



Annual
Financial Statements
and
Independent Auditors' Reports

Jackson County, Illinois
Fiscal Year Ended
November 30, 2020

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Introductory Section

July 28, 2021

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, 2020.

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, 2020, 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, 2020, 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 County Administrator upon request of the Finance & Administration Committee in August of each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Finance & Administration Committee for review. The Finance & Administration Committee and County Administrator 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.

Acknowledgements

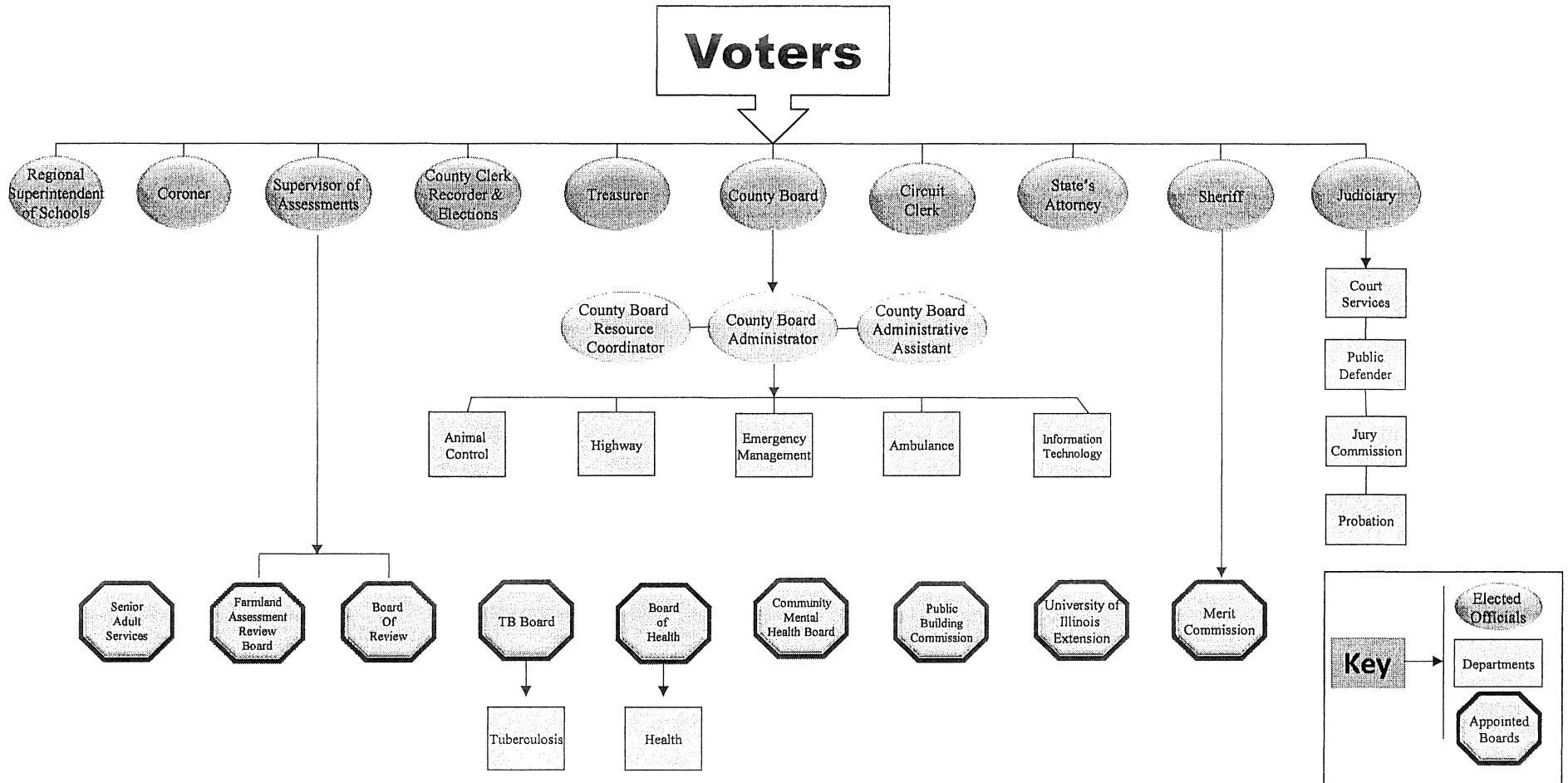
The preparation of this report would not have been possible without the efficient and dedicated services of the County Administrator, Jackson County Treasurer's Office, Jackson County State's Attorney Office, Jackson County Ambulance Service, Jackson County Health Department, and the Jackson County Highway 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,



Keith Larkin, Chairman
Jackson County Board

Jackson County Government Organizational Chart



Jackson County, Illinois
LIST OF ELECTED OFFICIALS
November 30, 2020

JACKSON COUNTY ELECTED OFFICIALS

Circuit Clerk
Coroner
County Clerk & Recorder
Regional Superintendent of Schools
Sheriff
State's Attorney
Chief Assessment Officer
Treasurer

Cindy Svanda
Thomas Kupferer
Frank Byrd
Cheryl Graff
Robert Burns
Michael Carr
Maureen Berkowitz
Liz Hunter

JACKSON COUNTY BOARD MEMBERS

District 1

Jose Mendoza, Jr.

District 2

Laurie Nehring

District 3

Dan Bost

District 4

Andrew Erbes

District 5

Clifton E. Basden

District 6

C.J. Calandro

District 7

Richard Morris

Tamiko Mueller

Julie Peterson

John Rendleman

Jessica Edmond

Scott Comparato

Keith Larkin

Christine Snyder

JACKSON COUNTY APPOINTED OFFICIALS

County Administrator
Ambulance Service Director
Board of Review

Jennifer Huson

Kenton Schafer

Allan Karnes

Jessica Doerr-Berger

Paulette Curkin

Emergency & Disaster Services
Health Department Administrator
Highway Engineer

Robert Burns

Bart Hagston

Mitch Burdick

Financial Section

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, 2020, 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.

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, 2020, 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 9-12, budgetary comparison information on pages 72-75 and the retirement plans schedules of changes in net pension liability and related ratios, and multiyear schedules of changes in net OPEB liability and related ratios, and the schedules of contributions on pages 76-80 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 consolidated year-end financial report (CYEFR) is also presented for additional analysis and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the consolidated year-end financial report (CYEFR) 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, the schedule of expenditures of federal awards, and the consolidated year-end financial report (CYEFR) 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 28, 2021 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.

Kerber, Eck & Brueckel LLP

Marion, Illinois
July 28, 2021

Basic Financial Statements

Jackson County, Illinois
STATEMENT OF NET POSITION
November 30, 2020

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|----------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | Total |
| ASSETS | | | | |
| Cash | \$ 4,495,328 | \$ 1,070,707 | \$ 5,566,035 | \$ 1,509,273 |
| Accounts receivable: | | | | |
| Consumers | - | 697,325 | 697,325 | - |
| Other governmental units and agencies | 72,806 | - | 72,806 | 1,124,202 |
| Property taxes | 13,826,038 | 933,603 | 14,759,641 | 1,712,676 |
| Other | - | - | - | 29 |
| Internal balance | (749,284) | 713,903 | (35,381) | 35,381 |
| Due from agencies | - | - | - | - |
| Prepayments | - | - | - | 9,215 |
| Inventories | - | 67,094 | 67,094 | 44,134 |
| Restricted assets: | | | | |
| Cash | 9,479,224 | - | 9,479,224 | - |
| Investments | 54,762 | - | 54,762 | - |
| Accounts receivable: | | | | |
| Other governmental units and agencies | 652,764 | - | 652,764 | - |
| Property taxes | 4,803,932 | - | 4,803,932 | - |
| Internal balance | - | - | - | - |
| Due from agencies | - | - | - | - |
| Noncurrent assets: | | | | |
| Net Pension Asset - IMRF SLEP | - | - | - | - |
| Net Pension Asset - ECO Regular | - | - | - | - |
| Land | 150,000 | 66,458 | 216,458 | 49,500 |
| Construction in progress | 741,000 | - | 741,000 | - |
| Capital assets, net | 39,645,558 | 674,182 | 40,319,740 | 889,211 |
| Total Assets | 73,172,128 | 4,223,272 | 77,395,400 | 5,373,621 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows - IMRF regular | 4,849,533 | 1,726,185 | 6,575,718 | 2,253,217 |
| Deferred outflows - IMRF SLEP | 3,441,385 | - | 3,441,385 | - |
| Deferred outflows - IMRF ECO | 366,958 | - | 366,958 | - |
| Total Deferred Outflows of Resources | 8,657,876 | 1,726,185 | 10,384,061 | 2,253,217 |
| Total Assets and Deferred Outflows of Resources | \$ 81,830,004 | \$ 5,949,457 | \$ 87,779,461 | \$ 7,626,838 |

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
STATEMENT OF NET POSITION
November 30, 2020

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|---------------|-----------------|
| | Governmental Activities | Business-type Activities | Total | Total |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,341,304 | \$ 183,280 | \$ 1,524,584 | \$ 369,081 |
| Accrued payroll | 155,856 | 37,806 | 193,662 | 83,334 |
| Current portion - compensated absences | 603,842 | 190,257 | 794,099 | 81,470 |
| Current portion - general obligation bonds | 2,450,000 | - | 2,450,000 | - |
| Due to others | - | - | - | - |
| Due to agencies | - | - | - | - |
| Restricted liabilities | | | | |
| Accounts payable | 172,884 | - | 172,884 | - |
| Accrued payroll | 383,109 | - | 383,109 | - |
| Current portion - compensated absences | 14,009 | - | 14,009 | - |
| Cash overdrawn | 540,773 | - | 540,773 | - |
| Due to others | - | - | - | - |
| Noncurrent liabilities: | | | | |
| Compensated absences | 2,678,101 | - | 2,678,101 | 50,845 |
| General obligation bonds | 850,000 | - | 850,000 | - |
| Net OPEB Liability | 12,302,308 | - | 12,302,308 | - |
| Net Pension Liability - IMRF Regular | 1,761,372 | 800,584 | 2,561,956 | 904,140 |
| Net Pension Liability - IMRF SLEP | 1,748,377 | - | 1,748,377 | - |
| Net Pension Liability - IMRF ECO | 60,284 | - | 60,284 | - |
| Total Liabilities | 25,062,219 | 1,211,927 | 26,274,146 | 1,488,870 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows - property taxes | 8,892,623 | 646,652 | 9,539,275 | 1,361,840 |
| Deferred inflows - IMRF regular | 4,993,376 | 2,310,678 | 7,304,054 | 2,456,765 |
| Deferred inflows - IMRF SLEP | 4,165,407 | - | 4,165,407 | - |
| Deferred inflows - IMRF ECO | 509,094 | - | 509,094 | - |
| Restricted deferred inflows - property taxes | 3,298,727 | - | 3,298,727 | - |
| Total Deferred Inflows of Resources | 21,859,227 | 2,957,330 | 24,816,557 | 3,818,605 |
| NET POSITION | | | | |
| Net investment in capital assets | 37,236,558 | 740,640 | 37,977,198 | 938,711 |
| Restricted | 7,256,152 | - | 7,256,152 | - |
| Unrestricted | (9,584,152) | 1,039,560 | (8,544,592) | 1,380,652 |
| Total Net Position | 34,908,558 | 1,780,200 | 36,688,758 | 2,319,363 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 81,830,004 | \$ 5,949,457 | \$ 87,779,461 | \$ 7,626,838 |

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
STATEMENT OF ACTIVITIES
For the year ended November 30, 2020

| Functions/Programs | 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 | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 15,857,168 | \$ 8,124,319 | \$ 593,067 | \$ - | \$ (7,139,782) | \$ - | \$ (7,139,782) | \$ - |
| Public Works | 9,755,763 | 426,669 | 1,421,989 | 1,059,550 | (6,847,555) | - | (6,847,555) | - |
| Public Safety | 4,014,689 | 408,953 | - | - | (3,605,736) | - | (3,605,736) | - |
| Interest on long term debt | 204,950 | - | - | - | (204,950) | - | (204,950) | - |
| Total governmental activities | 29,832,570 | 8,959,941 | 2,015,056 | 1,059,550 | (17,798,023) | - | (17,798,023) | - |
| Business-Type activities: | | | | | | | | |
| Rehab & Care | - | - | - | - | - | - | - | - |
| Ambulance | 4,489,891 | 3,707,224 | 90,762 | - | - | (691,905) | (691,905) | - |
| Total Business-Type activities | 4,489,891 | 3,707,224 | 90,762 | - | - | (691,905) | (691,905) | - |
| Total Primary Government | \$ 34,322,461 | \$ 12,667,165 | \$ 2,105,818 | \$ 1,059,550 | (17,798,023) | (691,905) | (18,489,928) | - |
| Component Units: | | | | | | | | |
| Health Department | \$ 4,753,931 | \$ 376,433 | \$ 3,550,929 | \$ - | - | - | - | (826,569) |
| Tuberculosis | 45,731 | 5,368 | - | - | - | - | - | (40,363) |
| Mental Health 708 Board | 364,985 | - | - | - | - | - | - | (364,985) |
| Total Component Units | \$ 5,164,647 | \$ 381,801 | \$ 3,550,929 | \$ - | - | - | - | (1,231,917) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| General property taxes | | | | | 8,648,013 | 619,893 | 9,267,906 | 1,152,893 |
| Property taxes, restricted | | | | | 3,238,025 | - | 3,238,025 | - |
| Sales and service taxes | | | | | 2,023,535 | - | 2,023,535 | - |
| Motor fuel tax | | | | | 679,910 | - | 679,910 | - |
| State Income Tax | | | | | 2,252,574 | - | 2,252,574 | - |
| Replacement Tax | | | | | 651,047 | - | 651,047 | - |
| Local Use Tax | | | | | 950,384 | - | 950,384 | - |
| County Hotel Tax | | | | | 58,261 | - | 58,261 | - |
| Investment earnings | | | | | 10,875 | 5,532 | 16,407 | 2,340 |
| Miscellaneous | | | | | - | 27,562 | 27,562 | - |
| Internal Transfers | | | | | 256 | (256) | - | - |
| Total general revenues | | | | | 18,512,880 | 652,731 | 19,165,611 | 1,155,233 |
| Change in net position | | | | | 714,857 | (39,174) | 675,683 | (76,684) |
| Net position - beginning of year, originally stated | | | | | 33,641,521 | 1,819,374 | 35,460,895 | 2,396,047 |
| Prior period adjustment | | | | | 552,180 | - | 552,180 | - |
| Net position - beginning of year, restated | | | | | 34,193,701 | 1,819,374 | 36,013,075 | 2,396,047 |
| Net position - ending | | | | | \$ 34,908,558 | \$ 1,780,200 | \$ 36,688,758 | \$ 2,319,363 |

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2020

| | General Fund | Solid Waste Management Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|-----------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash | \$ 1,742,946 | \$ 719,582 | \$ 2,032,800 | \$ 4,495,328 |
| Accounts receivable: | | | | |
| Other governmental units and agencies | - | 57,711 | 15,095 | 72,806 |
| Property taxes | 12,074,477 | - | 1,751,561 | 13,826,038 |
| Due from other funds | 3,987,172 | 2,857,087 | 104,100 | 6,948,359 |
| Due from agencies | - | - | - | - |
| Prepayments | - | - | - | - |
| Restricted assets | | | | |
| Cash | 2,687,765 | - | 6,791,459 | 9,479,224 |
| Investments | 54,762 | - | - | 54,762 |
| Accounts receivable: | | | | |
| Other governmental units and agencies | 603,547 | - | 49,217 | 652,764 |
| Property taxes | - | - | 4,803,932 | 4,803,932 |
| Due from other funds | 25,484 | 300,000 | 917,790 | 1,243,274 |
| Due from agency funds | - | - | - | - |
| Total Assets | 21,176,153 | 3,934,380 | 16,465,954 | 41,576,487 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | \$ 21,176,153 | \$ 3,934,380 | \$ 16,465,954 | \$ 41,576,487 |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 943,116 | \$ 51,183 | \$ 347,004 | \$ 1,341,303 |
| Accrued payroll | 145,069 | - | 10,787 | 155,856 |
| Compensated absences | 535,779 | - | 68,063 | 603,842 |
| Due to other funds | 4,323,654 | 48,962 | 104,100 | 4,476,716 |
| Due to others | - | - | - | - |
| Due to agencies | - | - | - | - |
| Restricted liabilities | | | | |
| Accounts payable | 85,081 | - | 87,803 | 172,884 |
| Accrued payroll | 3,493 | - | 379,616 | 383,109 |
| Compensated absences | 14,009 | - | - | 14,009 |
| Cash overdrawn | - | - | 540,773 | 540,773 |
| Due to other funds | 4,379,578 | 27,057 | 57,567 | 4,464,202 |
| Due to others | - | - | - | - |
| Total liabilities | 10,429,779 | 127,202 | 1,595,713 | 12,152,694 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows - property taxes | 7,680,761 | - | 1,211,862 | 8,892,623 |
| Restricted deferred inflows - property taxes | - | - | 3,298,727 | 3,298,727 |
| Total Deferred Inflows of Resources | 7,680,761 | - | 4,510,589 | 12,191,350 |
| Total Liabilities and Deferred Inflows of Resources | 18,110,540 | 127,202 | 6,106,302 | 24,344,044 |
| FUND BALANCES | | | | |
| Nonspendable | - | 2,857,087 | - | 2,857,087 |
| Restricted | (1,110,603) | 272,943 | 8,093,812 | 7,256,152 |
| Committed | - | 677,148 | 539,699 | 1,216,847 |
| Assigned | - | - | 1,726,141 | 1,726,141 |
| Unassigned | 4,176,216 | - | - | 4,176,216 |
| Total fund balances | 3,065,613 | 3,807,178 | 10,359,652 | 17,232,443 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 21,176,153 | \$ 3,934,380 | \$ 16,465,954 | \$ 41,576,487 |

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, 2020

| | |
|--|---------------|
| Total fund balances for governmental funds | \$ 17,232,443 |
|--|---------------|

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 | 741,000 | |
| Land | 150,000 | |
| Land improvements, net of \$133,876 accumulated depreciation | 28,500 | |
| Buildings, net of \$6,558,659 accumulated depreciation | 4,241,762 | |
| Building improvements, net of \$1,383,334 accumulated depreciation | 581,216 | |
| Fixed equipment, net of \$296,360 accumulated depreciation | 89,170 | |
| Major movable equipment, net of \$1,462,876 accumulated depreciation | 84,285 | |
| Vehicles, net of \$3,032,742 accumulated depreciation | 542,255 | |
| Computers, net of \$1,088,894 accumulated depreciation | 82,674 | |
| Infrastructure, net of \$10,989,894 accumulated depreciation | 33,995,696 | |
| Total capital assets | <u>40,536,558</u> | |

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

-

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

(12,302,308)

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 | (3,300,000) | |
| Compensated absences | (2,678,101) | |
| Net Pension Liability | (4,580,034) | |
| Total long-term liabilities | <u>(10,558,135)</u> | |

| | |
|---|----------------------|
| Total net position of governmental activities | <u>\$ 34,908,558</u> |
|---|----------------------|

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended November 30, 2020

| | General Fund | Solid Waste Management Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------------|--|---|---|
| Revenues - Unrestricted Funds: | | | | |
| General property taxes | 7,482,114 | \$ - | \$ 1,165,899 | \$ 8,648,013 |
| Sales and service taxes | 2,023,535 | - | - | 2,023,535 |
| Intergovernmental revenue | 4,666,335 | - | 1,437,875 | 6,104,210 |
| Use of money and property | 10,875 | 4,905 | 15,144 | 30,924 |
| Service charges, permits and fees | 2,061,582 | - | - | 2,061,582 |
| Sanitation fees | - | 390,936 | - | 390,936 |
| Other revenue | - | - | 35,733 | 35,733 |
| Total Unrestricted Fund Revenues | 16,244,441 | 395,841 | 2,654,651 | 19,294,933 |
| Expenditures - Unrestricted Funds | | | | |
| Current: | | | | |
| General government | 7,232,021 | - | - | 7,232,021 |
| Public safety | 9,381,728 | - | - | 9,381,728 |
| Public health | - | 339,158 | - | 339,158 |
| Public works | - | - | 1,437,980 | 1,437,980 |
| Capital improvements | - | - | 1,311,489 | 1,311,489 |
| Total Unrestricted Fund Expenditures | 16,613,749 | 339,158 | 2,749,469 | 19,702,376 |
| Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds | (369,308) | 56,683 | (94,818) | (407,443) |
| Revenues - Restricted Funds: | | | | |
| General property taxes | - | - | 3,238,025 | 3,238,025 |
| Intergovernmental revenue | - | - | 2,181,467 | 2,181,467 |
| Use of money and property | - | - | 22,022 | 22,022 |
| Other revenues | 5,050,351 | - | 760,629 | 5,810,980 |
| Total Restricted Fund Revenues | 5,050,351 | - | 6,202,143 | 11,252,494 |
| Expenditures - Restricted Funds: | | | | |
| General property taxes: | | | | |
| Tort liability | - | - | 420,154 | 420,154 |
| Benefits | - | - | 440,592 | 440,592 |
| Debt Service | | | | |
| Principal | - | - | 255,000 | 255,000 |
| Interest | - | - | 204,950 | 204,950 |
| Capital improvements | - | - | 27,200 | 27,200 |
| Other expenditures | 4,485,634 | - | 489,394 | 4,975,028 |
| Total Restricted Fund Expenditures | 4,485,634 | - | 1,837,290 | 6,322,924 |
| Excess (deficiency) of Revenues Over Expenditures - Restricted Funds | 564,717 | - | 4,364,853 | 4,929,570 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 1,355,138 | - | 1,416,883 | 2,772,021 |
| Operating transfers in - restricted | 627,972 | - | - | 627,972 |
| Operating transfers out | (60,485) | - | (3,339,508) | (3,399,993) |
| Operating transfers out - restricted | - | - | - | - |
| Total Other Financing Sources (Uses) | 1,922,625 | - | (1,922,625) | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | 2,118,034 | 56,683 | 2,347,410 | 4,522,127 |
| FUND BALANCES, BEGINNING OF YEAR - ORIGINALLY STATED | 947,579 | 3,750,495 | 7,460,062 | 12,158,136 |
| Prior period adjustment (Note S) | - | - | 552,180 | 552,180 |
| FUND BALANCES, BEGINNING OF YEAR - RESTATED | 947,579 | 3,750,495 | 8,012,242 | 12,710,316 |
| FUND BALANCES, END OF YEAR | \$ 3,065,613 | \$ 3,807,178 | \$ 10,359,652 | \$ 17,232,443 |

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
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, 2020

| | |
|--|--------------|
| Net change in fund balances - total governmental funds | \$ 4,522,127 |
|--|--------------|

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 (\$1,713,037) exceeds capital outlays (\$334,642) in the current period. | (1,378,395) |
|--|-------------|

| | |
|---|----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to increase net assets. | (50,548) |
|---|----------|

| | |
|--|-----------|
| 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 the governmental fund: | |
| Change in compensated absences | (365,067) |

| | |
|--|---------|
| 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 | 255,000 |

| | |
|--|-----------|
| 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. | (170,123) |
|--|-----------|

| | |
|--|-------------|
| 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. | (2,098,137) |
|--|-------------|

| | |
|---|-------------------|
| Change in net position of governmental activities | <u>\$ 714,857</u> |
|---|-------------------|

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2020

| | Enterprise Funds | | |
|---|--------------------------------|-------------------|--------------|
| | Rehab & Care Center Fund | Ambulance Fund | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash | \$ - | \$ 1,070,707 | \$ 1,070,707 |
| Accounts receivable: | | | |
| Consumers | - | 697,325 | 697,325 |
| Property taxes | - | 933,603 | 933,603 |
| Due from other funds | - | 974,122 | 974,122 |
| Inventories | - | 67,094 | 67,094 |
| Noncurrent assets: | | | |
| Net Pension Assets - IMRF Regular | - | - | - |
| Capital Assets: | | | |
| Construction in progress | - | - | - |
| Land and improvements | - | 207,142 | 207,142 |
| Buildings and improvements | - | 653,763 | 653,763 |
| Vehicles and equipment | - | 2,567,709 | 2,567,709 |
| Accumulated depreciation | - | (2,687,974) | (2,687,974) |
| Total Assets | - | 4,483,491 | 4,483,491 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows - pension resources | - | 1,726,185 | 1,726,185 |
| Total Deferred Outflows of Resources | - | 1,726,185 | 1,726,185 |
| Total Assets and Deferred Outflows of Resources | \$ - | \$ 6,209,676 | \$ 6,209,676 |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ 183,280 | \$ 183,280 |
| Accrued payroll | - | 37,806 | 37,806 |
| Compensated absences | - | 190,257 | 190,257 |
| Due to other funds | - | 260,219 | 260,219 |
| Net pension liability | - | 800,584 | 800,584 |
| Total Liabilities | - | 1,472,146 | 1,472,146 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows - property taxes | - | 646,652 | 646,652 |
| Deferred inflows - pension resources | - | 2,310,678 | 2,310,678 |
| Total Deferred Inflows of Resources | - | 2,957,330 | 2,957,330 |
| Total Liabilities and Deferred Inflows of Resources | - | 4,429,476 | 4,429,476 |
| NET POSITION | | | |
| Net investment in capital assets | - | 740,640 | 740,640 |
| Unrestricted | - | 1,039,560 | 1,039,560 |
| Total Net Position | \$ - | \$ 1,780,200 | \$ 1,780,200 |

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, 2020

| | Enterprise Funds | | |
|--|---|---------------------------|--------------|
| | Rehab & Care Center Fund | Ambulance Fund | Total |
| Operating Revenues | | | |
| Charges for services, net of related bad debts | \$ - | \$ 3,707,224 | \$ 3,707,224 |
| Other operating revenues | - | 90,762 | 90,762 |
| Total Operating Revenues | - | 3,797,986 | 3,797,986 |
| Operating Expenses | | | |
| Personnel services | - | 3,142,900 | 3,142,900 |
| Commodities | - | 384,416 | 384,416 |
| Contractual | - | 100,066 | 100,066 |
| Maintenance | - | - | - |
| Other charges | - | 75,910 | 75,910 |
| Depreciation | - | 269,347 | 269,347 |
| Pension expense | - | 517,252 | 517,252 |
| Total Operating Expenses | - | 4,489,891 | 4,489,891 |
| Operating Loss | - | (691,905) | (691,905) |
| Nonoperating Revenues (Expenses) | | | |
| General property taxes | - | 619,893 | 619,893 |
| Use of money and property | - | 5,532 | 5,532 |
| Miscellaneous | - | 27,562 | 27,562 |
| Gain on sale of fixed assets | - | - | - |
| Total Nonoperating Revenues | - | 652,987 | 652,987 |
| Transfers out | (256) | - | (256) |
| Change in net position | (256) | (38,918) | (39,174) |
| Net Position - beginning of Year | 256 | 1,819,118 | 1,819,374 |
| Net Position - End of Year | \$ - | \$ 1,780,200 | \$ 1,780,200 |

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, 2020

| | Enterprise Funds | | |
|--|---|---------------------------|--------------|
| | Rehab & Care Center Fund | Ambulance Fund | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from patients and third party payors | \$ - | \$ 3,667,354 | \$ 3,667,354 |
| Payments to suppliers | - | 1,115,405 | 1,115,405 |
| Payments to employees | - | (4,816,650) | (4,816,650) |
| Net cash used in operating activities | - | (33,891) | (33,891) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Property tax support | - | 619,893 | 619,893 |
| Miscellaneous revenue | - | 27,562 | 27,562 |
| Net cash provided by noncapital financing activities | - | 647,455 | 647,455 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | - | (245,306) | (245,306) |
| Loss on disposal of capital assets | - | - | - |
| Cash transfer to General Fund | (256) | - | (256) |
| Net cash used in capital and related financing activities | (256) | (245,306) | (245,562) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | - | 5,532 | 5,532 |
| Net cash provided by investing activities | - | 5,532 | 5,532 |
| NET INCREASE (DECREASE) IN CASH | (256) | 373,790 | 373,534 |
| CASH, BEGINNING OF YEAR | 256 | 696,917 | 697,173 |
| CASH, END OF YEAR | \$ - | \$ 1,070,707 | \$ 1,070,707 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Loss | \$ - | \$ (691,905) | \$ (691,905) |
| Items not requiring (providing) cash: | | | |
| Depreciation | - | 269,347 | 269,347 |
| Transfer of fund balance | - | - | - |
| Changes in: | | | |
| Accounts receivable | - | (60,350) | (60,350) |
| Due from other funds | - | (205,245) | (205,245) |
| Deferred outflows of resources | - | 1,075,499 | 1,075,499 |
| Inventories | - | (18,455) | (18,455) |
| Accounts payable | - | 134,431 | 134,431 |
| Accrued payroll | - | (1,285) | (1,285) |
| Accrued vacation | - | (25,576) | (25,576) |
| Due to other funds | - | 31,960 | 31,960 |
| Due to third parties | - | - | - |
| Deferred revenue | - | 1,104,577 | 1,104,577 |
| Net pension liability | - | (1,646,889) | (1,646,889) |
| NET CASH USED IN OPERATING ACTIVITIES | \$ - | \$ (33,891) | \$ (33,891) |

The accompanying notes are an integral part of this statement.

Jackson County, Illinois
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
November 30, 2020

| | <u>Agency Funds</u> |
|-------------------------|------------------------|
| ASSETS | |
| Cash | \$ 31,943,121 |
| Investments | <u>491,013</u> |
| Total assets | <u>\$ 32,434,134</u> |
| LIABILITIES | |
| Due to others | \$ 2,448,518 |
| Due to taxing units | <u>29,985,616</u> |
| Total liabilities | <u>32,434,134</u> |
| NET POSITION | <u><u>\$ -</u></u> |

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

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 a legally 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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Basis of Presentation - Fund Accounting

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.

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Government-Wide and Fund Financial Statements

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 through fiscal year 2019.

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.

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7. Investments

Investments are reported at fair value.

8. Inventories

Inventories are stated at the lower of cost, determined using the first-in, first-out method or market. Market is considered the lower of prevailing replacement cost or net realizable value.

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 \$5,000 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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

13. Fund Equity and Net Position

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.

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE B | DEPOSITS AND INVESTMENTS

Deposits

As of November 30, 2020, a reconciliation of cash and investments (including fiduciary fund assets) as shown on the Statement of Net Position is as follows:

| | |
|--|----------------------|
| Cash on hand | \$ 1,750 |
| Carrying amount of deposits | 46,986,630 |
| Carrying amount of investments | 545,775 |
| Total | <u>\$ 47,534,155</u> |
| Government-wide financial statement of net position: | |
| Cash | \$ 15,045,259 |
| Investments | 54,762 |
| Total | <u>\$ 15,100,021</u> |
| Statement of fiduciary net position: | |
| Cash | \$ 31,943,121 |
| Investments | 491,013 |
| Total | <u>\$ 32,434,134</u> |

Custodial Credit Risk - Custodial credit 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, 2020, the carrying value of the County's deposits, including fiduciary funds totaled \$48,778,359 and the bank balances totaled \$49,726,375, including fiduciary funds, \$1,813,863 were covered by federal depository insurance, \$15,841,157 were collateralized by pledged bank assets in the County's name, \$20,385,001 were covered through sweep accounts, \$11,272,380 were deposited in the Illinois Funds, a state investment pool, and \$313,974 were 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
November 30, 2020

NOTE B | DEPOSITS AND INVESTMENTS

Investments

As of November 30, 2020, 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>\$ 545,775</u> | <u>\$ 545,775</u> |

Interest Rate Risk - Interest rate risk is the risk that the fair value of an investment will decline as interest increases. The County's investment policy is described in the paragraph below. Due to the County's type of investments at November 30, 2020, certificates of deposits 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, 2020, 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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE B | DEPOSITS AND INVESTMENTS

Investments

- Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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, 2020.

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, 2020:

| <u>Investment Category</u> | Fair Value | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
|----------------------------|------------|-------------------|-------------------|-------------------|
| Certificates of deposit | \$ 54,762 | \$ - | \$ 54,762 | \$ - |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE B | DEPOSITS AND INVESTMENTS

2. Fair Value Measurements

A summary of the County's fiduciary fund's assets at November 30, 2020 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 | \$ 491,013 | \$ - | \$ 491,013 | \$ - |

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.

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, 2020, accounts receivable in the Enterprise Fund totaled \$697,325 which is net of contractual allowances and provisions for bad debts of \$2,655,584.

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 are 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 2019 assessed valuation for property taxes collected in Fiscal Year 2020 was \$734,117,522. The tax levy for 2019, which represents the property taxes collected in Fiscal Year 2020, was 1.85522 per \$100 assessed valuation.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

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, 2020 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 | \$ (197,142) | \$ - | \$ 697,995 | \$ - | \$ - |
| Worker's Compensation | (144,309) | - | 407,091 | - | 159,894 |
| Unemployment Insurance | 85,150 | - | 149,392 | - | 27,236 |
| Social Security | 745,959 | - | 1,480,172 | - | - |
| Illinois Municipal Retirement Fund | 100,442 | - | 1,776,201 | - | 649 |
| Circuit Clerk Child Support | | | | | |
| Admin Fund | 165,436 | - | - | - | - |
| Court Assessment | 640,603 | - | - | - | - |
| Court Automation | 168,007 | - | - | 712 | - |
| Court Document Storage | 123,560 | - | - | - | - |
| Court Security | - | 54,762 | - | 7,979 | (3,034) |
| Court Supervision | 27,587 | - | - | - | - |
| County Clerk Automation | 200,484 | - | - | - | - |
| County Clerk Revenue Stamps | 147,586 | - | - | - | - |
| Debt Service | 1,841,237 | - | 293,081 | - | - |
| Geographic Information System | 619,264 | - | - | - | - |
| Grants | 21,858 | - | - | - | - |
| Health Insurance/Medical | 282,315 | - | - | - | 30,637 |
| Housing of Prisoners | 636,677 | - | - | 48,449 | 730,011 |
| Inmate Trust & Commissary | 146,136 | - | - | - | - |
| Law Library | 13,259 | - | - | - | - |
| Motor Fuel Tax | 2,504,559 | - | - | 768 | - |
| Payroll | (155,572) | - | - | 535,100 | (2,119) |
| River Levee Bonds | 531,977 | - | - | - | - |
| Sheriff DUI Fund | | | | | |
| Enforcement Equipment | 81,209 | - | - | - | - |
| Solid waste | - | - | - | - | 300,000 |
| State's Attorney Automation | 10,561 | - | - | - | - |
| States Attorney Drug Asset Forfeiture | 207,812 | - | - | - | - |
| State's Attorney Victim | | | | | |
| Assistance Fund | 974 | - | - | - | - |
| Treasurer Automation | 132,597 | - | - | 1,789 | - |
| Treasurer Inheritance Tax | 225 | - | - | - | - |
| Total | \$ 8,938,451 | \$ 54,762 | \$ 4,803,932 | \$ 594,797 | \$ 1,243,274 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE F | CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2020 was as follows:

| General Government | Balance November 30, <u>2019</u> | <u>Additions</u> | Deductions and <u>Transfers</u> | Balance November 30, <u>2020</u> |
|--|--|------------------|---------------------------------------|--|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 150,000 | \$ - | \$ - | \$ 150,000 |
| Construction in progress | 1,783,890 | 24,480 | (1,067,370) | 741,000 |
| Total capital assets, not being depreciated | 1,933,890 | 24,480 | (1,067,370) | 891,000 |
| 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 | 385,530 | - | - | 385,530 |
| Major moveable equipment | 1,494,574 | 55,000 | (2,413) | 1,547,161 |
| Vehicles | 3,402,417 | 255,162 | (82,582) | 3,574,997 |
| Computers | 1,173,340 | - | (1,772) | 1,171,568 |
| Infrastructure | 43,950,520 | - | 1,035,070 | 44,985,590 |
| Total capital assets being depreciated | 63,333,728 | 310,162 | 948,303 | 64,592,193 |
| Less accumulated depreciated for: | | | | |
| Land improvements | (130,076) | (3,800) | - | (133,876) |
| Buildings | (6,301,487) | (257,172) | - | (6,558,659) |
| Building improvements | (1,331,628) | (51,706) | - | (1,383,334) |
| Fixed equipment | (283,773) | (12,587) | - | (296,360) |
| Major moveable equipment | (1,449,893) | (15,396) | 2,413 | (1,462,876) |
| Vehicles | (2,975,348) | (220,659) | 163,265 | (3,032,742) |
| Computers | (1,017,391) | (73,275) | 1,772 | (1,088,894) |
| Infrastructure | (9,911,452) | (1,078,442) | - | (10,989,894) |
| Total accumulated depreciation | (23,401,048) | (1,713,037) | 167,450 | (24,946,635) |
| Total capital assets, being depreciated, net | 39,932,680 | (1,402,875) | 1,115,753 | 39,645,558 |
| | \$ 41,866,570 | \$ (1,378,395) | \$ 48,383 | \$ 40,536,558 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE F | CAPITAL ASSETS

| | Balance November 30, <u>2019</u> | <u>Additions</u> | Deductions and <u>Transfers</u> | Balance November 30, <u>2020</u> |
|--|--|------------------|---------------------------------------|--|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 66,458 | \$ - | \$ - | \$ 66,458 |
| Construction in progress | - | - | - | - |
| Total capital assets, not being depreciated | 66,458 | - | - | 66,458 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 140,684 | - | - | 140,684 |
| Buildings and improvements | 653,763 | - | - | 653,763 |
| Vehicles and equipment | 2,322,403 | 245,306 | - | 2,567,709 |
| Total capital assets being depreciated | 3,116,850 | 245,306 | - | 3,362,156 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (112,226) | (6,312) | - | (118,538) |
| Buildings and improvements | (614,342) | (13,024) | - | (627,366) |
| Vehicles and equipment | (1,692,059) | (250,011) | - | (1,942,070) |
| Total accumulated depreciation | (2,418,627) | (269,347) | - | (2,687,974) |
| Total capital assets, being depreciated, net | 698,223 | (24,041) | - | 674,182 |
| Business-type activities capital assets, net | \$ 764,681 | \$ (24,041) | \$ - | \$ 740,640 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE F | CAPITAL ASSETS

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

Governmental activities

| | |
|--|---------------------|
| General government | \$ 162,162 |
| Public safety | 340,719 |
| Public works | <u>1,210,156</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,713,037</u> |

Business-type activities:

| | |
|---|-------------------|
| Ambulance | <u>\$ 269,347</u> |
| Total depreciation expense - business-type activities | <u>\$ 269,347</u> |

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 \$741,000. Funding for these projects will be provided from the County's operations, state aid (motor fuel tax), and federal awards.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE F | CAPITAL ASSETS

Capital asset activity of the component unit for the year ended November 30, 2020 follows:

| | Balance November 30, <u>2019</u> | <u>Additions</u> | Deductions and <u>Transfers</u> | Balance November 30, <u>2020</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 | 2,104,360 | 29,900 | (4,104) | 2,130,156 |
| Equipment | 373,472 | 1,605 | (14,777) | 360,300 |
| Total capital assets being depreciated | 2,598,797 | 31,505 | (18,881) | 2,611,421 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (103,254) | (7,179) | - | (110,433) |
| Buildings and improvements | (1,215,203) | (67,119) | 2,520 | (1,279,802) |
| Equipment | (340,044) | (9,026) | 17,095 | (331,975) |
| Total accumulated depreciation | (1,658,501) | (83,324) | 19,615 | (1,722,210) |
| Total capital assets, being depreciated, net | 940,296 | (51,819) | 734 | 889,211 |
| Component unit, capital assets, net | \$ 989,796 | \$ (51,819) | \$ 734 | \$ 938,711 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

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, 2020 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. \$ 1,010,000

\$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. 1,045,000

\$1,496,000 series 2010B general obligation bonds dated December 30, 2010 due annually from December 1, 2012 through December 1, 2035 installments ranging from \$6,000 to \$115,000. Interest is payable each June 1 and December 1, beginning December 1, 2011. The bonds bear interest rates of 4.20% to 8.00% per annum. 1,245,000

\$ 3,300,000

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
November 30, 2020

NOTE G | LONG-TERM DEBT

The annual requirements to amortize all bonds outstanding as of November 30, 2020 are as follows:

Governmental Activities

| Year Ending November 30, | Principal | Interest |
|--------------------------------|---------------------|------------------|
| 2021 | \$ 2,450,000 | \$ 24,180 |
| 2022 | 160,000 | 20,020 |
| 2023 | 165,000 | 15,795 |
| 2024 | 170,000 | 11,440 |
| 2025 | 175,000 | 6,955 |
| 2026-2030 | <u>180,000</u> | <u>2,340</u> |
| | <u>\$ 3,300,000</u> | <u>\$ 80,730</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 \$652,484 for the remaining duration of the bonds.

During the year ended November 30, 2020, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

| | Balance November 30, <u>2019</u> | <u>Additions</u> | <u>Reductions</u> | Balance November 30, <u>2020</u> | Due Within <u>One Year</u> |
|-------------------------------|--|---------------------|-----------------------|--|----------------------------------|
| General Obligation Bonds | \$ 3,555,000 | \$ - | \$ (255,000) | \$ 3,300,000 | \$ 2,450,000 |
| Compensated Absences | 2,892,785 | 579,415 | - | 3,472,200 | 794,099 |
| Net OPEB Liability | 10,204,171 | 2,098,137 | - | 12,302,308 | - |
| Net Pension (Asset)/Liability | 12,920,918 | - | (8,550,301) | 4,370,617 | - |
| | <u>\$ 29,572,874</u> | <u>\$ 2,677,552</u> | <u>\$ (8,805,301)</u> | <u>\$ 23,445,125</u> | <u>\$ 3,244,099</u> |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE G | LONG-TERM DEBT

During the year ended November 30, 2020, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

| | Balance November 30, <u>2019</u> | <u>Additions</u> | <u>Reductions</u> | Balance November 30, <u>2020</u> | Due Within <u>One Year</u> |
|-------------------------------|--|------------------|---------------------|--|----------------------------------|
| Compensated Absences | \$ 133,338 | \$ - | \$ (1,024) | \$ 132,315 | \$ 81,470 |
| Net Pension (Asset)/Liability | 1,756,342 | - | (852,202) | 904,140 | - |
| | <u>\$ 1,889,680</u> | <u>\$ -</u> | <u>\$ (853,226)</u> | <u>\$ 1,036,455</u> | <u>\$ 81,470</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.

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).

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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

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

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

Regular Personnel (Non-SLEP)

Employees Covered by Benefit Terms-Regular Plan

As of December 31, 2019, the following employees were covered by the benefit terms:

| | |
|--|-------------|
| | <u>IMRF</u> |
| Retirees and Beneficiaries currently receiving benefits | 444 |
| Inactive Plan Members entitled to but not yet receiving benefits | 387 |
| Active Plan Members | <u>195</u> |
| Total | 1,026 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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 2019 was 8.47%. For the fiscal year ended November 30, 2020, the County contributed \$878,421 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, 2019. 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, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was 5 year smoothed market; 20% corridor.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.

Actuarial Assumptions

- The **Investment Rate of Return** was assumed to be 7.50%.
- **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 MP-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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

- 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, 2019:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--|---|
| Equities | 37 % | 5.75% |
| International Equities | 18 % | 6.50% |
| Fixed Income | 28 % | 3.25% |
| Real Estate | 9 % | 5.20% |
| Alternative Investments | 7 % | 3.60 - 7.60% |
| Cash Equivalents | <u>1</u> % | 1.85% |
| Total | <u>100</u> % | |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

Single Discount Rate

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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, 2018 | \$ 81,222,813 | \$ 71,556,649 | \$ 9,666,164 |
| Changes for the year: | | | |
| Service Cost | 905,072 | - | 905,072 |
| Interest on the Total Pension Liability | 5,735,502 | - | 5,735,502 |
| Changes of Benefits Terms | - | - | - |
| Differences between Expected and Actual Experience of the Total Pension Liability | 2,959,942 | - | 2,959,942 |
| Changes in Assumption | - | - | - |
| Contributions - Employer | - | 790,678 | (790,678) |
| Contributions - Employee | - | 723,974 | (723,974) |
| Net Investment Income | - | 13,598,199 | (13,598,199) |
| Benefit Payments, including Refunds of Employee Contributions | (5,129,951) | (5,129,951) | - |
| Other (Net Transfer) | - | 687,733 | (687,733) |
| Net Changes | 4,470,565 | 10,670,633 | (6,200,068) |
| Balances at December 31, 2019 | \$ 85,693,378 | \$ 82,227,282 | \$ 3,466,096 |
| Primary government | \$ 63,335,976 | \$ 60,774,020 | \$ 2,561,956 |
| Component unit | 22,357,402 | 21,453,262 | 904,140 |
| | \$ 85,693,378 | \$ 82,227,282 | \$ 3,466,096 |

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 7.25%, 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 6.25% | Current Discount 7.25% | 1% Higher 8.25% |
|--------------------------------|-------------------|---------------------------|--------------------|
| Net Pension Liability/ (Asset) | \$13,353,015 | 3,466,096 | \$ (4,592,452) |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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

For the year ended November 30, 2020, the County recognized pension expense of \$5,210,005. At November 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|--------------------------------------|-------------------------------------|--|
| Deferred Amounts to be Recognized in Pension Expense in Future Periods | | | |
| Differences between expected and actual experience | \$ 1,596,039 | \$ 27,877 | \$ 1,568,162 |
| Changes of Assumptions | 158,952 | - | 158,952 |
| Net difference between projected and actual earnings on pension plan investments | 6,261,919 | 9,732,942 | (3,471,023) |
| Total Deferred Amounts to be recognized in pension expense in future periods | 8,016,910 | 9,760,819 | (1,743,909) |
| Pension Contributions made prior to the Measurement Date | 812,025 | - | 812,025 |
| Total Deferred Amounts Related to Pensions | \$ 8,828,935 | \$ 9,760,819 | \$ (931,884) |
| Primary government | \$ 6,575,718 | \$ 7,304,054 | \$ (728,336) |
| Component unit | 2,253,217 | 2,456,765 | (203,548) |
| | \$ 8,828,935 | \$ 9,760,819 | \$ (931,884) |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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</u> <u>December 31</u> | <u>Net Deferred Outflows</u> <u>of Resources</u> |
|--|---|
| 2020 | \$ 467,593 |
| 2021 | (867,979) |
| 2022 | 359,771 |
| 2023 | (1,703,294) |
| 2024 | - |
| Thereafter | - |
| Total | <u>\$ (1,743,909)</u> |

Sheriff's Law Enforcement (SLEP)

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

| | <u>IMRF</u> |
|--|-------------|
| Retirees and Beneficiaries currently receiving benefits | 42 |
| Inactive Plan Members entitled to but not yet receiving benefits | 12 |
| Active Plan Members | <u>70</u> |
| Total | 124 |

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 2019 was 15.33%. For the fiscal year ended November 30, 2020, the County contributed \$719,977 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits which 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, 2019. 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
November 30, 2020

NOTE H | RETIREMENT PLANS

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- 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 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **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 MP-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
November 30, 2020

NOTE H | RETIREMENT PLANS

- 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, 2019:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--|---|
| Equities | 37 % | 5.75% |
| International Equities | 18 % | 6.50% |
| Fixed Income | 28 % | 3.25% |
| Real Estate | 9 % | 5.20% |
| Alternative Investments | 7 % | 3.60 - 7.60% |
| Cash Equivalents | <u>1</u> % | 1.85% |
| Total | <u>100</u> % | |

Single Discount Rate

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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, 2018 | \$ 27,200,735 | \$ 22,714,002 | \$ 4,486,733 |
| Changes for the year: | | | |
| Service Cost | 823,810 | - | 823,810 |
| Interest on the Total Pension Liability | 1,958,862 | - | 1,958,862 |
| Changes of Benefits Terms | - | - | - |
| Differences between Expected and Actual Experience of the Total Pension Liability | (204,745) | - | (204,745) |
| Changes in Assumption | - | - | - |
| Contributions - Employer | - | 612,318 | (612,318) |
| Contributions - Employee | - | 391,962 | (391,962) |
| Net Investment Income | - | 4,246,114 | (4,246,114) |
| Benefit Payments, including Refunds of Employee Contributions | (1,187,715) | (1,187,715) | - |
| Other (Net Transfer) | - | 65,889 | (65,889) |
| Net Changes | 1,390,212 | 4,128,568 | (2,738,356) |
| Balances at December 31, 2019 | \$ 28,590,947 | \$ 26,842,570 | \$ 1,748,377 |

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 7.25%, 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 6.25% | Current Discount 7.25% | 1% Higher 8.25% |
|-----------------------|-------------------|---------------------------|--------------------|
| Net Pension Liability | \$ 5,911,458 | \$ 1,748,377 | \$ (1,640,093) |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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

For the year ended November 30, 2020, the County recognized pension expense of \$3,142,683. At November 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|--------------------------------------|-------------------------------------|--|
| Deferred Amounts to be Recognized in Pension Expense in Future Periods | | | |
| Differences between expected and actual experience | \$ 57,380 | \$ 1,097,746 | \$ (1,040,366) |
| Changes of Assumptions | 753,853 | 128,121 | 625,732 |
| Net difference between projected and actual earnings on pension plan investments | 1,959,868 | 2,939,540 | (979,672) |
| Total Deferred Amounts to be recognized in pension expense in future periods | 2,771,101 | 4,165,407 | (1,394,306) |
| Pension Contributions made prior to the Measurement Date | 670,284 | - | 670,284 |
| Total Deferred Amounts Related to Pensions | \$ 3,441,385 | \$ 4,165,407 | \$ (724,022) |

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 (Inflows)/Outflows of Resources |
|----------------------------|---|
| 2020 | \$ (384,198) |
| 2021 | (406,983) |
| 2022 | (4,578) |
| 2023 | (594,856) |
| 2024 | 13,388 |
| Thereafter | (17,079) |
| Total | \$ (1,394,306) |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

Elected County Officials (ECO)

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

| | <u>IMRF</u> |
|--|-------------|
| Retirees and Beneficiaries currently receiving benefits | 4 |
| Inactive Plan Members entitled to but not yet receiving benefits | 0 |
| Active Plan Members | <u>2</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 2019 was 14.94%. For the fiscal year ended November 30, 2020, the County contributed \$17,229 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits 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, 2019. 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, 2019:

- 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 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

- **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** are an IMRF specific mortality table which was used with fully generational projection scale MP-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, 2019:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--|---|
| Equities | 37 % | 5.75% |
| International Equities | 18 % | 6.50% |
| Fixed Income | 28 % | 3.25% |
| Real Estate | 9 % | 5.20% |
| Alternative Investments | 7 % | 3.60 - 7.60% |
| Cash Equivalents | <u>1</u> % | 1.85% |
| Total | <u>100</u> % | |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flows used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of this valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2018 | \$ 3,804,465 | \$ 3,280,102 | \$ 524,363 |
| Changes for the year: | | | |
| Service Cost | 23,161 | - | 23,161 |
| Interest on the Total Pension Liability | 269,252 | - | 269,252 |
| Changes of Benefits Terms | - | - | - |
| Differences between Expected and Actual Experience of the Total Pension Liability | (61,953) | - | (61,953) |
| Changes in Assumption | - | - | - |
| Contributions - Employer | - | 14,381 | (14,381) |
| Contributions - Employee | - | 7,219 | (7,219) |
| Net Investment Income | - | 669,593 | (669,593) |
| Benefit Payments, including Refunds of Employee Contributions | (204,463) | (204,463) | - |
| Other (Net Transfer) | - | 3,346 | (3,346) |
| Net Changes | 25,997 | 490,076 | (464,079) |
| Balances at December 31, 2019 | \$ 3,830,462 | \$ 3,770,178 | \$ 60,284 |

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 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Lower <u>6.25%</u> | Current Discount <u>7.25%</u> | 1% Higher <u>8.25%</u> |
|-----------------------|--------------------------|----------------------------------|---------------------------|
| Net Pension Liability | \$ 520,439 | \$ 60,284 | \$ (322,463) |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE H | RETIREMENT PLANS

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

For the year ended November 30, 2020, the County recognized pension expense of \$837,578. At November 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows (Inflows) of Resources |
|---|--------------------------------------|-------------------------------------|--|
| Deferred Amounts to be Recognized in Pension Expense in Future Periods | | | |
| Differences between expected and actual experience | \$ 37,027 | \$ 22,713 | \$ 14,314 |
| Changes of Assumptions | 18,256 | - | 18,256 |
| Net difference between projected and actual earnings on pension plan investments | 297,519 | 486,381 | (188,862) |
| Total Deferred Amounts to be recognized in pension expense in future periods | 352,802 | 509,094 | (156,292) |
| Pension Contributions made prior to the Measurement Date | 14,156 | - | 14,156 |
| Total Deferred Amounts Related to Pensions | \$ 366,958 | \$ 509,094 | \$ (142,136) |

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/(Inflows) of Resources |
|----------------------------|---|
| 2020 | \$ (22,126) |
| 2021 | (57,190) |
| 2022 | 10,681 |
| 2023 | (87,657) |
| 2024 | - |
| Thereafter | - |
| Total | \$ (156,292) |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

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 \$3,513,269 at November 30, 2020, 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.

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, 2020, membership consisted of:

| | <u>November 30, 2020</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, 2020.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE J | OTHER POST-EMPLOYMENT BENEFITS

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at November 30, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Discount Rate** used 2.05% annual
- The **Salary Increase** used was 3.50% per annum

| Monthly Health Plan Premium Costs (Blended)* | <u>Coverage</u> | Monthly Cost <u>Hope 1000 *</u> | Monthly Cost <u>Hope 4000</u> |
|---|-------------------|------------------------------------|----------------------------------|
| | Single | \$ 1,100.00 | \$ 775.00 |
| | Single + Spouse | \$ 2,262.00 | \$ 1,564.00 |
| | Single + Children | \$ 2,097.00 | \$ 1,370.00 |
| | Family | \$ 2,756.00 | \$ 1,935.00 |

**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"*

| | |
|-----------|---|
| Mortality | Probabilities of death for participants were according to RP2014 base rates projected to 2020 using scale MP2020. No additional provisions (besides those already embedded) were included for mortality improvements beyond 2020. |
|-----------|---|

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE J | OTHER POST-EMPLOYMENT BENEFITS

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
November 30, 2020

NOTE J | OTHER POST-EMPLOYMENT BENEFITS

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 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE J | OTHER POST-EMPLOYMENT BENEFITS

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.

| | | |
|------------------------------------|----------------|-------|
| Health Care Cost Inflation Rate | Period | Rates |
| | 2020 | 7.00% |
| | 2021 | 6.75% |
| | 2022 | 6.50% |
| | 2023 | 6.00% |
| | 2024 | 6.00% |
| | 2025 | 5.50% |
| | 2026 | 5.00% |
| | 2027 and after | 4.50% |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE J | OTHER POST-EMPLOYMENT BENEFITS

Change in the Net OPEB Liability

| | Total OPEB Liability (A) | Plan Fiduciary Net Position (B) | Net OPEB Liability (A) - (B) |
|--|--------------------------------|---------------------------------------|------------------------------------|
| Balances at December 31, 2019 | \$ 10,204,171 | \$ - | \$ 10,204,171 |
| Changes for the year: | | | |
| Service Cost | 866,692 | - | 866,692 |
| Interest on the Total Pension Liability | 896,386 | - | 896,386 |
| Changes of Benefits Terms | (520,738) | - | (520,738) |
| Differences between Expected and Actual Experience of the Total Pension Liability | (619,350) | - | (619,350) |
| Changes in Assumption | 2,396,148 | - | 2,396,148 |
| Contributions - Employer | - | 921,001 | (921,001) |
| Contributions - Employee | - | - | - |
| Net Investment Income | - | - | - |
| Benefit Payments, including Refunds of Employee Contributions | (921,001) | (921,001) | - |
| Other (Net Transfer) | - | - | - |
| Net Changes | 2,098,137 | - | 2,098,137 |
| Balances at December 31, 2020 | \$ 12,302,308 | \$ - | \$ 12,302,308 |

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 2.05%, 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:

| | 1% Lower 1.05% | Current Discount 2.05% | 1% Higher 3.05% |
|--------------------|-------------------|---------------------------|--------------------|
| Net OPEB Liability | \$13,634,820 | \$12,302,308 | \$11,117,233 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE J | OTHER POST-EMPLOYMENT BENEFITS

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:

| | 1% Decrease 6.0% Decreasing to 3.5 | Current Trend Rates 7.0% Decreasing to 4.5 | 1% Increase 8.0% Decreasing to 5.5 |
|--------------------|---------------------------------------|---|---------------------------------------|
| Net OPEB Liability | \$11,092,208 | \$12,302,308 | \$13,711,703 |

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, 2020:

Nonspendable Fund Balance - Governmental Funds

| | |
|----------------------|---------------------|
| Due from other funds | \$ <u>2,857,087</u> |
|----------------------|---------------------|

Restricted Fund Balance - Governmental Funds

| | |
|--------------------------------|---------------------|
| Benefits | \$ 1,711,737 |
| Public safety | 1,415,137 |
| Street construction and repair | 2,342,627 |
| Due from other funds | 272,943 |
| Debt service | 1,946,198 |
| River levee bond | 531,977 |
| Inmate & Commissary | 146,136 |
| General fund | <u>(1,110,603)</u> |
| | \$ <u>7,256,152</u> |

Committed Fund Balance - Governmental Funds

| | |
|--------------|---------------------|
| Solid waste | \$ 677,148 |
| Public works | 539,699 |
| | \$ <u>1,216,847</u> |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE K | FUND BALANCE CLASSIFICATIONS

Assigned Fund Balance - Governmental Funds

Public works \$ 1,726,141

NOTE L | OTHER REQUIRED DISCLOSURE

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds for the year ended November 30, 2020, are as follows:

| <u>Fund</u> | <u>Expenditures</u> | <u>Budget</u> |
|--------------------------|---------------------|---------------|
| General Fund | \$ 21,109,176 | \$ 18,551,910 |
| Insurance Liability Fund | \$ 429,745 | \$ 409,939 |
| Worker's Comp Fund | \$ 350,753 | \$ 349,524 |
| County Health | \$ 4,426,373 | \$ 3,908,288 |
| Ambulance | \$ 4,489,891 | \$ 4,456,952 |

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

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. Interfund receivables and payables, during the year ended November 30, 2020, were as follows:

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE M | INTERFUND RECEIVABLES AND PAYABLES

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|------------------------------|----------------------------------|-------------------------------|
| <i>Governmental Fund</i> | | |
| Major Funds: | | |
| General | \$ 4,012,656 | \$ 8,703,231 |
| Solid Waste | 3,157,087 | 76,019 |
| <i>Special Revenue Funds</i> | | |
| County Highway | 104,100 | - |
| Motor Fuel Tax | - | 104,100 |
| Workers Compensation | 159,894 | - |
| Unemployment | 27,236 | 29,896 |
| FICA and Medicare | - | 20,583 |
| IMRF | 649 | 7,088 |
| <i>Capital Project Funds</i> | | |
| Housing of Prisoners | 730,011 | - |
| | <hr/> | <hr/> |
| | 8,191,633 | 8,940,917 |
| <i>Component Units</i> | | |
| Health Department | 43,387 | 2,356 |
| Tuberculosis | - | 5,650 |
| | <hr/> | <hr/> |
| | 43,387 | 8,006 |
| <i>Enterprise Fund</i> | | |
| Ambulance | 974,122 | 260,219 |
| | <hr/> | <hr/> |
| Total all funds | <hr/> <hr/> \$ 9,209,142 | <hr/> <hr/> \$ 9,209,142 |

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE M | INTERFUND RECEIVABLES AND PAYABLES

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

Interfund balances not expected to be repaid within one year:

General Fund of \$3,157,624 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 \$3,243,179 and the General Fund restricted of \$1,096,251, for a total of \$4,339,430.

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.

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|------------------------------------|--------------------|---------------------|
| <i>Major Funds</i> | | |
| General | \$ 1,983,110 | \$ 60,485 |
| Total Major Funds | <u>1,983,110</u> | <u>60,485</u> |
| <i>Nonmajor Governmental Funds</i> | | |
| Highway | 693,643 | - |
| Motor Fuel Tax | - | 693,643 |
| Workers Compensation | - | 77,007 |
| Debt Service | 723,240 | - |
| Housing of Prisoners | - | 723,240 |
| Unemployment Fund | - | 39,081 |
| FICA and Medicare | - | 636,027 |
| IMRF | - | 1,170,510 |
| Total Nonmajor Funds | <u>1,416,883</u> | <u>3,339,508</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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

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, 2020 were \$355,621.

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE Q | INTEREST EXPENDITURES/EXPENSES

The total interest expenditures/expenses of the County aggregated \$214,765.

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.

| | |
|--|--------------------|
| 2019 Equalized Assessed Valuation (E.A.V.) | \$ 734,117,522 |
| Statutory Debt Limit (5.750% of E.A.V.) | 42,211,758 |
| General Obligation Debt Applicable to Limitation | |
| Taxable General Obligation Bonds, Series 2015 | 1,010,000 |
| Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (The "2010A Bonds") | 1,045,000 |
| Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010B (Build America Bonds) (the "2010B Bonds") | <u>1,245,000</u> |
| Total General Obligation Debt | \$ 3,300,000 |
| Less Self-Supporting Bonded Debt (1) | <u>(3,300,000)</u> |
| Total Direct General Obligation Debt | - |
| Available Legal Debt Margin | \$ 42,211,758 |

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.

Jackson County, Illinois
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2020

NOTE S | PRIOR PERIOD ADJUSTMENT

Certain invoices were expensed twice between two fiscal years in the Federal Aid Matching fund and a special revenue fund was added to the financial statements for Inmate Commissary and Trust funds. This required a prior period adjustment to correct the fund balance of the nonmajor governmental funds.

| | |
|--|----------------------------|
| Fund balance beginning of year as previously stated: | |
| Nonmajor funds | \$ 7,460,062 |
| Federal Aid Matching adjustment | 469,538 |
| Addition of Inmate funds | <u>82,642</u> |
| Total prior period adjustment | <u>552,180</u> |
| Fund balance beginning of year restated: | <u><u>\$ 8,012,242</u></u> |

NOTE T | SUBSEQUENT EVENTS

Management evaluated all events and transactions that occurred after November 30, 2020 through July 28, 2021, the issue date of the se financial statements.

Required Supplementary Information

Jackson County, Illinois
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended November 30, 2020

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|--------------------|-----------------|---------------|---|
| Revenues - Unrestricted Funds: | | | | |
| General Property Taxes: | | | | |
| Real property taxes | \$ 7,282,424 | \$ 7,282,424 | \$ 7,228,275 | \$ (54,149) |
| Penalties on late taxes | 250,000 | 250,000 | 253,839 | 3,839 |
| Total General Property Taxes | 7,532,424 | 7,532,424 | 7,482,114 | (50,310) |
| Sales and Service Taxes: | | | | |
| Sales tax | 445,000 | 445,000 | 422,605 | (22,395) |
| Supplemental sales tax | 1,550,000 | 1,550,000 | 1,563,783 | 13,783 |
| Pull tabs and jar games license and tax | 26,000 | 26,000 | 19,320 | (6,680) |
| Cable television franchise tax | 18,000 | 18,000 | 17,827 | (173) |
| Total Sales and Service Taxes | 2,039,000 | 2,039,000 | 2,023,535 | (15,465) |
| Intergovernmental Revenue: | | | | |
| Illinois state income tax | 1,985,000 | 1,985,000 | 2,252,574 | 267,574 |
| Replacement tax | 724,487 | 724,487 | 651,047 | (73,440) |
| Local use tax | 550,000 | 550,000 | 950,384 | 400,384 |
| County hotel tax | 27,000 | 27,000 | 58,261 | 31,261 |
| Federal reimbursement in lieu of property tax | 195,000 | 195,000 | 210,595 | 15,595 |
| Other federal/state grants | 602,689 | 602,689 | 543,474 | (59,215) |
| Total Intergovernmental Revenue | 4,084,176 | 4,084,176 | 4,666,335 | 582,159 |
| Use of Money and Property: | | | | |
| Interest on investments | 25,000 | 25,000 | 10,875 | (14,125) |
| Total Use of Money and Property | 25,000 | 25,000 | 10,875 | (14,125) |
| Service Charges, Permits and Fees: | | | | |
| General Government: | | | | |
| Executive | 292,300 | 292,300 | 331,064 | 38,764 |
| County clerk | 357,000 | 357,000 | 547,103 | 190,103 |
| Judiciary and courts | 929,539 | 929,539 | 706,617 | (222,922) |
| Assessments | 66,323 | 66,323 | 67,845 | 1,522 |
| Total General Government | 1,645,162 | 1,645,162 | 1,652,629 | 7,467 |
| Public Safety: | | | | |
| Sheriff | 854,300 | 854,300 | 371,472 | (482,828) |
| Animal control | 30,000 | 30,000 | 21,133 | (8,867) |
| Coroner | 11,000 | 11,000 | 16,348 | 5,348 |
| Total Public Safety | 895,300 | 895,300 | 408,953 | (486,347) |
| Total Service Charges, Permits and Fees | 2,540,462 | 2,540,462 | 2,061,582 | (478,880) |
| Total Unrestricted Fund Revenues | \$ 16,221,062 | \$ 16,221,062 | \$ 16,244,441 | \$ 23,379 |

Jackson County, Illinois
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended November 30, 2020

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|-----------------------|-----------------------|---------------------|---|
| Expenditures - Unrestricted Funds - Current: | | | | |
| General Government: | | | | |
| Executive: | | | | |
| County Board | \$ 270,662 | \$ 285,662 | \$ 361,109 | \$ (75,447) |
| Board of Review | 67,131 | 67,131 | 46,944 | 20,187 |
| Total Executive | 337,793 | 352,793 | 408,053 | (55,260) |
| Treasurer: | | | | |
| Treasurer's office | 484,881 | 484,881 | 508,151 | (23,270) |
| Total Treasurer | 484,881 | 484,881 | 508,151 | (23,270) |
| County Clerk: | | | | |
| County Clerk's office | 871,627 | 871,627 | 960,592 | (88,965) |
| Elections | 25,699 | 25,699 | 26,580 | (881) |
| Total County Clerk | 897,326 | 897,326 | 987,172 | (89,846) |
| Judiciary and Courts: | | | | |
| State's Attorney | 1,526,500 | 1,526,500 | 1,484,353 | 42,147 |
| Circuit Clerk's office | 1,172,456 | 1,172,456 | 988,054 | 184,402 |
| Jury Commission | 114,530 | 114,530 | 49,832 | 64,698 |
| Courts | 594,899 | 568,899 | 528,166 | 40,733 |
| Public Defender | 696,195 | 696,195 | 629,242 | 66,953 |
| Probation circuit | 561,503 | 561,503 | 490,752 | 70,751 |
| Total Judiciary and Courts | 4,666,083 | 4,640,083 | 4,170,399 | 469,684 |
| Assessments: | | | | |
| Assessments | 415,888 | 415,888 | 438,921 | (23,033) |
| Total Assessments | 415,888 | 415,888 | 438,921 | (23,033) |
| Other: | | | | |
| Data processing | 423,434 | 423,434 | 439,149 | (15,715) |
| Building maintenance | 158,500 | 158,500 | 153,010 | 5,490 |
| Education | 185,893 | 185,893 | 116,564 | 69,329 |
| Central Services | 20,000 | 5,000 | 10,602 | (5,602) |
| Total Other | 787,827 | 772,827 | 719,325 | 53,502 |
| Total General Government | 7,589,798 | 7,563,798 | 7,232,021 | 331,777 |
| Public Safety: | | | | |
| Sheriff's office | 5,318,186 | 5,318,186 | 4,805,218 | 512,968 |
| Jail | 4,234,387 | 4,241,887 | 3,802,405 | 439,482 |
| Jail building maintenance | 485,400 | 485,400 | 388,616 | 96,784 |
| Merit board | 3,000 | 3,000 | 2,112 | 888 |
| Animal control | 60,000 | 96,600 | 83,511 | 13,089 |
| Coroner | 207,888 | 207,888 | 221,941 | (14,053) |
| Emergency service | 80,281 | 99,781 | 77,925 | 21,856 |
| Total Public Safety | 10,389,142 | 10,452,742 | 9,381,728 | 1,071,014 |
| Total Unrestricted Fund Expenditures | 17,978,940 | 18,016,540 | 16,613,749 | 1,402,791 |
| Deficiency of Revenues Over Expenditures - Unrestricted Funds | \$ (1,757,878) | \$ (1,795,478) | \$ (369,308) | \$ 1,426,170 |

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended November 30, 2020

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|--------------------|-------------------|---------------------|---|
| Revenues - Restricted Funds: | | | | |
| Other Revenues: | | | | |
| County Clerk | \$ - | \$ - | \$ - | \$ - |
| Health Insurance | - | - | 4,270,450 | 4,270,450 |
| Payroll Clearing | - | - | 205 | 205 |
| Court Security | - | - | 115,162 | 115,162 |
| Court Assessment Fees | 4,200 | 4,200 | 189,941 | 185,741 |
| Law Library Fees | - | - | 8,115 | 8,115 |
| Court Automation | - | - | 84,487 | 84,487 |
| County Clerk Automation | - | - | 91,513 | 91,513 |
| State's Attorney Automation | - | - | 1,487 | 1,487 |
| Treasurer's Automation | - | - | 17,652 | 17,652 |
| Child Support Administration | - | - | 51,300 | 51,300 |
| Court Document Storage | - | - | 85,401 | 85,401 |
| Treasurer's Inheritance | - | - | - | - |
| Court Supervision Sheriff | - | - | 364 | 364 |
| GIS Fund | - | - | 122,181 | 122,181 |
| Drug Fund | - | - | 4,315 | 4,315 |
| DUI | - | - | 7,773 | 7,773 |
| Grants | - | - | 1 | 1 |
| State's Attorney Victim Assistance | - | - | 4 | 4 |
| Miscellaneous | - | - | - | - |
| Total Other Revenues | 4,200 | 4,200 | 5,050,351 | 5,046,151 |
| Total Restricted Fund Revenues | 4,200 | 4,200 | 5,050,351 | 5,046,151 |
| Expenditures - Restricted Funds: | | | | |
| Other Expenditures: | | | | |
| County Clerk | - | - | 129,522 | (129,522) |
| Health Insurance | - | - | 3,715,077 | (3,715,077) |
| Payroll Clearing | - | - | - | - |
| Court Security | - | - | 264,746 | (264,746) |
| Court Assessment Fees | - | - | 30,785 | (30,785) |
| Law Library Fees | - | - | 4,889 | (4,889) |
| Court Automation | - | - | 116,889 | (116,889) |
| County Clerk Automation | - | - | 15,369 | (15,369) |
| State's Attorney Automation | - | - | - | - |
| Treasurer's Automation | - | - | 18,255 | (18,255) |
| Child Support Administration | - | - | - | - |
| Court Document Storage | - | - | 81,350 | (81,350) |
| Treasurer's Inheritance | - | - | - | - |
| Court Supervision Sheriff | - | - | - | - |
| GIS Fund | - | - | 72,507 | (72,507) |
| Drug Fund | - | - | 26,289 | (26,289) |
| DUI | - | - | - | - |
| Grants | - | - | - | - |
| State's Attorney Victim Assistance | - | - | 9,956 | (9,956) |
| Miscellaneous | - | - | - | - |
| Total Other Expenditures | - | - | 4,485,634 | (4,485,634) |
| Total Restricted Fund Expenditures | - | - | 4,485,634 | (4,485,634) |
| Excess of Revenues Over Expenditures - Restricted Funds | 4,200 | 4,200 | 564,717 | 560,517 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 2,000,000 | 2,000,000 | 1,355,138 | (644,862) |
| Operating transfers in - restricted | 150,000 | 150,000 | 627,972 | 477,972 |
| Operating transfers out | (574,895) | (574,895) | (60,485) | 514,410 |
| Operating transfers out - restricted | - | - | - | - |
| Total Other Financing Sources (Uses) | 1,575,105 | 1,575,105 | 1,922,625 | 347,520 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | (178,573) | (216,173) | 2,118,034 | 2,334,207 |
| FUND BALANCE, BEGINNING OF YEAR | 947,579 | 947,579 | 947,579 | - |
| FUND BALANCE, END OF YEAR | \$ 769,006 | \$ 731,406 | \$ 3,065,613 | \$ 2,334,207 |

Jackson County, Illinois
BUDGETARY COMPARISON SCHEDULE
SOLID WASTE MANAGEMENT FUND
For the fiscal year ended November 30, 2020

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|----------------------------|-------------------------|---------------|---|
| Revenues: | | | | |
| Use of money and property | \$ - | \$ - | \$ 4,905 | \$ 4,905 |
| Sanitation Fees | - | - | 390,936 | 390,936 |
| Total Revenues | - | - | 395,841 | 395,841 |
| Expenditures: | | | | |
| Public Health | - | - | 339,158 | (339,158) |
| Total expenditures | - | - | 339,158 | (339,158) |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | 56,683 | 56,683 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | - | - | - |
| Operating transfers out | - | - | - | - |
| Total Other Financing Sources (Uses): | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | - | - | 56,683 | 56,683 |
| FUND BALANCE, BEGINNING OF YEAR | - | - | 125,099 | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ 181,782 | \$ 56,683 |

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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | |
| Service Cost | \$ 905,072 | \$ 843,142 | \$ 889,664 | \$ 958,753 | \$ 874,693 | \$ 1,285,592 |
| Interest on the Total Pension Liability | 5,735,502 | 5,662,521 | 5,626,963 | 5,538,770 | 5,294,334 | 5,043,582 |
| Benefit Changes | - | - | - | - | - | - |
| Difference between Expected and Actual Experience | 2,959,942 | (375,483) | 300,425 | (1,426,937) | 858,591 | (1,463,769) |
| Assumption Changes | - | 2,140,892 | (2,279,765) | (85,808) | 85,451 | 2,074,962 |
| Benefit Payments and Refunds | (5,129,951) | (4,253,940) | (3,825,890) | (3,919,960) | (3,674,753) | (3,108,365) |
| Net Change in Total Pension Liability | 4,470,565 | 4,017,132 | 711,397 | 1,064,818 | 3,438,316 | 3,832,002 |
| Total Pension Liability - Beginning | 81,222,813 | 77,205,681 | 76,494,284 | 75,429,466 | 71,991,150 | 68,159,148 |
| Total Pension Liability - Ending (a) | \$ 85,693,378 | \$ 81,222,813 | \$ 77,205,681 | \$ 76,494,284 | \$ 75,429,466 | \$ 71,991,150 |
| Plan Fiduciary Net Position | | | | | | |
| Employer Contributions | \$ 790,678 | \$ 1,025,134 | \$ 994,713 | \$ 996,668 | \$ 1,008,020 | \$ 1,221,288 |
| Employee Contributions | 723,974 | 435,285 | 414,544 | 477,436 | 410,282 | 511,479 |
| Pension Plan Net Investment Income | 13,598,199 | (4,525,246) | 12,386,625 | 4,624,687 | 346,264 | 4,102,133 |
| Benefit Payments and Refunds | (5,129,951) | (4,253,940) | (3,825,890) | (3,919,960) | (3,674,753) | (3,108,365) |
| Other | 687,733 | 555,451 | (1,375,473) | (374,704) | (549,573) | (281,335) |
| Net Change in Plan Fiduciary Net Position | 10,670,633 | (6,763,316) | 8,594,519 | 1,804,127 | (2,459,760) | 2,445,200 |
| Plan Fiduciary Net Position - Beginning | 71,556,649 | 78,319,965 | 69,725,446 | 67,921,319 | 70,381,079 | 67,935,879 |
| Plan Fiduciary Net Position - Ending (b) | \$ 82,227,282 | \$ 71,556,649 | \$ 78,319,965 | \$ 69,725,446 | \$ 67,921,319 | \$ 70,381,079 |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 3,466,096 | 9,666,164 | (1,114,284) | 6,768,838 | 7,508,147 | 1,610,071 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 95.96% | 88.10% | 101.44% | 91.15% | 90.05% | 97.76% |
| Cover Valuation Payroll | \$ 9,337,673 | \$ 8,878,490 | \$ 8,590,193 | \$ 8,524,166 | \$ 9,081,511 | \$ 8,053,392 |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 37.12% | 108.87% | -12.97% | 79.41% | 82.68% | 19.99% |

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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | |
| Service Cost | \$ 823,810 | \$ 751,262 | \$ 721,289 | \$ 707,517 | \$ 689,180 | \$ 701,294 |
| Interest on the Total Pension Liability | 1,958,862 | 1,877,998 | 1,760,027 | 1,702,472 | 1,613,382 | 1,486,544 |
| Benefit Changes | - | - | - | - | - | - |
| Difference between Expected and Actual Experience | (204,745) | (540,694) | 92,759 | (807,254) | (305,290) | (80,713) |
| Assumption Changes | - | 897,798 | (155,372) | (65,979) | 32,249 | 330,452 |
| Benefit Payments and Refunds | (1,187,715) | (899,950) | (821,517) | (852,356) | (785,358) | (637,884) |
| Net Change in Total Pension Liability | 1,390,212 | 2,086,414 | 1,597,186 | 684,400 | 1,244,163 | 1,799,693 |
| Total Pension Liability - Beginning | 27,200,735 | 25,114,321 | 23,517,135 | 22,832,735 | 21,588,572 | 19,788,879 |
| Total Pension Liability - Ending (a) | \$ 28,590,947 | \$ 27,200,735 | \$ 25,114,321 | \$ 23,517,135 | \$ 22,832,735 | \$ 21,588,572 |
| Plan Fiduciary Net Position | | | | | | |
| Employer Contributions | \$ 612,318 | \$ 670,626 | \$ 718,802 | \$ 715,320 | \$ 686,819 | \$ 690,192 |
| Employee Contributions | 391,962 | 344,423 | 313,386 | 287,578 | 268,830 | 313,785 |
| Pension Plan Net Investment Income | 4,246,114 | (1,436,976) | 3,644,409 | 1,282,963 | 92,742 | 1,041,388 |
| Benefit Payments and Refunds | (1,187,715) | (899,950) | (821,517) | (852,356) | (785,358) | (637,884) |
| Other | 65,889 | 413,600 | (329,047) | 225,460 | (288,943) | 166,826 |
| Net Change in Plan Fiduciary Net Position | 4,128,568 | (908,277) | 3,526,033 | 1,658,965 | (25,910) | 1,574,307 |
| Plan Fiduciary Net Position - Beginning | 22,714,002 | 23,622,279 | 20,096,246 | 18,437,281 | 18,463,191 | 16,888,884 |
| Plan Fiduciary Net Position - Ending (b) | \$ 26,842,570 | \$ 22,714,002 | \$ 23,622,279 | \$ 20,096,246 | \$ 18,437,281 | \$ 18,463,191 |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 1,748,377 | 4,486,733 | 1,492,042 | 3,420,889 | 4,395,454 | 3,125,381 |
| Plan Fiduciary Net Position as a Percentage | | | | | | |
| of Total Pension Liability | 93.88% | 83.51% | 94.06% | 85.45% | 80.75% | 85.52% |
| Cover Valuation Payroll | \$ 3,992,795 | \$ 4,093,804 | \$ 3,975,733 | \$ 3,730,432 | \$ 3,638,441 | \$ 3,406,115 |
| Net Pension Liability as a Percentage | | | | | | |
| of Covered Valuation Payroll | 43.79% | 109.60% | 37.53% | 91.70% | 120.81% | 91.76% |

Notes to Schedule:

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

Jackson County, Illinois
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
IMRF ECO PLAN
LAST 10 CALENDAR YEARS

| Calendar year ending December 31, | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | |
| Service Cost | \$ 23,161 | \$ 33,010 | \$ 41,297 | \$ 45,450 | \$ 34,694 | \$ 40,529 |
| Interest on the Total Pension Liability | 269,252 | 246,931 | 238,443 | 247,883 | 229,065 | 244,319 |
| Benefit Changes | - | - | - | - | - | - |
| Difference between Expected and Actual Experience | (61,953) | 219,833 | (91,197) | (256,163) | 149,741 | (346,371) |
| Assumption Changes | - | 103,553 | 74,279 | (7,710) | 8,121 | (4,573) |
| Benefit Payments and Refunds | (204,463) | (149,551) | (141,440) | (182,757) | (151,736) | (125,711) |
| Net Change in Total Pension Liability | 25,997 | 453,776 | 121,382 | (153,297) | 269,885 | (191,807) |
| Total Pension Liability - Beginning | 3,804,465 | 3,350,689 | 3,229,307 | 3,382,604 | 3,112,719 | 3,304,526 |
| Total Pension Liability - Ending (a) | \$ 3,830,462 | \$ 3,804,465 | \$ 3,350,689 | \$ 3,229,307 | \$ 3,382,604 | \$ 3,112,719 |
| Plan Fiduciary Net Position | | | | | | |
| Employer Contributions | \$ 14,381 | \$ 47,727 | \$ 68,651 | \$ 80,426 | \$ 123,814 | \$ 123,019 |
| Employee Contributions | 7,219 | 13,218 | 13,356 | 13,216 | 14,155 | 10,945 |
| Pension Plan Net Investment Income | 669,593 | (228,900) | 563,242 | 204,496 | 14,441 | 166,631 |
| Benefit Payments and Refunds | (204,463) | (149,551) | (141,440) | (182,757) | (151,736) | (125,711) |
| Other | 3,346 | 98,396 | (38,581) | (38,018) | 60,948 | (7,415) |
| Net Change in Plan Fiduciary Net Position | 490,076 | (219,110) | 465,228 | 77,363 | 61,622 | 167,469 |
| Plan Fiduciary Net Position - Beginning | 3,280,102 | 3,499,212 | 3,033,984 | 2,956,621 | 2,894,999 | 2,727,530 |
| Plan Fiduciary Net Position - Ending (b) | \$ 3,770,178 | \$ 3,280,102 | \$ 3,499,212 | \$ 3,033,984 | \$ 2,956,621 | \$ 2,894,999 |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 60,284 | 524,363 | (148,523) | 195,323 | 425,983 | 217,720 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 98.43% | 86.22% | 104.43% | 93.95% | 87.41% | 93.01% |
| Cover Valuation Payroll | \$ 96,257 | \$ 176,244 | \$ 178,082 | \$ 176,218 | \$ 187,968 | \$ 143,668 |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 62.63% | 297.52% | -83.40% | 110.84% | 226.63% | 151.54% |

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 OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

| Fiscal year ending November 30, | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | |
| Service Cost | \$ 866,692 | \$ - | \$ 469,984 |
| Interest on the Total OPEB Liability | 896,386 | - | 360,971 |
| Benefit Changes | (520,738) | - | - |
| Difference between Expected and Actual Experience | (619,350) | - | - |
| Assumption Changes | 2,396,148 | - | (699,355) |
| Benefit Payments and Refunds | (921,001) | - | (422,994) |
| Net Change in Total OPEB Liability | 2,098,137 | - | (291,394) |
| Total OPEB Liability - Beginning | 10,204,171 | 10,204,171 | 10,495,565 |
| Total OPEB Liability - Ending (a) | \$ 12,302,308 | \$ 10,204,171 | \$ 10,204,171 |
| Plan Fiduciary Net Position | | | |
| Employer Contributions | \$ 921,001 | \$ - | \$ 422,994 |
| Employee Contributions | - | - | - |
| OPEB Plan Net Investment Income | - | - | - |
| Benefit Payments and Refunds | (921,001) | - | (422,994) |
| Other | - | - | - |
| Net Change in Plan Fiduciary Net Position | - | - | - |
| Plan Fiduciary Net Position - Beginning | - | - | - |
| Plan Fiduciary Net Position - Ending (b) | \$ - | \$ - | \$ - |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 12,302,308 | 10,204,171 | 10,204,171 |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00% | 0.00% | 0.00% |
| Covered-employee Payroll | \$ - | \$ - | \$ 13,754,066 |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 0.00% | 0.00% | 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 |
| 2019 | \$ 790,901 * | \$ 790,678 | \$ 223 | \$ 9,337,673 | 8.47% |
| 2018 | \$ 1,027,241 | \$ 1,025,134 | \$ 2,107 | \$ 8,878,490 | 11.55% |
| 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 | \$ 907,617 | \$ 1,221,288 | \$ (313,671) | \$ 8,053,392 | 15.16% |

* Estimated based on contribution rate of 8.47% and covered valuation payroll of \$9,337,673.

| 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 |
| 2019 | \$ 612,095 * | \$ 612,318 | \$ (223) | \$ 3,992,795 | 15.34% |
| 2018 | \$ 668,518 | \$ 670,626 | \$ (2,108) | \$ 4,093,804 | 16.38% |
| 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 | \$ 656,018 | \$ 690,192 | \$ (34,174) | \$ 3,406,115 | 20.26% |

* Estimated based on contribution rate of 15.33% and covered valuation payroll of \$3,992,795.

| 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 |
| 2019 | \$ 14,381 * | \$ 14,381 | \$ - | \$ 96,257 | 14.94% |
| 2018 | \$ 47,727 | \$ 47,727 | \$ - | \$ 176,244 | 27.08% |
| 2017 | \$ 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 | \$ 148,811 | \$ 123,019 | \$ 25,792 | \$ 143,668 | 85.63% |

* Estimated based on contribution rate of 14.94% and covered valuation payroll of \$96,257.

Jackson County, Illinois
REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
LAST 10 CALENDAR YEARS

Notes to Schedule:

Summary Actuarial Methods and Assumptions Used in the Calculation of the 2019 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 2019 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): 24-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 19 years for most employers (two employers were financed over 29 years).

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth:

3.25%

Price Inflation:

2.50%

Salary Increases: 3.35% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014 - 2016.

Mortality:

For non-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 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 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-2017 (base year 2015). 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, 2017 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, 2020

| | 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 | Inmate Commissary & Trust Fund | Housing of Prisoners Fund | Debt Service Fund | |
| ASSETS | | | | | | | | | | | | | | |
| Cash | \$ - | \$ 1,194,665 | \$ 203,815 | \$ 634,320 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,032,800 |
| Accounts receivable: | | | | | | | | | | | | | | |
| Other governmental units and agencies | - | 9,097 | 4,273 | 1,725 | - | - | - | - | - | - | - | - | - | 15,095 |
| Property taxes | - | 1,118,311 | 87,880 | 545,370 | - | - | - | - | - | - | - | - | - | 1,751,561 |
| Due from other funds | - | 104,100 | - | - | - | - | - | - | - | - | - | - | - | 104,100 |
| Due from agencies | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted assets | | | | | | | | | | | | | | |
| Cash | 2,504,559 | - | - | - | 531,977 | 56,330 | 2,302 | 90,082 | 745,959 | 236,200 | 146,136 | 636,677 | 1,841,237 | 6,791,459 |
| Accounts receivable: | | | | | | | | | | | | | | |
| Other governmental units and agencies | 768 | - | - | - | - | - | - | - | - | - | - | 48,449 | - | 49,217 |
| Property Taxes | - | - | - | - | - | 697,995 | 407,091 | 149,392 | 1,480,172 | 1,776,201 | - | - | 293,081 | 4,803,932 |
| Due from other funds | - | - | - | - | - | - | 159,894 | 27,236 | - | 649 | - | 730,011 | - | 917,790 |
| Due from agency | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Assets | 2,505,327 | 2,426,173 | 295,968 | 1,181,415 | 531,977 | 754,325 | 569,287 | 266,710 | 2,226,131 | 2,013,050 | 146,136 | 1,415,137 | 2,134,318 | 16,465,954 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | | | | | |
| Deferred outflows | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Deferred Outflows of Resources | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | \$ 2,505,327 | \$ 2,426,173 | \$ 295,968 | \$ 1,181,415 | \$ 531,977 | \$ 754,325 | \$ 569,287 | \$ 266,710 | \$ 2,226,131 | \$ 2,013,050 | \$ 146,136 | \$ 1,415,137 | \$ 2,134,318 | \$ 16,465,954 |
| LIABILITIES | | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | | |
| Accounts payable | \$ - | \$ 347,004 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 347,004 |
| Accrued payroll | - | 10,787 | - | - | - | - | - | - | - | - | - | - | - | 10,787 |
| Compensated absences | - | 68,063 | - | - | - | - | - | - | - | - | - | - | - | 68,063 |
| Due to other funds | 104,100 | - | - | - | - | - | - | - | - | - | - | - | - | 104,100 |
| Restricted liabilities | | | | | | | | | | | | | | |
| Accounts payable | 58,600 | - | - | - | - | 9,859 | 340 | 8,796 | 4,222 | 5,986 | - | - | - | 87,803 |
| Accrued payroll | - | - | - | - | - | - | - | - | 174,532 | 205,084 | - | - | - | 379,616 |
| Cash overdrawn | - | - | - | - | - | 253,471 | 146,611 | 4,933 | - | 135,758 | - | - | - | 540,773 |
| Due to other funds | - | - | - | - | - | - | - | 29,896 | 20,583 | 7,088 | - | - | - | 57,567 |
| Total Liabilities | 162,700 | 425,854 | - | - | - | 263,330 | 146,951 | 43,625 | 199,337 | 353,916 | - | - | - | 1,595,713 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | | | | | |
| Deferred inflows - property taxes | - | 772,542 | 60,960 | 378,360 | - | - | - | - | - | - | - | - | - | 1,211,862 |
| Restricted deferred inflows - property taxes | - | - | - | - | - | 470,507 | 281,966 | 102,637 | 1,025,226 | 1,230,271 | - | - | 188,120 | 3,298,727 |
| Total Deferred Inflows of Resources | - | 772,542 | 60,960 | 378,360 | - | 470,507 | 281,966 | 102,637 | 1,025,226 | 1,230,271 | - | - | 188,120 | 4,510,589 |
| Fund Balances: | | | | | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted | 2,342,627 | - | - | - | 531,977 | 20,488 | 140,370 | 120,448 | 1,001,568 | 428,863 | 146,136 | 1,415,137 | 1,946,198 | 8,093,812 |
| Committed | - | 345,769 | 26,920 | 167,010 | - | - | - | - | - | - | - | - | - | 539,699 |
| Assigned | - | 882,008 | 208,088 | 636,045 | - | - | - | - | - | - | - | - | - | 1,726,141 |
| Total Fund Balances | 2,342,627 | 1,227,777 | 235,008 | 803,055 | 531,977 | 20,488 | 140,370 | 120,448 | 1,001,568 | 428,863 | 146,136 | 1,415,137 | 1,946,198 | 10,359,652 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,505,327 | \$ 2,426,173 | \$ 295,968 | \$ 1,181,415 | \$ 531,977 | \$ 754,325 | \$ 569,287 | \$ 266,710 | \$ 2,226,131 | \$ 2,013,050 | \$ 146,136 | \$ 1,415,137 | \$ 2,134,318 | \$ 16,465,954 |

Jackson County, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended November 30, 2020

| | 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 | Inmate Commissary & Trust Fund | Housing of Prisoners Fund | Debt Service Funds | |
| Revenues - Unrestricted Funds: | | | | | | | | | | | | | | |
| General property taxes | \$ - | \$ 746,956 | \$ 58,154 | \$ 360,789 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,165,899 |
| Intergovernmental revenue | - | 388,275 | 14,530 | 1,035,070 | - | - | - | - | - | - | - | - | - | 1,437,875 |
| Use of money and property | - | 8,890 | 1,934 | 4,520 | - | - | - | - | - | - | - | - | - | 15,144 |
| Other revenue | - | 35,733 | - | - | - | - | - | - | - | - | - | - | - | 35,733 |
| Total Unrestricted Fund Revenues | - | 1,179,654 | 74,618 | 1,400,379 | - | - | - | - | - | - | - | - | - | 2,654,651 |
| Expenditures - Unrestricted Funds: | | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | | |
| Public Works | - | 1,340,534 | 67,876 | 29,570 | - | - | - | - | - | - | - | - | - | 1,437,980 |
| Capital improvements | - | 276,419 | - | 1,035,070 | - | - | - | - | - | - | - | - | - | 1,311,489 |
| Other Expenditures | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Unrestricted Fund Expenditures | - | 1,616,953 | 67,876 | 1,064,640 | - | - | - | - | - | - | - | - | - | 2,749,469 |
| Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds | - | (437,299) | 6,742 | 335,739 | - | - | - | - | - | - | - | - | - | (94,818) |
| Revenues - Restricted Funds: | | | | | | | | | | | | | | |
| General property taxes | - | - | - | - | - | 491,437 | 270,305 | 110,575 | 982,808 | 1,179,360 | - | - | 203,540 | 3,238,025 |
| Intergovernmental revenue | 2,181,467 | - | - | - | - | - | - | - | - | - | - | - | - | 2,181,467 |
| Use of money and property | 12,878 | - | - | - | 3,155 | 154 | 200 | 271 | 3,517 | 1,422 | - | 96 | 329 | 22,022 |
| Federal subsidies for Recovery Zone Economic Development and Build America Bonds | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other revenues | 1,119 | - | - | - | - | - | - | - | - | - | 63,494 | 696,016 | - | 760,629 |
| Total Restricted Fund Revenues | 2,195,464 | - | - | - | 3,155 | 491,591 | 270,505 | 110,846 | 986,325 | 1,180,782 | 63,494 | 696,112 | 203,869 | 6,202,143 |
| Expenditures - Restricted Funds: | | | | | | | | | | | | | | |
| General property taxes: | | | | | | | | | | | | | | |
| Tort liability | - | - | - | - | - | 420,154 | - | - | - | - | - | - | - | 420,154 |
| Benefits | - | - | - | - | - | - | 350,412 | 39,140 | 21,110 | 29,930 | - | - | - | 440,592 |
| Debt service | | | | | | | | | | | | | | |
| Principle | - | - | - | - | - | - | - | - | - | - | - | - | 255,000 | 255,000 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | 204,950 | 204,950 |
| Capital improvements | - | - | - | - | - | - | - | - | - | - | - | 27,200 | - | 27,200 |
| Other expenditures | 475,218 | - | - | - | 11,976 | - | - | - | - | - | - | 2,200 | - | 489,394 |
| Total Restricted Fund Expenditures | 475,218 | - | - | - | 11,976 | 420,154 | 350,412 | 39,140 | 21,110 | 29,930 | - | 29,400 | 459,950 | 1,837,290 |
| Excess (Deficiency) of Revenues Over Expenditures - Restricted Funds | 1,720,246 | - | - | - | (8,821) | 71,437 | (79,907) | 71,706 | 965,215 | 1,150,852 | 63,494 | 666,712 | (256,081) | 4,364,853 |
| Other Financing Sources (Uses): | | | | | | | | | | | | | | |
| Operating transfers in | - | 693,643 | - | - | - | - | - | - | - | - | - | - | 723,240 | 1,416,883 |
| Operating transfers out | (693,643) | - | - | - | - | - | (77,007) | (39,081) | (636,027) | (1,170,510) | - | (723,240) | - | (3,339,508) |
| Total Other Financing Sources (Uses) | (693,643) | 693,643 | - | - | - | - | (77,007) | (39,081) | (636,027) | (1,170,510) | - | (723,240) | 723,240 | (1,922,625) |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | 1,026,603 | 256,344 | 6,742 | 335,739 | (8,821) | 71,437 | (156,914) | 32,625 | 329,188 | (19,658) | 63,494 | (56,528) | 467,159 | 2,347,410 |
| FUND BALANCES, BEGINNING OF YEAR - AS PREVIOUSLY STATED | 1,316,024 | 971,433 | 228,266 | (2,222) | 540,798 | (50,949) | 297,284 | 87,823 | 672,380 | 448,521 | - | 1,471,665 | 1,479,039 | 7,460,062 |
| Prior period adjustment | - | - | - | 469,538 | - | - | - | - | - | - | 82,642 | - | - | 552,180 |
| FUND BALANCES, BEGINNING OF YEAR - RESTATED | 1,316,024 | 971,433 | 228,266 | 467,316 | 540,798 | (50,949) | 297,284 | 87,823 | 672,380 | 448,521 | 82,642 | 1,471,665 | 1,479,039 | 8,012,242 |
| FUND BALANCES, END OF YEAR | \$ 2,342,627 | \$ 1,227,777 | \$ 235,008 | \$ 803,055 | \$ 531,977 | \$ 20,488 | \$ 140,370 | \$ 120,448 | \$ 1,001,568 | \$ 428,863 | \$ 146,136 | \$ 1,415,137 | \$ 1,946,198 | \$ 10,359,652 |

Jackson County, Illinois
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2020

| | Agency Funds | | | | | | | |
|---------------------|--------------------------------|-------------------------------|------------------------------------|---------------------|--------------------------------------|-------------------------------|-------------------------------|---------------|
| | County Collector's Funds | Township Bridge Program | Township Motor Fuel Tax Fund | Tax Sale Fund | Rental Housing Support Program | Circuit Clerk Bond Fund | Trustee Redemption Fund | Total |
| ASSETS | | | | | | | | |
| Cash | \$ 29,985,616 | \$ 80,536 | \$ 1,591,819 | \$ 71,550 | \$ 7,009 | \$ 165,436 | \$ 41,155 | \$ 31,943,121 |
| Investments | - | - | - | - | - | 491,013 | - | 491,013 |
| Total assets | \$ 29,985,616 | \$ 80,536 | \$ 1,591,819 | \$ 71,550 | \$ 7,009 | \$ 656,449 | \$ 41,155 | \$ 32,434,134 |
| LIABILITIES | | | | | | | | |
| Due to others | \$ - | \$ 80,536 | \$ 1,591,819 | \$ 71,550 | \$ 7,009 | \$ 656,449 | \$ 41,155 | \$ 2,448,518 |
| Due to taxing units | 29,985,616 | - | - | - | - | - | - | 29,985,616 |
| Total liabilities | 29,985,616 | 80,536 | 1,591,819 | 71,550 | 7,009 | 656,449 | 41,155 | 32,434,134 |
| NET POSITION | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Jackson County, Illinois
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
November 30, 2020

| | Health Department | Tuberculosis | Mental Health (708) Board | Totals |
|--|------------------------------|---------------------|--|---------------------|
| Assets | | | | |
| Cash | \$ 1,314,233 | \$ 73,441 | \$ 121,599 | \$ 1,509,273 |
| Accounts Receivable: | | | | |
| Other governmental units and agencies | 1,124,202 | - | - | 1,124,202 |
| Property taxes | 1,065,505 | 102,303 | 544,868 | 1,712,676 |
| Other receivables | - | 29 | - | 29 |
| Investments | - | - | - | - |
| Due from other funds | 43,387 | - | - | 43,387 |
| Prepayments | 9,215 | - | - | 9,215 |
| Inventory | 42,450 | 1,684 | - | 44,134 |
| Total Assets | \$ 3,598,992 | \$ 177,457 | \$ 666,467 | \$ 4,442,916 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 369,081 | \$ - | \$ - | \$ 369,081 |
| Accrued payroll | 83,334 | - | - | 83,334 |
| Compensated absences | 81,470 | - | - | 81,470 |
| Due to other funds | 2,356 | 5,650 | - | 8,006 |
| Deferred revenue | 914,100 | 69,000 | 378,740 | 1,361,840 |
| Total Liabilities | 1,450,341 | 74,650 | 378,740 | 1,903,731 |
| Fund Balance: | | | | |
| Unreserved, undesignated | 2,148,651 | 102,807 | 287,727 | 2,539,185 |
| Total Fund Balances | 2,148,651 | 102,807 | 287,727 | 2,539,185 |
| Total Liabilities and Fund Balances | \$ 3,598,992 | \$ 177,457 | \$ 666,467 | \$ 4,442,916 |

Jackson County, Illinois
RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
November 30, 2020

| | |
|--|--------------|
| Total fund balances for discretely presented component units | \$ 2,539,185 |
|--|--------------|

Total net position reported for discretely presented component units in the statement of net position 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 \$110,433 accumulated depreciation | 10,532 | |
| Building and improvements, net of \$1,293,118 accumulated depreciation | 865,240 | |
| Equipment, less \$316,155 accumulated depreciation | 13,439 | |
| Total capital assets | | 938,711 |

| | |
|---|-----------|
| Deferred inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the governmental fund balance sheet. | (203,548) |
|---|-----------|

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 position. Long-term liabilities consist of:

| | | |
|-----------------------------|-----------|-----------|
| Compensated absences | (50,845) | |
| Net pension liability | (904,140) | |
| Total long-term liabilities | | (954,985) |

| | |
|--|--------------|
| Total net position of discretely presented component units | \$ 2,319,363 |
|--|--------------|

Jackson County, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended November 30, 2020

| | Health Department | Tuberculosis | Mental Health (708) Board | Totals |
|--|----------------------|--------------|---------------------------------|--------------|
| Revenues - Unrestricted Funds | | | | |
| General property taxes | \$ 723,188 | \$ 70,823 | \$ 358,882 | \$ 1,152,893 |
| Intergovernmental revenue | 3,541,652 | - | - | 3,541,652 |
| Use of money and property | 508 | 109 | 1,723 | 2,340 |
| Service charges, permits and fees | 376,433 | 5,368 | - | 381,801 |
| Other income | 9,277 | - | - | 9,277 |
| Total Unrestricted Fund Revenues | 4,651,058 | 76,300 | 360,605 | 5,087,963 |
| Expenditures - Unrestricted Funds | | | | |
| Public health | 4,426,373 | 45,731 | 364,985 | 4,837,089 |
| Total Unrestricted Fund Expenditures | 4,426,373 | 45,731 | 364,985 | 4,837,089 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 224,685 | 30,569 | (4,380) | 250,874 |
| FUND BALANCES, BEGINNING OF YEAR | 1,923,966 | 72,238 | 292,107 | 2,288,311 |
| FUND BALANCES, END OF YEAR | \$ 2,148,651 | \$ 102,807 | \$ 287,727 | \$ 2,539,185 |

Jackson County, Illinois
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, 2020

| | |
|--|------------|
| Net change in fund balances - total discretely presented component units | \$ 250,874 |
|--|------------|

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

| | |
|--|----------|
| Governemental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$65,085) exceeded capital outlays \$42,869 in the current period. | (22,266) |
|--|----------|

| | |
|---|-----------|
| 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. | (321,330) |
|---|-----------|

| | |
|---|---------------|
| Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental fund: | |
| Change in compensated absences | <u>16,038</u> |

| | |
|--|---------------------------|
| Change in net assets of discretely presented component units | <u><u>\$ (76,684)</u></u> |
|--|---------------------------|

Federal Financial Assistance



**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois, as of and for the year ended November 30, 2020, 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 28, 2021.

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 & Brueckel LLP

Marion, Illinois
July 28, 2021



**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, 2020. 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, 2020.

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.

Kerker, Eck & Broecker LLP

Marion, Illinois
July 28, 2021

Jackson County Board
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2020

| <i>Federal Grantor/Program or Cluster Title</i> | <i>Federal CFDA Number</i> | <i>Pass-through Grantor and Number</i> | <i>Federal Expenditures(\$)</i> |
|--|----------------------------|--|---------------------------------|
| Other Programs | | | |
| Department of Homeland Security | | | |
| Emergency Management Performance Grants | | | |
| Emergency Management Performance Grants | 97.042 | IEMA Sheriffs Dept,FEMA-4461-DR-IL | 36,722 |
| Emergency Management Performance Grants | 97.042 | IEMA Ambulance Dept | 31,978 |
| Total Emergency Management Performance Grants | | | 68,700 |
| <i>Total Department of Homeland Security</i> | | | 68,700 |
| Department of Defense | | | |
| Community Investment | | | |
| Community Investment | 12.600 | Illinois Department of Transportation | 2,182 |
| Total Community Investment | | | 2,182 |
| <i>Total Department of Defense</i> | | | 2,182 |
| United States Department of Justice | | | |
| Public Safety Partnership and Community Policing Grants | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | | 14,661 |
| Total Public Safety Partnership and Community Policing Grants | | | 14,661 |
| <i>Total United States Department of Justice</i> | | | 14,661 |
| United States Environmental Protection Agency | | | |
| Performance Partnership Grants | | | |
| Performance Partnership Grants | 66.605 | IL Dept of Public Health,05080040H | 250 |
| Total Performance Partnership Grants | | | 250 |
| <i>Total United States Environmental Protection Agency</i> | | | 250 |
| Department of Health and Human Services | | | |
| Environmental Public Health and Emergency Response | | | |
| Environmental Public Health and Emergency Response | 93.070 | U.S. Dept of Health Human Services,16274 | 8,300 |
| Total Environmental Public Health and Emergency Response | | | 8,300 |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | | | |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | 93.074 | IL Dept of Public Health,07180038H | 44,630 |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | 93.074 | IL Dept of Public Health,17180038I | 11,569 |
| Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | | | 56,199 |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | | | |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | Illinois Department of Public Health,07680039H | 53,006 |
| Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | | | 53,006 |

*Major program - DUNS 884008483

**Non-cash federal award expenditures.

The accompanying notes are an integral part of this schedule.

Jackson County Board
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2020

| <i>Federal Grantor/Program or Cluster Title</i> | <i>Federal CFDA Number</i> | <i>Pass-through Grantor and Number</i> | <i>Federal Expenditures(\$)</i> |
|---|----------------------------|--|---------------------------------|
| Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke | | | |
| Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke | 93.426 | Southern Illinois Hospital Services | 10,000 |
| Total Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke State Physical Activity and Nutrition (SPAN) | | | 10,000 |
| State Physical Activity and Nutrition (SPAN) | 93.439 | IL Dept of Human Services,2018-F1807-008 | 60,227 |
| Total State Physical Activity and Nutrition (SPAN) | | | 60,227 |
| Provider Relief Fund | | | |
| Provider Relief Fund | 93.498 | | 90,762 |
| Total Provider Relief Fund | | | 90,762 |
| Social Services Block Grant | | | |
| Social Services Block Grant | 93.667 | IL Dept of Human Services,FCSYU05059 | 3,637 |
| Total Social Services Block Grant | | | 3,637 |
| HIV Care Formula Grants | | | |
| HIV Care Formula Grants | 93.917 | IL Dept of Public Health,75780029E | 652,130 |
| HIV Care Formula Grants | 93.917 | IL Dept of Public Health,05780064H | 252,175 |
| Total HIV Care Formula Grants | | | 904,305 |
| HIV Prevention Activities Health Department Based | | | |
| HIV Prevention Activities Health Department Based | 93.940 | IL Public Health Association,20-141-01 | 68,491 |
| Total HIV Prevention Activities Health Department Based | | | 68,491 |
| Total Department of Health and Human Services | | | 1,254,927 |
| Department of the Treasury | | | |
| Coronavirus Relief Fund | | | |
| Coronavirus Relief Fund | 21.019 | Illinois Department of Public Health,05180139H | 715,428 |
| Coronavirus Relief Fund | 21.019 | Illinois Department of Public Health,20-491037 | 593,067 |
| Total Coronavirus Relief Fund | | | 1,308,495 * |
| Total Department of the Treasury | | | 1,308,495 |
| United States Department of Agriculture | | | |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | | | |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | IL Dept of Human Services,FCSWQ01210 | 10,605 |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | IL Dept of Human Services,FCSZQ01210 | 6,229 |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | IL Dept of Human Services,FCSWQ00896 | 173,215 |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | IL Dept of Human Services,FCSZQ00896 | 75,577 |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | IL Dept of Human Services,FCSYQ00896 | 395,739 ** |
| Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children | | | 661,365 |
| WIC Farmers' Market Nutrition Program (FMNP) | | | |
| WIC Farmers' Market Nutrition Program (FMNP) | 10.572 | IL Dept of Human Services,FCSZQ01276 | 1,000 |
| Total WIC Farmers' Market Nutrition Program (FMNP) | | | 1,000 |
| WIC Grants To States (WGS) | | | |
| WIC Grants To States (WGS) | 10.578 | IL Dept of Human Services,FCSYQ00896 | 1,736 |
| Total WIC Grants To States (WGS) | | | 1,736 |
| Total United States Department of Agriculture | | | 664,101 |
| Total Other Programs | | | 3,313,316 |
| Total Expenditures of Federal Awards | | | \$ 3,313,316 |

*Major program - DUNS 884008483

**Non-cash federal award expenditures.

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, 2020

NOTE 1 | BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal grant activity of Jackson County, Illinois under programs of the federal government for the year ended November 30, 2020. The information in this Schedule is presented in accordance with 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 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 | 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, 2020.

NOTE 4 | INDIRECT COST RATE

Jackson County, Illinois has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 | 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, 2020.

Non-cash assistance received in the amount \$395,739 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, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

| <i>CFDA Number</i> | <i>Name of Federal Program</i> |
|--------------------|--------------------------------|
| 21.019 | Coronavirus Relief Fund |

Dollar threshold used to distinguish between type

A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Jackson County, Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended November 30, 2020

Section II - Financial Statement Findings

MATERIAL WEAKNESSES

Finding Number 2020-01

Criteria

To produce accurate financial statements on the modified accrual basis and full accrual basis of accounting and reporting.

Condition and Context

During the year the books and records are maintained on the cash basis of accounting. For financial reporting purposes the books and records are converted to the modified accrual.

Effect

25 audit journal entries were necessary to correct the various issues experienced by the accounting staff during the conversion which increased total fund balance by \$3,614,938. In addition, there were 2 client journal entries which increased fund balance by \$262,650.

Recommendation

- Management should consider extensive training in the accounting software for all users.
- Management should consider a policy to lock down financial information after the audit has started so unauthorized adjustments may not be made to the financial information under audit.
- Management should consider requiring other department's to formally amend their budget when it becomes known they will exceed their budgeted amounts.
- Management should review their year-end closing procedures to ensure all significant accounts are properly reconciled and adjusted at year-end. These procedures should be documented, reviewed and signed off by all individuals involved in the process.

Management Response

The County acknowledges that audit entries were necessary during the FY2020 audit process. The County has taken the following steps to correct items listed above:

- Formally adopted a policy to require all departments to amend budgets
- Discussed extensive training with the software company.
- Discussed additional training for all accounting staff.
- Discussed formally adopting and documenting year-end closing procedures.

Jackson County, Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended November 30, 2020

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Jackson County, Illinois
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the fiscal year ended November 30, 2020

Prior Audit Findings

2019-01 Journal Entries and Financial Close – comment not implemented due to staff changes.

Other Information

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

[Grantee Portal](#) / [Audit Reviews](#) / [Audit](#) / CYEFR

[Add a Program](#) [Certify & Submit](#)

| | CSFA # | Program Name | \$ State | \$ Federal | \$ Other | \$ Total |
|----------------------|-------------|---|----------|------------|----------|----------|
| View | 420-00-2433 | Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Support Payments Grants Program | 0 | 826,092 | 0 | 826,092 |
| View | 444-80-0668 | Supplemental Nutrition Program for Women, Infants and Children - WIC Program | 0 | 238,513 | 0 | 238,513 |
| View | 444-80-0670 | Supplemental Nutrition Program for Women, Infants and Children - Breastfeeding Peer Counselor Program | 0 | 20,530 | 0 | 20,530 |
| View | 444-80-0671 | Supplemental Nutrition Program for Women, Infants, and Children - Farmers Market | 0 | 1,000 | 0 | 1,000 |
| View | 444-80-1674 | Bureau of Maternal and Child Health - Family Case Management | 25,727 | 0 | 0 | 25,727 |
| View | 444-80-1675 | Bureau of Maternal and Child Health- High Risk Infant Follow-Up/Healthworks | 9,925 | 0 | 0 | 9,925 |

| | | | | |
|---------|-----------|-----------|------------|------------|
| Totals: | 2,749,371 | 3,113,042 | 33,624,696 | 39,487,108 |
|---------|-----------|-----------|------------|------------|

| | | | | | | |
|----------------------|-------------|--|---------|-----------|--------|-----------|
| View | 478-00-0245 | Child Support Enforcement | 0 | 1,478 | 0 | 1,478 |
| View | 478-00-0251 | Medical Assistance Program | 0 | 0 | 0 | 0 |
| View | 482-00-0263 | Public Health Emergency Preparedness | 0 | 62,191 | 26,011 | 88,203 |
| View | 482-00-0901 | Local Health Protection Grant | 141,696 | 0 | 0 | 141,696 |
| View | 482-00-0904 | Vector Surveillance and Control Grants | 14,102 | 0 | 0 | 14,102 |
| View | 482-00-0911 | Illinois Tobacco-Free Communities | 177,551 | 0 | 0 | 177,551 |
| View | 482-00-1032 | Ryan White Part B Lead Agents | 0 | 784,850 | 0 | 784,850 |
| View | 482-00-1583 | Lead Poisoning Prevention and Response | 9,698 | 0 | 0 | 9,698 |
| View | 482-00-1599 | Summer Food and CACFP Program | 350 | 0 | 0 | 350 |
| View | 482-00-2083 | Pre-exposure Prophylaxis (PrEP) | 90,605 | 0 | 0 | 90,605 |
| View | 482-00-2406 | COVID-19 Crisis Grant | 0 | 53,006 | 0 | 53,006 |
| View | 482-00-2426 | COVID-19 Contact Tracing | 0 | 1,035,381 | 0 | 1,035,381 |
| View | 493-60-1652 | NG9-1-1 Expenses Grant Program | 0 | 0 | 0 | 0 |
| View | 494-00-0961 | Assistance to Needy Units of Governments - Township/Road Districts | 113,391 | 0 | 0 | 113,391 |
| View | 494-00-0965 | Township Bridge Program | 255,850 | 0 | 0 | 255,850 |
| View | 494-00-0966 | County Consolidated Program | 446,297 | 0 | 0 | 446,297 |

| | | | | |
|---------|-----------|-----------|------------|------------|
| Totals: | 2,749,371 | 3,113,042 | 33,624,696 | 39,487,108 |
|---------|-----------|-----------|------------|------------|

| | | | | | | |
|----------------------|-------------|---|-----------|-----------|------------|------------|
| View | 494-00-1004 | Local Highway Safety Improvement Program | 0 | 0 | 0 | 0 |
| View | 494-00-1005 | Local Federal Bridge Program | 0 | 0 | 0 | 0 |
| View | 494-00-1007 | Emergency Relief Program | 0 | 0 | 0 | 0 |
| View | 494-00-1488 | Motor Fuel Tax Program | 1,436,646 | 0 | 0 | 1,436,646 |
| View | 494-00-2356 | REBUILD ILLNOIS Local Bond Program | 0 | 0 | 0 | 0 |
| View | 494-10-0343 | State and Community Highway Safety/National Priority Safety Program | 0 | 0 | 0 | 0 |
| View | 494-42-0495 | Local Surface Transportation Program | 0 | 0 | 0 | 0 |
| View | 588-40-0450 | Emergency Management Performance Grants | 27,532 | 0 | 0 | 27,532 |
| View | | Other grant programs and activities | | 90,000 | 194,657 | 284,657 |
| View | | All other costs not allocated | | | 33,404,027 | 33,404,027 |
| Totals: | | | 2,749,371 | 3,113,042 | 33,624,696 | 39,487,108 |

Jackson County, Illinois
Corrective Action Plan
For the year ended November 30, 2020

Finding Number 2020-01

Criteria

To produce accurate financial statements on the modified accrual basis and full accrual basis of accounting and reporting.

Condition

During the year the books and records are maintained on the cash basis of accounting. For financial reporting purposes the books and records are converted to the modified accrual.

Cause

The accounting staff encountered various issues and problems during the conversion to the modified accrual basis of accounting.

Effect

25 audit journal entries were necessary to correct the various issues experienced by the accounting staff during the conversion which increased total fund balance by \$3,614,938. In addition, there were 2 client journal entries which increased fund balance by \$262,650.

Questioned Costs

None noted.

Recommendation

We recommend management review the year end conversion and closing procedures to reduce the number of audit journal entries and reduce the time required to perform the conversion. This will also allow the audit to be completed in a timely manner.

Corrective Action Plan

The Treasurer's office plans to create a close out procedures document that outlines all necessary year end tasks. Include a checklist for a supervisor to review and sign. Use previous two years of AJE's to determine needs, as well as consultation with KEB, the County's external auditor. The office will also gain a thorough understanding of government fund and accrual based accounting by obtaining training through GFOA.

Official Responsible for Ensuring the Corrective Action Plan

Liz Hunter, Treasurer

Planned Completion Date for the Corrective Action Plan

Entries for the fiscal year 2020 were corrected in May 2021. Additional training will begin in August 2021.

