

ANNUAL  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORTS

JACKSON COUNTY, ILLINOIS  
FISCAL YEAR ENDED NOVEMBER 30, 2018



JACKSON COUNTY, ILLINOIS  
FISCAL YEAR ENDED NOVEMBER 30, 2018

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JACKSON COUNTY, ILLINOIS

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FEDERAL FINANCIAL ASSISTANCE

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INTRODUCTORY SECTION

July 25, 2019

**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, 2018.

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 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, 2018, 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, 2018, 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 counties 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

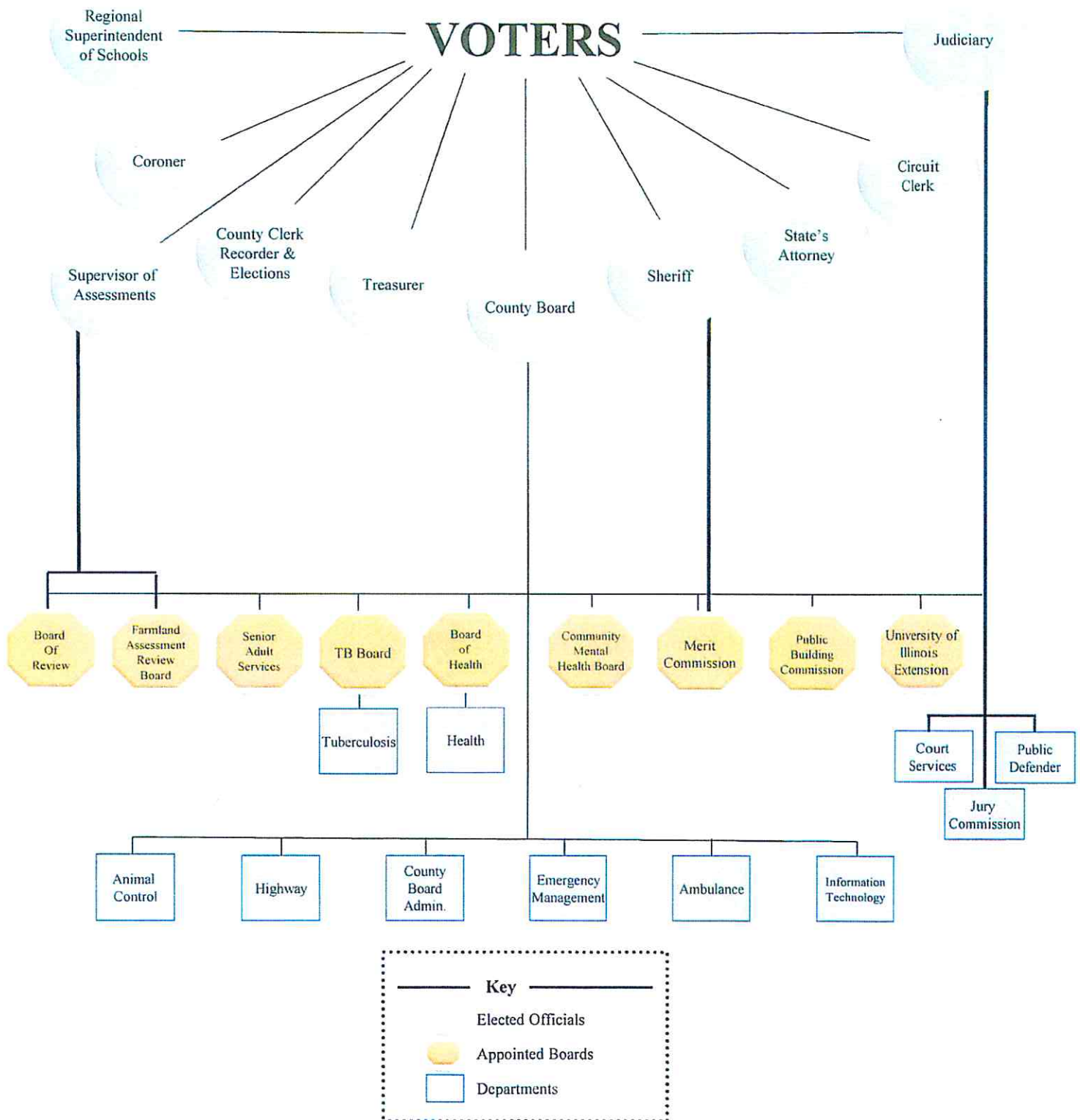
The preparation of this report would not have been possible without the efficient and dedicated services of the Accounting Coordinator, Jackson County Treasurer's Office, Jackson County State's Attorney Office, Jackson County Ambulance Service, Jackson County Health Department, and the Jackson County 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 'K. Larkin', written over a horizontal line.

Keith Larkin, Chairman  
Jackson County Board

# Jackson County Government Organizational Chart





JACKSON COUNTY, ILLINOIS  
LIST OF ELECTED OFFICIALS  
NOVEMBER 30, 2018

**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	Kenton Schafer
Animal Control Officer	Lloyd Nelson
Board of Review	Allan Karnes
	Jessica Doerr-Berger
	Wenona Whitfield
Emergency & Disaster Services	Derek Misener
Health Department Administrator	Sarah Patrick
Highway Engineer	Grant Guthman

FINANCIAL SECTION





Kerber, Eck & Braeckel LLP

CPAs and  
Management Consultants

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Marion, IL 62959  
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## INDEPENDENT AUDITORS' REPORT

Jackson County Board  
Courthouse  
Murphysboro, Illinois

### **Report on the Financial Statements**

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 2018, 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 an opinion 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.

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#### Other Locations

Belleville, IL · Columbia, IL · Harrisburg, IL · Litchfield, IL · O'Fallon, IL · Springfield, IL · Cape Girardeau, MO · St. Louis, MO · Milwaukee, WI

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

## **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, 2018, 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 62-65 and the retirement plans schedules of changes in net pension liability and related ratios, and multiyear schedules of changes in net OPEB and related ratios and the schedules of contributions on pages 66-70 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 July 25, 2019 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.

*Kurben, Eck + Braedel LLP*

Marion, Illinois  
July 25, 2019

JACKSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
NOVEMBER 30, 2018

**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, 2018. 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, for three consecutive years, adopted a budget with a reduction in property taxes in recognition of outward migration from the county due to high property taxes.
- Jackson County moved most employees to a more cost-effective health insurance plan.
- Jackson County adjusted where the committee meetings are held to reduce the cost of overtime.

**Overview of the Financial Statements**

This discussion and analysis is 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 statements 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 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, 2018

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, 2018

***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 rehab and care center and 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 a major fund 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 23-61 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 62-70 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: 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash	\$ 3,532,121	\$ 1,233,990	\$ 4,766,111	\$ 1,157,156
Accounts receivable:				
Consumers	-	616,895	616,895	-
Other governmental units and agencies	102,696	-	102,696	819,562
Property taxes	12,535,264	913,122	13,448,386	1,636,482
Internal balance	745,886	558,812	1,304,698	9,996
Due from agencies	14,936	-	14,936	-
Prepayments	320,379	-	320,379	11,029
Inventories	-	53,486	53,486	36,470
Restricted assets:				
Cash	7,132,370	-	7,132,370	-
Investments	52,626	-	52,626	-
Accounts receivable:				
Other governmental units and agencies	182,297	-	182,297	-
Property taxes	4,033,803	-	4,033,803	-
Internal balance	(1,314,695)	-	(1,314,695)	-
Due from agencies	33,484	-	33,484	-
Noncurrent assets:				
Net Pension Asset - IMRF Regular	578,313	278,571	856,884	257,400
Net Pension Asset - ECO Regular	148,523	-	148,523	-
Land	150,000	66,458	216,458	49,500
Construction in progress	1,349,985	4,063	1,354,048	-
Capital assets, net	<u>36,998,627</u>	<u>555,104</u>	<u>37,553,731</u>	<u>973,430</u>
Total Assets	<u>66,596,615</u>	<u>4,280,501</u>	<u>70,877,116</u>	<u>4,951,025</u>
Deferred Outflows of Resources				
Deferred outflows - IMRF regular	1,868,025	822,650	2,690,675	756,396
Deferred outflows - IMRF SLEP	1,519,648	-	1,519,648	-
Deferred outflows - IMRF ECO	<u>187,125</u>	<u>-</u>	<u>187,125</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>3,574,798</u>	<u>822,650</u>	<u>4,397,448</u>	<u>756,396</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 70,171,413</u>	<u>\$ 5,103,151</u>	<u>\$ 75,274,564</u>	<u>\$ 5,707,421</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS  
STATEMENT OF NET POSITION - CONTINUED  
NOVEMBER 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Liabilities:				
Accounts payable	\$ 887,115	\$ 492,808	\$ 1,379,923	\$ 74,012
Accrued payroll	171,732	33,966	205,698	50,055
Current portion - compensated absences	690,767	176,417	867,184	86,990
Current portion - general obligation bonds	245,000	-	245,000	-
Due to others	67,865	-	67,865	-
Due to agencies	-	-	-	-
Restricted liabilities				
Accounts payable	412,957	-	412,957	-
Accrued payroll	356,886	-	356,886	-
Current portion - compensated absences	20,826	-	20,826	-
Cash overdrawn	865,736	-	865,736	-
Due to others	66,457	-	66,457	-
Noncurrent liabilities:				
Compensated absences	1,798,421	-	1,798,421	84,969
General obligation bonds	3,555,000	-	3,555,000	-
Net OPEB Liability	10,204,171	-	10,204,171	-
Net Pension Liability - IMRF SLEP	1,492,042	-	1,492,042	-
Total Liabilities	<u>20,834,975</u>	<u>703,191</u>	<u>21,538,166</u>	<u>296,026</u>
Deferred Inflows of Resources				
Deferred inflows - property taxes	8,299,124	630,717	8,929,841	1,207,265
Deferred inflows - IMRF regular	3,713,563	1,677,594	5,391,157	1,763,616
Deferred inflows - IMRF SLEP	2,727,508	-	2,727,508	-
Deferred inflows - IMRF ECO	364,860	-	364,860	-
Restricted deferred inflows - property taxes	2,894,047	-	2,894,047	-
Total Deferred Inflows of Resources	<u>17,999,102</u>	<u>2,308,311</u>	<u>20,307,413</u>	<u>2,970,881</u>
NET POSITION				
Net investment in capital assets	34,698,612	625,625	35,324,237	1,022,930
Restricted	5,502,976	-	5,502,976	-
Unrestricted	<u>(8,864,252)</u>	<u>1,466,024</u>	<u>(7,398,228)</u>	<u>1,417,584</u>
Total Net Position	<u>31,337,336</u>	<u>2,091,649</u>	<u>33,428,985</u>	<u>2,440,514</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 70,171,413</u>	<u>\$ 5,103,151</u>	<u>\$ 75,274,564</u>	<u>\$ 5,707,421</u>

The accompanying notes are an integral port of this statement.

JACKSON COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

Functions/Programs Primary government:	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Service Charges, Permits, and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
General government	\$ 13,610,732	\$ 5,716,739	\$ 223,897	\$ -	\$ (7,670,096)	\$ -	\$ (7,670,096)	\$ -
Public Works	4,050,836	224,551	1,059,659	560,818	(2,205,808)	-	(2,205,808)	-
Public Safety	9,776,689	887,207	152,468	-	(8,737,014)	-	(8,737,014)	-
Interest on long term debt	224,150	-	-	-	(224,150)	-	(224,150)	-
Total governmental activities	27,662,407	6,828,497	1,436,024	560,818	(18,837,068)	-	(18,837,068)	-
Business-Type activities:								
Rehab & Care Ambulance	50,027	-	-	-	-	(50,027)	(50,027)	-
	3,664,665	2,820,253	-	-	-	(844,412)	(844,412)	-
Total Business-Type activities	3,714,692	2,820,253	-	-	-	(894,439)	(894,439)	-
Total Primary Government	\$ 31,377,099	\$ 9,648,750	\$ 1,436,024	\$ 560,818	(18,837,068)	(894,439)	(19,731,507)	-
Component Units:								
Health Department	\$ 3,587,968	\$ 562,419	\$ 2,356,930	\$ -	-	-	-	(668,619)
Tuberculosis	69,613	11,017	-	-	-	-	-	(58,596)
Mental Health 708 Board	255,992	-	-	-	-	-	-	(255,992)
Total Component Units	\$ 3,913,573	\$ 573,436	\$ 2,356,930	\$ -	-	-	-	(983,207)
General Revenues:								
Taxes:								
General property taxes					8,191,835	669,764	8,861,599	1,153,689
Property taxes, restricted					2,707,480	-	2,707,480	-
Sales and service taxes					2,057,441	-	2,057,441	-
Motor fuel tax					920,047	-	920,047	-
State Income Tax					1,999,694	-	1,999,694	-
Replacement Tax					585,927	-	585,927	-
Local Use Tax					590,867	-	590,867	-
County Hotel Tax					44,065	-	44,065	-
Investment earnings					99,077	37,218	136,295	3,087
Federal subsidies for Recovery Zone Economic Development and Build America Bonds					69,508	-	69,508	-
Miscellaneous					10,456	47,533	57,989	-
Total general revenues					17,276,397	754,515	18,030,912	1,156,776
Change in net position					(1,560,671)	(139,924)	(1,700,595)	173,569
Net position - originally stated, beginning of year					40,505,000	2,231,573	42,736,573	2,266,945
Prior period adjustment (Note S)					(7,606,993)	-	(7,606,993)	-
Net position as restated - beginning of year					32,898,007	2,231,573	35,129,580	2,266,945
Net position - ending					\$ 31,337,336	\$ 2,091,649	\$ 33,428,985	\$ 2,440,514

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
NOVEMBER 30, 2018

	General Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 1,114,181	\$ 599,055	\$ 1,818,885	\$ 3,532,121
Accounts receivable:				
Other governmental units and agencies	-	58,909	43,787	102,696
Property taxes	10,682,178	-	1,853,086	12,535,264
Due from other funds	2,141,704	2,809,676	39,235	4,990,615
Due from agencies	-	-	14,936	14,936
Prepayments	-	-	320,379	320,379
Restricted assets				
Cash	2,250,015	-	4,882,355	7,132,370
Investments	52,626	-	-	52,626
Accounts receivable:				
Other governmental units and agencies	114,436	-	67,861	182,297
Property taxes	-	-	4,033,803	4,033,803
Due from other funds	-	300,000	866,870	1,166,870
Due from agency funds	-	-	33,484	33,484
<b>Total Assets</b>	<u>16,355,140</u>	<u>3,767,640</u>	<u>13,974,681</u>	<u>34,097,461</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 16,355,140</u>	<u>\$ 3,767,640</u>	<u>\$ 13,974,681</u>	<u>\$ 34,097,461</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ 380,794	\$ -	\$ 506,321	\$ 887,115
Accrued payroll	155,984	-	15,748	171,732
Compensated absences	646,173	-	44,594	690,767
Due to other funds	4,128,620	48,962	67,147	4,244,729
Due to others	67,865	-	-	67,865
Due to agencies	-	-	-	-
Restricted liabilities				
Accounts payable	394,567	-	18,390	412,957
Accrued payroll	(45,636)	-	402,522	356,886
Compensated absences	20,826	-	-	20,826
Cash overdrawn	-	-	865,736	865,736
Due to other funds	2,442,117	-	39,448	2,481,565
Due to others	66,457	-	-	66,457
<b>Total liabilities</b>	<u>8,257,767</u>	<u>48,962</u>	<u>1,959,906</u>	<u>10,266,635</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - property taxes	6,990,633	-	1,308,491	8,299,124
Restricted deferred inflows - property taxes	-	-	2,894,047	2,894,047
<b>Total Deferred Inflows of Resources</b>	<u>6,990,633</u>	<u>-</u>	<u>4,202,538</u>	<u>11,193,171</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>15,248,400</u>	<u>48,962</u>	<u>6,162,444</u>	<u>21,459,806</u>
<b>Fund Balances:</b>				
Nonspendable	-	2,809,676	320,379	3,130,055
Restricted	-	300,000	5,692,803	5,992,803
Committed	-	609,002	544,595	1,153,597
Assigned	-	-	1,254,460	1,254,460
Unassigned	1,106,740	-	-	1,106,740
<b>Total fund balances</b>	<u>1,106,740</u>	<u>3,718,678</u>	<u>7,812,237</u>	<u>12,637,655</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 16,355,140</u>	<u>\$ 3,767,640</u>	<u>\$ 13,974,681</u>	<u>\$ 34,097,461</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, 2018

Total fund balances for governmental funds \$ 12,637,655

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	1,349,985	
Land	150,000	
Land improvements, net of \$122,476 accumulated depreciation	36,100	
Buildings, net of \$5,787,141 accumulated depreciation	4,756,106	
Building improvements, net of \$1,145,339 accumulated depreciation	719,550	
Fixed equipment, net of \$257,599 accumulated depreciation	114,844	
Major movable equipment, net of \$1,429,000 accumulated depreciation	54,799	
Vehicles, net of \$2,548,946 accumulated depreciation	556,503	
Computers, net of \$871,303 accumulated depreciation	208,763	
Infrastructure, net of \$7,910,375 accumulated depreciation	<u>30,551,962</u>	
Total capital assets		38,498,612

Deferred outflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental fund balance sheet. (3,231,133)

The OPEB obligation resulting from contributions less than the annual required contribution are not financial liabilities and, therefore, are not reported in the funds. (10,204,171)

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	(3,800,000)	
Compensated absences	(1,798,421)	
Net Pension Liability	<u>(765,206)</u>	
Total long-term liabilities		<u>(6,363,627)</u>

Total net position of governmental activities \$ 31,337,336

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, 2018

	General Fund	Solid Waste Management Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues - Unrestricted Funds:</b>				
General property taxes	\$ 6,900,251	\$ -	\$ 1,291,584	\$ 8,191,835
Sales and service taxes	2,057,441	-	-	2,057,441
Intergovernmental revenue	3,566,927	-	1,020,719	4,587,646
Use of money and property	16,683	18,631	28,489	63,803
Service charges, permits and fees	1,908,631	-	-	1,908,631
Sanitation fees	-	403,094	-	403,094
Other revenue	-	-	224,551	224,551
<b>Total Unrestricted Fund Revenues</b>	<b>14,449,933</b>	<b>421,725</b>	<b>2,565,343</b>	<b>17,437,001</b>
<b>Expenditures - Unrestricted Funds</b>				
Current:				
General government	7,073,749	-	-	7,073,749
Public safety	9,411,804	-	-	9,411,804
Public health	-	363,835	-	363,835
Public works	-	-	2,394,442	2,394,442
Capital improvements	180,051	-	810,867	990,918
Other Expenditures	-	-	-	-
<b>Total Unrestricted Fund Expenditures</b>	<b>16,665,604</b>	<b>363,835</b>	<b>3,205,309</b>	<b>20,234,748</b>
<b>Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds</b>	<b>(2,215,671)</b>	<b>57,890</b>	<b>(639,966)</b>	<b>(2,797,747)</b>
<b>Revenues - Restricted Funds:</b>				
General property taxes	-	-	2,707,480	2,707,480
Intergovernmental revenue	-	-	1,116,711	1,116,711
Use of money and property	-	-	35,274	35,274
Federal subsidies for Recovery Zone Economic Development and Build America Bonds	-	-	69,508	69,508
Other revenues	4,289,066	-	446,696	4,735,762
<b>Total Restricted Fund Revenues</b>	<b>4,289,066</b>	<b>-</b>	<b>4,375,669</b>	<b>8,664,735</b>
<b>Expenditures - Restricted Funds:</b>				
General property taxes:				
Tort liability	-	-	401,991	401,991
Benefit	-	-	430,778	430,778
Debt Service	-	-	235,000	235,000
Principal	-	-	224,150	224,150
Interest	-	-	124,163	124,163
Capital improvements	5,929,702	-	513,559	6,443,261
Other expenditures	-	-	-	-
<b>Total Restricted Fund Expenditures</b>	<b>5,929,702</b>	<b>-</b>	<b>1,929,641</b>	<b>7,859,343</b>
<b>Excess (deficiency) of Revenues Over Expenditures - Restricted Funds</b>	<b>(1,640,636)</b>	<b>-</b>	<b>2,446,028</b>	<b>805,392</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	1,995,913	-	607,031	2,602,944
Operating transfers in - restricted	1,866,751	-	-	1,866,751
Operating transfers out	(994,554)	-	(2,632,227)	(3,616,781)
Operating transfers out - restricted	(852,914)	-	-	(852,914)
<b>Total Other Financing Sources (Uses)</b>	<b>2,015,196</b>	<b>-</b>	<b>(2,015,196)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(1,841,111)</b>	<b>57,890</b>	<b>(209,134)</b>	<b>(1,992,355)</b>
<b>FUND BALANCES, BEGINNING OF YEAR AS PREVIOUSLY STATED</b>	<b>3,105,258</b>	<b>3,660,788</b>	<b>8,021,371</b>	<b>14,787,417</b>
Prior period adjustment (Note 5)	(157,407)	-	-	(157,407)
<b>FUND BALANCES, BEGINNING OF YEAR AS RESTATED</b>	<b>2,947,851</b>	<b>3,660,788</b>	<b>8,021,371</b>	<b>14,630,010</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,106,740</b>	<b>\$ 3,718,678</b>	<b>\$ 7,812,237</b>	<b>\$ 12,637,655</b>

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, 2018

Net change in fund balances - total governmental funds \$ (1,992,355)

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 depreciation (\$1,581,455) exceeds capital outlays (\$1,115,081) in the current period. (466,374)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to increase net assets. (24,645)

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 58,032

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 235,000

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. 338,277

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. 291,394

Change in net position of governmental activities \$ (1,560,671)

The accompanying notes are an integral part of this statement.



JACKSON COUNTY, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
NOVEMBER 30, 2018

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
ASSETS			
Current Assets:			
Cash	\$ 170,690	\$ 1,063,300	\$ 1,233,990
Accounts receivable:			
Consumers	-	616,895	616,895
Property taxes	-	913,122	913,122
Due from other funds	-	765,376	765,376
Inventories	-	53,486	53,486
Noncurrent assets:			
Net Pension Assets - IMRF Regular	-	278,571	278,571
Capital Assets:			
Construction in progress	-	4,063	4,063
Land and improvements	-	207,142	207,142
Buildings and improvements	-	646,672	646,672
Vehicles and equipment	-	1,955,824	1,955,824
Accumulated depreciation	-	(2,188,076)	(2,188,076)
Total Assets	<u>170,690</u>	<u>4,316,375</u>	<u>4,487,065</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension resources	<u>56,047</u>	<u>766,603</u>	<u>822,650</u>
Total Deferred Outflows of Resources	<u>56,047</u>	<u>766,603</u>	<u>822,650</u>
Total Assets and Deferred Outflows of Resources	<u>226,737</u>	<u>5,082,978</u>	<u>5,309,715</u>
LIABILITIES			
Accounts payable	223,532	269,276	492,808
Accrued payroll	-	33,966	33,966
Compensated absences	-	176,417	176,417
Due to other funds	-	206,564	206,564
Net pension liability	-	-	-
Total Liabilities	<u>223,532</u>	<u>686,223</u>	<u>909,755</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	-	630,717	630,717
Deferred inflows - pension resources	-	1,677,594	1,677,594
Total Deferred Inflows of Resources	<u>-</u>	<u>2,308,311</u>	<u>2,308,311</u>
Total Liabilities and Deferred Inflows of Resources	<u>223,532</u>	<u>2,994,534</u>	<u>3,218,066</u>
NET POSITION			
Net investment in capital assets	-	625,625	625,625
Unrestricted	<u>3,205</u>	<u>1,462,819</u>	<u>1,466,024</u>
Total Net Position	<u>\$ 3,205</u>	<u>\$ 2,088,444</u>	<u>\$ 2,091,649</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, 2018

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
Operating Revenues:			
Charges for services, net of related bad debts	\$ -	\$ 2,820,253	\$ 2,820,253
Other operating revenues	-	-	-
Total Operating Revenues	-	2,820,253	2,820,253
Operating Expenses:			
Personnel services	-	3,169,284	3,169,284
Commodities	-	466,558	466,558
Contractual	-	85,360	85,360
Maintenance	-	-	-
Other charges	-	-	-
Depreciation	-	187,919	187,919
Pension expense	50,027	(244,456)	(194,429)
Total Operating Expenses	50,027	3,664,665	3,714,692
Operating Income (Loss)	(50,027)	(844,412)	(894,439)
Nonoperating Revenues (Expenses):			
General property taxes	-	669,764	669,764
Use of money and property	1,519	35,699	37,218
Miscellaneous	1,944	45,589	47,533
Gain on sale of fixed assets	-	-	-
Total Nonoperating Revenues	3,463	751,052	754,515
Change in net position	(46,564)	(93,360)	(139,924)
Net Position - Beginning of Year	49,769	2,181,804	2,231,573
Net Position - End of Year	\$ 3,205	\$ 2,088,444	\$ 2,091,649

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, 2018

	Enterprise Funds		
	Rehab & Care Center Fund	Ambulance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from patients and third party payors	\$ -	\$ 2,841,822	\$ 2,841,822
Payments to suppliers	-	856,025	856,025
Payments to employees	-	(5,096,417)	(5,096,417)
Net cash used in operating activities	-	(1,398,570)	(1,398,570)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property tax support	-	669,764	669,764
Miscellaneous revenue	-	45,589	45,589
Net cash provided by noncapital financing activities	-	715,353	715,353
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(454,201)	(454,201)
Loss on disposal of capital assets	-	60,407	60,407
Net cash used in capital and related financing activities	-	(393,794)	(393,794)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	3,463	35,699	39,162
Net cash provided by investing activities	3,463	35,699	39,162
NET INCREASE (DECREASE) IN CASH	3,463	(1,041,312)	(1,037,849)
CASH, BEGINNING OF YEAR	167,227	2,104,612	2,271,839
CASH, END OF YEAR	\$ 170,690	\$ 1,063,300	\$ 1,233,990
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	\$ (50,027)	\$ (844,412)	\$ (894,439)
Items not requiring (providing) cash:			
Depreciation	-	187,919	187,919
Changes in:			
Accounts receivable	-	(164,866)	(164,866)
Due from other funds	-	(636,095)	(636,095)
Deferred outflows of resources	50,027	192,493	242,520
Inventories	-	-	-
Accounts payable	-	223,193	223,193
Accrued payroll	-	(88,214)	(88,214)
Accrued vacation	-	88,541	88,541
Due to other funds	-	120,025	120,025
Due to third parties	-	-	-
Deferred revenue	-	1,450,306	1,450,306
Net pension liability	-	(1,927,460)	(1,927,460)
NET CASH USED IN OPERATING ACTIVITIES	\$ -	\$ (1,398,570)	\$ (1,398,570)

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
NOVEMBER 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash	\$23,568,700
Accounts receivable	-
Investments	488,347
Due from other funds	<u>-</u>
Total assets	<u>\$24,057,047</u>
LIABILITIES	
Due to other funds	\$ 48,420
Due to others	829,400
Due to individuals	539,415
Due to taxing units	<u>22,639,812</u>
Total liabilities	<u>24,057,047</u>
NET POSITION	<u>\$ -</u>

The accompanying notes are an integral part of this statement.



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2018

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, 2018

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 position 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 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 remained active for fiscal year 2018.

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

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.



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Government-Wide and Fund Financial Statements - Continued

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.

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.



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

12. Deferred Outflows/Inflows of Resources

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

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Deferred Outflows/Inflows of Resources - Continued

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

13. Fund Equity and Net Position

The following classifications describe 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.

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.



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

13. Fund Equity and Net Position - Continued

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, 2018, a reconciliation of cash and investments (including fiduciary fund assets) as shown on the Statement of Net Position is as follows:

Cash on hand	\$ 1,450
Carrying amount of deposits	35,757,151
Carrying amount of investments	<u>540,973</u>
Total	<u>\$ 36,299,574</u>
Government-wide financial statement of net position:	
Cash	\$ 12,189,901
Investments	<u>52,626</u>
Total	<u>\$ 12,242,527</u>
Statement of fiduciary net position:	
Cash	\$ 23,568,700
Investments	<u>488,347</u>
Total	<u>\$ 24,057,047</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, 2018, the carrying value of the County's deposits, including fiduciary funds totaled \$36,299,574 and the bank balances totaled \$37,899,268, including fiduciary funds, \$1,625,015 was covered by federal depository insurance, \$28,271,402 were collateralized by pledged bank assets in the County's name, \$7,079,453 was deposited in the Illinois Funds, a state investment pool, and \$923,398 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, 2018

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Investments

As of November 30, 2018, 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>\$ 540,973</u>	<u>\$ 540,973</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, 2018, 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, 2018, 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, 2018

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, 2018.

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, 2018:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposit	\$ 52,626	\$ -	\$ 52,626	\$ -

A summary of the County's fiduciary fund's assets at November 30, 2018 measured at estimated fair value on a recurring basis were as follows:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Certificates of deposit	\$ 488,347	\$ -	\$ 488,347	\$ -

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, 2018

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, 2018, accounts receivable in the Enterprise Fund totaled \$616,895 which is net of contractual allowances and provisions for bad debts of \$2,866,733.

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 2017 assessed valuation for property taxes collected in Fiscal Year 2018 was \$751,709,333. The tax levy for 2017, which represents the property taxes collected in Fiscal Year 2018, was 1.66871 per \$100 assessed valuation.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

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, 2018 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 Fund</u>
Tort Liability	\$ (128,531)	\$ -	\$ 505,228	\$ -	\$ -
Worker's Compensation	(69,649)	-	390,765	-	198,673
Unemployment Insurance	(15,158)	-	92,113	3,108	98,637
Social Security	221,698	-	1,228,812	-	-
Illinois Municipal Retirement Fund	363,591	-	1,556,664	-	170
Circuit Clerk Child Support					
Admin Fund	113,214	-	-	-	-
Court Assessment	418,659	-	-	-	-
Court Automation	79,936	-	-	-	-
Court Document Storage	96,491	-	-	-	-
Court Security	1,725	52,626	-	7,979	-
Court Supervision	25,486	-	-	-	-
County Clerk Automation	198,137	-	-	-	-
County Clerk Revenue Stamps	266,394	-	-	-	-
Debt Service	1,257,011	-	260,221	-	-
Geographic Information System	557,119	-	-	-	-
Grants	214	-	-	-	-
Health Insurance/Medical	9,784	-	-	106,457	-
Housing of Prisoners	362,314	-	-	54,124	569,390
Law Library	11,839	-	-	-	-
Motor Fuel Tax	1,489,356	-	-	10,629	33,484
Payroll	(68,736)	-	-	-	-
Prisoner Trust Accounts	66,457	-	-	-	-
Public Building Commission	47,803	-	-	-	-
River Levee Bonds	535,987	-	-	-	-
Sheriff DUI Fund					
Enforcement Equipment	63,204	-	-	-	-
Solid waste	-	-	-	-	300,000
State's Attorney Automation	16,334	-	-	-	-
States Attorney Drug Asset Forfeiture	221,009	-	-	-	-
State's Attorney Victim					
Assistance Fund	1,138	-	-	-	-
Treasurer Automation	123,588	-	-	-	-
Treasurer Inheritance Tax	220	-	-	-	-
<b>Total</b>	<b>\$ 6,266,634</b>	<b>\$ 52,626</b>	<b>\$ 4,033,803</b>	<b>\$ 182,297</b>	<b>\$ 1,200,354</b>



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2018 was as follows:

General Government

	Balance November 30, <u>2017</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance November 30, <u>2018</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Construction in progress	<u>14,966,818</u>	<u>-</u>	<u>(13,616,833)</u>	<u>1,349,985</u>
Total capital assets, not being depreciated	<u>15,116,818</u>	<u>-</u>	<u>(13,616,833)</u>	<u>1,499,985</u>
Capital assets, being depreciated:				
Land improvements	162,376	-	-	162,376
Buildings	10,800,421	-	-	10,800,421
Building improvements	1,964,550	-	-	1,964,550
Fixed equipment	289,804	95,726	-	385,530
Major moveable equipment	1,487,331	7,243	-	1,494,574
Vehicles	2,965,135	320,584	(42,469)	3,243,250
Computers	1,146,411	6,604	(1,415)	1,151,600
Infrastructure	<u>25,128,964</u>	<u>684,924</u>	<u>13,592,188</u>	<u>39,406,076</u>
Total capital assets being depreciated	43,944,992	1,115,081	13,548,304	58,608,377
Less accumulated depreciated for:				
Land improvements	(122,476)	(3,800)	-	(126,276)
Buildings	(5,787,141)	(257,174)	-	(6,044,315)
Building improvements	(1,145,339)	(99,661)	-	(1,245,000)
Fixed equipment	(257,599)	(13,087)	-	(270,686)
Major moveable equipment	(1,429,000)	(10,774)	-	(1,439,774)
Vehicles	(2,548,946)	(180,270)	42,469	(2,686,747)
Computers	(871,303)	(72,949)	1,415	(942,837)
Infrastructure	<u>(7,910,375)</u>	<u>(943,740)</u>	<u>-</u>	<u>(8,854,115)</u>
Total accumulated depreciation	<u>(20,072,179)</u>	<u>(1,581,455)</u>	<u>43,884</u>	<u>(21,609,750)</u>
Total capital assets, being depreciated, net	<u>23,872,813</u>	<u>(466,374)</u>	<u>13,592,188</u>	<u>36,998,627</u>
	<u>\$ 38,989,631</u>	<u>\$ (466,374)</u>	<u>\$ (24,645)</u>	<u>\$ 38,498,612</u>

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE F - CAPITAL ASSETS - CONTINUED

	Balance November 30, <u>2017</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance November 30, <u>2018</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 66,458	\$ -	\$ -	\$ 66,458
Construction in progress	<u>-</u>	<u>4,063</u>	<u>-</u>	<u>4,063</u>
Total capital assets, not being depreciated	<u>66,458</u>	<u>4,063</u>	<u>-</u>	<u>70,521</u>
Capital assets, being depreciated:				
Land improvements	140,684	-	-	140,684
Buildings and improvements	644,592	2,080	-	646,672
Vehicles and equipment	<u>2,720,596</u>	<u>448,058</u>	<u>(1,212,830)</u>	<u>1,955,824</u>
Total capital assets being depreciated	3,505,872	450,138	(1,212,830)	2,743,180
Less accumulated depreciation for:				
Land improvements	(99,479)	(6,372)	-	(105,851)
Buildings and improvements	(589,378)	(11,856)	-	(601,234)
Vehicles and equipment	<u>(2,463,725)</u>	<u>(169,691)</u>	<u>1,152,425</u>	<u>(1,480,991)</u>
Total accumulated depreciation	<u>(3,152,582)</u>	<u>(187,919)</u>	<u>1,152,425</u>	<u>(2,188,076)</u>
Total capital assets, being depreciated, net	<u>353,290</u>	<u>262,219</u>	<u>(60,405)</u>	<u>555,104</u>
Business-type activities capital assets, net	<u>\$ 419,748</u>	<u>\$ 266,282</u>	<u>\$ (60,405)</u>	<u>\$ 625,625</u>

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

Governmental activities

General government	\$ 184,836
Public safety	362,685
Public works	<u>1,033,934</u>
Total depreciation expense - governmental activities	<u>\$ 1,581,455</u>

Business-type activities:

Ambulance	<u>\$ 187,919</u>
Total depreciation expense - business-type activities	<u>\$ 187,919</u>

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE F - CAPITAL ASSETS - CONTINUED

Construction in progress of the governmental activities capital assets consists of amounts expended for various infrastructure replacement and improvement projects with an estimated cost of \$1,349,985. 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, 2018 follows:

	Balance November 30, <u>2017</u>	<u>Additions</u>	Deductions and <u>Transfers</u>	Balance November 30, <u>2018</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	2,049,912	32,950	(2,700)	2,080,162
Equipment	<u>344,958</u>	<u>21,203</u>	<u>(6,642)</u>	<u>359,519</u>
Total capital assets being depreciated	2,515,835	54,153	(9,342)	2,560,646
Less accumulated depreciation for:				
Land improvements	(87,051)	(8,105)	-	(95,156)
Buildings and improvements	(1,101,248)	(62,730)	2,700	(1,161,278)
Equipment	<u>(326,843)</u>	<u>(10,581)</u>	<u>6,642</u>	<u>(330,782)</u>
Total accumulated depreciation	<u>(1,515,142)</u>	<u>(81,416)</u>	<u>9,342</u>	<u>(1,587,216)</u>
Total capital assets, being depreciated, net	<u>1,000,693</u>	<u>(27,263)</u>	<u>-</u>	<u>973,430</u>
Component unit, capital assets, net	<u>\$ 1,050,193</u>	<u>(27,263)</u>	<u>\$ -</u>	<u>\$ 1,022,930</u>



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

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, 2018 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. \$ 1,315,000

\$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. 1,140,000

\$1,496,000 series 2010B general obligation bonds dated December 30, 2010 due annually from December 1, 2012 through December 1, 2035 in installments ranging from \$6,000 to \$115,000. Interest is payable each June 1 and December 1, beginning December 1, 2011. The bonds bear interest rates of 4.20% to 8.00% per annum. 1,345,000

\$ 3,800,000

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.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE G - LONG-TERM DEBT - CONTINUED

Governmental Activities - Continued:

The annual requirements to amortize all bonds outstanding as of November 30, 2018 are as follows:

<u>Governmental Activities</u>		
Year Ending <u>November 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 245,000	\$ 214,765
2020	255,000	204,950
2021	260,000	194,855
2022	265,000	184,020
2023	275,000	172,270
2024-2028	1,150,000	676,016
2029-2033	780,000	388,294
2034-2037	<u>570,000</u>	<u>70,000</u>
	<u>\$ 3,800,000</u>	<u>\$ 2,105,170</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 \$719,507 for the remaining duration of the bonds.

During the year ended November 30, 2018, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

	Balance November 30, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance November 30, <u>2018</u>	Due Within <u>One Year</u>
General Obligation Bonds	\$ 4,035,000	\$ -	\$ (235,000)	\$ 3,800,000	\$ 245,000
Compensated Absences	2,670,716	15,715	-	2,686,431	888,010
Net OPEB Liability	10,495,565	-	(291,394)	10,204,171	-
Net Pension (Asset)/Liability	<u>8,847,170</u>	<u>-</u>	<u>(8,360,535)</u>	<u>486,635</u>	<u>-</u>
	<u>\$ 26,048,451</u>	<u>\$ 15,715</u>	<u>\$ (8,886,929)</u>	<u>\$ 17,177,237</u>	<u>\$ 1,133,010</u>

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE G - LONG-TERM DEBT - CONTINUED

During the year ended November 30, 2018, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

	Balance November 30, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance November 30, <u>2018</u>	Due Within <u>One Year</u>
Compensated Absences	\$ 168,908	\$ 3,053	\$ -	\$ 171,961	\$ 86,990
Net Pension (Asset)/Liability	<u>1,537,880</u>	<u>-</u>	<u>(1,795,280)</u>	<u>(257,400)</u>	<u>-</u>
	<u>\$ 1,706,788</u>	<u>\$ 3,053</u>	<u>\$ (1,795,280)</u>	<u>\$ (85,439)</u>	<u>\$ 86,990</u>

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](http://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.



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE H - RETIREMENT PLANS - CONTINUED

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

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

*Regular Personnel (Non-SLEP)*

Employees Covered by Benefit Terms-Regular Plan

As of December 31, 2017, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	385
Inactive Plan Members entitled to but not yet receiving benefits	408
Active Plan Members	<u>206</u>
Total	999

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 2017 was 11.51%. For the fiscal year ended November 30, 2018, the County contributed \$1,058,978 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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE H - RETIREMENT PLANS - CONTINUED

*Regular Personnel (Non-SLEP) - Continued*

Actuarial Assumptions

- 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 2017 valuation pursuant to an experience study of the period 2014-2016.
- The IMRF-specific rates for **Mortality Non-Disabled Retirees** an IMRF specific mortality table was used with fully generational projection scale MR-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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	37 %	6.85%
International Equities	18 %	6.75%
Fixed Income	28 %	3.00%
Real Estate	9 %	5.75%
Alternative Investments	7 %	2.65 - 7.35%
Cash Equivalents	<u>1 %</u>	2.25%
Total	<u>100 %</u>	



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE H - RETIREMENT PLANS - CONTINUED

*Regular Personnel (Non-SLEP) - Continued*

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
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 3.31%, and the resulting single discount rate is 7.5%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 76,494,284	\$ 69,725,446	\$ 6,768,838
Changes for the year:			
Service Cost	889,664	-	889,664
Interest on the Total Pension Liability	5,626,963	-	5,626,963
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	300,425	-	300,425
Changes of Assumptions	(2,279,765)	-	(2,279,765)
Contributions - Employer	-	994,713	(994,713)
Contributions - Employees	-	414,544	(414,544)
Net Investment Income	-	12,386,625	(12,386,625)
Benefit Payments, including Refunds of Employee Contributions	(3,825,890)	(3,825,890)	-
Other (Net Transfer)	-	(1,375,473)	1,375,473
Net Changes	711,397	8,594,519	(7,883,122)
Balances at December 31, 2017	\$ 77,205,681	\$ 78,319,965	\$ (1,114,284)
Primary government	\$ 59,371,169	\$ 60,228,053	\$ (856,884)
Component unit	17,834,512	18,091,912	(257,400)
	\$ 77,205,681	\$ 78,319,965	\$ (1,114,284)



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

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/ (Asset)	\$ 7,900,547	\$ (1,114,284)	\$ (8,492,935)

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

For the year ended November 30, 2018, the County recognized pension expense of \$(503,712). At November 30, 2018, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Deferred Amounts Related to Pensions			
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	\$ 170,258	\$ (21,919)	\$ 148,339
Changes of assumptions	-	(1,293,317)	(1,293,317)
Net difference between projected and actual earnings on pension plan investments	<u>2,335,205</u>	<u>(5,839,537)</u>	<u>(3,504,332)</u>
Total Deferred Amounts to be recognized in pension expense in future periods	2,505,463	(7,154,773)	(4,649,310)
Pension Contributions made prior to the Measurement Date	<u>941,608</u>	<u>-</u>	<u>941,608</u>
Total Deferred Amounts Related to Pensions	<u>\$ 3,447,071</u>	<u>\$ (7,154,773)</u>	<u>\$ (3,707,702)</u>
Primary government	\$ 2,690,675	\$ (5,391,157)	\$ (2,700,482)
Component unit	<u>756,396</u>	<u>(1,763,616)</u>	<u>(1,007,220)</u>
	<u>\$ 3,447,071</u>	<u>\$ (7,154,773)</u>	<u>\$ (3,707,702)</u>

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

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
2018	\$ -	\$ (1,116,391)
2019	-	(685,879)
2020	-	(1,387,155)
2021	-	(1,459,885)
2022	-	-
Thereafter	-	-
Total	<u>\$ -</u>	<u>\$ (4,649,310)</u>

*Sheriff's Law Enforcement (SLEP)*

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	33
Inactive Plan Members entitled to but not yet receiving benefits	11
Active Plan Members	<u>72</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 2017 was 17.99%. For the fiscal year ended November 30, 2018, the County contributed \$704,568 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, 2017. 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, 2018

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, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016.
- The IMRF-specific rates for **Mortality Non-Disabled Retirees** an IMRF specific mortality table was used with fully generational projection scale MR-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2018

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, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37 %	6.85%
International Equities	18 %	6.75%
Fixed Income	28 %	3.00%
Real Estate	9 %	5.75%
Alternative Investments	7 %	2.65 - 7.35%
Cash Equivalents	<u>1 %</u>	2.25%
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 3.31%, and the resulting single discount rate is 7.5%.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE H - RETIREMENT PLANS - CONTINUED

*Sheriff's Law Enforcement (SLEP) - Continued*

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 23,517,135	\$ 20,096,246	\$ 3,420,889
Changes for the year:			
Service Cost	721,289	-	721,289
Interest on the Total Pension Liability	1,760,027	-	1,760,027
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	92,759	-	92,759
Changes of Assumptions	(155,372)	-	(155,372)
Contributions - Employer	-	718,802	(718,802)
Contributions - Employees	-	313,386	(313,386)
Net Investment Income	-	3,644,409	(3,644,409)
Benefit Payments, including Refunds of Employee Contributions	(821,517)	(821,517)	-
Other (Net Transfer)	-	(329,047)	329,047
Net Changes	<u>1,597,186</u>	<u>3,526,033</u>	<u>(1,928,847)</u>
Balances at December 31, 2017	<u>\$ 25,114,321</u>	<u>\$ 23,622,279</u>	<u>\$ 1,492,042</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	\$ 5,215,483	\$ 1,492,042	\$ (1,540,976)

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

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, 2018, the County recognized pension expense of \$61,674. At November 30, 2018, 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	\$ 80,966	\$ (829,591)	\$ (748,625)
Changes of assumptions	186,503	(184,613)	1,890
Net difference between projected and actual earnings on pension plan investments	<u>632,428</u>	<u>(1,713,304)</u>	<u>(1,080,876)</u>
Total Deferred Amounts to be recognized in pension expense in future periods	899,897	2,727,508	(1,827,611)
Pension Contributions made prior to the Measurement Date	<u>619,751</u>	<u>-</u>	<u>619,751</u>
Total Deferred Amounts Related to Pensions	<u>\$ 1,519,648</u>	<u>\$ 2,727,508</u>	<u>\$ (1,207,860)</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>
2018	-	(222,882)
2019	-	(271,935)
2020	-	(529,445)
2021	-	(552,230)
2022	-	(149,825)
Thereafter	-	(101,294)
Total	<u>\$ -</u>	<u>\$ (1,827,611)</u>



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE H - RETIREMENT PLANS - CONTINUED

*Elected County Officials (ECO)*

Employees Covered by Benefit Terms

As of December 31, 2017, 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 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 2017 was 38.55%. For the fiscal year ended November 30, 2018, the County contributed \$55,290 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, 2017. 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, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE H - RETIREMENT PLANS - CONTINUED

*Elected County Officials (ECO) - Continued*

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-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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	37 %	6.85%
International Equities	18 %	6.75%
Fixed Income	28 %	3.00%
Real Estate	9 %	5.75%
Alternative Investments	7 %	2.65 - 7.35%
Cash Equivalents	<u>1 %</u>	2.25%
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, 2018

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 3.31%, 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, 2016	\$ 3,229,307	\$ 3,033,984	\$ 195,323
Changes for the year:			
Service Cost	41,297	-	41,297
Interest on the Total Pension Liability	238,443	-	238,443
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(91,197)	-	(91,197)
Changes of Assumptions	74,279	-	74,279
Contributions - Employer	-	68,651	(68,651)
Contributions - Employees	-	13,356	(13,356)
Net Investment Income	-	563,242	(563,242)
Benefit Payments, including Refunds of Employee Contributions	(141,440)	(141,440)	-
Other (Net Transfer)	-	(38,581)	38,581
Net Changes	121,382	465,228	(343,846)
Balances at December 31, 2017	\$ 3,350,689	\$ 3,499,212	\$ (148,523)

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	\$ 269,336	\$ (148,523)	\$ (495,887)



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

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, 2018, the County recognized pension expense of \$(91,559). At November 30, 2018, 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, \$	-	\$ (92,423)	\$ (92,423)
Changes of assumptions	49,791	(942)	48,849
Net difference between projected and actual earnings on pension plan investments	<u>96,862</u>	<u>(271,495)</u>	<u>(174,633)</u>
Total Deferred Amounts to be recognized in pension expense in future periods	146,653	(364,860)	(218,207)
Pension Contributions made subsequent to the Measurement Date	<u>40,472</u>	<u>-</u>	<u>40,472</u>
Total Deferred Amounts Related to Pensions	<u>\$ 187,125</u>	<u>\$ (364,860)</u>	<u>\$ (177,735)</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>
2018	(54,703)	-
2019	(30,065)	-
2020	(65,566)	-
2021	(67,873)	-
2022	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ (218,207)</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 \$3,445,405 at November 30, 2018, 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, 2018

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, 2018, membership consisted of:

	<u>November 30, 2018</u>
Retirees and beneficiaries receiving benefits	30
Active participants	<u>287</u>
Total	<u>317</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 Liability.* The County had an actuarial valuation performed for the plan as of November 30, 2018 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2018.

*Actuarial Assumptions*

The following are the methods and assumptions used to determine total OPEB liability at November 30, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Discount Rate** used 4.21% annual
- The **Salary Increase** used was 3.51% per annum

Monthly Health Plan

Premium Costs (Blended)*	<u>Coverage</u>	<u>Monthly Cost*</u>
	Single	\$ 1,192.00
	Single + Spouse	\$ 1,608.00
	Single + Children	\$ 1,608.00
	Family	\$ 2,071.00

*\*For valuation calculations, blended rates are adjusted to reflect the individual participant age through actuarial rate factors. The factors used are from the Society of Actuaries June 2013 report: "Health Care Costs - From Birth to Death"*

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Mortality

Probabilities of death for participants were according to RP2014 base rates projected to 2018 using scale MP2018. No additional provision (besides those already embedded) were included for mortality improvements beyond 2018.

Retirement

SLEP:

Age	Tier 1	Tier 2	Age	Tier 1	Tier 2
50	0.15	0.05	58	0.25	0.25
51	0.15	0.05	59	0.25	0.25
52	0.20	0.05	60	0.25	0.25
53	0.20	0.05	61	0.25	0.25
54	0.20	0.05	62	0.25	0.25
55	0.25	0.40	63	0.25	0.25
56	0.25	0.25	64	0.25	0.25
57	0.25	0.25	65	1.00	1.00

Other Departments:

Age	Tier 1				Tier 2			
	Reduced Early		Normal Retirement		Reduced Early		Normal Retirement	
	Male	Female	Male	Female	Male	Female	Male	Female
55	0.07	0.06	0.37	0.26				
56	0.07	0.06	0.28	0.20				
57	0.07	0.06	0.21	0.17				
58	0.07	0.06	0.21	0.17				
59	0.07	0.06	0.23	0.19				
60			0.13	0.11				
61			0.13	0.10				
62			0.21	0.18	0.15	0.13	0.75	0.75
63			0.19	0.18	0.15	0.13	0.75	0.75
64			0.18	0.17	0.15	0.13	0.75	0.75
65			0.25	0.26	0.15	0.13	0.75	0.75
66			0.31	0.28	0.15	0.13	0.75	0.75
67			0.26	0.26			0.75	0.75
68			0.24	0.22			0.75	0.75
69			0.22	0.23			0.75	0.75
70			0.22	0.23			0.75	0.75
71			0.22	0.21			0.75	0.75
72			0.19	0.21			0.75	0.75
73			0.20	0.23			0.75	0.75
74			0.21	0.21			0.75	0.75
75			0.21	0.22			0.75	0.75
76			0.21	0.22			0.75	0.75
77			0.21	0.22			0.75	0.75
78			0.21	0.22			0.75	0.75
79			0.21	0.22			0.75	0.75
80			1.00	1.00			1.00	1.00



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Disability

Representative disability rates by age are:

Age	SLEP	Other Departments	
		Male	Female
25	0.0003	0.0000	0.0000
35	0.0026	0.0001	0.0000
45	0.0059	0.0003	0.0001
55	0.0090	0.0007	0.0003
65	0.0115	0.0009	0.0006

Withdrawal

Representative withdrawal rates by ages are:

Age	SLEP
25	0.104
35	0.031
45	0.015
55	0.015

Other Departments

Service	Male	Female
0	0.245	0.285
1	0.195	0.222
2	0.150	0.178
3	0.130	0.145
4	0.103	0.118
5	0.088	0.103
6	0.073	0.085
7	0.070	0.080

Age	8 or More	
	Years of Service	
25	0.000	0.080
35	0.035	0.058
45	0.023	0.036

Participation

100 % of employees eligible for County subsidized benefits were assumed to participate in the plan.

25% of employees not eligible for County subsidized benefits were assumed to participate in the plan.

Spouse Information

20% of employees were assumed to have participating spouses. Females were assumed to be three years younger than males.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Health Care Cost Inflation Rate	Period	Rates
	2018	8.0%
	2019	7.5%
	2020	7.0%
	2021	6.5%
	2022	6.0%
	2023	5.5%
	2024	5.0%
	2025 and after	4.5%

*Change in the Net OPEB Liability*

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at November 30, 2017	\$ 10,495,565	\$ -	\$ 10,495,565
Changes for the year:			
Service Cost	469,984	-	469,984
Interest on the Total OPEB Liability	360,971	-	360,971
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	-	-
Changes of Assumptions	(699,355)	-	(699,355)
Contributions - Employer	-	422,994	(422,994)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(422,994)	(422,994)	-
Other (Net Transfer)	-	-	-
Net Changes	(291,394)	-	(291,394)
Balances at November 30, 2018	<u>\$ 10,204,171</u>	<u>\$ -</u>	<u>\$ 10,204,171</u>

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

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

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 4.21%, as well as what the plan's net OPEB liability would be if it were calculated using Single Discount Rate that is 1% lower or 1% higher:

	<u>1% Lower</u> <u>3.21%</u>	<u>Current Discount</u> <u>4.21%</u>	<u>1% Higher</u> <u>5.21%</u>
Net OPEB Liability	\$11,220,062	\$10,204,171	\$9,295,197

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend

The following presents the plan's net OPEB liability, calculated using healthcare trend rates that are 1% point lower or 1% higher than the trend rates used for the actuarial valuation:

	<u>1% Decrease</u> <u>7.0% Decreasing to 3.5</u>	<u>Current Trend Rates</u> <u>8.0% Decreasing to 4.5</u>	<u>1% Increase</u> <u>9.0% Decreasing to 5.5</u>
Net OPEB Liability	\$9,286,427	\$3,420,889	\$514,980

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, 2018:

Nonspendable Fund Balance - Governmental Funds

Prepayments	\$ 320,379
Due from other funds	<u>2,809,676</u>
	<u>\$ 3,130,055</u>

Restricted Fund Balance - Governmental Funds

Benefits	\$ 1,342,885
Public safety	984,396
Automations and other	-
Street construction and repair	1,495,578
Due from other funds	300,000
Debt service	1,333,957
River levee bond	<u>535,987</u>
	<u>\$ 5,992,803</u>



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE K - FUND BALANCE CLASSIFICATIONS - CONTINUED

Committed Fund Balance - Governmental Funds

Solid waste	\$ 609,002
Public works	<u>544,595</u>
	<u>\$ 1,153,597</u>

Assigned Fund Balance - Governmental Funds

Tort liability	\$ (28,573)
Public works	<u>1,283,033</u>
	<u>\$ 1,254,460</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, 2018, are as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Budget</u>
General Fund	\$ 22,595,306	\$ 17,509,792
Insurance Liability Fund	\$ 401,991	\$ 385,203

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, 2018

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, 2018, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Fund:		
Major Funds:		
General	\$ 2,141,704	\$ 6,570,737
Solid Waste	3,109,676	48,962
Special Revenue Funds:		
County Highway	39,235	67,051
Federal Aid Matching	-	96
Motor Fuel Tax	-	35,000
Workers Compensation	198,673	-
Unemployment	98,637	-
FICA and Medicare	-	2,082
IMRF	170	2,365
Capital Project Funds:		
Housing of Prisoners	<u>569,390</u>	<u>-</u>
	6,157,485	6,726,293
Component Units:		
Health Department	59,145	29,389
Tuberculosis	-	14,760
Mental Health (708) Board	<u>-</u>	<u>5,000</u>
	59,145	49,149
Enterprise Fund:		
Ambulance	<u>765,376</u>	<u>206,564</u>
	<u>765,376</u>	<u>206,564</u>
Total All Funds	<u>\$ 6,982,006</u>	<u>\$ 6,982,006</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.

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE M - INTERFUND RECEIVABLES AND PAYABLES - CONTINUED

Interfund balances not expected to be repaid within one year:

General Fund of \$3,109,676 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 owes the General Fund unrestricted of \$2,102,694 and the General Fund restricted of \$1,005,000, for a total of \$3,107,694.

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	\$ 3,862,664	\$ 1,847,468
Highway	517,410	-
Total Major Funds	<u>4,380,074</u>	<u>1,847,468</u>
Nonmajor Governmental Funds:		
Motor Fuel Tax	-	517,410
Housing of Prisoners	-	116,621
Debt Service	89,621	-
Workers Compensation Fund	-	63,216
Unemployment Fund	-	91,004
FICA and Medicare	-	664,423
IMRF	-	1,169,553
Total Nonmajor Funds	<u>89,621</u>	<u>2,622,227</u>
Total All Funds	<u>\$ 4,469,695</u>	<u>\$ 4,469,695</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, 2018 were \$349,453.



JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE O - RISK MANAGEMENT - CONTINUED

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.

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 \$224,150.

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.

2017 Equalized Assessed Valuation (E.A.V.)	\$ 751,709,333
Statutory Debt Limit (5.750% of E.A.V.)	43,223,287
General Obligation Debt Applicable to Limitation	
Taxable General Obligation Bonds, Series 2015	1,315,000
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (The "2010A Bonds")	1,140,000
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010B (Build America Bonds) (the "2010B Bonds")	<u>1,345,000</u>
Total General Obligation Debt	\$ 3,800,000
Less Self-Supporting Bonded Debt (1)	<u>(3,800,000)</u>
 Total Direct General Obligation Debt	 -
 Available Legal Debt Margin	 \$ 43,223,287

JACKSON COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
NOVEMBER 30, 2018

NOTE R - LEGAL DEBT MARGIN - CONTINUED

(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 - CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

Jackson County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement is to improve accounting and financial reporting by governments for postemployment benefits other than pensions.

The implementation of GASB Statement No. 75 had the following effect:

Unrestricted net position, November 30, 2017	\$ 40,505,000
Prior Period Adjustment:	
Implementation of GASB 75	
Other post-employment benefits plan	<u>(7,606,993)</u>
Restated unrestricted net position, November 30, 2018	<u>\$ 32,898,007</u>

During the fiscal year it was noted a FY17 closing entry and certain expenses were not reflected in the financial statements. The correction of these entries reduced fund balance by \$157,407.

NOTE T - SUBSEQUENT EVENTS

Management evaluated all events and transactions that occurred after November 30, 2018 through July 25, 2019, the issue date of these financial statements. The County is appealing a court decision related to a large reduction in the assessed valuation of a power plant. If the County is not successful with the appeal; the County could be liable for a partial refund of property tax revenue collected from 2014 through 2018. This has the potential for a large liability.

REQUIRED SUPPLEMENTARY INFORMATION



JACKSON COUNTY, ILLINOIS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues - Unrestricted Funds:				
General Property Taxes:				
Real property taxes	\$ 6,677,851	\$ 6,677,851	\$ 6,671,190	\$ (6,661)
Penalties on late taxes	320,000	320,000	229,061	(90,939)
Total General Property Taxes	6,997,851	6,997,851	6,900,251	(97,600)
Sales and Service Taxes:				
Sales tax	404,300	404,300	455,124	50,824
Supplemental sales tax	1,579,000	1,579,000	1,557,054	(21,946)
Cable television franchise tax	20,000	20,000	26,716	6,716
Pull tabs and jar games license and tax	20,000	20,000	18,547	(1,453)
Total Sales and Service Taxes	2,023,300	2,023,300	2,057,441	34,141
Intergovernmental Revenue:				
Illinois state income tax	2,300,000	2,300,000	1,999,694	(300,306)
Replacement tax	600,000	600,000	585,927	(14,073)
Local use tax	470,000	470,000	590,867	120,867
County hotel tax	46,000	46,000	44,065	(1,935)
Federal reimbursement in lieu of property tax	175,000	175,000	193,906	18,906
Other federal/state grants	244,400	244,400	152,468	(91,932)
Total Intergovernmental Revenue	3,835,400	3,835,400	3,566,927	(268,473)
Use of Money and Property:				
Interest on investments	15,000	15,000	16,683	1,683
Total Use of Money and Property	15,000	15,000	16,683	1,683
Service Charges, Permits and Fees:				
General Government:				
Executive	262,600	262,600	274,186	11,586
County clerk	300,000	300,000	292,406	(7,594)
Judiciary and courts	979,000	979,000	887,192	(91,808)
Assessments	87,974	87,974	72,412	(15,562)
Total General Government	1,629,574	1,629,574	1,526,196	(103,378)
Public Safety:				
Sheriff	499,300	499,300	343,528	(155,772)
Animal control	41,000	41,000	26,530	(14,470)
Coroner	6,000	6,000	12,377	6,377
Total Public Safety	546,300	546,300	382,435	(163,865)
Total Service Charges, Permits and Fees	2,175,874	2,175,874	1,908,631	(267,243)
Total Unrestricted Fund Revenues	\$ 15,047,425	\$ 15,047,425	\$ 14,449,933	\$ (597,492)

JACKSON COUNTY, ILLINOIS  
BUDGETARY COMPARISON SCHEDULE - CONTINUED  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures - Unrestricted Funds - Current:				
General Government:				
Executive:				
County Board	436,830	436,830	361,084	75,746
Board of Review	86,035	86,035	69,161	16,874
Total Executive	522,865	522,865	430,245	92,620
Treasurer:				
Treasurer's office	403,103	403,103	416,643	(13,540)
Total Treasurer	403,103	403,103	416,643	(13,540)
County Clerk:				
County Clerk's office	786,492	786,492	756,741	29,751
Elections	-	-	25,699	(25,699)
Total County Clerk	786,492	786,492	782,440	4,052
Judiciary and Courts:				
State's Attorney	1,502,941	1,502,941	1,432,746	70,195
Circuit Clerk's office	767,419	767,419	981,773	(214,354)
Jury Commission	105,895	105,895	191,916	(86,021)
Courts	448,887	448,887	617,847	(168,960)
Public Defender	604,625	604,625	579,080	25,545
Probation circuit	573,896	573,896	420,395	153,501
Total Judiciary and Courts	4,003,663	4,003,663	4,223,757	(220,094)
Assessments:				
Assessments	472,982	472,982	467,818	5,164
Total Assessments	472,982	472,982	467,818	5,164
Other:				
Data processing	358,960	358,960	351,479	7,481
Building maintenance	265,500	265,500	262,392	3,108
Education	227,336	227,336	140,443	86,893
Central Services	20,000	20,000	15,605	4,395
Total Other	871,796	871,796	769,919	101,877
Total General Government	7,060,901	7,060,901	7,090,822	(29,921)
Public Safety:				
Sheriff's office	5,129,334	5,129,334	4,812,215	317,119
Jail	4,013,998	4,013,998	3,788,742	225,256
Jail building maintenance	622,255	622,255	541,464	80,791
Merit board	4,100	4,100	3,548	552
Animal control	133,571	133,571	123,508	10,063
Coroner	162,164	162,164	222,271	(60,107)
Emergency service	83,606	83,606	83,034	572
Total Public Safety	10,149,028	10,149,028	9,574,782	574,246
Total Unrestricted Fund Expenditures	17,209,929	17,209,929	16,665,604	544,325
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	\$ (2,162,504)	\$ (2,162,504)	\$ (2,215,671)	\$ (53,167)

JACKSON COUNTY, ILLINOIS  
BUDGETARY COMPARISON SCHEDULE - CONTINUED  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Other:				
County Clerk	\$ -	\$ -	\$ 52,392.00	\$ 52,392.00
Health Insurance	-	-	3,570,839	3,570,839
Payroll Clearing	-	-	68	68
Court Security	135,000	135,000	116,773	(18,227)
Court Assessment Fees	-	-	81,762	81,762
Law Library Fees	-	-	10,418	10,418
Court Automation	-	-	94,362	94,362
County Clerk Automation	-	-	41,588	41,588
State's Attorney Automation	-	-	3,169	3,169
Treasurer's Automation	-	-	17,326	17,326
Child Support Administration	-	-	35,170	35,170
Court Document Storage	-	-	93,847	93,847
Treasurer's Inheritance	-	-	2	2
Court Supervision Sheriff	-	-	1,738	1,738
GIS Fund	-	-	72,816	72,816
Drug Fund	-	-	55,772	55,772
DUI	-	-	11,022	11,022
Grants	-	-	29,991	29,991
State's Attorney Victim Assistance	-	-	11	11
Miscellaneous	-	-	-	-
Total Other	135,000	135,000	4,289,066	4,154,066
Total Restricted Fund Revenues	135,000	135,000	4,289,066	4,154,066
Other:				
County Clerk	-	-	-	-
Health Insurance	-	-	4,911,969	(4,911,969)
Payroll Clearing	-	-	65,824	(65,824)
Court Security	299,863	299,863	284,765	15,098
Court Assessment Fees	-	-	21,227	(21,227)
Law Library Fees	-	-	95,030	(95,030)
Court Automation	-	-	97,744	(97,744)
County Clerk Automation	-	-	132,684	(132,684)
State's Attorney Automation	-	-	-	-
Treasurer's Automation	-	-	4,066	(4,066)
Child Support Administration	-	-	14,877	(14,877)
Court Document Storage	-	-	165,106	(165,106)
Treasurer's Inheritance	-	-	-	-
Court Supervision Sheriff	-	-	-	-
GIS Fund	-	-	14,893	(14,893)
Drug Fund	-	-	77,437	(77,437)
DUI	-	-	2,026	(2,026)
Grants	-	-	38,624	(38,624)
State's Attorney Victim Assistance	-	-	225	(225)
Miscellaneous	-	-	3,205	(3,205)
Total Other	299,863	299,863	5,929,702	(5,629,839)
Total Restricted Fund Expenditures	299,863	299,863	5,929,702	(5,629,839)
Deficiency of Revenues Over Expenditures - Restricted Funds	(164,863)	(164,863)	(1,640,636)	(1,475,773)
Other Financing Sources and (Uses):				
Transfer in	3,123,813	3,123,813	1,995,913	(1,127,900)
Transfer in - restricted	145,563	145,563	1,866,751	1,721,188
Transfer out	(370,520)	(370,520)	(994,554)	(624,034)
Transfer out - restricted	-	-	(852,914)	(852,914)
Total Other Financing Sources and (Uses)	2,898,856	2,898,856	2,015,196	(883,660)
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	571,489	571,489	(1,841,111)	(2,412,600)
FUND BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	3,105,258	3,105,258	3,105,258	-
Prior period adjustment (Note XXX)	(157,407)	(157,407)	(157,407)	-
FUND BALANCE, BEGINNING OF YEAR AS RESTATED	2,947,851	2,947,851	2,947,851	-
FUND BALANCE, END OF YEAR	\$ 3,519,340	\$ 3,519,340	\$ 1,106,740	\$ (2,412,600)



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)
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 18,631	\$ 18,631
Sanitation Fees	-	-	403,094	403,094
Total Revenues	-	-	421,725	421,725
<b>Expenditures:</b>				
Public Health	-	-	363,835	(363,835)
Total expenditures	-	-	363,835	(363,835)
Excess (Deficiency) of Revenues Over Expenditures	-	-	57,890	57,890
<b>Other Financing Sources (Uses):</b>				
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	-	-	57,890	57,890
FUND BALANCE, BEGINNING OF YEAR	-	-	35,392	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 93,282	\$ 57,890

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 889,664	\$ 958,753	\$ 874,693	\$ 1,285,592
Interest on the Total Pension Liability	5,626,963	5,538,770	5,294,334	5,043,582
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	300,425	(1,426,937)	858,591	(1,463,769)
Assumption Changes	(2,279,765)	(85,808)	85,451	2,074,962
Benefit Payments and Refunds	(3,825,890)	(3,919,960)	(3,674,753)	(3,108,365)
<b>Net Change in Total Pension Liability</b>	<b>711,397</b>	<b>1,064,818</b>	<b>3,438,316</b>	<b>3,832,002</b>
<b>Total Pension Liability - Beginning</b>	<b>76,494,284</b>	<b>75,429,466</b>	<b>71,991,150</b>	<b>68,159,148</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 77,205,681</b>	<b>\$ 76,494,284</b>	<b>\$ 75,429,466</b>	<b>\$ 71,991,150</b>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 994,713	\$ 996,668	\$ 1,008,020	\$ 1,221,288
Employee Contributions	414,544	477,436	410,282	511,479
Pension Plan Net Investment Income	12,386,625	4,624,687	346,264	4,102,133
Benefit Payments and Refunds	(3,825,890)	(3,919,960)	(3,674,753)	(3,108,365)
Other	(1,375,473)	(374,704)	(549,573)	(281,335)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>8,594,519</b>	<b>1,804,127</b>	<b>(2,459,760)</b>	<b>2,445,200</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>69,725,446</b>	<b>67,921,319</b>	<b>70,381,079</b>	<b>67,935,879</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 78,319,965</b>	<b>\$ 69,725,446</b>	<b>\$ 67,921,319</b>	<b>\$ 70,381,079</b>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>(1,114,284)</b>	<b>6,768,838</b>	<b>7,508,147</b>	<b>1,610,071</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>101.44%</b>	<b>91.15%</b>	<b>90.05%</b>	<b>97.76%</b>
<b>Cover Valuation Payroll</b>	<b>\$ 8,590,193</b>	<b>\$ 8,524,166</b>	<b>\$ 9,081,511</b>	<b>\$ 10,979,765</b>
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>-12.97%</b>	<b>79.41%</b>	<b>82.68%</b>	<b>14.66%</b>

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 721,289	\$ 707,517	\$ 689,180	\$ 701,294
Interest on the Total Pension Liability	1,760,027	1,702,472	1,613,382	1,486,544
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	92,759	(807,254)	(305,290)	(80,713)
Assumption Changes	(155,372)	(65,979)	32,249	330,452
Benefit Payments and Refunds	(821,517)	(852,356)	(785,358)	(637,884)
<b>Net Change in Total Pension Liability</b>	<b>1,597,186</b>	<b>684,400</b>	<b>1,244,163</b>	<b>1,799,693</b>
<b>Total Pension Liability - Beginning</b>	<b>23,517,135</b>	<b>22,832,735</b>	<b>21,588,572</b>	<b>19,788,879</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 25,114,321</b>	<b>\$ 23,517,135</b>	<b>\$ 22,832,735</b>	<b>\$ 21,588,572</b>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 718,802	\$ 715,320	\$ 686,819	\$ 690,192
Employee Contributions	313,386	287,578	268,830	313,785
Pension Plan Net Investment Income	3,644,409	1,282,963	92,742	1,041,388
Benefit Payments and Refunds	(821,517)	(852,356)	(785,358)	(637,884)
Other	(329,047)	225,460	(288,943)	166,826
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,526,033</b>	<b>1,658,965</b>	<b>(25,910)</b>	<b>1,574,307</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>20,096,246</b>	<b>18,437,281</b>	<b>18,463,191</b>	<b>16,888,884</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 23,622,279</b>	<b>\$ 20,096,246</b>	<b>\$ 18,437,281</b>	<b>\$ 18,463,191</b>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>1,492,042</b>	<b>3,420,889</b>	<b>4,395,454</b>	<b>3,125,381</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>94.06%</b>	<b>85.45%</b>	<b>80.75%</b>	<b>85.52%</b>
<b>Cover Valuation Payroll</b>	<b>\$ 3,975,733</b>	<b>\$ 3,730,432</b>	<b>\$ 3,638,441</b>	<b>\$ 3,489,807</b>
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>37.53%</b>	<b>91.70%</b>	<b>120.81%</b>	<b>89.56%</b>

Notes to Schedule:

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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,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 41,297	\$ 45,450	\$ 34,694	\$ 40,529
Interest on the Total Pension Liability	238,443	247,883	229,065	244,319
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	(91,197)	(256,163)	149,741	(346,371)
Assumption Changes	74,279	(7,710)	8,121	(4,573)
Benefit Payments and Refunds	(141,440)	(182,757)	(151,736)	(125,711)
Net Change in Total Pension Liability	121,382	(153,297)	269,885	(191,807)
Total Pension Liability - Beginning	3,229,307	3,382,604	3,112,719	3,304,526
Total Pension Liability - Ending (a)	\$ 3,350,689	\$ 3,229,307	\$ 3,382,604	\$ 3,112,719
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 68,651	\$ 80,426	\$ 123,814	\$ 123,019
Employee Contributions	13,356	13,216	14,155	10,945
Pension Plan Net Investment Income	563,242	204,496	14,441	166,631
Benefit Payments and Refunds	(141,440)	(182,757)	(151,736)	(125,711)
Other	(38,581)	(38,018)	60,948	(7,415)
Net Change in Plan Fiduciary Net Position	465,228	77,363	61,622	167,469
Plan Fiduciary Net Position - Beginning	3,033,984	2,956,621	2,894,999	2,727,530
Plan Fiduciary Net Position - Ending (b)	\$ 3,499,212	\$ 3,033,984	\$ 2,956,621	\$ 2,894,999
Net Pension Liability/(Asset) - Ending (a) - (b)	(148,523)	195,323	425,983	217,720
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.43%	93.95%	87.41%	93.01%
Cover Valuation Payroll	\$ 178,082	\$ 176,218	\$ 187,968	\$ 145,929
Net Pension Liability as a Percentage of Covered Valuation Payroll	-83.40%	110.84%	226.63%	149.20%

Notes to Schedule:

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JACKSON COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
MULTIYEAR SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS

Fiscal year ending November 30,	<u>2018</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 469,984
Interest on the Total OPEB Liability	360,971
Benefit Changes	-
Difference between Expected and Actual Experience	-
Assumption Changes	(699,355)
Benefit Payments and Refunds	<u>(422,994)</u>
<b>Net Change in Total OPEB Liability</b>	(291,394)
<b>Total OPEB Liability - Beginning</b>	<u>10,495,565</u>
<b>Total OPEB Liability - Ending (a)</b>	<u><u>\$ 10,204,171</u></u>
 <b>Plan Fiduciary Net Position</b>	
Employer Contributions	\$ 422,994
Employee Contributions	-
OPEB Plan Net Investment Income	-
Benefit Payments and Refunds	(422,994)
Other	<u>-</u>
<b>Net Change in Plan Fiduciary Net Position</b>	-
<b>Plan Fiduciary Net Position - Beginning</b>	<u>-</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ -</u></u>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	10,204,171
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	0.00%
<b>Covered-employee Payroll</b>	\$ 13,754,066
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	74.19%

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
2017	\$ 988,731 *	\$ 994,713	\$ (5,982)	\$ 8,590,193	11.58%
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 11.51% and covered valuation payroll of \$8,590,193

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
2017	\$ 715,234 *	\$ 718,802	\$ (3,568)	\$ 3,975,733	18.08%
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 17.99% and covered valuation payroll of \$3,975,733

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	\$ 68,651 *	\$ 68,651	\$ -	\$ 178,082	38.55%
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 38.55% and covered valuation payroll of \$178,082

Notes to Schedule:

Summary Actuarial Methods and Assumptions Used in the Calculation of the 2017 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 2017 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): 26-year closed 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 21 years for most employers (two employers were financed over 30 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 Annuity 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, 2015 actuarial valuation

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



COMBINING AND INDIVIDUAL NONMAJOR FUND  
FINANCIAL STATEMENTS AND SCHEDULES

JACKSON COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

	Special Revenue Funds											Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	County Highway 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	
ASSETS												
Cash	\$ -	\$ 1,036,718	\$ 148,282	\$ 633,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,818,885
Accounts receivable:												
Other governmental units and agencies	-	41,427	785	1,575	-	-	-	-	-	-	-	43,787
Property taxes	-	1,222,007	83,586	547,493	-	-	-	-	-	-	-	1,853,086
Due from other funds	-	39,235	-	-	-	-	-	-	-	-	-	39,235
Due from agencies	-	14,936	-	-	-	-	-	-	-	-	-	14,936
Prepayments	-	-	-	-	-	-	-	-	-	-	-	320,379
Restricted assets												
Cash	1,489,356	-	-	-	535,987	139,929	128,898	-	417,739	489,141	362,314	4,882,355
Accounts receivable:												
Other governmental units and agencies	10,629	-	-	-	-	505,228	390,765	3,108	-	-	54,124	67,861
Property taxes	-	-	-	-	-	-	198,673	92,113	1,228,812	1,556,664	-	4,033,403
Due from other funds	-	-	-	-	-	-	-	98,637	-	170	569,390	866,370
Due from agency	33,484	-	-	-	-	-	-	-	-	-	-	33,484
Total Assets and Other Debits	1,533,469	2,354,323	232,653	1,182,953	535,987	645,157	718,336	193,858	1,646,551	2,045,975	985,828	13,974,681
DEFERRED OUTFLOWS OF RESOURCES												
Deferred outflows	-	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets, Other Debits, and Deferred Outflows of Resources	\$ 1,533,469	\$ 2,354,323	\$ 232,653	\$ 1,182,953	\$ 535,987	\$ 645,157	\$ 718,336	\$ 193,858	\$ 1,646,551	\$ 2,045,975	\$ 985,828	\$ 13,974,681
LIABILITIES												
Liabilities:												
Accounts payable	\$ -	\$ 36,649	\$ 135	\$ 469,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 506,321
Accrued payroll	-	15,748	-	-	-	-	-	-	-	-	-	15,748
Compensated absences	-	44,594	-	-	-	-	-	-	-	-	-	44,594
Due to other funds	-	67,051	-	96	-	-	-	-	-	-	-	67,147
Restricted liabilities												
Accounts payable	2,891	-	-	-	-	5,270	-	8,797	-	-	1,432	18,390
Accrued payroll	-	-	-	-	-	-	-	-	87,350	315,173	-	402,523
Cash overdrawn	-	-	-	-	-	268,460	198,547	15,158	196,041	125,550	-	865,706
Due to other funds	35,000	-	-	-	-	-	-	-	2,082	2,365	-	39,447
Total Liabilities	37,891	164,042	135	469,633	-	273,730	198,547	23,955	285,473	443,088	1,432	1,959,906
DEFERRED INFLOWS OF RESOURCES												
Deferred inflows - property taxes	-	860,031	59,160	389,300	-	400,000	275,000	50,000	850,000	1,135,772	-	1,308,491
Restricted deferred inflows - property taxes	-	-	-	-	-	-	-	-	-	-	-	2,894,047
Total Deferred Inflows of Resources	-	860,031	59,160	389,300	-	400,000	275,000	50,000	850,000	1,135,772	-	4,202,538
Fund Balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	1,495,578	-	-	-	535,987	-	244,789	119,903	511,078	467,115	984,396	320,379
Committed	-	361,976	24,426	158,193	-	-	-	-	-	-	-	5,692,803
Assigned	-	968,274	148,932	165,827	-	(28,573)	-	-	-	-	-	544,595
Total Fund Balances	1,495,578	1,330,250	173,358	324,020	535,987	(28,573)	244,789	119,903	511,078	467,115	984,396	7,812,237
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,533,469	\$ 2,354,323	\$ 232,653	\$ 1,182,953	\$ 535,987	\$ 645,157	\$ 718,336	\$ 193,858	\$ 1,646,551	\$ 2,045,975	\$ 985,828	\$ 13,974,681

JACKSON COUNTY, ILLINOIS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

	Special Revenue Funds											Housing of Prisoners Fund	Debt Service Funds	Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	County Highway 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	\$ -	\$ 858,477	\$ 57,929	\$ 375,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,291,584	
Intergovernmental revenue	-	459,901	9,540	551,278	-	-	-	-	-	-	-	-	1,020,719	
Use of money and property	-	14,006	2,132	12,351	-	-	-	-	-	-	-	-	28,489	
Other revenue	-	224,551	-	-	-	-	-	-	-	-	-	-	224,551	
Total Unrestricted Fund Revenues	-	1,556,935	69,601	938,807	-	-	-	-	-	-	-	-	2,565,343	
Expenditures - Unrestricted Funds:														
Current:														
Public Works	-	1,854,824	30,011	509,607	-	-	-	-	-	-	-	-	2,394,442	
Capital improvements	-	125,943	-	684,924	-	-	-	-	-	-	-	-	810,867	
Other Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Unrestricted Fund Expenditures	-	1,980,767	30,011	1,194,531	-	-	-	-	-	-	-	-	3,205,309	
Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds	-	(423,832)	39,590	(255,724)	-	-	-	-	-	-	-	-	(639,966)	
Revenues - Restricted Funds:														
General property taxes	-	-	-	-	-	249,564	274,552	104,270	898,405	998,200	-	182,489	2,707,480	
Intergovernmental revenue	1,116,711	-	-	-	-	-	-	-	-	-	-	-	1,116,711	
Use of money and property	24,907	-	-	-	4,382	187	128	280	1,023	3,650	200	517	35,274	
Federal subsidies for Recovery Zone Economic Development and Build America Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenues	4,471	-	-	-	-	-	4,465	-	-	1,320	436,240	69,508	69,508	
													446,696	
Total Restricted Fund Revenues	1,146,089	-	-	-	4,382	249,751	279,145	104,550	899,428	1,003,370	436,440	252,514	4,375,669	
Expenditures - Restricted Funds:														
General property taxes:														
Tort liability	-	-	-	-	-	401,991	-	-	-	-	-	-	401,991	
Benefits	-	-	-	-	-	-	160,559	9,945	46,948	213,326	-	-	430,778	
Debt service	-	-	-	-	-	-	-	-	-	-	-	235,000	235,000	
Principle	-	-	-	-	-	-	-	-	-	-	-	224,150	224,150	
Interest	-	-	-	-	-	-	-	-	-	-	124,163	-	124,163	
Capital improvements	-	-	-	-	-	-	-	-	-	-	2,200	-	2,200	
Other expenditures	286,071	-	-	-	212,661	-	-	-	12,622	-	-	-	513,559	
Total Restricted Fund Expenditures	286,071	-	-	-	212,661	401,991	160,559	9,945	59,575	213,326	126,363	459,150	1,929,641	
Excess (Deficiency) of Revenues Over Expenditures - Restricted Funds	860,018	-	-	-	(208,279)	(152,240)	118,586	94,605	839,853	790,044	310,077	(206,630)	2,446,028	
Other Financing Sources (Uses):														
Operating transfers in	-	517,410	-	-	-	-	-	-	-	-	-	89,621	607,031	
Operating transfers out	(517,410)	-	-	-	-	-	(63,216)	(91,004)	(664,433)	(1,169,553)	(116,621)	-	(2,632,227)	
Total Other Financing Sources (Uses)	(517,410)	517,410	-	-	-	-	(63,216)	(91,004)	(664,433)	(1,169,553)	(116,621)	89,621	(2,015,196)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	342,608	93,578	39,590	(255,724)	(208,279)	(152,240)	55,370	3,601	175,430	(379,509)	193,456	(117,015)	(209,134)	
FUND BALANCES, BEGINNING OF YEAR	1,132,970	1,236,672	133,768	579,744	744,266	123,667	189,419	116,302	335,648	846,624	790,940	1,771,351	8,021,371	
FUND BALANCES, END OF YEAR	\$ 1,495,578	\$ 1,330,250	\$ 173,358	\$ 324,020	\$ 535,987	\$ (28,573)	\$ 244,789	\$ 119,903	\$ 511,078	\$ 467,115	\$ 984,396	\$ 1,654,336	\$ 7,812,237	



JACKSON COUNTY, ILLINOIS  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
November 30, 2018

	Agency Funds							Total
	County Collector's Funds	Township Bridge Program	Township Motor Fuel Tax Fund	Tax Sale Fund	Housing Support Program	Circuit Clerk Bond Fund	Trustee Redemption Fund	
ASSETS								
Cash	\$ 22,639,812	\$ 19,180	\$ 664,338	\$ 69,991	\$ 6,091	\$ 160,455	\$ 8,833	\$ 23,568,700
Accounts receivable	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	488,347	-	488,347
Due from other funds	-	-	-	-	-	-	-	-
Total assets	\$ 22,639,812	\$ 19,180	\$ 664,338	\$ 69,991	\$ 6,091	\$ 648,802	\$ 8,833	\$ 24,057,047
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ 48,420	\$ -	\$ -	\$ -	\$ -	\$ 48,420
Due to others	-	19,180	615,918	69,991	6,091	109,387	8,833	829,400
Due to individuals	-	-	-	-	-	539,415	-	539,415
Due to taxing units	22,639,812	-	-	-	-	-	-	22,639,812
Total liabilities	22,639,812	19,180	664,338	69,991	6,091	648,802	8,833	24,057,047
NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

JACKSON COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNITS  
NOVEMBER 30, 2018

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
<b>Assets and Other Debits</b>				
Cash	\$ 886,847	44,658	\$ 225,651	\$ 1,157,156
Accounts Receivable:				
Other governmental units and agencies	819,533	-	-	819,533
Property taxes	1,049,965	103,415	483,102	1,636,482
Other receivables	-	29	-	29
Due from other funds	59,145	-	-	59,145
Prepayments	11,029	-	-	11,029
Inventory	<u>34,910</u>	<u>1,560</u>	<u>-</u>	<u>36,470</u>
<b>Total Assets</b>	<u>\$ 2,861,429</u>	<u>\$ 149,662</u>	<u>\$ 708,753</u>	<u>\$ 3,719,844</u>
<b>Liabilities, Equity and Other Credits</b>				
Liabilities:				
Accounts payable	\$ 73,160	\$ 852	\$ -	\$ 74,012
Accrued payroll	50,055	-	-	50,055
Compensated absences	86,990	-	-	86,990
Due to other funds	29,389	14,760	5,000	49,149
Deferred revenue	<u>794,767</u>	<u>72,500</u>	<u>339,998</u>	<u>1,207,265</u>
<b>Total Liabilities</b>	<u>1,034,361</u>	<u>88,112</u>	<u>344,998</u>	<u>1,467,471</u>
Fund Balance:				
Unreserved, undesignated	<u>1,827,068</u>	<u>61,550</u>	<u>363,755</u>	<u>2,252,373</u>
<b>Total Fund Balances</b>	<u>1,827,068</u>	<u>61,550</u>	<u>363,755</u>	<u>2,252,373</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,861,429</u>	<u>\$ 149,662</u>	<u>\$ 708,753</u>	<u>\$ 3,719,844</u>

JACKSON COUNTY, ILLINOIS  
RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
NOVEMBER 30, 2018

Total fund balances for discretely presented component units	\$ 2,252,373
--------------------------------------------------------------	--------------

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 \$95,156 accumulated depreciation	25,809	
Building and improvements, net of \$1,161,278 accumulated depreciation	918,884	
Equipment, less \$330,782 accumulated depreciation	<u>28,737</u>	
Total capital assets		1,022,930

Deferred outflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental fund balance sheet.	(1,007,220)
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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	(84,969)	
Net pension liability	<u>257,400</u>	
Total long-term liabilities		<u>172,431</u>

Total net position of discretely presented component units	\$ <u>2,440,514</u>
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JACKSON COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

	Health Department	Tuberculosis	Mental Health (708) Board	Totals
Revenues - Unrestricted Funds:				
General property taxes	\$ 740,669	\$ 73,628	\$ 339,392	\$ 1,153,689
Intergovernmental revenue	2,305,861	-	-	2,305,861
Use of money and property	636	83	2,368	3,087
Service charges, permits and fees	562,419	11,017	-	573,436
Other income	<u>51,069</u>	<u>-</u>	<u>-</u>	<u>51,069</u>
Total Unrestricted Fund Revenues	<u>3,660,654</u>	<u>84,728</u>	<u>341,760</u>	<u>4,087,142</u>
Expenditures - Unrestricted Funds:				
Public health	<u>3,562,286</u>	<u>69,613</u>	<u>255,992</u>	<u>3,887,891</u>
Total Unrestricted Fund Expenditures	<u>3,562,286</u>	<u>69,613</u>	<u>255,992</u>	<u>3,887,891</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>98,368</u>	<u>15,115</u>	<u>85,768</u>	<u>199,251</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,728,700</u>	<u>46,435</u>	<u>277,987</u>	<u>2,053,122</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,827,068</u>	<u>\$ 61,550</u>	<u>\$ 363,755</u>	<u>\$ 2,252,373</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, 2018

Net change in fund balances - total discretely presented component units	\$	199,251
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The change in net assets reported for discretely presented component units in the statement of activities is different because:

<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$81,416) exceeded capital outlays \$54,153 in the current period.</p>		(27,263)
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<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>		892
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<p>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:</p>		
Change in compensated absences	_____	689

Change in net assets of discretely presented component units	\$	173,569
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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, 2018, and the related notes to the financial statements, which collectively comprise Jackson County, Illinois' basic financial statements and have issued our report thereon dated July 25, 2019.

**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.

*Kerber, Eck & Brackley LLP*

Marion, Illinois  
July 25, 2019



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, 2018. 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, 2018.

## 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.

*Kerber, Ed & Brasech LLP*

Marion, Illinois  
July 25, 2019

JACKSON COUNTY, ILLINOIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

Program	CFDA Number	Pass-through Grantor's Number	Pass-Through Grantor	Expenditures
<b>U.S. Department of Agriculture</b>				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	FCSWQ01210 FCSXQ00896 FCSWQ00896 FCSXQ01210	Illinois Department of Human Services	8,886 93,593 135,704 4,231
non-cash		FCSWQ00896		<u>477,257</u>
				719,671
Women, Infants, & Children Farmers' Market Nutrition Program	10.572	FCSXQ01276	Illinois Department of Human Services	1,000
Summer Food Service Program for Children	10.559	85280140F	Illinois Department of Public Health	<u>1,400</u>
<b>Total U.S. Department of Agriculture</b>				722,071
<b>U.S. Department of Health and Human Services</b>				
Medical Reserve Corps Small Program	93.008	MRC17-2292	National Association of County and City Health Officials	
Immunization Cooperative Agreements	93.268	85180014F	Illinois Department of Public Health	41,659 <u>-</u>
				41,659
HIV Care Formula Grants	93.917	75780029E	Illinois Department of Public Health	823,001 <u>-</u>
				823,001
HIV Prevention Activities-Health Department Based	93.940	14-141-01	Illinois Public Health Association	76,843 <u>-</u>
				76,843
Hospital Preparedness (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	87180038F	Illinois Department of Public Health	41,830 <u>-</u>
				41,830
Environmental Public Health and Emergency Response	93.070	83283005F	Illinois Department of Public Health	3,770
Medical Assistance Program	93.778	N/A	Illinois Department of Healthcare and Family Services	45,297
Child Support Enforcement	93.563	N/A	Illinois Department of Healthcare and Family Services	3,918
Prescription Monitoring Program	93.959	49X1082M40	Illinois Department of Human Services	<u>21,000</u>
<b>Total U.S. Department of Health and Human Services</b>				1,057,318
<b>U.S. Environmental Protection Agency</b>				
Performance Partnership Grants	66.605	85380140F	Illinois Department of Public Health	<u>200</u>
<b>Total U.S. Environmental Protection Agency</b>				200
<b>Total Federal Expenditures</b>				<u>1,779,589</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, 2018

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, 2018.

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, 2018.

Non-cash assistance received in the amount \$477,257 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, 2018

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**Section I - Summary of Auditors' Results**

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*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>
93.917	HIV Care Formula Grants

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, 2018

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**Section II - Financial Statement Findings**

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**SIGNIFICANT DEFICIENCIES**

**Finding Number 2018-01**

Criteria

Audit Adjustments

Condition and Context

There was a total of 6 audit journal entries and management provided us with 1 client journal entry after the initial close.

Effect

The unadjusted balances of the books and records are not correct.

Recommendation

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

Management Response

The County acknowledges that additional audit and client journal entries were necessary during the FY2018 audit process. Jackson County continues to strive to improve its internal controls and year end closing process.

JACKSON COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED NOVEMBER 30, 2018

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**Section III - Federal Award Findings and Questioned Costs**

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No matters were reported.



JACKSON COUNTY, ILLINOIS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2018

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 - comment implemented

