

ANNUAL
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2017

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2017

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1 thru 3
Organizational Chart	4
List of Elected and Appointed Officials	5
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION	6 thru 8
MANAGEMENT'S DISCUSSION AND ANALYSIS	9 thru 11
BASIC FINANCIAL STATEMENTS	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	12-13
Statement of Activities	14
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Statement of Fiduciary Net Position and Liabilities - Fiduciary Funds	22
Notes to the Financial Statements	23 thru 57
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules	58 thru 62
<i>Multiyear Schedule of Changes in Net Pension Liability and Related Ratios</i>	
IMRF Regular Plan	63
IMRF SLEP Plan	64
IMRF ECO Plan	65
Multiyear Schedule of Contributions	66

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2017

TABLE OF CONTENTS - CONTINUED

COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL
STATEMENTS AND SCHEDULES

Combining Balance Sheet - Nonmajor Governmental Funds	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	68
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	69
Combining Balance Sheet - Discretely Presented Component Units	70
Reconciliation of the Discretely Presented Component Units Balance Sheet to the Statement of Net Position	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Discretely Presented Component Units	72
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Discretely Presented Component Units to the Statement of Activities	73

FEDERAL FINANCIAL ASSISTANCE

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 <i>GOVERNMENT AUDITING STANDARDS</i>	74 thru 75
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	76 thru 77
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	78 thru 79
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	80
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	81 thru 83
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	84

INTRODUCTORY SECTION

May 29, 2018

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 annual financial report of Jackson County for the fiscal year ended November 30, 2017.

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, 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, 2017, 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, 2017, 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 the 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.

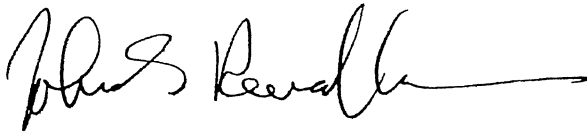
Jackson County consists of the following publicly elected constitutional offices: County Clerk & Recorder, County Coroner, County Treasurer, Circuit Clerk, Sheriff, State's Attorney, Supervisor of Assessments, and Superintendent of Schools. Jackson County provides a full range of services, including: animal & rabies control; 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 & Administration 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 & Administration Committee for review. The Finance & Administration Committee and accounting coordinator hold budget meetings with all elected officeholders and department heads. Typically, the Finance & Administration 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 & Administration 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

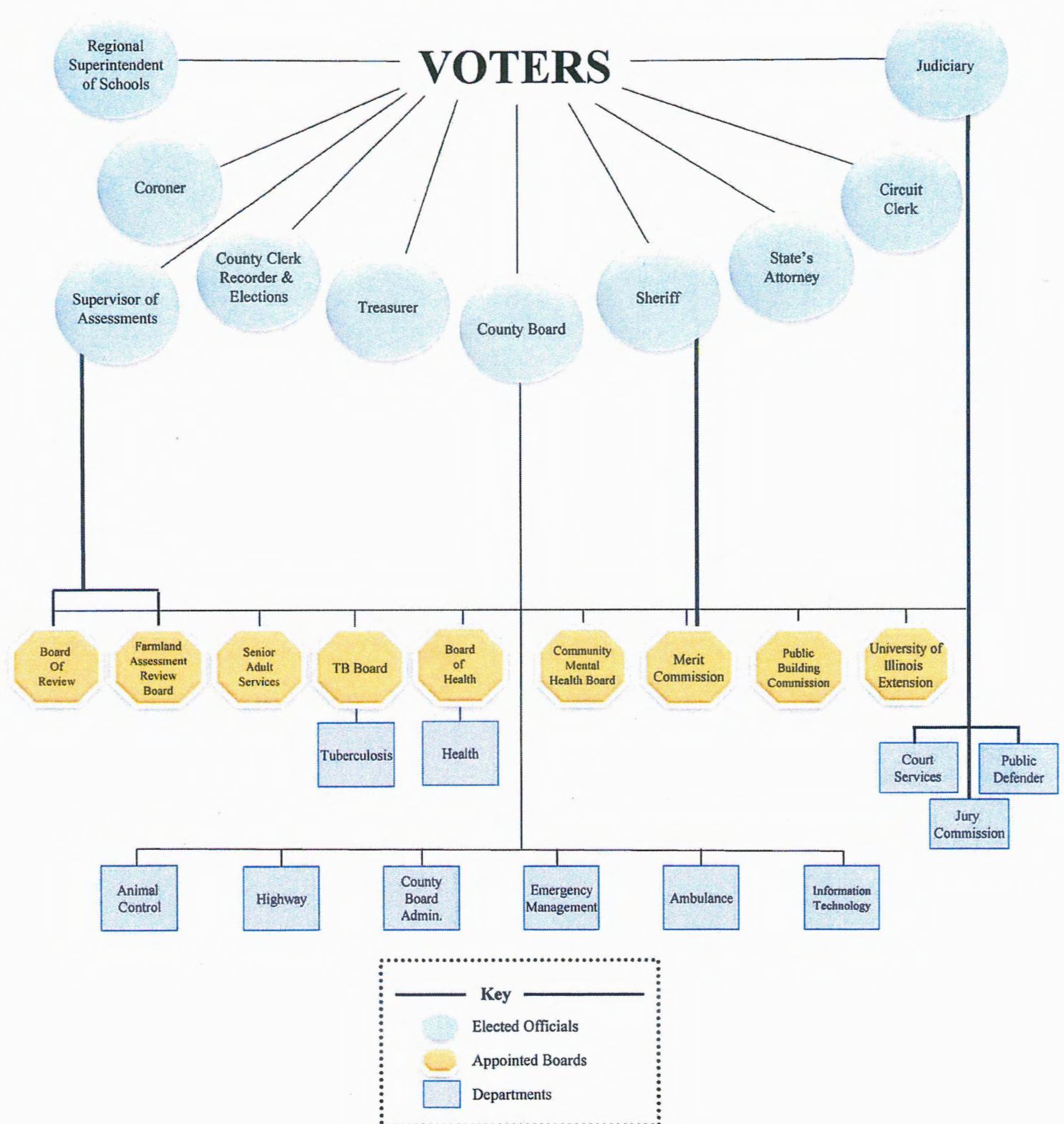
The preparation of this report would not have been possible without the efficient and dedicated services of the Accounting Coordinator, Jackson County Treasurer's Office, Jackson County State's Attorney Office, Jackson County Ambulance Service, Jackson County Health Department, and the Jackson County Highway Department. 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 & Administration 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 Government Organizational Chart



JACKSON COUNTY, ILLINOIS
LIST OF ELECTED OFFICIALS
NOVEMBER 30, 2017

JACKSON COUNTY ELECTED OFFICIALS

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

JACKSON COUNTY BOARD MEMBERS

District 1	Jose Mendoza, Jr.
District 2	Laurie Nehring
District 3	Dan Bost
District 4	Andrew Erbes
District 5	Steven Bost
District 6	Emily Burke
District 7	Cheryl Endres
	Tamiko Mueller
	Julie Peterson
	John Rendleman
	Elizabeth Hunter
	Scott Comparato
	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 Doerr-Berger
	Wenonay Whitfield
Emergency & Disaster Services	Derek Misener
Health Department Administrator	Sarah Patrick
Highway Engineer	Grant Guthman

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 2017, 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.

Auditors' 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, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9-11, budgetary comparison information on pages 58-62 and the retirement plans schedules of changes in net pension liability and related ratios, and the schedules of contributions on pages 63-66 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 May 29, 2018 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.

Karben, Ed & Bernadell LLP

Carbondale, Illinois

May 29, 2018

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
NOVEMBER 30, 2017

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, 2017. 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 implemented a new county-wide financial management software system. The new system is designed 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 appointed members to the re-established public building commission per the voter approved referendum. The commission is tasked with recommending the building needs of the county.
- Jackson County, for two consecutive years, adopted a budget with a reduction in property taxes in recognition of outward migration from the county due to high property taxes.

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, 2017

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 12-14 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 major and eleven nonmajor 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 15-18 of this report.

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
NOVEMBER 30, 2017

Proprietary funds - Jackson County maintains one active proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Jackson County uses proprietary funds to account for its ambulance service.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides separate information for the ambulance service, which is considered to be major funds of Jackson County.

The basic proprietary fund financial statements can be found on pages 19-21 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 22 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 23-57 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 58-66 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, 2017

	Primary Government			Component Units
	Governmental	Business-type		
	Activities	Activities	Total	Total
Assets:				
Cash	\$ 6,156,068	\$ 2,271,839	\$ 8,427,907	\$ 1,408,055
Accounts receivable:				
Consumers	-	638,465	638,465	-
Other governmental units and agencies	1,076,108	-	1,076,108	744,682
Property taxes	8,533,629	726,687	9,260,316	1,232,278
Internal balance	2,626,108	42,741	2,668,849	25,093
Due from agencies	23,470	-	23,470	-
Prepayments	10,808	-	10,808	6,550
Inventories	-	53,486	53,486	43,358
Restricted assets:				
Cash	9,124,472	-	9,124,472	-
Investments	51,830	-	51,830	-
Accounts receivable:				
Other governmental units and agencies	841,682	-	841,682	-
Property taxes	2,903,300	-	2,903,300	-
Internal balance	(2,693,942)	-	(2,693,942)	-
Due from agencies	3,433	-	3,433	-
Noncurrent assets:				
Land	150,000	66,458	216,458	49,500
Construction in progress	14,966,818	-	14,966,818	-
Capital assets, net	<u>23,872,813</u>	<u>353,290</u>	<u>24,226,103</u>	<u>1,000,693</u>
Total Assets	<u>67,646,597</u>	<u>4,152,966</u>	<u>71,799,563</u>	<u>4,510,209</u>
Deferred Outflows of Resources				
Deferred outflows - IMRF regular	2,412,872	1,065,170	3,478,042	961,656
Deferred outflows - IMRF SLEP	1,822,259	-	1,822,259	-
Deferred outflows - IMRF ECO	<u>222,605</u>	<u>-</u>	<u>222,605</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>4,457,736</u>	<u>1,065,170</u>	<u>5,522,906</u>	<u>961,656</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 72,104,333</u>	<u>\$ 5,218,136</u>	<u>\$ 77,322,469</u>	<u>\$ 5,471,865</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET POSITION - CONTINUED
NOVEMBER 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Liabilities:				
Accounts payable	\$ 985,843	\$ 269,613	\$ 1,255,456	\$ 40,834
Accrued payroll	512,812	122,180	634,992	55,152
Current portion - compensated absences	715,220	87,876	803,096	83,250
Current portion - general obligation bonds	235,000	-	235,000	-
Due to others	101,798	-	101,798	-
Due to agencies	9,144	-	9,144	-
Restricted liabilities				
Accounts payable	520,327	-	520,327	-
Accrued payroll	232,585	-	232,585	-
Current portion - compensated absences	11,167	-	11,167	-
Due to others	95,861	-	95,861	-
Noncurrent liabilities:				
Compensated absences	1,856,453	-	1,856,453	85,658
General obligation bonds	3,800,000	-	3,800,000	-
Net OPEB obligation	3,045,979	-	3,045,979	-
Net Pension Liability - IMRF regular	3,582,069	1,648,889	5,230,958	1,537,880
Net Pension Liability - IMRF SLEP	3,420,889	-	3,420,889	-
Net Pension Liability - IMRF ECO	195,323	-	195,323	-
Total Liabilities	19,320,470	2,128,558	21,449,028	1,802,774
Deferred Inflows of Resources				
Deferred inflows - property taxes	7,977,552	670,922	8,648,474	1,227,658
Deferred inflows - IMRF regular	406,420	187,083	593,503	174,488
Deferred inflows - IMRF SLEP	1,039,598	-	1,039,598	-
Deferred inflows - IMRF ECO	148,053	-	148,053	-
Restricted deferred inflows	-	-	-	-
Deferred inflows - property taxes	2,707,240	-	2,707,240	-
Total Deferred Inflows of Resources	12,278,863	858,005	13,136,868	1,402,146
NET POSITION				
Net investment in capital assets	36,414,631	419,748	36,834,379	1,050,193
Restricted	6,663,595	-	6,663,595	-
Unrestricted	(2,573,226)	1,811,825	(761,401)	1,216,752
Total Net Position	40,505,000	2,231,573	42,736,573	2,266,945
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 72,104,333	\$ 5,218,136	\$ 77,322,469	\$ 5,471,865

The accompanying notes are an integral port of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Service Charges, Permits, and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 13,999,926	\$ 6,925,216	\$ 285,592	\$ -	\$ (6,789,118)	\$ -	\$ (6,789,118)	\$ -
Public Works	4,730,775	689,207	1,788,453	1,057,454	(1,195,661)	-	(1,195,661)	-
Public Safety	8,776,726	1,043,617	157,140	-	(7,575,969)	-	(7,575,969)	-
Interest on long term debt	269,261	-	-	-	(269,261)	-	(269,261)	-
Total governmental activities	27,776,688	8,658,040	2,231,185	1,057,454	(15,830,009)	-	(15,830,009)	-
Business-Type activities:								
Rehab & Care	381,919	-	-	-	-	(381,919)	(381,919)	-
Ambulance	3,418,903	3,048,182	-	-	-	(370,721)	(370,721)	-
Total Business-Type activities	3,800,822	3,048,182	-	-	-	(752,640)	(752,640)	-
Total Primary Government	\$ 31,577,510	\$ 11,706,222	\$ 2,231,185	\$ 1,057,454	(15,830,009)	(752,640)	(16,582,649)	-
Component Units:								
Health Department	\$ 3,373,942	\$ 552,263	\$ 2,385,384	\$ -	-	-	-	(436,295)
Tuberculosis	78,605	10,219	-	-	-	-	-	(68,386)
Mental Health 708 Board	318,437	-	-	-	-	-	-	(318,437)
Total Component Units	\$ 3,770,984	\$ 562,482	\$ 2,385,384	\$ -	-	-	-	(823,118)
General Revenues:								
Taxes:								
General property taxes					7,779,847	753,084	8,532,931	1,106,257
Property taxes, restricted					2,647,450	-	2,647,450	-
Sales and service taxes					2,032,623	-	2,032,623	-
Motor fuel tax					759,418	-	759,418	-
State Income Tax					1,883,312	-	1,883,312	-
Replacement Tax					644,504	-	644,504	-
Local Use Tax					525,371	-	525,371	-
County Hotel Tax					7,256	-	7,256	-
Investment earnings					61,146	23,977	85,123	1,577
Federal subsidies for Recovery Zone Economic Development and Build America Bonds					107,570	-	107,570	-
Miscellaneous					98,215	29,742	127,957	-
Total general revenues					16,546,712	806,803	17,353,515	1,107,834
Change in net position					716,703	54,163	770,866	284,716
Net position - beginning					39,788,297	2,177,410	41,965,707	1,982,229
Net position - ending					\$ 40,505,000	\$ 2,231,573	\$ 42,736,573	\$ 2,266,945

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
NOVEMBER 30, 2017

	General Fund	County Highway Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 2,692,397	\$ 1,130,417	\$ 1,170,836	\$ 1,162,418	\$ 6,156,068
Accounts receivable:					
Other governmental units and agencies	807,149	208,576	56,272	4,111	1,076,108
Property taxes	7,140,659	922,207	-	470,763	8,533,629
Due from other funds	2,621,405	91,067	2,183,421	-	4,895,893
Due from agencies	-	23,470	-	-	23,470
Prepayments	-	-	-	10,808	10,808
Restricted assets					
Cash	2,938,433	-	-	6,186,039	9,124,472
Investments	51,830	-	-	-	51,830
Accounts receivable:					
Other governmental units and agencies	799,885	-	-	41,797	841,682
Property taxes	-	-	-	2,903,300	2,903,300
Due from other funds	9,987	-	300,000	133,258	443,245
Due from agency funds	-	-	-	3,433	3,433
Total Assets	<u>17,061,745</u>	<u>2,375,737</u>	<u>3,710,529</u>	<u>10,915,927</u>	<u>34,063,938</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 17,061,745</u>	<u>\$ 2,375,737</u>	<u>\$ 3,710,529</u>	<u>\$ 10,915,927</u>	<u>\$ 34,063,938</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 399,540	\$ 116,630	\$ -	\$ 469,673	\$ 985,843
Accrued payroll	469,007	43,805	-	-	512,812
Compensated absences	627,948	87,272	-	-	715,220
Due to other funds	2,183,423	22,214	49,741	14,407	2,269,785
Due to others	101,798	-	-	-	101,798
Due to agencies	-	9,144	-	-	9,144
Restricted liabilities					
Accounts payable	500,430	-	-	19,897	520,327
Accrued payroll	(46,035)	-	-	278,620	232,585
Compensated absences	11,167	-	-	-	11,167
Due to other funds	2,935,496	-	-	201,691	3,137,187
Due to others	95,861	-	-	-	95,861
Total liabilities	<u>7,278,635</u>	<u>279,065</u>	<u>49,741</u>	<u>984,288</u>	<u>8,591,729</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - property taxes	6,677,852	860,000	-	439,700	7,977,552
Restricted deferred inflows - property taxes	-	-	-	2,707,240	2,707,240
Total Deferred Inflows of Resources	<u>6,677,852</u>	<u>860,000</u>	<u>-</u>	<u>3,146,940</u>	<u>10,684,792</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,956,487</u>	<u>1,139,065</u>	<u>49,741</u>	<u>4,131,228</u>	<u>19,276,521</u>
Fund Balances:					
Nonspendable	-	-	2,183,421	10,808	2,194,229
Restricted	303,216	-	300,000	6,060,379	6,663,595
Committed	-	62,207	1,177,367	31,063	1,270,637
Assigned	-	1,174,465	-	682,449	1,856,914
Unassigned	2,802,042	-	-	-	2,802,042
Total fund balances	<u>3,105,258</u>	<u>1,236,672</u>	<u>3,660,788</u>	<u>6,784,699</u>	<u>14,787,417</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,061,745</u>	<u>\$ 2,375,737</u>	<u>\$ 3,710,529</u>	<u>\$ 10,915,927</u>	<u>\$ 34,063,938</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 NET POSITION
NOVEMBER 30, 2017

Total fund balances for governmental funds	\$	14,787,417
--	----	------------

Total net position reported for governmental activities in the statement of net position 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	14,966,818	
Land	150,000	
Land improvements, net of \$122,476 accumulated depreciation	39,900	
Buildings, net of \$5,787,141 accumulated depreciation	5,013,280	
Building improvements, net of \$1,145,339 accumulated depreciation	819,211	
Fixed equipment, net of \$257,599 accumulated depreciation	32,205	
Major movable equipment, net of \$1,429,000 accumulated depreciation	58,331	
Vehicles, net of \$2,548,946 accumulated depreciation	416,189	
Computers, net of \$871,303 accumulated depreciation	275,108	
Infrastructure, net of \$7,910,375 accumulated depreciation	<u>17,218,589</u>	
Total capital assets		38,989,631

Deferred outflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental fund balance sheet.		2,863,665
---	--	-----------

The OPEB obligation resulting from contributions less than the annual required contribution are not financial liabilities and, therefore, are not reported in the funds.		(3,045,979)
--	--	-------------

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 position. Long-term liabilities consist of:

GOB bonds payable	(4,035,000)	
Compensated absences	(1,856,453)	
Net Pension Liability	<u>(7,198,281)</u>	
Total long-term liabilities		<u>(13,089,734)</u>

Total net position of governmental activities	\$	<u>40,505,000</u>
---	----	-------------------

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, 2017

	General Fund	County Highway Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
Revenues - Unrestricted Funds:					
General property taxes	\$ 6,520,315	\$ 840,051	\$ -	\$ 419,481	\$ 7,779,847
Sales and service taxes	2,032,623	-	-	-	2,032,623
Intergovernmental revenue	3,391,156	1,259,197	-	1,035,210	5,685,563
Use of money and property	19,231	6,070	7,406	8,183	40,890
Service charges, permits and fees	1,884,923	-	-	-	1,884,923
Sanitation fees	-	-	392,741	-	392,741
Other revenue	-	689,207	-	-	689,207
Total Unrestricted Fund Revenues	13,848,248	2,794,525	400,147	1,462,874	18,505,794
Expenditures - Unrestricted Funds					
Current:					
General government	6,234,366	-	-	-	6,234,366
Public safety	8,444,937	-	-	-	8,444,937
Public health	-	-	364,755	-	364,755
Public works	-	3,000,274	-	295,840	3,296,114
Capital improvements	534,047	102,672	-	1,336,128	1,972,847
Other Expenditures	-	-	-	145	145
Total Unrestricted Fund Expenditures	15,213,350	3,102,946	364,755	1,632,113	20,313,164
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	(1,365,102)	(308,421)	35,392	(169,239)	(1,807,370)
Revenues - Restricted Funds:					
General property taxes	-	-	-	2,647,450	2,647,450
Intergovernmental revenue	-	-	-	918,177	918,177
Use of money and property	-	-	-	20,256	20,256
Federal subsidies for Recovery Zone Economic Development and Build America Bonds	-	-	-	107,570	107,570
Other revenues	5,597,732	-	-	696,412	6,294,144
Total Restricted Fund Revenues	5,597,732	-	-	4,389,865	9,987,597
Expenditures - Restricted Funds:					
General property taxes:					
Tort liability	-	-	-	373,923	373,923
Benefits	-	-	-	1,217,709	1,217,709
Debt Service					
Principal	-	-	-	225,000	225,000
Interest	-	-	-	269,261	269,261
Capital improvements	-	-	-	34,409	34,409
Other expenditures	6,362,500	-	-	581,896	6,944,396
Total Restricted Fund Expenditures	6,362,500	-	-	2,702,198	9,064,698
Excess (deficiency) of Revenues Over Expenditures - Restricted Funds	(764,768)	-	-	1,687,667	922,899
Other Financing Sources (Uses):					
Operating transfers in	2,411,005	515,108	-	558,291	3,484,404
Operating transfers in - restricted	2,575,471	-	-	-	2,575,471
Operating transfers out	(2,441,952)	-	-	-	(2,441,952)
Operating transfers out - restricted	(1,371,508)	-	-	(2,246,415)	(3,617,923)
Total Other Financing Sources (Uses)	1,173,016	515,108	-	(1,688,124)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(956,854)	206,687	35,392	(169,696)	(884,471)
FUND BALANCES, BEGINNING OF YEAR	4,062,112	1,029,985	3,625,396	6,954,395	15,671,888
FUND BALANCES, END OF YEAR	\$ 3,105,258	\$ 1,236,672	\$ 3,660,788	\$ 6,784,699	\$ 14,787,417

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, 2017

Net change in fund balances - total governmental funds \$ (884,471)

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 (\$2,007,256) exceeds depreciation (\$1,185,335) in the current period. 821,921

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 (189,287)

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 225,000

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. 1,291,429

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. (547,889)

Change in net position of governmental activities \$ 716,703

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
NOVEMBER 30, 2017

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 167,227	\$ 2,104,612	\$ 2,271,839
Accounts receivable:			
Consumers	-	638,465	638,465
Property taxes	-	726,687	726,687
Due from other funds	-	129,280	129,280
Inventories	-	53,486	53,486
Noncurrent assets:			
Capital Assets:			
Land and improvements	-	207,142	207,142
Buildings and improvements	-	644,592	644,592
Vehicles and equipment	-	2,720,596	2,720,596
Accumulated depreciation	-	(3,152,582)	(3,152,582)
Total Assets	<u>167,227</u>	<u>4,072,278</u>	<u>4,239,505</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension resources	<u>106,074</u>	<u>959,096</u>	<u>1,065,170</u>
Total Deferred Outflows of Resources	<u>106,074</u>	<u>959,096</u>	<u>1,065,170</u>
Total Assets and Deferred Outflows of Resources	<u>273,301</u>	<u>5,031,374</u>	<u>5,304,675</u>
LIABILITIES			
Accounts payable	223,532	46,081	269,613
Accrued payroll	-	122,180	122,180
Compensated absences	-	87,876	87,876
Due to other funds	-	86,539	86,539
Net pension liability	-	1,648,889	1,648,889
Total Liabilities	<u>223,532</u>	<u>1,991,565</u>	<u>2,215,097</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	-	670,922	670,922
Deferred inflows - pension resources	-	187,083	187,083
Total Deferred Inflows of Resources	<u>-</u>	<u>858,005</u>	<u>858,005</u>
Total Liabilities and Deferred Inflows of Resources	<u>223,532</u>	<u>2,849,570</u>	<u>3,073,102</u>
NET POSITION			
Net investment in capital assets	-	419,748	419,748
Unrestricted	<u>49,769</u>	<u>1,762,056</u>	<u>1,811,825</u>
Total Net Position	<u>\$ 49,769</u>	<u>\$ 2,181,804</u>	<u>\$ 2,231,573</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, 2017

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
Operating Revenues:			
Charges for services, net of related bad debts	\$ -	\$ 3,048,182	\$ 3,048,182
Other operating revenues	-	-	-
Total Operating Revenues	-	3,048,182	3,048,182
Operating Expenses:			
Personnel services	-	3,113,860	3,113,860
Commodities	-	333,566	333,566
Contractual	-	79,745	79,745
Maintenance	-	-	-
Other charges	381,919	3,246	385,165
Depreciation	-	134,963	134,963
Pension expense	-	(246,477)	(246,477)
Total Operating Expenses	381,919	3,418,903	3,800,822
Operating Income (Loss)	(381,919)	(370,721)	(752,640)
Nonoperating Revenues (Expenses):			
General property taxes	-	753,084	753,084
Use of money and property	995	22,982	23,977
Miscellaneous	-	29,742	29,742
Gain on sale of fixed assets	-	-	-
Total Nonoperating Revenues	995	805,808	806,803
Change in net position	(380,924)	435,087	54,163
Net Position - Beginning of Year	430,693	1,746,717	2,177,410
Net Position - End of Year	\$ 49,769	\$ 2,181,804	\$ 2,231,573

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, 2017

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from patients and third party payors	\$ -	\$ 3,078,243	\$ 3,078,243
Payments to suppliers	(1,059,239)	(528,986)	(1,588,225)
Payments to employees	-	(3,101,662)	(3,101,662)
Net cash used in operating activities	(1,059,239)	(552,405)	(1,611,644)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property tax support	-	753,084	753,084
Miscellaneous revenue	-	29,742	29,742
Net cash provided by noncapital financing activities	-	782,826	782,826
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(131,158)	(131,158)
Net cash used in capital and related financing activities	-	(131,158)	(131,158)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	995	22,982	23,977
Net cash provided by investing activities	995	22,982	23,977
NET INCREASE (DECREASE) IN CASH	(1,058,244)	122,245	(935,999)
CASH, BEGINNING OF YEAR	1,225,471	1,982,367	3,207,838
CASH, END OF YEAR	\$ 167,227	\$ 2,104,612	\$ 2,271,839
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	\$ (381,919)	\$ (370,721)	\$ (752,640)
Items not requiring (providing) cash:			
Depreciation	-	134,963	134,963
Changes in:			
Accounts receivable	17,887	118,696	136,583
Due from other funds	-	(124,703)	(124,703)
Deferred outflows of resources	-	(405,801)	(405,801)
Inventories	-	(15,776)	(15,776)
Accounts payable	223,532	13,435	236,967
Accrued payroll	-	12,018	12,018
Accrued vacation	-	90	90
Due to other funds	(811,262)	26,070	(785,192)
Due to third parties	(107,477)	-	(107,477)
Deferred revenue	-	59,234	59,234
Net pension liability	-	90	90
NET CASH USED IN OPERATING ACTIVITIES	\$ (1,059,239)	\$ (552,405)	\$ (1,611,644)

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
NOVEMBER 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,512,840
Accounts receivable	-
Investments	525,827
Due from other funds	<u>9,144</u>
Total assets	<u>4,047,811</u>
 LIABILITIES	
Due to other funds	26,903
Due to others	967,500
Due to individuals	947,723
Due to taxing units	<u>2,105,685</u>
Total liabilities	<u>4,047,811</u>
 NET POSITION	 <u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2017

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, 2017

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 units. 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 County Highway Fund provides for operations related to 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 provided for the operation of the County's skilled nursing facility. The facility ceased operations in fiscal year 2014. The enterprise fund will remain active for fiscal year 2017.

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

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017

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 Prepaids

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 in excess of one year. 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, 2017

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 purpose; 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 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, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

13. Fund Equity and Net Position - Continued

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

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, 2017, a reconciliation of cash and investments (including fiduciary fund assets) as shown on the Statement of Net Position is as follows:

Cash on hand	\$ 1,575
Carrying amount of deposits	22,471,699
Carrying amount of investments	<u>577,657</u>
Total	<u>\$ 23,050,931</u>
Government-wide financial statement of net position:	
Cash	\$ 18,960,434
Investments	<u>51,830</u>
Total	<u>\$ 19,012,264</u>
Statement of fiduciary net position:	
Cash	\$ 3,512,840
Investments	<u>525,827</u>
Total	<u>\$ 4,038,667</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, 2017, the carrying value of the County's deposits, including fiduciary funds totaled \$23,050,931 and the bank balances totaled \$25,797,106, including fiduciary funds, \$1,388,722 was covered by federal depository insurance, \$11,531,249 were collateralized by pledged bank assets in the County's name, \$12,804,875 was deposited in the Illinois Funds, a state investment pool, and \$72,260 was uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the statement of net position.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Investments

As of November 30, 2017, the County and its fiduciary funds had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>1-3 Years</u>
Certificates of deposit	<u>\$ 577,657</u>	<u>\$ 577,657</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, 2017, certificates of deposits and U.S. Government Securities, interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the financial counterparty 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 is 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, 2017, 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, 2017

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 statement of net position, 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, 2017.

2. Fair Value Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statement of net position 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, 2017:

<u>Investment Category</u>	<u>Fair Value</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>
Certificates of deposit	\$ 51,830	\$ -	\$ 51,830	\$ -

A summary of the County's fiduciary fund's assets at November 30, 2016 measured at estimated fair value on a recurring basis were as follows:

<u>Investment Category</u>	<u>Fair Value</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>
Certificates of deposit	\$ 525,827	\$ -	\$ 525,827	\$ -

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 statement of net position for the financial instruments approximates fair value.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE C - ACCOUNTS RECEIVABLE AND CREDIT RISK

The County grants credit without collateral to the patients and residents of the Ambulance Fund respectively, most of who are area residents and are insured under third-party payor agreements. At November 30, 2017, accounts receivable in the Enterprise Fund totaled \$638,465 which is net of contractual allowances and provisions for bad debts of \$3,040,730.

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 2016 assessed valuation for property taxes collected in Fiscal Year 2017 was \$742,756,692. The tax levy for 2016, which represents the property taxes collected in Fiscal Year 2017, was 1.66071 per \$100 assessed valuation.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017 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 and Agency Funds</u>
Tort Liability	\$ 94,775	\$ -	\$ 268,084	\$ -	\$ -
Worker's Compensation	99,854	-	294,899	-	69,718
Unemployment Insurance	62,040	-	107,237	-	63,240
Social Security	423,873	-	965,098	-	160
Illinois Municipal Retirement Fund	1,070,977	-	1,072,335	-	140
Circuit Clerk Child Support					
Admin Fund	92,921	-	-	-	-
Court Assessment	360,112	-	-	-	-
Court Automation	184,291	-	-	-	-
Court Document Storage	167,750	-	-	-	-
Court Security	3,554	51,830	-	-	9,587
Court Supervision	23,748	-	-	-	-
County Clerk Automation	199,141	-	-	-	-
County Clerk Revenue Stamps	214,002	-	-	-	-
Debt Service	1,757,944	-	195,647	-	-
Geographic Information System	512,927	-	-	-	-
Grants	4,873	-	-	-	-
Health Insurance/Medical	127,226	-	-	799,885	400
Housing of Prisoners	749,414	-	-	41,526	-
Law Library	96,452	-	-	-	-
Motor Fuel Tax	1,182,896	-	-	271	3,433
Payroll	400,867	-	-	-	-
Prisoner Trust Accounts	95,861	-	-	-	-
River Levee Bonds	744,266	-	-	-	-
Sheriff DUI Fund	54,208	-	-	-	-
Solid Waste	-	-	-	-	300,000
State's Attorney Automation	13,165	-	-	-	-
State's Attorney Drug					
Asset Forfeiture	275,437	-	-	-	-
States Attorney Victim					
Assistance Fund	1,352	-	-	-	-
Treasurer Automation	110,328	-	-	-	-
Treasurer Inheritance Tax	218	-	-	-	-
Total	\$ 9,124,472	\$ 51,830	\$ 2,903,300	\$ 841,682	\$ 446,678

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2017 was as follows:

General government

	Balance November 30, <u>2016</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance November 30, <u>2017</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Construction in progress	<u>13,686,617</u>	<u>1,383,539</u>	<u>(103,338)</u>	<u>14,966,818</u>
Total capital assets, not being depreciated	<u>13,836,617</u>	<u>1,383,539</u>	<u>(103,338)</u>	<u>15,116,818</u>
Capital assets, being depreciated:				
Land improvements	162,376	-	-	162,376
Buildings	10,800,421	-	-	10,800,421
Building improvements	1,891,250	68,150	5,150	1,964,550
Fixed equipment	270,380	19,424	-	289,804
Major movable equipment	1,479,481	7,850	-	1,487,331
Vehicles	2,695,451	261,702	7,982	2,965,135
Computers	808,735	266,591	71,085	1,146,411
Infrastructure	<u>25,128,964</u>	<u>-</u>	<u>-</u>	<u>25,128,964</u>
Total capital assets being depreciated	43,237,058	623,717	84,217	43,944,992
Less accumulated depreciation for:				
Land improvements	(118,676)	(3,800)	-	(122,476)
Buildings	(5,529,968)	(257,173)	-	(5,787,141)
Building improvements	(1,044,447)	(100,892)	-	(1,145,339)
Fixed equipment	(253,171)	(4,428)	-	(257,599)
Major movable equipment	(1,417,679)	(11,321)	-	(1,429,000)
Vehicles	(2,424,259)	(143,808)	19,121	(2,548,946)
Computers	(794,202)	(77,101)	-	(871,303)
Infrastructure	<u>(7,323,563)</u>	<u>(586,812)</u>	<u>-</u>	<u>(7,910,375)</u>
Total accumulated depreciation	<u>(18,905,965)</u>	<u>(1,185,335)</u>	<u>19,121</u>	<u>(20,072,179)</u>
Total capital assets, being depreciated, net	<u>24,331,093</u>	<u>(561,618)</u>	<u>103,338</u>	<u>23,872,813</u>
Governmental activities capital assets, net	<u>\$38,167,710</u>	<u>\$ 821,921</u>	<u>\$ -</u>	<u>\$ 38,989,631</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE F - CAPITAL ASSETS - CONTINUED

	Balance November 30, <u>2016</u>	<u>Additions</u>	<u>Deductions and Transfers</u>	Balance November 30, <u>2017</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 66,458	\$ -	\$ -	\$ 66,458
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>66,458</u>	<u>-</u>	<u>-</u>	<u>66,458</u>
Capital assets, being depreciated:				
Land improvements	127,777	12,907	-	140,684
Buildings and improvements	641,492	3,100	-	644,592
Vehicles and equipment	<u>2,605,445</u>	<u>115,151</u>	<u>-</u>	<u>2,720,596</u>
Total capital assets being depreciated	3,374,714	131,158	-	3,505,872
Less accumulated depreciation for:				
Land improvements	(93,890)	(5,589)	-	(99,479)
Buildings and improvements	(576,541)	(12,837)	-	(589,378)
Vehicles and equipment	<u>(2,347,186)</u>	<u>(116,537)</u>	<u>(2)</u>	<u>(2,463,725)</u>
Total accumulated depreciation	<u>(3,017,617)</u>	<u>(134,963)</u>	<u>(2)</u>	<u>(3,152,582)</u>
Total capital assets, being depreciated, net	<u>357,097</u>	<u>(3,805)</u>	<u>(2)</u>	<u>353,290</u>
Business-type activities capital assets, net	<u>\$ 423,555</u>	<u>\$ (3,805)</u>	<u>\$ (2)</u>	<u>\$ 419,748</u>

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

Governmental activities:

General government	\$ 191,045
Public Safety	329,589
Public works	<u>664,701</u>
Total depreciation expense - governmental activities	<u>\$ 1,185,335</u>

Business-type activities:

Rehab & Care Center	<u>\$ 134,963</u>
Total depreciation expense - business-type activities	<u>\$ 134,963</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017:

<u>Project</u>	<u>CIP Balance</u>	<u>Estimated to Complete</u>	<u>Funding Source</u>
Craine Building Study	\$ 24,635	\$4,000,000 - \$25,000,000	Local funding

In addition, construction in progress includes amounts expended for various infrastructure replacement and improvement projects with an estimated cost of \$14,942,183. 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, 2017 follows:

	<u>Balance November 30, 2016</u>	<u>Additions</u>	<u>Deductions And Transfers</u>	<u>Balance November 30, 2017</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	2,042,042	7,870	-	2,049,912
Equipment	334,168	12,205	(1,415)	344,958
Total capital assets being depreciated	2,497,175	20,075	(1,415)	2,515,835
Less accumulated depreciation for:				
Land improvements	(78,845)	(8,206)	-	(87,051)
Buildings and improvements	(1,040,950)	(60,298)	-	(1,101,248)
Equipment	(312,699)	(15,559)	1,415	(326,843)
Total accumulated depreciation	(1,432,494)	(84,063)	1,415	(1,515,142)
Total capital assets, being depreciated, net	1,064,681	(63,988)	-	1,000,693
Component unit, capital assets, net	\$ 1,114,181	\$ (63,988)	\$ -	\$ 1,050,193

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017 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.	\$ 1,460,000
\$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.	1,180,000
\$1,496,000 series 2010B general obligation bonds dated December 30, 2010 due annually from December 1, 2012 through December 1, 2035 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.	1,395,000
\$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.	-
	<u>\$ 4,035,000</u>

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.

\$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 is 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.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE G - LONG-TERM DEBT - CONTINUED

Governmental Activities - Continued:

The annual requirements to amortize all bonds outstanding as of November 30, 2017 are as follows:

Year Ending November 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 235,000	\$ 224,150
2019	245,000	214,765
2020	255,000	204,950
2021	260,000	194,855
2022	265,000	184,020
2023-2027	1,290,000	736,167
2028-2032	745,000	448,013
2033-2036	<u>740,000</u>	<u>122,400</u>
	<u>\$ 4,035,000</u>	<u>\$ 2,329,320</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 \$859,455 for the remaining duration of the bonds.

During the year ended November 30, 2017, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

	Balance November 30, 2016	Additions	Reductions	Balance November 30, 2017	Due Within One Year
General Obligation Bonds	\$ 4,260,000	\$ -	\$ (225,000)	\$ 4,035,000	\$ 235,000
Compensated Absences	2,444,879	225,837	-	2,670,716	814,263
Net OPEB Obligation	2,498,090	547,889	-	3,045,979	-
Net Pension Liability	<u>8,847,456</u>	<u>-</u>	<u>(286)</u>	<u>8,847,170</u>	<u>-</u>
	<u>\$18,050,425</u>	<u>\$ 773,726</u>	<u>\$ (225,286)</u>	<u>\$18,598,865</u>	<u>\$1,049,263</u>

During the year ended November 30, 2016, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

	Balance November 30, 2016	Additions	Reductions	Balance November 30, 2017	Due Within One Year
Compensated Absences	\$ 153,018	\$ 15,890	\$ -	\$ 168,908	\$ 83,250
Net Pension Liability	<u>1,537,594</u>	<u>286</u>	<u>-</u>	<u>1,537,880</u>	<u>-</u>
	<u>\$ 1,690,612</u>	<u>\$ 16,176</u>	<u>\$ -</u>	<u>\$ 1,706,788</u>	<u>\$ 83,250</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Regular Personnel (Non-SLEP)

Employees Covered by Benefit Terms-Regular Plan

As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	366
Inactive Plan Members entitled to but not yet receiving benefits	426
Active Plan Members	<u>210</u>
Total	1,002

Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2016 was 11.69%. For the fiscal year ended November 30, 2017, the County contributed \$984,821 to the Plan. The County also contributes 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, 2016. 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, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.5%.
- **Projected 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.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

Regular Personnel (Non-SLEP) - Continued

- 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 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	38 %	7.77%
International Equities	17 %	3.54%
Fixed Income	27 %	4.85%
Real Estate	8 %	8.97%
Alternative Investments	9 %	N/A
Cash Equivalents	<u>1</u> %	N/A
Total	<u>100</u> %	

Single Discount Rate

A Single Discount Rate of 7.5% 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

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Regular Personnel (Non-SLEP) - Continued

Single Discount Rate - Continued

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 pension plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.5%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 75,429,466	\$ 67,921,319	\$ 7,508,147
Changes for the year:			
Service Cost	958,753	-	958,753
Interest on the Total Pension Liability	5,538,770	-	5,538,770
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(1,426,937)	-	(1,426,937)
Changes of Assumptions	(85,808)	-	(85,808)
Contributions - Employer	-	996,668	(996,668)
Contributions - Employees	-	477,436	(477,436)
Net Investment Income	-	4,624,687	(4,624,687)
Benefit Payments, including Refunds of Employee Contributions	(3,919,960)	(3,919,960)	-
Other (Net Transfer)	-	(374,704)	374,704
Net Changes	<u>1,064,818</u>	<u>1,804,127</u>	<u>(739,309)</u>
Balances at December 31, 2016	<u>\$ 76,494,284</u>	<u>\$ 69,725,446</u>	<u>\$ 6,768,838</u>
Primary government	\$ 59,114,783	\$ 53,883,825	\$ 5,230,958
Component unit	<u>17,379,501</u>	<u>15,841,621</u>	<u>1,537,880</u>
	<u>\$ 76,494,284</u>	<u>\$ 69,725,446</u>	<u>\$ 6,768,838</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Regular Personnel (Non-SLEP) - Continued

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5%, 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 6.50%</u>	<u>Current Discount 7.50%</u>	<u>1% Higher 8.50%</u>
Net Pension Liability	\$ 16,096,481	\$ 6,768,838	\$ (811,741)

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

For the year ended November 30, 2017, the County recognized pension expense of \$984,821. At November 30, 2017, 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	\$ 8,795	\$ (724,428)	\$ (715,633)
Changes of assumptions	875	(43,563)	(42,688)
Net difference between projected and actual earnings on pension plan investments	<u>3,559,536</u>	<u>-</u>	<u>3,559,536</u>
Total Deferred Amounts to be recognized in pension expense in future periods	3,569,206	(767,991)	2,801,215
Pension Contributions made prior to the Measurement Date	<u>870,492</u>	<u>-</u>	<u>870,492</u>
Total Deferred Amounts Related to Pensions	<u>\$ 4,439,698</u>	<u>\$ (767,991)</u>	<u>\$ 3,671,707</u>
Primary government	\$ 3,478,042	\$ (593,503)	\$ 2,884,539
Component unit	<u>961,656</u>	<u>(174,488)</u>	<u>787,168</u>
	<u>\$ 4,439,698</u>	<u>\$ (767,991)</u>	<u>\$ 3,671,707</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Regular Personnel (Non-SLEP) - Continued

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

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

Year Ending December 31	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2017	\$ 489,247	\$ -
2018	1,201,092	-
2019	1,038,147	-
2020	72,729	-
2021	-	-
Thereafter	-	-
Total	<u>\$ 2,801,215</u>	<u>\$ -</u>

Sheriff's Law Enforcement (SLEP)

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	35
Inactive Plan Members entitled to but not yet receiving benefits	10
Active Plan Members	<u>71</u>
Total	116

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's annual contribution rate for calendar year 2016 was 19.16%. For the fiscal year ended November 30, 2017, the County contributed \$718,289 to the plan. The County also contributes 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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Sheriff's Law Enforcement (SLEP) - Continued

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.5%.
- **Projected 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 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Sheriff's Law Enforcement (SLEP) - Continued

Actuarial Assumptions - Continued

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	38 %	7.77%
International Equities	17 %	3.54%
Fixed Income	27 %	4.85%
Real Estate	8 %	8.97%
Alternative Investments	9 %	N/A
Cash Equivalents	<u>1 %</u>	N/A
Total	<u>100 %</u>	

Single Discount Rate

A Single Discount Rate of 7.5% 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 pension plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.5%.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Sheriff's Law Enforcement (SLEP) - 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, 2015	\$ 22,832,735	\$ 18,437,281	\$ 4,395,454
Changes for the year:			
Service Cost	707,517	-	707,517
Interest on the Total Pension Liability	1,702,472	-	1,702,472
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(807,254)	-	(807,254)
Changes of Assumptions	(65,978)	-	(65,979)
Contributions - Employer	-	715,320	(715,320)
Contributions - Employees	-	287,578	(287,578)
Net Investment Income	-	1,282,963	(1,282,963)
Benefit Payments, including Refunds of Employee Contributions	(852,356)	(852,356)	-
Other (Net Transfer)	-	225,460	(225,460)
Net Changes	<u>684,400</u>	<u>1,658,965</u>	<u>(974,565)</u>
Balances at December 31, 2016	<u>\$ 23,517,135</u>	<u>\$ 20,096,246</u>	<u>\$ 3,420,889</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 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability	\$ 7,003,736	\$ 3,420,889	\$ 514,980

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Sheriff's Law Enforcement (SLEP) - Continued

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

For the year ended November 30, 2017, the County recognized pension expense of \$718,289. At November 30, 2017, 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 \$	-	\$ (982,111)	\$ (982,111)
Changes of assumptions	231,572	(57,487)	174,085
Net difference between projected and actual earnings on pension plan investments	<u>961,778</u>	<u>-</u>	<u>961,778</u>
Total Deferred Amounts to be recognized in pension expense in future periods	1,193,350	(1,039,598)	153,752
Pension Contributions made prior to the Measurement Date	<u>628,909</u>	<u>-</u>	<u>628,909</u>
Total Deferred Amounts Related to Pensions	<u>\$ 1,822,259</u>	<u>\$ (1,039,598)</u>	<u>\$ 782,661</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>
2017	213,407	-
2018	213,405	-
2019	164,352	-
2020	(93,158)	-
2021	(115,943)	-
Thereafter	<u>(228,311)</u>	<u>-</u>
Total	<u>\$ 153,752</u>	<u>\$ -</u>

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Elected County Officials (ECO)

Employees Covered by Benefit Terms

As of December 31, 2016, 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	0
Active Plan Members	<u>3</u>
Total	6

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 annual contribution rate for calendar year 2016 was 45.64%. For the fiscal year ended November 30, 2017, the County contributed \$62,305 to the plan. The County's also contributes 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, 2016. 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, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.5%.
- **Projected 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.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Elected County Officials (ECO)

Actuarial Assumptions - Continued

- 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 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	38 %	7.77%
International Equities	17 %	3.54%
Fixed Income	27 %	4.85%
Real Estate	8 %	8.97%
Alternative Investments	9 %	N/A
Cash Equivalents	<u>1 %</u>	N/A
Total	<u>100 %</u>	

Single Discount Rate

A Single Discount Rate of 7.5% 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

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Elected County Officials (ECO) - Continued

Single Discount Rate - Continued

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 3.78%, and the resulting single discount rate is 7.5%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 3,382,604	\$ 2,956,621	\$ 425,983
Changes for the year:			
Service Cost	45,450	-	45,450
Interest on the Total Pension Liability	247,883	-	247,883
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual			
Experience of the Total Pension Liability	(256,163)	-	(256,163)
Changes of Assumptions	(7,710)	-	(7,710)
Contributions - Employer	-	80,426	(80,426)
Contributions - Employees	-	13,216	(13,216)
Net Investment Income	-	204,496	(204,496)
Benefit Payments, including Refunds of Employee Contributions	(182,757)	(182,757)	-
Other (Net Transfer)	-	(38,018)	38,018
Net Changes	(153,297)	77,363	(230,660)
Balances at December 31, 2016	\$ 3,229,307	\$ 3,033,984	\$ 195,323

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 7.5%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability	\$ 610,746	\$ 195,323	\$ (148,399)

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE H - RETIREMENT PLANS - CONTINUED

Elected County Officials (ECO) - Continued

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

For the year ended November 30, 2017, the County recognized pension expense of \$62,305. At November 30, 2017, 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	\$ 19,853	\$ (143,727)	\$ (123,874)
Changes of assumptions	1,077	(4,326)	(3,249)
Net difference between projected and actual earnings on pension plan investments	<u>147,842</u>	<u>-</u>	<u>147,843</u>
Total Deferred Amounts to be recognized in pension expense in future periods	168,773	(148,053)	20,720
Pension Contributions made subsequent to the Measurement Date	<u>53,832</u>	<u>-</u>	<u>53,832</u>
Total Deferred Amounts Related to Pensions	<u>\$ 222,605</u>	<u>\$ (148,053)</u>	<u>\$ 74,552</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>
2017	(43,909)	-
2018	18,748	-
2019	43,386	-
2020	2,495	-
2021	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ 20,720</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 \$3,432,155 at November 30, 2017, 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, 2017

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, 2017, membership consisted of:

	<u>November 30, 2017</u>
Retirees and beneficiaries receiving benefits	16
Active participants	<u>265</u>
Total	<u>281</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, 2017 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2017. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2017 was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2017	\$ 796,299	31.2%	\$ 3,045,979
November 30, 2016	\$ 793,883	29.0%	\$ 2,498,090
November 30, 2015	\$ -	- %	\$ -
November 30, 2014	\$ 649,359	13.8%	\$ 1,934,216

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

The net OPEB obligation as of November 30, 2017 (latest information available), was calculated as follows:

	<u>November 30, 2017</u>
Annual required contribution	\$ 785,594
Interest on net OPEB obligation	99,924
Adjustment to annual required contributions	<u>(89,219)</u>
Annual OPEB cost	796,299
Contributions made	<u>(248,410)</u>
Increase (Decrease) in net OPEB obligation	547,889
Net OPEB obligation, beginning of year	<u>2,498,090</u>
Net OPEB obligation, end of year	<u>\$ 3,045,979</u>

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 8,430,285
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	8,430,285
Funded ratio (actuarial value of plan assets/AAL)	0.0 %
Covered payroll (active plan members)	11,940,478
UAAL as a percentage of covered payroll	70.6 %

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.

In the November 30, 2017 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00% discount rate projected salary increases of 3.5% and an annual healthcare cost trend rate of 8.0% initially, reduced to an ultimate rate of 4.0% after eight years. 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 over 30 years.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017:

Nonspendable Fund Balance - Governmental Funds

Prepayments	\$ 10,808
Due from other funds	<u>2,183,421</u>
	<u>\$ 2,194,229</u>

Restricted Fund Balance - Governmental Funds

General	\$ 303,216
Tort liability	112,859
Benefits	1,487,993
Public safety	790,940
Automations and other	-
Street construction and repair	1,152,970
Due from other funds	300,000
Debt service	1,771,351
River levee bond	<u>744,266</u>
	<u>\$ 6,663,595</u>

Committed Fund Balance - Governmental Funds

Solid waste	\$ 1,177,367
Public works	<u>93,270</u>
	<u>\$ 1,270,637</u>

Assigned Fund Balance - Governmental Funds

Public works	<u>\$ 1,856,914</u>
--------------	---------------------

NOTE L - OTHER REQUIRED DISCLOSURE

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds for the year ended November 30, 2017, are as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Budget</u>
General Fund	\$ 21,575,850	\$ 15,093,529

Due to the restructuring of the general ledger there are accounts recorded in the General Fund that are not budgeted.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

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, 2017, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Fund:		
Major Funds:		
General	\$ 2,631,392	\$ 5,118,919
County Highway	91,067	22,214
Solid Waste	2,483,421	49,741
Special Revenue Funds:		
Federal Aid Matching	-	14,407
Motor Fuel Tax	-	30,000
Workers Compensation	69,718	-
Unemployment	63,240	-
FICA and Medicare	160	71,811
IMRF	<u>140</u>	<u>99,880</u>
	5,339,138	5,406,972
Component Units:		
Health Department	64,162	27,636
Tuberculosis	<u>-</u>	<u>11,433</u>
	64,162	39,069
Enterprise Fund:		
Ambulance	<u>129,280</u>	<u>86,539</u>
	<u>129,280</u>	<u>86,539</u>
Total All Funds	<u>\$ 5,532,580</u>	<u>\$ 5,532,580</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 \$2,483,421 payable to the Solid Waste Fund for operating deficits. The County has not determined when the balance will be repaid.

General Fund- Health Insurance restricted of \$3,189,201 payable to the General Fund unrestricted of \$2,188,701 and the General Fund restricted of \$1,005,000.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2017

NOTE N - INTERFUND TRANSFERS

The following is a schedule of operating transfers as included in the Statement of Revenues, Expenditures and Changes in Fund Balance of the County.

	Transfers In	Transfers Out
Major Funds:		
General	\$ 4,986,476	\$ 3,813,460
Highway	<u>515,108</u>	<u>-</u>
Total Major Funds	<u>5,501,584</u>	<u>3,813,460</u>
Nonmajor Governmental Funds:		
Motor Fuel Tax	-	515,108
Housing of Prisoners	-	558,291
Debt Service	558,291	-
FICA and Medicare	-	458,911
IMRF	<u>-</u>	<u>714,105</u>
Total Nonmajor Funds	<u>558,291</u>	<u>2,246,415</u>
Total All Funds	<u>\$ 6,059,875</u>	<u>\$ 6,059,875</u>

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, 2017 were \$337,402.

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, 2017

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 \$269,261.

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.

2016 Equalized Assessed Valuation (E.A.V.)	\$ 742,756,692
Statutory Debt Limit (5.750% of E.A.V.)	42,708,510
General Obligation Debt Applicable to Limitation:	
Taxable General Obligation Bonds, Series 2015	1,460,000
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (the "2010A Bonds")	1,180,000
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010B (Build America Bonds) (the "2010B Bonds")	1,395,000
Taxable General Obligation (Alternate Revenue Source) Bond, Series 2010C (the "2010C Bonds")	-
	<hr/>
Total General Obligation Debt	\$ 4,035,000
Less Self-Supporting Bonded Debt (1)	<u>(4,035,000)</u>
	 -
Total Direct General Obligation Debt	 -
Available Legal Debt Margin	 \$ 42,708,510

(1) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds such as the bonds listed above, 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 - SUBSEQUENT EVENTS

Management evaluated all events and transactions that occurred after November 30, 2017 through May 29, 2018, the issue date of these financial statements.

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Unrestricted Funds:				
General Property Taxes:				
Real property taxes	\$ 6,399,098	\$ 6,399,098	\$ 6,250,065	\$ (149,033)
Penalties on late taxes	300,000	300,000	270,250	(29,750)
Total General Property Taxes	6,699,098	6,699,098	6,520,315	(178,783)
Sales and Service Taxes:				
Sales tax	375,000	375,000	415,996	40,996
Supplemental sales tax	1,615,000	1,615,000	1,577,252	(37,748)
Cable television franchise tax	20,000	20,000	19,546	(454)
Pull tabs and jar games license and tax	24,000	24,000	19,829	(4,171)
Total Sales and Service Taxes	2,034,000	2,034,000	2,032,623	(1,377)
Intergovernmental Revenue:				
Illinois state income tax	2,200,000	2,200,000	1,883,312	(316,688)
Replacement tax	600,000	600,000	644,504	44,504
Local use tax	430,000	430,000	525,371	95,371
County hotel tax	46,000	46,000	7,256	(38,744)
Federal reimbursement in lieu of property tax	130,000	130,000	173,573	43,573
Other federal/state grants	218,400	218,400	157,140	(61,260)
Total Intergovernmental Revenue	3,624,400	3,624,400	3,391,156	(233,244)
Use of Money and Property:				
Interest on investments	700	700	19,231	18,531
Total Use of Money and Property	700	700	19,231	18,531
Service Charges, Permits and Fees:				
General Government:				
Executive	238,700	238,700	264,920	26,220
County clerk	338,000	338,000	250,798	(87,202)
Judiciary and courts	1,079,000	1,079,000	916,232	(162,768)
Assessments	103,636	103,636	35,541	(68,095)
Total General Government	1,759,336	1,759,336	1,467,491	(291,845)
Public Safety:				
Sheriff	495,300	495,300	350,905	(144,395)
Animal control	39,000	39,000	51,436	12,436
Coroner	6,700	6,700	15,091	8,391
Total Public Safety	541,000	541,000	417,432	(123,568)
Total Service Charges, Permits and Fees	2,300,336	2,300,336	1,884,923	(415,413)
Total Unrestricted Fund Revenues	\$ 14,658,534	\$ 14,658,534	\$ 13,848,248	\$ (810,286)

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures - Unrestricted Funds - Current:				
General Government:				
Executive:				
County Board	439,752	439,752	328,257	111,495
Board of Review	120,045	120,045	109,054	10,991
Total Executive	559,797	559,797	437,311	122,486
Treasurer:				
Treasurer's office	360,014	360,014	399,719	(39,705)
Total Treasurer	360,014	360,014	399,719	(39,705)
County Clerk:				
County Clerk's office	604,589	604,589	665,459	(60,870)
Elections	-	-	(8,055)	8,055
Total County Clerk	604,589	604,589	657,404	(52,815)
Judiciary and Courts:				
State's Attorney	1,255,391	1,255,391	1,347,278	(91,887)
Circuit Clerk's office	652,866	652,866	1,034,010	(381,144)
Jury Commission	119,000	119,000	93,672	25,328
Courts	724,778	724,778	527,525	197,253
Public Defender	523,992	523,992	554,571	(30,579)
Probation circuit	446,942	446,942	457,993	(11,051)
Total Judiciary and Courts	3,722,969	3,722,969	4,015,049	(292,080)
Assessments:				
Assessments	424,399	424,399	422,638	1,761
Total Assessments	424,399	424,399	422,638	1,761
Other:				
Data processing	281,955	281,955	220,794	61,161
Building maintenance	261,000	261,000	338,120	(77,120)
Education	114,847	114,847	83,751	31,096
Central Services	20,000	20,000	14,404	5,596
Total Other	677,802	677,802	657,069	20,733
Total General Government	6,349,570	6,349,570	6,589,190	(239,620)
Public Safety:				
Sheriff's office	3,956,521	3,956,521	4,177,248	(220,727)
Jail	3,551,005	3,551,005	3,549,608	1,397
Jail building maintenance	605,012	605,012	501,254	103,758
Merit board	4,100	4,100	1,306	2,794
Animal control	123,676	123,676	151,603	(27,927)
Coroner	140,734	140,734	192,228	(51,494)
Emergency service	61,554	61,554	50,913	10,641
Total Public Safety	8,442,602	8,442,602	8,624,160	(181,558)
Total Unrestricted Fund Expenditures	14,792,172	14,792,172	15,213,350	(421,178)
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	\$ (133,638)	\$ (133,638)	\$ (1,365,102)	\$ (1,231,464)

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - CONTINUED
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Other:				
County Clerk	-	-	63,576	63,576
Health Insurance	-	-	4,776,644	4,776,644
Payroll Clearing	-	-	2,047	2,047
Court Security	192,904	192,904	138,493	(54,411)
Court Assessment Fees	108,000	108,000	90,658	(17,342)
Law Library Fees	11,000	11,000	9,911	(1,089)
Court Automation	-	-	104,346	104,346
County Clerk Automation	-	-	36,969	36,969
State's Attorney Automation	-	-	3,708	3,708
Treasurer's Automation	-	-	16,193	16,193
Child Support Administration	-	-	38,086	38,086
Court Document Storage	-	-	103,915	103,915
Treasurer's Inheritance	-	-	2	2
Court Supervision Sheriff	-	-	2,236	2,236
GIS Fund	-	-	63,228	63,228
Drug Fund	5,000	5,000	13,751	8,751
DUI	-	-	12,001	12,001
Grants	25,000	25,000	112,019	87,019
State's Attorney Victim Assistance	-	-	10	10
Miscellaneous	-	-	9,939	9,939
Total Other	341,904	341,904	5,597,732	5,255,828
Total Restricted Fund Revenues	341,904	341,904	5,597,732	5,255,828
Other:				
County Clerk	-	-	-	-
Health Insurance	-	-	5,597,591	(5,597,591)
Payroll Clearing	-	-	(6,328)	6,328
Court Security	288,657	288,657	270,507	18,150
Court Assessment Fees	-	-	1,988	(1,988)
Law Library Fees	12,000	12,000	9,514	2,486
Court Automation	-	-	109,777	(109,777)
County Clerk Automation	-	-	49,855	(49,855)
State's Attorney Automation	-	-	-	-
Treasurer's Automation	-	-	7,875	(7,875)
Child Support Administration	-	-	29,935	(29,935)
Court Document Storage	-	-	112,987	(112,987)
Treasurer's Inheritance	-	-	-	-
Court Supervision Sheriff	-	-	-	-
GIS Fund	-	-	27,941	(27,941)
Drug Fund	-	-	14,788	(14,788)
DUI	-	-	13,102	(13,102)
Grants	700	700	122,918	(122,218)
State's Attorney Victim Assistance	-	-	50	(50)
Miscellaneous	-	-	-	-
Total Other	301,357	301,357	6,362,500	(6,061,143)
Total Restricted Fund Expenditures	301,357	301,357	6,362,500	(6,061,143)
Deficiency of Revenues Over Expenditures - Restricted Funds	40,547	40,547	(764,768)	(805,315)
Other Financing Sources and (Uses):				
Transfer in	-	-	2,411,005	2,411,005
Transfer in - restricted	95,753	95,753	2,575,471	2,479,718
Transfer out	(387,113)	(387,113)	(2,441,952)	(2,054,839)
Transfer out - restricted	-	-	(1,371,508)	(1,371,508)
Total Other Financing Sources and (Uses)	(291,360)	(291,360)	1,173,016	1,464,376
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(384,451)	(384,451)	(956,854)	(572,403)
FUND BALANCE, BEGINNING OF YEAR	4,062,112	4,062,112	4,062,112	-
FUND BALANCE, END OF YEAR	\$ 3,677,661	\$ 3,677,661	\$ 3,105,258	\$ (572,403)

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
COUNTY HIGHWAY FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
General property taxes	\$ 860,000	\$ 860,000	\$ 840,051	\$ (19,949)
Intergovernmental revenue	392,900	392,900	1,259,197	866,297
Use of money and property	1,200	1,200	6,070	4,870
Other revenue	<u>2,440,424</u>	<u>2,440,424</u>	<u>689,207</u>	<u>(1,751,217)</u>
Total Revenues	<u>3,694,524</u>	<u>3,694,524</u>	<u>2,794,525</u>	<u>(899,999)</u>
Expenditures:				
Public works:				
Personnel Services	1,408,957	1,408,957	1,156,532	252,425
Commodities	180,000	180,000	161,056	18,944
Other Charges	3,083,844	3,083,844	1,682,686	1,401,158
Capital improvements	<u>15,000</u>	<u>15,000</u>	<u>102,672</u>	<u>(87,672)</u>
Total expenditures	<u>4,687,801</u>	<u>4,687,801</u>	<u>3,102,946</u>	<u>1,584,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(993,277)</u>	<u>(993,277)</u>	<u>(308,421)</u>	<u>684,856</u>
Other Financing Sources (Uses):				
Operating transfers in	515,108	515,108	515,108	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>515,108</u>	<u>515,108</u>	<u>515,108</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(478,169)</u>	<u>(478,169)</u>	<u>206,687</u>	<u>684,856</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,029,985</u>	<u>1,029,985</u>	<u>1,029,985</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 551,816</u>	<u>\$ 551,816</u>	<u>\$ 1,236,672</u>	<u>\$ 684,856</u>

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
SOLID WASTE MANAGEMENT FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 7,406	\$ 7,406
Sanitation Fees	-	-	392,741	392,741
Total Revenues	-	-	400,147	400,147
Expenditures:				
Public Health	-	-	364,755	(364,755)
Total expenditures	-	-	364,755	(364,755)
Excess (Deficiency) of Revenues Over Expenditures	-	-	35,392	35,392
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	-	-	35,392	35,392
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 35,392	\$ 35,392

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>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Cost	\$ 958,753	\$ 874,693	\$ 1,285,592
Interest on the Total Pension Liability	5,538,770	5,294,334	5,043,582
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(1,426,937)	858,591	(1,463,769)
Assumption Changes	(85,808)	85,451	2,074,962
Benefit Payments and Refunds	<u>(3,919,960)</u>	<u>(3,674,753)</u>	<u>(3,108,365)</u>
Net Change in Total Pension Liability	1,064,818	3,438,316	3,832,002
Total Pension Liability - Beginning	<u>75,429,466</u>	<u>71,991,150</u>	<u>68,159,148</u>
Total Pension Liability - Ending (a)	<u>\$ 76,494,284</u>	<u>\$ 75,429,466</u>	<u>\$ 71,991,150</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 996,668	\$ 1,008,020	\$ 1,221,288
Employee Contributions	477,436	410,282	511,479
Pension Plan Net Investment Income	4,624,687	346,264	4,102,133
Benefit Payments and Refunds	(3,919,960)	(3,674,753)	(3,108,365)
Other	<u>(374,704)</u>	<u>(549,573)</u>	<u>(281,335)</u>
Net Change in Plan Fiduciary Net Position	1,804,127	(2,459,760)	2,445,200
Plan Fiduciary Net Position - Beginning	<u>67,921,319</u>	<u>70,381,079</u>	<u>67,935,879</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 69,725,446</u>	<u>\$ 67,921,319</u>	<u>\$ 70,381,079</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	6,768,838	7,508,147	1,610,071
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.15%	90.05%	97.76%
Cover Valuation Payroll	\$ 8,524,166	\$ 9,081,511	\$ 10,979,765
Net Pension Liability as a Percentage of Covered Valuation Payroll	79.41%	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>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Cost	\$ 707,517	\$ 689,180	\$ 701,294
Interest on the Total Pension Liability	1,702,472	1,613,382	1,486,544
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(807,254)	(305,290)	(80,713)
Assumption Changes	(65,979)	32,249	330,452
Benefit Payments and Refunds	<u>(852,356)</u>	<u>(785,358)</u>	<u>(637,884)</u>
Net Change in Total Pension Liability	684,400	1,244,163	1,799,693
Total Pension Liability - Beginning	<u>22,832,735</u>	<u>21,588,572</u>	<u>19,788,879</u>
Total Pension Liability - Ending (a)	<u>\$ 23,517,135</u>	<u>\$ 22,832,735</u>	<u>\$ 21,588,572</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 715,320	\$ 686,819	\$ 690,192
Employee Contributions	287,578	268,830	313,785
Pension Plan Net Investment Income	1,282,963	92,742	1,041,388
Benefit Payments and Refunds	(852,356)	(785,358)	(637,884)
Other	<u>225,460</u>	<u>(288,943)</u>	<u>166,826</u>
Net Change in Plan Fiduciary Net Position	1,658,965	(25,910)	1,574,307
Plan Fiduciary Net Position - Beginning	<u>18,437,281</u>	<u>18,463,191</u>	<u>16,888,884</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,096,246</u>	<u>\$ 18,437,281</u>	<u>\$ 18,463,191</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	3,420,889	4,395,454	3,125,381
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.45%	80.75%	85.52%
Cover Valuation Payroll	\$ 3,730,432	\$ 3,638,441	\$ 3,489,807
Net Pension Liability as a Percentage of Covered Valuation Payroll	91.70%	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.

JACKSON COUNTY, ILLINOIS
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,	2016	2015	2014
Total Pension Liability			
Service Cost	\$ 45,450	\$ 34,694	\$ 40,529
Interest on the Total Pension Liability	247,883	229,065	244,319
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(256,163)	149,741	(346,371)
Assumption Changes	(7,710)	8,121	(4,573)
Benefit Payments and Refunds	(182,757)	(151,736)	(125,711)
Net Change in Total Pension Liability	(153,297)	269,885	(191,807)
Total Pension Liability - Beginning	3,382,604	3,112,719	3,304,526
Total Pension Liability - Ending (a)	\$ 3,229,307	\$ 3,382,604	\$ 3,112,719
Plan Fiduciary Net Position			
Employer Contributions	\$ 80,426	\$ 123,814	\$ 123,019
Employee Contributions	13,216	14,155	10,945
Pension Plan Net Investment Income	204,496	14,441	166,631
Benefit Payments and Refunds	(182,757)	(151,736)	(125,711)
Other	(38,018)	60,948	(7,415)
Net Change in Plan Fiduciary Net Position	77,363	61,622	167,469
Plan Fiduciary Net Position - Beginning	2,956,621	2,894,999	2,727,530
Plan Fiduciary Net Position - Ending (b)	\$ 3,033,984	\$ 2,956,621	\$ 2,894,999
Net Pension Liability/(Asset) - Ending (a) - (b)	195,323	425,983	217,720
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.95%	87.41%	93.01%
Cover Valuation Payroll	\$ 176,218	\$ 187,968	\$ 145,929
Net Pension Liability as a Percentage of Covered Valuation Payroll	110.84%	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
2016	\$ 996,475	* \$ 996,668	\$ (193)	\$ 8,524,166	11.69%
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 11.69% and covered valuation payroll of \$8,524,166

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
2016	\$ 714,751	* \$ 715,320	\$ (569)	\$ 3,730,432	19.18%
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 19.16% and covered valuation payroll of \$3,730,432

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
2016	\$ 80,426	* \$ 80,426	\$ -	\$ 176,218	45.64%
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 45.64% and covered valuation payroll of \$176,218

Notes to Schedule:

Summary Actuarial Methods and Assumptions Used in the Calculation of the 2016 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 2016 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): 27-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 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75%—approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50% 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 2014 valuation pursuant to an experience study of the period 2011 - 2013.

Mortality:

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that the 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

** Based on Valuation Assumptions used in the December 31, 2014 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.

JACKSON COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Special Revenue Funds											Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	County Bridge Fund	Federal Aid & Matching 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	\$ -	\$ 127,166	\$ 1,035,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,162,418
Accounts receivable:												
Other governmental units and agencies	-	2,536	1,575	-	-	-	-	-	-	-	-	4,111
Property taxes	-	62,200	408,563	-	-	-	-	-	-	-	-	470,763
Prepayments	-	-	-	-	10,808	-	-	-	-	-	-	10,808
Restricted assets												
Cash	1,182,896	-	-	744,266	94,775	99,854	62,040	423,873	1,070,977	749,414	1,757,944	6,186,039
Accounts receivable:												
Other governmental units and agencies	271	-	-	-	-	-	-	-	-	41,526	-	41,797
Property Taxes	-	-	-	-	268,084	294,899	107,237	965,098	1,072,335	-	195,647	2,903,300
Due from other funds	-	-	-	-	-	69,718	63,240	160	140	-	-	133,258
Due from agency	3,433	-	-	-	-	-	-	-	-	-	-	3,433
Total Assets and Other Debits	<u>1,186,600</u>	<u>191,902</u>	<u>1,445,390</u>	<u>744,266</u>	<u>373,667</u>	<u>464,471</u>	<u>232,517</u>	<u>1,389,131</u>	<u>2,143,452</u>	<u>790,940</u>	<u>1,953,591</u>	<u>10,915,927</u>
DEFERRED OUTFLOWS OF RESOURCES												
Deferred outflows	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets, Other Debits, and Deferred Outflows of Resources	<u>\$ 1,186,600</u>	<u>\$ 191,902</u>	<u>\$ 1,445,390</u>	<u>\$ 744,266</u>	<u>\$ 373,667</u>	<u>\$ 464,471</u>	<u>\$ 232,517</u>	<u>\$ 1,389,131</u>	<u>\$ 2,143,452</u>	<u>\$ 790,940</u>	<u>\$ 1,953,591</u>	<u>\$ 10,915,927</u>
LIABILITIES												
Liabilities:												
Accounts payable	\$ -	\$ 134	\$ 469,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,673
Due to other funds	-	-	14,407	-	-	-	-	-	-	-	-	14,407
Restricted liabilities												
Accounts payable	3,630	-	-	-	-	52	16,215	-	-	-	-	19,897
Accrued payroll	-	-	-	-	-	-	-	81,672	196,948	-	-	278,620
Due to other funds	30,000	-	-	-	-	-	-	71,811	99,880	-	-	201,691
Total Liabilities	<u>33,630</u>	<u>134</u>	<u>483,946</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>16,215</u>	<u>153,483</u>	<u>296,828</u>	<u>-</u>	<u>-</u>	<u>984,288</u>
DEFERRED INFLOWS OF RESOURCES												
Deferred inflows - property taxes	-	58,000	381,700	-	-	-	-	-	-	-	-	439,700
Restricted deferred inflows - property taxes	-	-	-	-	250,000	275,000	100,000	900,000	1,000,000	-	182,240	2,707,240
Total Deferred Inflows of Resources	<u>-</u>	<u>58,000</u>	<u>381,700</u>	<u>-</u>	<u>250,000</u>	<u>275,000</u>	<u>100,000</u>	<u>900,000</u>	<u>1,000,000</u>	<u>-</u>	<u>182,240</u>	<u>3,146,940</u>
Fund Balances:												
Nonspendable	-	-	-	-	10,808	-	-	-	-	-	-	10,808
Restricted	1,152,970	-	-	744,266	112,859	189,419	116,302	335,648	846,624	790,940	1,771,351	6,060,379
Committed	-	4,200	26,863	-	-	-	-	-	-	-	-	31,063
Assigned	-	129,568	552,881	-	-	-	-	-	-	-	-	682,449
Total Fund Balances	<u>1,152,970</u>	<u>133,768</u>	<u>579,744</u>	<u>744,266</u>	<u>123,667</u>	<u>189,419</u>	<u>116,302</u>	<u>335,648</u>	<u>846,624</u>	<u>790,940</u>	<u>1,771,351</u>	<u>6,784,699</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,186,600</u>	<u>\$ 191,902</u>	<u>\$ 1,445,390</u>	<u>\$ 744,266</u>	<u>\$ 373,667</u>	<u>\$ 464,471</u>	<u>\$ 232,517</u>	<u>\$ 1,389,131</u>	<u>\$ 2,143,452</u>	<u>\$ 790,940</u>	<u>\$ 1,953,591</u>	<u>\$ 10,915,927</u>

JACKSON COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

	Special Revenue Funds									Housing of Prisoners Fund	Debt Service Funds	Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	County Bridge Fund	Federal Aid & Matching 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	\$ -	\$ 56,724	\$ 362,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 419,481
Intergovernmental revenue	-	13,080	1,022,130	-	-	-	-	-	-	-	-	1,035,210
Use of money and property	-	855	7,328	-	-	-	-	-	-	-	-	8,183
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Unrestricted Fund Revenues	-	70,659	1,392,215	-	-	-	-	-	-	-	-	1,462,874
Expenditures - Unrestricted Funds:												
Current:												
Public Works	-	68,834	227,006	-	-	-	-	-	-	-	-	295,840
Capital improvements	-	9,492	1,326,636	-	-	-	-	-	-	-	-	1,336,128
Other Expenditures	-	145	-	-	-	-	-	-	-	-	-	145
Total Unrestricted Fund Expenditures	-	78,471	1,553,642	-	-	-	-	-	-	-	-	1,632,113
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	-	(7,812)	(161,427)	-	-	-	-	-	-	-	-	(169,239)
Revenues - Restricted Funds:												
General property taxes	-	-	-	-	244,221	268,727	97,966	879,120	976,860	-	180,556	2,647,450
Intergovernmental revenue	918,177	-	-	-	-	-	-	-	-	-	-	918,177
Use of money and property	11,084	-	-	2,745	91	88	612	385	4,983	95	173	20,256
Federal subsidies for Recovery Zone Economic Development and Build America Bonds	-	-	-	-	-	-	-	-	-	-	107,570	107,570
Other revenues	591	-	-	-	-	6,622	-	83,729	7,273	598,197	-	696,412
Total Restricted Fund Revenues	929,852	-	-	2,745	244,312	275,437	98,578	963,234	989,116	598,292	288,299	4,389,865
Expenditures - Restricted Funds:												
General property taxes:												
Tort liability	-	-	-	-	373,923	-	-	-	-	-	-	373,923
Benefits	-	-	-	-	-	152,676	108,458	305,503	651,072	-	-	1,217,709
Debt service												
Principle	-	-	-	-	-	-	-	-	-	-	225,000	225,000
Interest	-	-	-	-	-	-	-	-	-	-	269,261	269,261
Capital improvements	-	-	-	-	-	-	-	-	-	34,409	-	34,409
Other expenditures	412,734	-	-	166,962	-	-	-	-	-	2,200	-	581,896
Total Restricted Fund Expenditures	412,734	-	-	166,962	373,923	152,676	108,458	305,503	651,072	36,609	494,261	2,702,198
Excess (Deficiency) of Revenues Over Expenditures - Restricted Funds	517,118	-	-	(164,217)	(129,611)	122,761	(9,880)	657,731	338,044	561,683	(205,962)	1,687,667
Other Financing Sources (Uses):												
Operating transfers in	-	-	-	-	-	-	-	-	-	-	558,291	558,291
Operating transfers out	(515,108)	-	-	-	-	-	-	(458,911)	(714,105)	(558,291)	-	(2,246,415)
Total Other Financing Sources (Uses)	(515,108)	-	-	-	-	-	-	(458,911)	(714,105)	(558,291)	558,291	(1,688,124)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,010	(7,812)	(161,427)	(164,217)	(129,611)	122,761	(9,880)	198,820	(376,061)	3,392	352,329	(169,696)
FUND BALANCES, BEGINNING OF YEAR	1,150,960	141,580	741,171	908,483	253,278	66,658	126,182	136,828	1,222,685	787,548	1,419,022	6,954,395
FUND BALANCES, END OF YEAR	\$ 1,152,970	\$ 133,768	\$ 579,744	\$ 744,266	\$ 123,667	\$ 189,419	\$ 116,302	\$ 335,648	\$ 846,624	\$ 790,940	\$ 1,771,351	\$ 6,784,699

JACKSON COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2017

	Agency Funds							
	County Collector's Funds	Township Bridge Program	Township Motor Fuel Tax Fund	Tax Sale Fund	Rental Housing Support Program	Circuit Clerk Bond Fund	Trustee Redemption Fund	Total
ASSETS								
Cash	\$ 2,105,685	\$ 39,861	\$ 656,983	\$ 98,436	\$ 7,453	\$ 515,182	\$ 89,240	\$ 3,512,840
Accounts receivable	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	525,827	-	525,827
Due from other funds	-	9,144	-	-	-	-	-	9,144
Total assets	<u>\$ 2,105,685</u>	<u>\$ 49,005</u>	<u>\$ 656,983</u>	<u>\$ 98,436</u>	<u>\$ 7,453</u>	<u>\$ 1,041,009</u>	<u>\$ 89,240</u>	<u>\$ 4,047,811</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ 26,903	\$ -	\$ -	\$ -	\$ -	\$ 26,903
Due to others	-	49,005	630,080	98,436	7,453	93,286	89,240	967,500
Due to individuals	-	-	-	-	-	947,723	-	947,723
Due to taxing units	<u>2,105,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,105,685</u>
Total liabilities	<u>2,105,685</u>	<u>49,005</u>	<u>656,983</u>	<u>98,436</u>	<u>7,453</u>	<u>1,041,009</u>	<u>89,240</u>	<u>4,047,811</u>
NET ASSETS	<u>\$ -</u>	<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, 2017

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Assets and Other Debits				
Cash	\$ 1,102,101	\$ 51,386	\$ 254,568	\$ 1,408,055
Accounts Receivable:				
Other governmental units and agencies	744,682	-	-	744,682
Property taxes	790,492	78,434	363,352	1,232,278
Other receivables	-	-	-	-
Due from other funds	64,162	-	-	64,162
Prepayments	6,550	-	-	6,550
Inventory	<u>41,655</u>	<u>1,703</u>	<u>-</u>	<u>43,358</u>
Total Assets	<u>\$ 2,749,642</u>	<u>\$ 131,523</u>	<u>\$ 617,920</u>	<u>\$ 3,499,085</u>
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts payable	\$ 40,679	\$ 155	\$ -	\$ 40,834
Accrued payroll	55,152	-	-	55,152
Compensated absences	83,250	-	-	83,250
Due to other funds	27,636	11,433	-	39,069
Deferred revenue	<u>814,225</u>	<u>73,500</u>	<u>339,933</u>	<u>1,227,658</u>
Total Liabilities	<u>1,020,942</u>	<u>85,088</u>	<u>339,933</u>	<u>1,445,963</u>
Fund Balance:				
Unreserved, undesignated	<u>1,728,700</u>	<u>46,435</u>	<u>277,987</u>	<u>2,053,122</u>
Total Fund Balances	<u>1,728,700</u>	<u>46,435</u>	<u>277,987</u>	<u>2,053,122</u>
Total Liabilities and Fund Balances	<u>\$ 2,749,642</u>	<u>\$ 131,523</u>	<u>\$ 617,920</u>	<u>\$ 3,499,085</u>

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
NOVEMBER 30, 2017

Total fund balances for discretely presented component units	\$ 2,053,122
--	--------------

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 \$78,845 accumulated depreciation	33,914	
Building and improvements, net of \$1,101,248 accumulated depreciation	948,664	
Equipment, less \$312,699 accumulated depreciation	<u>18,115</u>	
Total capital assets		1,050,193

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund balance sheet.	787,168
--	---------

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	(85,658)	
Net pension liability	<u>(1,537,880)</u>	
Total long-term liabilities		<u>(1,623,538)</u>

Total net position of discretely presented component units	\$ <u>2,266,945</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, 2017

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Revenues - Unrestricted Funds:				
General property taxes	\$ 720,580	\$ 69,407	\$ 316,270	\$ 1,106,257
Intergovernmental revenue	2,305,445	-	-	2,305,445
Use of money and property	123	44	1,410	1,577
Service charges, permits and fees	552,263	10,219	-	562,482
Other income	79,939	-	-	79,939
Total Unrestricted Fund Revenues	<u>3,658,350</u>	<u>79,670</u>	<u>317,680</u>	<u>4,055,700</u>
Expenditures - Unrestricted Funds:				
Public health	<u>3,525,189</u>	<u>78,605</u>	<u>318,437</u>	<u>3,922,231</u>
Total Unrestricted Fund Expenditures	<u>3,525,189</u>	<u>78,605</u>	<u>318,437</u>	<u>3,922,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>133,161</u>	<u>1,065</u>	<u>(757)</u>	<u>133,469</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,595,539</u>	<u>45,370</u>	<u>278,744</u>	<u>1,919,653</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,728,700</u>	<u>\$ 46,435</u>	<u>\$ 277,987</u>	<u>\$ 2,053,122</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, 2017

Net change in fund balances - total discretely presented component units	\$	133,469
--	----	---------

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

<p>Governemental 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 (\$84,063) exceeded capital outlays \$20,075 in the current period.</p>		(63,988)
---	--	----------

<p>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.</p>		227,509
---	--	---------

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		<u>(12,274)</u>
--------------------------------	--	-----------------

Change in net assets of discretely presented component units	\$	<u>284,716</u>
--	----	----------------

FEDERAL FINANCIAL ASSISTANCE

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, 2017, and the related notes to the financial statements, which collectively comprise Jackson County, Illinois' basic financial statements and have issued our report thereon dated May 29, 2018.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

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.

Kerbin, Eck & Brueckel LLP

Carbondale, Illinois
May 29, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kentley, Ed + Branstetter LLP

Carbondale, Illinois
May 29, 2018

JACKSON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

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	FCSVQ01210 FCSWQ01210 FCSVQ00896 FCSWQ00896	Illinois Department of Human Services	11,500 4,000 163,249 87,220
non-cash		FCSVQ00896		<u>517,832</u>
				783,801 *
Women, Infants, & Children Farmers' Market Nutrition Program	10.572	FCSWQ01276	Illinois Department of Human Services	1,000
Summer Food Service Program for Children	10.559	55280019C	Illinois Department of Public Health	<u>700</u>
Total U.S. Department of Agriculture				785,501
U.S. Department of Health and Human Services				
Medical Reserve Corps Small Program	93.008	MRC17-2292	National Association of County and City Health Officials	13,000
Immunization Cooperative Agreements	93.268	75180014E 65180010D	Illinois Department of Public Health	3,093 <u>24,611</u>
				27,704
HIV Care Formula Grants	93.917	75780029E 65780043D	Illinois Department of Public Health	498,586 <u>173,886</u>
				672,472
HIV Prevention Activities-Health Department Based	93.940	14-141-01 17-141-01	Illinois Public Health Association Illinois Department of Public Health	29,652 <u>26,213</u>
				55,865
Hospital Preparedness (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	87180038E 77180038E	Illinois Department of Public Health	43,207 <u>11,021</u>
				54,228
Environmental Public Health and Emergency Response	93.070	7328006E 63283006D	University of Illinois - Chicago Illinois Department of Public Health	13,700 <u>5,000</u>
				18,700
Medical Assistance Program	93.778	N/A	Illinois Department of Healthcare and Family Services	69,792
Child Support Enforcement	93.563	N/A	Illinois Department of Healthcare and Family Services	5,938
Prescription Monitoring Program	93.975	N/A	Illinois Department of Human Services	<u>21,000</u>
Total U.S. Department of Health and Human Services				938,699
U.S. Department of Housing and Urban Development				
Housing Opportunities for Persons with AIDS	14.241	65780028D	Illinois Department of Public Health	<u>3,090</u>
				3,090
National Disaster Resilience Competition	14.272	N/A	City of Carbondale, Illinois	43,623
Total U.S. Department of Housing and Urban Development				46,713

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, 2017

Program	CFDA Number	Pass-through Grantor's Number	Pass-Through Grantor	Expenditures
U.S. Department of Transportation				
Highway Planning and Construction	20.205	07-00153-00-BR 09-00152-00-SP	Illinois Department of Transportation	53,254 <u>1,575</u>
Total U.S. Department of Transportation				54,829
U.S. Environmental Protection Agency				
Performance Partnership Grants	66.605	75380143E	Illinois Department of Public Health	<u>150</u>
Total U.S. Environmental Protection Agency				150
U.S. Department of Homeland Security				
Hazard Mitigation Grant	97.039	N/A	Illinois Emergency Management Agency	<u>111,950</u>
Total U.S. Department of Homeland Security				111,950
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Programs	16.738	2014-DJ-BX-0154	City of Carbondale, Illinois	<u>-</u>
Total U.S. Department of Justice				-
Total Federal Expenditures				<u>1,937,842</u>
* Denotes Major Program 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, 2017

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 and Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Uniform Guidance section 310(b)(5), Jackson County, Illinois did not provide any federal funds to subrecipients during fiscal year ended November 30, 2017.

Note 3: Non-cash Assistance, Insurance or Loans

As required by the Uniform Guidance 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, 2017.

Non-cash assistance received in the amount \$517,832 is reflected in the Schedule of Expenditures of Federal Awards.

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified that are not
 considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified that are not
 considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be
 reported in accordance with 2CFR 200.516(a)? yes X no

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program</i>
10.557	Special Supplemental Nutrition Program for Women, Infants and Children

Dollar threshold used to distinguish between type

A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

JACKSON COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED NOVEMBER 30, 2017

Section II - Financial Statement Findings

SIGNIFICANT DEFICIENCIES

Finding Number 2018-01

Criteria

Segregation of Duties

Condition and Context

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

- An individual was responsible for preparing the bank reconciliations and involved in the cash receipt and disbursement process, including; preparing the deposit, printing checks, signing checks, posting journal entries, and performing wire transfers
- 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

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, 2017

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, 2017

Prior Audit Findings

- 2015-01. Journal Entries and Financial Close - comment implemented
- 2015-02. Unclaimed Bank Deposits - no such instance noted in fiscal year 2016
- 2015-03. Segregation of Duties - repeat comment as 2016-01
- 2016-01. Segregation of Duties - repeat comment as 2017-01
- 2016-02. Year end close - comment implemented
- 2017-01. Segregation of Duties - repeat comment as 2018-01
- 2017-02. Journal Entries of the Circuit Clerk – comment implemented

