cost	34,694	-	34,694
Interest on the Total Pension Liability	229,065	-	229,065
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	149,741	-	149,741
Changes of Assumptions	8,121	-	8,121
Contributions - Employer	-	123,814	(123,814)
Contributions - Employees	-	14,155	(14,155)
Net Investment Income	-	14,441	(14,441)
Benefit Payments, including Refunds of Employee Contributions	(151,736)	(151,736)	-
Other (Net Transfer)	-	<u>60,948</u>	<u>(60,948)</u>
Net Changes	<u>269,885</u>	<u>61,622</u>	<u>208,263</u>
Balances at December 31, 2015	<u>\$ 3,382,604</u>	<u>\$ 2,956,621</u>	<u>\$ 425,983</u>

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

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

	<u>1% Lower 6.48%</u>	<u>Current Discount 7.48%</u>	<u>1% Higher 8.48%</u>
Net Pension Liability	\$ 865,491	\$ 425,983	\$ 63,119

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE H - RETIREMENT PLANS - CONTINUED

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

For the year ended December 31, 2015, the County recognized pension expense of \$(63,714). At November 30, 2015, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	\$ 84,797	\$ (49,439)	\$ 35,358
Changes of assumptions	4,599	(653)	3,946
Net difference between projected and actual earnings on pension plan investments	<u>186,341</u>	<u>-</u>	<u>186,341</u>
Total Deferred Amounts to be recognized in pension expense in future periods	275,737	(50,092)	225,645
Pension Contributions made subsequent to the Measurement Date	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,645</u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$ 66,858	\$ -
2017	69,414	-
2018	48,484	-
2019	40,889	-
2020	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ 225,645</u>	<u>\$ -</u>

NOTE I - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation, which aggregated \$2,874,984 at November 30, 2015, is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan assets are held in trust by a third party.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

Plan Description. In addition to providing the pension benefits described, the County provides post-employment health care benefits (OPEB) for retired employees through a single employer group health insurance plan. The benefits, benefit levels, and employee contributions are outlined in the continuation of employee health insurance benefits through Retiree Health Insurance Jackson County.

Benefits Provided. The County provides post-employment health care benefits to its retired employees. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. All health care benefits are provided through the County's partially self funded insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include inpatient and outpatient hospital services; emergency room; well care exams; ambulance treatment; chiropractic treatment; and prescription drug benefits. Upon a retiree reaching 65 years of age, the County's plan continues but at a higher cost to the retiree.

Membership. At November 30, 2014, membership consisted of:

	<u>November 30, 2014</u>
Retirees and beneficiaries receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	135
Active nonvested plan members	<u>81</u>
Total	<u>231</u>
Number of participating employers	1

Funding Policy. The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute a portion of the premium.

Annual OPEB costs and Net OPEB Obligation. The County had an actuarial valuation performed for the plan as of November 30, 2013 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2013. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2014 was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2012	\$ -	- %	\$ 1,374,343
November 30, 2013	\$ 649,359	13.8%	\$ 1,934,216
November 30, 2014	\$ 649,359	13.8%	\$ 1,934,216

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

The net OPEB obligation as of November 30, 2014 (latest information available), was calculated as follows:

	<u>November 30, 2015</u>
Annual required contribution	\$ 640,196
Interest on net OPEB obligation	54,974
Adjustment to annual required contributions	(45,811)
Annual OPEB cost	649,359
Contributions made	(89,486)
Increase (Decrease) in net OPEB obligation	559,873
Net OPEB obligation, beginning of year	1,374,343
Net OPEB obligation, end of year	\$ 1,934,216

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 7,075,648
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	7,075,648
Funded ratio (actuarial value of plan assets/AAL)	0.0 %
Covered payroll (active plan members)	-
UAAL as a percentage of covered payroll	-

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the November 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (includes a 3.00% inflation assumption), projected salary increases of 4.00% and an annual healthcare cost trend rate of 7.50% initially, reduced by decrements to an ultimate rate of 5.50%. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 30, 2013, was 30 years.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE K - FUND BALANCE CLASSIFICATIONS

The governmental funds balance sheet includes a number of reserves which are maintained for specific purposes. The nature and purpose of the significant reserves are to segregate the monies which are reserved for tort liability, employee benefit accounts, automation, capital improvements and Circuit Clerk bond funds.

Governmental type fund balance in detail are as follows at November 30, 2015:

Nonspendable Fund Balance - Governmental Funds

Prepayments	\$ 184,293
Due from other funds	<u>2,742,839</u>
	<u>\$ 2,927,132</u>

Restricted Fund Balance - Governmental Funds

Tort liability	\$ 284,001
Benefits	1,901,366
Public safety	234,971
Automations and other	103,154
Street construction and repair	1,076,059
Due from other funds	300,000
Debt service	1,517,902
River levee bond	<u>1,600,303</u>
	<u>\$ 7,017,756</u>

Committed Fund Balance - Governmental Funds

Solid waste	\$ 538,193
Public works	<u>217,123</u>
	<u>\$ 755,316</u>

Assigned Fund Balance - Governmental Funds

Public works	<u>\$ 1,958,663</u>
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NOTE L - OTHER REQUIRED DISCLOSURE

Excess of Expenditures Over Appropriations

There were no excess of expenditures over appropriations in individual funds for the year ended November 30, 2015.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE M - INTERFUND RECEIVABLES AND PAYABLES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as Interfund receivables and payables. These transactions are intended to be paid back to the respective funds in the future periods when funding becomes available. The majority of interfund balances were used to finance operating deficits in the general fund and for the Rehab and Care Center. Interfund receivables and payables, during the year ended November 30, 2015, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Fund:		
Major Funds:		
General	\$ 1,803,646	\$ 4,112,162
Federal Aid Matching	3,197	170,039
Solid Waste	3,042,839	25,768
Special Revenue Funds:		
County Highway	180,970	43,383
Housing of Prisoners	52,500	-
County Bridge	587	-
Motor Fuel Tax	-	-
Workers Compensation	186,203	24,351
Unemployment	52,489	-
Insurance Liability	3,111	-
IMRF	12,847	-
FICA/Medicare	5,478	-
Component Units:		
Health Department	36,459	29,152
Tuberculosis	2,528	-
708 Board	506	5,872
Enterprise Fund:		
Ambulance	85,423	145,214
Rehab & Care Center	<u>3,420</u>	<u>916,262</u>
 Total All Funds	 <u>\$ 5,472,203</u>	 <u>\$ 5,472,203</u>

Interfund balances result from the time lag between the dates that the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payment between funds are made.

Interfund balances not expected to be repaid within one year:

General Fund of \$2,505,767 payable and Rehab and Care Center of \$537,072 payable to the Solid Waste Fund for operating deficits. The County is undetermined when the balance will be repaid.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE N - INTERFUND TRANSFERS

The following is a schedule of operating transfers as included in the Statement of Net Assets of the County.

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$ -	\$ -
Total Major Funds	-	-
Nonmajor Governmental Funds:		
County Bridge	1,976	5,708
Motor Fuel Tax	30,787	508,500
Housing of Prisoners	-	1,053,622
County Highway	514,208	32,763
Debt Service	1,053,622	-
Total Nonmajor Funds	1,600,593	1,600,593
Total All Funds	\$1,600,593	\$ 1,600,593

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE O - RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County, along with various other local municipal governments, contracts with the Counties of Illinois Risk Management Association (CIRMA) for property, general liability, public officials' liability, employment practices liability, automobile, crime. The purpose of these trusts is to distribute the cost of self-insurance over similar entities.

The trust requires an annual premium payment to cover estimated claims payable and reserves for claims for each entity. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trusts. However, the County retains contingent liability to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operations at some future date. The County has contracted with Arthur J. Gallagher Risk Management Services, Inc. to handle all administrative matters, including processing of claims filed. The County's premium payments for the fiscal year ending November 30, 2015 were \$339,231.

The county is partially self-insured with its workers compensation up to a maximum of \$100,000 per claim. Coverage amounts in excess of this limit have been obtained from a stop-loss policy issued through Gentry Couch.

There has been no significant reduction in insurance coverage from the previous year in any of the County's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The County maintains a partially self-funded employee health benefit plan. All full-time employees and certain retired employees who contribute to the fund are covered. It is self-funded to a maximum of \$50,000 per individual per plan year. Coverage amounts in excess of this limit have been obtained by means of a stop-loss policy. The amount of insurance claim settlements has not exceeded insurance coverage.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2015

NOTE P - CONTINGENCIES

Litigation and Claims

The County is a defendant in various lawsuits. County management believes that such litigation will ultimately be resolved without material financial liability to the County. Matters include allegations relating to certain civil cases, workers compensation personal injury, discrimination, and civil rights violations.

NOTE Q - INTEREST EXPENDITURES/EXPENSES

The total interest expenditures/expenses of the County aggregated \$200,303.

NOTE R - LEGAL DEBT MARGIN

As a non-home rule County, the County's statutory debt limit is 5.750% of the total equalized assessed valuation of all taxable property located within the County.

2014 Equalized Assessed Valuation (E.A.V.)	\$ 716,602,190
Statutory Debt Limit (5.750% of E.A.V.)	41,204,626
General Obligation Debt Applicable to Limitation:	
Taxable General Obligation Bonds, Series 2015	1,600,000
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (the "2010A Bonds")	1,265,000
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010B (Build America Bonds) (the "2010B Bonds")	1,450,000
Taxable General Obligation (Alternate Revenue Source) Bond, Series 2010C (the "2010C Bonds")	30,000
Total General Obligation Debt	\$ 4,345,000
Less Self-Supporting Bonded Debt (1)	(4,345,000)
Total Direct General Obligation Debt	-
Available Legal Debt Margin	\$ 41,204,626

(1) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds such as the Bonds, do not count against the County's overall 5.750% of E.A.V. statutory debt limitation unless the County fails to abate the property tax levies made for the payment therein.

NOTE S - DISPOSAL OF OPERATIONS

The Rehab and Care Center of Jackson County ceased operations and effectively closed October 22, 2014. As of November 30, 2014, few county employees remain on staff for maintenance and final closing processes of the Rehab and Care Center and the enterprise fund will remain active for fiscal year 2015. The option was available to secure a future for the staff and residents of the facility. Residents were transferred to a new facility on the Liberty Village campus in Carbondale and the staff was offered positions. The county is currently in negotiations to sell the building including the related equipment to an interested party.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2015

NOTE T - CHANGE IN ACCOUNTING PRINCIPAL AND PRIOR PERIOD ADJUSTMENT

The County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which requires that bond issuance costs can no longer be amortized over the life of the bonds, but must be expensed in the period incurred. GASB 65 requires retroactive application resulting in the write-down of the bond issuance costs in the prior period. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* was also adopted in fiscal year 2015. This Statement establishes standards for measure and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The Statement also requires enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope.

The implementation of GASB Statement No. 65 and 68 had the following effect:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Net position, November 30, 2014	\$ 40,635,223	\$ 3,334,271	\$ 3,008,512
Prior period adjustment:			
Implementation GASB 65			
Amortization of bond issuance costs	(146,079)	-	-
Implementation GASB 68			
Net pension liability (measurement date 12/31/14)	(4,039,457)	(625,673)	(288,042)
Deferred outflows	<u>592,467</u>	<u>389,727</u>	<u>168,880</u>
Total prior period adjustment	<u>(3,593,069)</u>	<u>(235,946)</u>	<u>(119,162)</u>
Restated net position, November 30, 2015	<u>\$ 37,042,154</u>	<u>\$ 3,098,325</u>	<u>\$ 2,889,350</u>

NOTE U - SUBSEQUENT EVENTS

Management evaluated all events and transactions that occurred after November 30, 2015 through July 7, 2016 the issue date of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Unrestricted Funds:				
General Property Taxes:				
Real property taxes	\$ 5,436,554	\$ 5,586,554	\$ 5,428,828	\$ (157,726)
Penalties on late taxes	<u>177,870</u>	<u>177,870</u>	<u>199,888</u>	<u>22,018</u>
Total General Property Taxes	<u>5,614,424</u>	<u>5,764,424</u>	<u>5,628,716</u>	<u>(135,708)</u>
Sales and Service Taxes:				
Sales tax	420,000	420,000	394,715	(25,285)
Supplemental sales tax	1,615,000	1,615,000	1,630,594	15,594
Cable television franchise tax	10,000	10,000	34,477	24,477
Pull tabs and jar games license and tax	<u>-</u>	<u>-</u>	<u>10,387</u>	<u>10,387</u>
Total Sales and Service Taxes	<u>2,045,000</u>	<u>2,045,000</u>	<u>2,070,173</u>	<u>25,173</u>
Intergovernmental Revenue:				
Illinois state income tax	1,880,000	1,880,000	2,241,516	361,516
Replacement tax	600,000	600,000	688,758	88,758
Local use tax	330,000	330,000	453,354	123,354
County hotel tax	8,000	8,000	10,575	2,575
Federal reimbursement in lieu of property tax	140,000	140,000	171,712	31,712
Other federal/state grants	<u>319,600</u>	<u>319,600</u>	<u>247,247</u>	<u>(72,353)</u>
Total Intergovernmental Revenue	<u>3,277,600</u>	<u>3,277,600</u>	<u>3,813,162</u>	<u>535,562</u>
Use of Money and Property:				
Interest on investments	-	-	582	582
Timber sales	<u>600</u>	<u>600</u>	<u>853</u>	<u>253</u>
Total Use of Money and Property	<u>600</u>	<u>600</u>	<u>1,435</u>	<u>835</u>
Service Charges, Permits and Fees:				
General Government:				
Executive	265,500	265,500	268,907	3,407
County clerk	235,000	235,000	183,586	(51,414)
Judiciary and courts	884,500	884,500	765,667	(118,833)
Assessments	<u>73,500</u>	<u>73,500</u>	<u>91,497</u>	<u>17,997</u>
Total General Government	<u>1,458,500</u>	<u>1,458,500</u>	<u>1,309,657</u>	<u>(148,843)</u>
Public Safety:				
Sheriff	72,500	72,500	78,645	6,145
Jail	445,000	445,000	343,331	(101,669)
Animal control	40,000	40,000	41,450	1,450
Coroner	<u>5,500</u>	<u>5,500</u>	<u>10,890</u>	<u>5,390</u>
Total Public Safety	<u>563,000</u>	<u>563,000</u>	<u>474,316</u>	<u>(88,684)</u>
Total Service Charges, Permits and Fees	<u>2,021,500</u>	<u>2,021,500</u>	<u>1,783,973</u>	<u>(237,527)</u>
Total Unrestricted Fund Revenues	<u>\$ 12,959,124</u>	<u>\$ 13,109,124</u>	<u>\$ 13,297,459</u>	<u>\$ 188,335</u>

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE - CONTINUED
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures - Unrestricted Funds - Current:				
General Government:				
Executive:				
County Board	543,946	543,946	256,665	287,281
Board of Review	<u>58,802</u>	<u>58,802</u>	<u>34,217</u>	<u>24,585</u>
Total Executive	<u>602,748</u>	<u>602,748</u>	<u>290,882</u>	<u>311,866</u>
Treasurer:				
Treasurer's office	<u>373,155</u>	<u>373,155</u>	<u>371,109</u>	<u>2,046</u>
Total Treasurer	<u>373,155</u>	<u>373,155</u>	<u>371,109</u>	<u>2,046</u>
County Clerk:				
County Clerk's office	520,740	520,740	530,004	(9,264)
Elections	<u>76,000</u>	<u>76,000</u>	<u>(13,387)</u>	<u>89,387</u>
Total County Clerk	<u>596,740</u>	<u>596,740</u>	<u>516,617</u>	<u>80,123</u>
Judiciary and Courts:				
State's Attorney	934,871	934,871	942,982	(8,111)
Circuit Clerk's office	566,197	566,197	716,151	(149,954)
Jury Commission	111,700	111,700	89,366	22,334
Courts	620,632	620,632	513,537	107,095
Public Defender	421,276	421,276	424,507	(3,231)
Probation circuit	<u>437,436</u>	<u>437,436</u>	<u>438,908</u>	<u>(1,472)</u>
Total Judiciary and Courts	<u>3,092,112</u>	<u>3,092,112</u>	<u>3,125,451</u>	<u>(33,339)</u>
Assessments:				
Assessments	<u>361,562</u>	<u>361,562</u>	<u>352,307</u>	<u>9,255</u>
Total Assessments	<u>361,562</u>	<u>361,562</u>	<u>352,307</u>	<u>9,255</u>
Other:				
Data processing	282,913	282,913	281,516	1,397
Building maintenance	343,500	343,500	427,371	(83,871)
Education	75,233	82,101	115,496	(33,395)
Central Services	<u>10,600</u>	<u>10,600</u>	<u>33,388</u>	<u>(22,788)</u>
Total Other	<u>712,246</u>	<u>719,114</u>	<u>857,771</u>	<u>(138,657)</u>
Total General Government	<u>5,738,563</u>	<u>5,745,431</u>	<u>5,514,137</u>	<u>231,294</u>
Public Safety:				
Sheriff's office	3,365,672	3,365,672	2,995,704	369,968
Jail	3,620,890	3,620,890	2,940,780	680,110
Jail building maintenance	523,772	523,772	465,093	58,679
Merit board	3,850	3,850	4,388	(538)
Animal control	116,415	116,415	110,259	6,156
Coroner	119,717	119,717	124,554	(4,837)
Emergency service	<u>59,067</u>	<u>59,067</u>	<u>53,031</u>	<u>6,036</u>
Total Public Safety	<u>7,809,383</u>	<u>7,809,383</u>	<u>6,693,809</u>	<u>1,115,574</u>
Total Unrestricted Fund Expenditures	<u>13,547,946</u>	<u>13,554,814</u>	<u>12,207,946</u>	<u>1,346,868</u>
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	\$ (588,822)	\$ (445,690)	\$ 1,089,513	\$ 1,535,203

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE - CONTINUED
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Other:				
Sheriff State Drug	-	-	8,963	8,963
DUI Sheriff Law Enforcement Equipment	-	-	13,619	13,619
GIS	60,000	60,000	71,123	11,123
Mitigation Grants	-	-	25,808	25,808
States Attorney Drug Enforcement	-	-	8,499	8,499
Court Assessment Fees	120,000	120,000	100,652	(19,348)
Law Library Fees	11,000	11,000	10,105	(895)
Unclaimed Monies	-	-	3	3
Sheriff/Drug Federal Justice	-	-	669	669
Sheriff/Drug Federal Treasury	-	-	6,299	6,299
Hotel Tax	30,000	30,000	41,191	11,191
County Clerk	-	-	48,143	48,143
County Clerk Automation	-	-	44,369	44,369
Court Security	-	-	174,955	174,955
Court Automation	-	-	121,955	121,955
Treasurer's Automation	-	-	10,774	10,774
Tax Sale Fees	-	-	10,151	10,151
Court Document Storage	-	-	121,253	121,253
Child Support Administration	-	-	31,379	31,379
States Attorney Drug Asset Forfeiture	-	-	11,787	11,787
Sheriffs Drug Asset Forfeiture	-	-	24,663	24,663
Court Supervision	-	-	2,245	2,245
Drug Court	-	-	8,855	8,855
States Attorney Automation	-	-	3,038	3,038
Interest	-	-	845	845
Miscellaneous	-	-	9,919	9,919
Total Other	<u>221,000</u>	<u>221,000</u>	<u>911,262</u>	<u>690,262</u>
Total Restricted Fund Revenues	<u>221,000</u>	<u>221,000</u>	<u>911,262</u>	<u>690,262</u>
Other:				
Sheriff State Drug	-	-	4,521	(4,521)
DUI Sheriff Law Enforcement Equipment	-	-	2,972	(2,972)
Mitigation Grants	-	-	41,603	(41,603)
Sheriff/Drug Federal Treasury	-	-	1,042	(1,042)
Hotel Tax	25,000	25,000	37,055	(12,055)
County Clerk Automation	-	-	47,552	(47,552)
Court Security	-	-	216,934	(216,934)
Court Automation	-	-	206,613	(206,613)
Treasurer's Automation	-	-	5,913	(5,913)
Court Document Storage	-	-	198,285	(198,285)
Child Support Administration	-	-	21,587	(21,587)
States Attorney Drug Asset Forfeiture	-	-	4,426	(4,426)
Sheriffs Drug Asset Forfeiture	-	-	34,607	(34,607)
Drug Court	-	-	642	(642)
States Attorney Automation	-	-	5,182	(5,182)
Health Insurance	-	-	220,556	(220,556)
Total Other	<u>25,000</u>	<u>25,000</u>	<u>1,049,490</u>	<u>(1,024,490)</u>
Total Restricted Fund Expenditures	<u>25,000</u>	<u>25,000</u>	<u>1,049,490</u>	<u>(1,024,490)</u>
Deficiency of Revenues Over Expenditures - Restricted Funds	<u>196,000</u>	<u>196,000</u>	<u>(138,228)</u>	<u>(334,228)</u>
Other Financing Sources and (Uses):				
Transfers to Debt Service Fund	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	(392,822)	(249,690)	951,285	1,200,975
FUND BALANCE, BEGINNING OF YEAR	<u>3,402,918</u>	<u>3,402,918</u>	<u>3,402,918</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,010,096</u>	<u>\$ 3,153,228</u>	<u>\$ 4,354,203</u>	<u>\$ 1,200,975</u>

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 FEDERAL AID & MATCHING FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
General property taxes	\$ 363,090	\$ 363,090	\$ 352,919	\$ (10,171)
Intergovernmental revenue	815,440	815,440	3,804,138	2,988,698
Use of money and property	150	150	234	84
Other revenue	-	-	-	-
Total Revenues	<u>1,178,680</u>	<u>1,178,680</u>	<u>4,157,291</u>	<u>2,978,611</u>
Expenditures:				
Public works	-	-	17,980	(17,980)
Capital improvements	<u>2,073,000</u>	<u>2,073,000</u>	<u>4,033,746</u>	<u>(1,960,746)</u>
Total expenditures	<u>2,073,000</u>	<u>2,073,000</u>	<u>4,051,726</u>	<u>(1,978,726)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(894,320)</u>	<u>(894,320)</u>	<u>105,565</u>	<u>999,885</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(894,320)	(894,320)	105,565	999,885
FUND BALANCE, BEGINNING OF YEAR	<u>639,989</u>	<u>639,989</u>	<u>639,989</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ (254,331)</u>	<u>\$ (254,331)</u>	<u>\$ 745,554</u>	<u>\$ 999,885</u>

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 SOLID WASTE MANAGEMENT FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 175	\$ 175
Sanitation Fees	-	-	376,356	376,356
Total Revenues	-	-	376,531	376,531
Expenditures:				
Public Health	-	-	390,989	(390,989)
Total expenditures	-	-	390,989	(390,989)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(14,458)	(14,458)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	(14,458)	(14,458)
FUND BALANCE, BEGINNING OF YEAR	3,595,490	3,595,490	3,595,490	-
FUND BALANCE, END OF YEAR	\$ 3,595,490	\$ 3,595,490	\$ 3,581,032	\$ (14,458)

JACKSON COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
IMRF REGULAR PLAN
LAST 10 CALENDAR YEARS

Calendar year ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 874,693	\$ 1,285,592
Interest on the Total Pension Liability	5,294,334	5,043,582
Benefit Changes	-	-
Difference between Expected and Actual Experience	858,591	(1,463,769)
Assumption Changes	85,451	2,074,962
Benefit Payments and Refunds	<u>(3,674,753)</u>	<u>(3,108,365)</u>
Net Change in Total Pension Liability	3,438,316	3,832,002
Total Pension Liability - Beginning	<u>71,991,150</u>	<u>68,159,148</u>
Total Pension Liability - Ending (a)	<u>\$ 75,429,466</u>	<u>\$ 71,991,150</u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 1,008,020	\$ 1,221,288
Employee Contributions	410,282	511,479
Pension Plan Net Investment Income	346,264	4,102,133
Benefit Payments and Refunds	(3,674,753)	(3,108,365)
Other	<u>(549,573)</u>	<u>(281,335)</u>
Net Change in Plan Fiduciary Net Position	(2,459,760)	2,445,200
Plan Fiduciary Net Position - Beginning	<u>70,381,079</u>	<u>67,935,879</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 67,921,319</u>	<u>\$ 70,381,079</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	7,508,147	1,610,071
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.05%	97.76%
Cover Valuation Payroll	\$ 9,081,511	\$ 10,979,765
Net Pension Liability as a Percentage of Covered Valuation Payroll	82.68%	14.66%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

JACKSON COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
IMRF SLEP PLAN
LAST 10 CALENDAR YEARS

Calendar year ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 689,180	\$ 701,294
Interest on the Total Pension Liability	1,613,382	1,486,544
Benefit Changes	-	-
Difference between Expected and Actual Experience	(305,290)	(80,713)
Assumption Changes	32,249	330,452
Benefit Payments and Refunds	<u>(785,358)</u>	<u>(637,884)</u>
Net Change in Total Pension Liability	1,244,163	1,799,693
Total Pension Liability - Beginning	<u>21,588,572</u>	<u>19,788,879</u>
Total Pension Liability - Ending (a)	<u>\$ 22,832,735</u>	<u>\$ 21,588,572</u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 686,819	\$ 690,192
Employee Contributions	268,830	313,785
Pension Plan Net Investment Income	92,742	1,041,388
Benefit Payments and Refunds	(785,358)	(637,884)
Other	<u>(288,943)</u>	<u>166,826</u>
Net Change in Plan Fiduciary Net Position	(25,910)	1,574,307
Plan Fiduciary Net Position - Beginning	<u>18,463,191</u>	<u>16,888,884</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,437,281</u>	<u>\$ 18,463,191</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	4,395,454	3,125,381
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.75%	85.52%
Cover Valuation Payroll	\$ 3,638,441	\$ 3,489,807
Net Pension Liability as a Percentage of Covered Valuation Payroll	120.81%	89.56%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

KINKAID-REED'S CREEK CONSERVANCY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
IMRF ECO PLAN
LAST 10 CALENDAR YEARS

Calendar year ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 34,694	\$ 40,529
Interest on the Total Pension Liability	229,065	244,319
Benefit Changes	-	-
Difference between Expected and Actual Experience	149,741	(346,371)
Assumption Changes	8,121	(4,573)
Benefit Payments and Refunds	<u>(151,736)</u>	<u>(125,711)</u>
Net Change in Total Pension Liability	269,885	(191,807)
Total Pension Liability - Beginning	<u>3,112,719</u>	<u>3,304,526</u>
Total Pension Liability - Ending (a)	<u>\$ 3,382,604</u>	<u>\$ 3,112,719</u>
 Plan Fiduciary Net Position		
Employer Contributions	\$ 123,814	\$ 123,019
Employee Contributions	14,155	10,945
Pension Plan Net Investment Income	14,441	166,631
Benefit Payments and Refunds	(151,736)	(125,711)
Other	<u>60,948</u>	<u>(7,415)</u>
Net Change in Plan Fiduciary Net Position	61,622	167,469
Plan Fiduciary Net Position - Beginning	<u>2,894,999</u>	<u>2,727,530</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,956,621</u>	<u>\$ 2,894,999</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	425,983	217,720
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.41%	93.01%
Cover Valuation Payroll	\$ 187,968	\$ 145,929
Net Pension Liability as a Percentage of Covered Valuation Payroll	226.63%	149.20%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

JACKSON COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
LAST 10 CALENDAR YEARS

IMRF - Regular Plan					
Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 1,004,415 *	\$ 1,008,020	\$ (3,605)	\$ 9,081,511	11.10%
2014	\$ 1,237,419	\$ 1,221,288	\$ 16,131	\$ 10,979,765	11.12%

* Estimated based on contribution rate of 11.06% and covered valuation payroll of \$9,081,511

IMRF - SLEP Plan					
Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 697,489 *	\$ 686,819	\$ 10,670	\$ 3,638,441	18.88%
2014	\$ 672,137	\$ 690,192	\$ (18,055)	\$ 3,489,807	19.78%

* Estimated based on contribution rate of 19.17% and covered valuation payroll of \$3,638,441

IMRF - ECO Plan					
Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 123,439 *	\$ 123,814	\$ (375)	\$ 187,968	65.87%
2014	\$ 151,153	\$ 123,019	\$ 28,134	\$ 145,929	84.30%

* Estimated based on contribution rate of 65.67% and covered valuation payroll of \$187,968

Notes to Schedule:

Summary Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate**

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal
 Amortization Method: Level percentage of payroll, closed
 Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period
 Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period).
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
 Asset Valuation Method: 5-year smoothed market; 20% corridor
 Wage Growth: 4.00%
 Price Inflation: 3.0%—approximate; No explicit price inflation assumption is used in this valuation.
 Salary Increases: 4.40% to 16.00% including inflation
 Investment Rate of Return: 7.50%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
 Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes

There were no benefit changes during the year.

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL NONMAJOR
FUND FINANCIAL STATEMENTS
AND SCHEDULES

JACKSON COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Special Revenue Funds										Total Nonmajor Governmental Funds	
	Motor Fuel Tax Fund	County Bridge Fund	County Highway Fund	River Levee Bond Fund	Insurance Liability Fund	Workers Compensation Fund	Unemployment Fund	FICA and Medicare Fund	IMRF Fund	Housing of Prisoners Fund		Debt Service Fund
ASSETS												
Cash	\$ -	\$ 274,041	\$ 887,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,161,841
Accounts receivable:												
Other governmental units and agencies	-	10,113	104,064	-	-	-	-	-	-	-	-	114,177
Property taxes	-	63,977	949,270	-	-	-	-	-	-	-	-	1,013,247
Due from other funds	-	587	180,970	-	-	-	-	-	-	52,500	-	234,057
Due from agencies	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	184,293	-	184,293
Restricted assets												
Cash	893,292	-	-	1,600,303	153,467	-	187,400	251,351	1,091,097	676,595	841,307	5,694,812
Accounts receivable:												
Other governmental units and agencies	247,096	-	-	-	-	-	-	-	-	-	-	247,096
Property Taxes	-	-	-	-	520,103	138,053	35,507	564,212	1,551,555	-	216,296	3,025,726
Due from other funds	-	-	-	-	3,111	186,203	52,489	5,478	12,847	-	-	260,128
Total Assets and Other Debits	<u>1,140,388</u>	<u>348,718</u>	<u>2,122,104</u>	<u>1,600,303</u>	<u>676,681</u>	<u>324,256</u>	<u>275,396</u>	<u>821,041</u>	<u>2,655,499</u>	<u>913,388</u>	<u>1,057,603</u>	<u>11,935,377</u>
DEFERRED OUTFLOWS OF RESOURCES												
Deferred outflows	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets, Other Debits, and Deferred Outflows of Resources	<u>\$ 1,140,388</u>	<u>\$ 348,718</u>	<u>\$ 2,122,104</u>	<u>\$ 1,600,303</u>	<u>\$ 676,681</u>	<u>\$ 324,256</u>	<u>\$ 275,396</u>	<u>\$ 821,041</u>	<u>\$ 2,655,499</u>	<u>\$ 913,388</u>	<u>\$ 1,057,603</u>	<u>\$ 11,935,377</u>
LIABILITIES												
Liabilities:												
Accounts payable	\$ -	\$ 11,203	\$ 22,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,357
Accrued payroll	-	-	21,218	-	-	-	-	-	-	-	-	21,218
Compensated absences	-	-	98,632	-	-	-	-	-	-	-	-	98,632
Due to other funds	-	-	43,383	-	-	-	-	-	-	-	-	43,383
Restricted liabilities												
Accounts payable	64,329	-	-	-	51,708	-	2,134	-	-	-	-	118,171
Cash overdrawn	-	-	-	-	-	128,815	-	-	-	-	-	128,815
Due to other funds	-	-	-	-	-	24,351	-	-	-	-	-	24,351
Total Liabilities	<u>64,329</u>	<u>11,203</u>	<u>185,387</u>	<u>-</u>	<u>51,708</u>	<u>153,166</u>	<u>2,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,927</u>
DEFERRED INFLOWS OF RESOURCES												
Deferred revenue	-	56,600	839,900	-	-	-	-	-	-	-	-	896,500
Restricted deferred revenue	-	-	-	-	340,972	121,776	31,314	497,720	1,368,716	-	216,296	2,576,794
Total Deferred Inflows of Resources	-	<u>56,600</u>	<u>839,900</u>	-	<u>340,972</u>	<u>121,776</u>	<u>31,314</u>	<u>497,720</u>	<u>1,368,716</u>	-	<u>216,296</u>	<u>3,473,294</u>
Fund Balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	184,293	-	184,293
Restricted	1,076,059	-	-	1,600,303	284,001	49,314	241,948	323,321	1,286,783	676,595	841,307	6,379,631
Committed	-	7,377	109,370	-	-	-	-	-	-	52,500	-	169,247
Assigned	-	273,538	987,447	-	-	-	-	-	-	-	-	1,260,985
Total Fund Balances	<u>1,076,059</u>	<u>280,915</u>	<u>1,096,817</u>	<u>1,600,303</u>	<u>284,001</u>	<u>49,314</u>	<u>241,948</u>	<u>323,321</u>	<u>1,286,783</u>	<u>913,388</u>	<u>841,307</u>	<u>7,994,156</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,140,388</u>	<u>\$ 348,718</u>	<u>\$ 2,122,104</u>	<u>\$ 1,600,303</u>	<u>\$ 676,681</u>	<u>\$ 324,256</u>	<u>\$ 275,396</u>	<u>\$ 821,041</u>	<u>\$ 2,655,499</u>	<u>\$ 913,388</u>	<u>\$ 1,057,603</u>	<u>\$ 11,935,377</u>

JACKSON COUNTY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	Special Revenue Funds									Housing of Prisoners Fund	Debt Service Funds	Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	County Bridge Fund	County Highway Fund	River Levee Bond Fund	Insurance Liability Fund	Workers Compensation Fund	Unemployment Fund	FICA and Medicare Fund	IMRF Fund			
Revenues - Unrestricted Funds:												
General property taxes	\$ -	\$ 54,472	\$ 805,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 860,398
Intergovernmental revenue	934,231	12,860	376,810	-	-	-	-	-	-	646,921	-	1,970,822
Use of money and property	392	71	159	-	-	-	-	-	-	141	-	763
Federal subsidies for Recovery Zone Economic Development and Build America Bonds	-	-	-	-	-	-	-	-	-	-	72,988	72,988
Other revenue	2,208	-	79,875	-	-	-	-	-	-	-	-	82,083
Total Unrestricted Fund Revenues	936,831	67,403	1,262,770	-	-	-	-	-	-	647,062	72,988	2,987,054
Expenditures - Unrestricted Funds:												
Current:												
Public Works	532,746	20,371	1,599,683	-	-	-	-	-	-	-	-	2,152,800
Capital improvements	-	16,074	150,032	-	-	-	-	-	-	-	-	166,106
Debt service												
Principle	-	-	-	-	-	-	-	-	-	-	85,000	85,000
Interest	-	-	-	-	-	-	-	-	-	-	200,303	200,303
Other Expenditures	-	-	-	-	-	-	-	-	-	2,550	-	2,550
Total Unrestricted Fund Expenditures	532,746	36,445	1,749,715	-	-	-	-	-	-	2,550	285,303	2,606,759
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	404,085	30,958	(486,945)	-	-	-	-	-	-	644,512	(212,315)	380,295
Revenues - Restricted Funds:												
General property taxes	-	-	-	-	335,943	94,663	30,677	477,682	1,331,592	-	-	2,270,557
Other revenues	-	-	-	303	261	131,087	34,927	96	298	-	-	166,972
Total Restricted Fund Revenues	-	-	-	303	336,204	225,750	65,604	477,778	1,331,890	-	-	2,437,529
Expenditures - Restricted Funds:												
General property taxes:												
Tort liability	-	-	-	-	382,866	-	-	-	-	-	-	382,866
Benefits	-	-	-	-	-	208,989	80,788	695,963	1,245,123	-	-	2,230,863
Total Restricted Fund Expenditures	-	-	-	-	382,866	208,989	80,788	695,963	1,245,123	-	-	2,613,729
Excess (Deficiency) of Revenues Over Expenditures - Restricted Funds	-	-	-	303	(46,662)	16,761	(15,184)	(218,185)	86,767	-	-	(176,200)
Other Financing Sources (Uses):												
Issuance of bonds	-	-	-	1,600,000	-	-	-	-	-	-	-	1,600,000
Operating transfers in	30,787	1,976	514,208	-	-	-	-	-	-	-	1,053,622	1,600,593
Operating transfers out	(508,500)	(5,708)	(32,763)	-	-	-	-	-	-	(1,053,622)	-	(1,600,593)
Total Other Financing Sources (Uses)	(477,713)	(3,732)	481,445	1,600,000	-	-	-	-	-	(1,053,622)	1,053,622	1,600,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(73,628)	27,226	(5,500)	1,600,303	(46,662)	16,761	(15,184)	(218,185)	86,767	(409,110)	841,307	1,804,095
FUND BALANCES, BEGINNING OF YEAR	1,149,687	253,689	1,102,317	-	330,663	32,553	257,132	541,506	1,200,016	1,322,498	-	6,190,061
FUND BALANCES, END OF YEAR	\$ 1,076,059	\$ 280,915	\$ 1,096,817	\$ 1,600,303	\$ 284,001	\$ 49,314	\$ 241,948	\$ 323,321	\$ 1,286,783	\$ 913,388	\$ 841,307	\$ 7,994,156

JACKSON COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 November 30, 2015

	Agency Funds						Total
	County Collector's Funds	Township Bridge Program	Township Motor Fuel Tax Fund	Tax Sale Fund	Rental Housing Support Program	Circuit Clerk Bond Fund	
ASSETS							
Cash	\$ 3,813,738	\$ 121,591	\$ 414,183	\$ 135,676	\$ 10,741	\$ 79,409	\$ 4,575,338
Accounts receivable	-	-	250,293	-	-	-	250,293
Investments	-	-	-	-	-	924,212	924,212
Total assets	<u>3,813,738</u>	<u>121,591</u>	<u>664,476</u>	<u>135,676</u>	<u>10,741</u>	<u>1,003,621</u>	<u>5,749,843</u>
LIABILITIES							
Due to others	-	121,591	664,476	135,676	10,741	161,034	1,093,518
Due to individuals	-	-	-	-	-	842,587	842,587
Due to taxing units	3,813,738	-	-	-	-	-	3,813,738
Total liabilities	<u>3,813,738</u>	<u>121,591</u>	<u>664,476</u>	<u>135,676</u>	<u>10,741</u>	<u>1,003,621</u>	<u>5,749,843</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNITS
 NOVEMBER 30, 2015

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Assets and Other Debits				
Cash	\$ 957,843	\$ 39,304	\$ 307,410	\$ 1,304,557
Accounts Receivable:				
Other governmental units and agencies	705,205	-	-	705,205
Property taxes	812,545	79,854	331,021	1,223,420
Other receivables	-	2	-	2
Due from other funds	36,459	506	2,528	39,493
Prepayments	5,045	-	-	5,045
Inventory	<u>50,582</u>	<u>3,024</u>	<u>-</u>	<u>53,606</u>
 Total Assets	 <u>\$ 2,567,679</u>	 <u>\$ 122,690</u>	 <u>\$ 640,959</u>	 <u>\$ 3,331,328</u>
 Liabilities, Equity and Other Credits				
Liabilities:				
Accounts payable	\$ 44,458	\$ 302	\$ 68,189	\$ 112,949
Accrued payroll	108,886	-	-	108,886
Compensated absences	83,909	-	-	83,909
Due to other funds	29,152	5,872	-	35,024
Deferred revenue	<u>799,755</u>	<u>71,500</u>	<u>294,547</u>	<u>1,165,802</u>
 Total Liabilities	 <u>1,066,160</u>	 <u>77,674</u>	 <u>362,736</u>	 <u>1,506,570</u>
 Fund Balance:				
Unreserved, undesignated	<u>1,501,519</u>	<u>45,016</u>	<u>278,223</u>	<u>1,824,758</u>
 Total Fund Balances	 <u>1,501,519</u>	 <u>45,016</u>	 <u>278,223</u>	 <u>1,824,758</u>
 Total Liabilities and Fund Balances	 <u>\$ 2,567,679</u>	 <u>\$ 122,690</u>	 <u>\$ 640,959</u>	 <u>\$ 3,331,328</u>

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
NOVEMBER 30, 2015

Total fund balances for discretely presented component units		\$ 1,824,758
Total net assets reported for discretely presented component units in the statement of net assets is different because:		
Capital assets used in discretely presented component units are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	49,500	
Land improvements, net of \$70,744 accumulated depreciation	50,221	
Buildings, net of \$875,307 accumulated depreciation	971,191	
Building improvements, less \$104,910 accumulated depreciation	77,633	
Equipment, less \$301,651 accumulated depreciation	<u>30,385</u>	
Total capital assets		1,178,930
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund balance sheet.		
		1,009,641
Long-term liabilities applicable to the County's discretely presented component units are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of:		
Compensated absences	(76,506)	
Net pension liability	<u>(1,620,258)</u>	
Total long-term liabilities		<u>(1,696,764)</u>
Total net position of discretely presented component units		<u>\$ 2,316,565</u>

JACKSON COUNTY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

	<u>Health Department</u>	<u>Tuberculosis</u>	<u>Mental Health (708) Board</u>	<u>Totals</u>
Revenues - Unrestricted Funds:				
General property taxes	\$ 697,642	\$ 61,543	\$ 269,018	\$ 1,028,203
Intergovernmental revenue	2,438,628	-	-	2,438,628
Use of money and property	203	10	-	213
Service charges, permits and fees	593,556	-	-	593,556
Other income	<u>69,038</u>	<u>10,717</u>	<u>66</u>	<u>79,821</u>
Total Unrestricted Fund Revenues	<u>3,799,067</u>	<u>72,270</u>	<u>269,084</u>	<u>4,140,421</u>
Expenditures - Unrestricted Funds:				
Public health	<u>3,792,772</u>	<u>81,668</u>	<u>278,384</u>	<u>4,152,824</u>
Total Unrestricted Fund Expenditures	<u>3,792,772</u>	<u>81,668</u>	<u>278,384</u>	<u>4,152,824</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 6,295</u>	<u>\$ (9,398)</u>	<u>\$ (9,300)</u>	<u>\$ (12,403)</u>

JACKSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF DISCRETELY PRESENTED COMPONENT UNITS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Net change in fund balances - total discretely presented component units \$ (12,403)

The change in net assets reported for discretely presented component units in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$87,091) exceeded capital outlays \$10,049 in the current period. (77,042)

The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, donations, disposals and adjustments) is to increase/decrease net position: (413)

Governmental funds report pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (491,455)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:
Change in compensated absences 8,528

Change in net assets of discretely presented component units \$ (572,785)

FEDERAL FINANCIAL ASSISTANCE



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois, as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise Jackson County, Illinois' basic financial statements and have issued our report thereon dated July 7, 2016.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness. (Item 2015-1)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (Items 2015-2 and 2015-3)

Compliance and Other Matters

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

Jackson County, Illinois' Response to Findings

Jackson County, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Jackson County, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Kirby, Eck + Brueckel LLP

Carbondale, Illinois
July 7, 2016

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Jackson County Board
Courthouse
Murphysboro, Illinois

Report on Compliance for Each Major Federal Program

We have audited Jackson County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jackson County, Illinois' major federal programs for the year ended November 30, 2015. Jackson County, Illinois major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jackson County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jackson County, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Jackson County, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2015.

Report on Internal Control Over Compliance

Management of Jackson County, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jackson County, Illinois' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kemper, Eck + Braeckel LLP

Carbondale, Illinois
July 7, 2016

JACKSON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Program	CFDA Number	Pass-through Grantor's Number	Pass-Through Grantor	Expenditures
U.S. Department of Agriculture				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	FCSTQ01210 FCSUQ01210 FCSTQ00896 FCSUQ00896	Illinois Department of Human Services	12,060 4,885 158,148 95,144
non-cash		FCSTQ00896 FCSUQ00896		640,244 -
				<u>910,481</u>
Women, Infants, & Children Farmers' Market Nutrition Program	10.572	FCSTQ01276	Illinois Department of Human Services	1,000
Summer Food Service Program for Children	10.559	45280153B	Illinois Department of Public Health	1,300
State Administrative Expenses for Child Nutrition	10.560	55280019C	Illinois Department of Public Health	<u>480</u>
Total U.S. Department of Agriculture				913,261
U.S. Department of Health and Human Services				
Medical Reserve Corps Small Grant Program	93.008	MRC 15-2292 MRC 14-2292C	National Association of County and City Health Officials	3,500 <u>15,000</u>
				18,500
Family Planning Services	93.217	56180056C 66180060D	Illinois Department of Public Health	61,228 <u>14,048</u>
				75,276
Social Services Block Grant	93.667	56180056C	Illinois Department of Public Health	9,870
Maternal and Child Health Services Block Grant to the States	93.994	56180056C 56380048C	Illinois Department of Public Health	4,516 <u>19,660</u>
				24,176
Immunization Cooperative Agreements	93.268	45180020B 551800236C	Illinois Department of Public Health	16,591 <u>23,107</u>
				39,698
HIV Care Formula Grants	93.917	45780058B 55780069C	Illinois Department of Public Health	247,112 <u>133,183</u>
				380,295 *
HIV Prevention Activities-Health Department Based	93.940	14-141-01 45780058B 55780069C	Illinois Department of Public Health	50,484 67,908 <u>56,458</u>
				174,850
Hospital Preparedness (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	57180038C 67180038D	Illinois Department of Public Health	56,324 12,727 <u>8,478</u>
				77,529
Environmental Public Health and Emergency Response	93.070	63283006D	Illinois Department of Public Health	1,250
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	IP-14-149-030 IP-15-149-008	Illinois Public Health Association	13,725 <u>159,532</u>
				173,257
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531	42180132B	Illinois Department of Public Health	70,729
Medical Assistance Program	93.778	N/A	Illinois Department of Healthcare and Family Services	63,886
Child Support Enforcement	93.563	N/A	Illinois Department of Healthcare and Family Services	<u>7,480</u>
Total U.S. Department of Health and Human Services				1,116,796

The accompanying notes are an integral part of this schedule.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Program	CFDA Number	Pass-through Grantor's Number	Pass-Through Grantor	Expenditures
U.S. Department of Housing and Urban Development				
Housing Opportunities for Persons with AIDS	14.241	45780065B 55780036C	Illinois Department of Public Health	23,500 <u>15,254</u>
Total U.S. Department of Housing and Urban Development				38,754
U.S. Department of Transportation				
Highway Planning and Construction	20.205	06-00144-00-WR 06-00145-00-BR 07-00153-00-BR 08-00157-00-RS 09-00152-00-SP 10-00163-00-BR 12-00168-00-SP	Illinois Department of Transportation	12,971 27,209 12,066 6,750 402,544 12,772 <u>18,863</u>
Total U.S. Department of Transportation				493,175
U.S. Environmental Protection Agency				
Performance Partnership Grants	66.605	45382038B	Illinois Department of Public Health	<u>263</u>
Total U.S. Environmental Protection Agency				263
U.S. Department of Homeland Security				
Hazard Mitigation Grant	97.039	N/A	Illinois Emergency Management Agency	28,381
Emergency Management Performance Grants	97.042	N/A	Illinois Emergency Management Agency	<u>21,361</u>
Total U.S. Department of Homeland Security				49,742
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Programs	16.738	2014-DJ-BX-0154	City of Carbondale, Illinois	<u>10,966</u>
Total U.S. Department of Justice				10,966
Total Federal Expenditures				<u>2,622,957</u>

* Denotes Major Program
x Denotes ARRA funds
DUNS - 884008483

The accompanying notes are an integral part of this schedule.

JACKSON COUNTY, ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of Jackson County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2: Subrecipients

As required by O.M.B. Circular A-133 section 310(b)(5), Jackson County, Illinois did not provide any federal funds to subrecipients during fiscal year ended November 30, 2015.

Note 3: Non-cash Assistance, Insurance or Loans

As required by O.M.B. Circular A-133 section 310(b)(6), Jackson County, Illinois did not receive or administer any insurance and had no loans or loan guarantees outstanding at year ended November 30, 2015.

Non-cash assistance received in the amount \$640,244 as reflected in the Schedule of Expenditures of Federal Awards.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED NOVEMBER 30, 2015

Section II - Financial Statement Findings

MATERIAL WEAKNESSES

Finding Number 2015-01

Criteria

Journal Entries and Financial Close

Condition and Context

There was a delay in the initial year end closing of the books. There was a total of 19 audit journal entries and management provided us with 40 client journal entries after the initial close.

Effect

As a result of the number of audit and client journal entries required to close out the books and records the year-end audit was delayed considerably.

Recommendation

We recommend management review its year end closing procedures to determine where improvements and efficiency can be obtained.

Management Response

It is our understanding that the County has purchased financial software package that will reduce the amount of manual entries recorded at year-end to close out the books and records.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED NOVEMBER 30, 2015

Section II - Financial Statement Findings - Continued

SIGNIFICANT DEFICIENCIES

Finding Number 2015-02

Criteria

Unclaimed Bail Deposits

Condition and Context

The Jackson County Circuit Clerk has consistently followed procedures regarding turning over unclaimed bail deposits held for three years to Jackson County, Illinois (County) under the requirements in 725 ILCS 5/110-17. In 2015, their software company recommended they change procedures slightly and put the unclaimed bail deposits back on the case in the software before it is turned over/disbursed to the County. Historically, they had tracked these cases in a separate excel file and did not make adjustments to the old case file.

Effect

The recommendation from the software company ended up causing large discrepancies between the amounts reported as deposits of bail on current cases and what was shown in the software as deposits of bail. Generally, reports from the software can be used to reconcile and support the amounts reported on the financial statements but that was not the case for 2015 after this change in processes.

Recommendation

We recommend further time be spent on correcting the amounts shown as outstanding deposits of bail in the software to agree to totals reflected in the financial statements going forward.

Management Response

The Circuit Clerk has since changed processes to the way they had been done previously to prevent any future discrepancies.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED NOVEMBER 30, 2015

Section II - Financial Statement Findings - Continued

SIGNIFICANT DEFICIENCIES

Finding Number 2015-03

Criteria

Segregation of Duties

Condition and Context

During the audit, we noted segregation of duties in several throughout the County:

- An individual responsible for preparing the bank reconciliation should be independent of the cash receipt function
- An individual involved in the cash receipt functions should not be responsible for posting the transactions to the books and records
- An individual should not be able to both post and approve entries to the general ledger

Due to limited staff at the County, separating the incompatible duties may not be possible or cost effective.

Effect

Segregation of duties is a key control in the accounting system. Allowing one individual to perform too many steps in an accounting process could enable an individual to commit fraud and conceal a fraudulent act.

Recommendation

While separating the incompatible duties may not always be possible, we recommend that the County take any steps possible to better separate the cash receipt process from the other financial processes of the County. In addition, we recommend all County departments periodically review their internal controls over processing procedures and staffing assignments for any potential incompatible duties or other internal control weakness.

Management Response

Jackson County continues to strive to improve its internal controls. It will take any steps possible to better separate incompatible duties.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED NOVEMBER 30, 2015

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

JACKSON COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015

Prior Audit Findings

- 2014-01. Segregation of Duties - repeat comment
- 2014-02. Bank Accounts - no such instance noted in fiscal year 2015
- 2014-03. Restricted Cash Accounts - comment implemented

