

PROVIDING QUALITY PUBLIC SERVICES TO COUNTY CITIZENS



**FOR THE YEAR
ENDED
NOVEMBER 30, 2015**

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



County of McHenry, Illinois

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2015

Prepared by the County Auditor's Office:

Pamela Palmer, CFE, County Auditor

James Bernier, CPA, CPFO, Financial Reporting Manager/Chief Deputy Auditor

INTRODUCTORY

County of McHenry, Illinois

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County of McHenry, Illinois

OFFICERS AND OFFICIALS

November 30, 2015

COUNTY BOARD MEMBERS

Joseph Gottemoller, Chairman
Michele Aavang
Yvonne Barnes
Sue Draffkorn
Diane Evertsen
Andrew Gasser
John D. Hammerand
James L. Heisler
Tina Hill
John Jung, Jr.
Donald C. Kopsell
Donna Kurtz

Bob Martens
Mary T. McCann
Anna May Miller
Robert Nowak
Nick Provenzano
Michael Rein
Carolyn Schofield
Michael Skala
Larry W. Smith
Jeffrey Thorsen
Michael J. Walkup
Charles Wheeler

ELECTED OFFICIALS

Pamela Palmer
Katherine M. Keefe
Anne L. Majewski M.D.
Mary E. McClellan
Phyllis K. Walters
Bill Prim
Louis A. Bianchi
Leslie Schermerhorn
Glenda L. Miller

Auditor
Clerk of the Circuit Court
Coroner
County Clerk
Recorder
Sheriff
State's Attorney
Regional Superintendent of Schools
Treasurer

ADMINISTRATIVE

Peter Austin

County Administrator



**Letter
of
Transmittal**

PAMELA PALMER, CFE
COUNTY AUDITOR

JAMES BERNIER, CPA, CPFO
FINANCIAL REPORTING
MANAGER/
CHIEF DEPUTY AUDITOR



PHONE: 815 334-4204
FAX: 815 334-4621

April 29, 2016

To the Chairman of the Board,
County Board Members, and the
Citizens of McHenry County, Illinois:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2015, as prepared by the McHenry County Auditor's Office. Illinois State Statute, 55 ILCS 5/6-31003, requires the County to produce a complete set of audited financial statements for each fiscal year. This CAFR is provided to fulfill that requirement for the fiscal year 2015. The financial statements included in the CAFR conform with generally accepted accounting principles in the United States of America (GAAP), as established by the Governmental Accounting Standards Board. The County is responsible for the accuracy and fairness of the financial statements and information presented in this report. I believe that the data presented conforms to that responsibility and enables readers of the report to gain an understanding of McHenry County's operations. The financial statements included in the CAFR were audited by the independent certified public accounting firm of Baker Tilly Virchow Krause, LLP and received an unmodified opinion. See the Independent Auditors' Report on page I in the financial section.

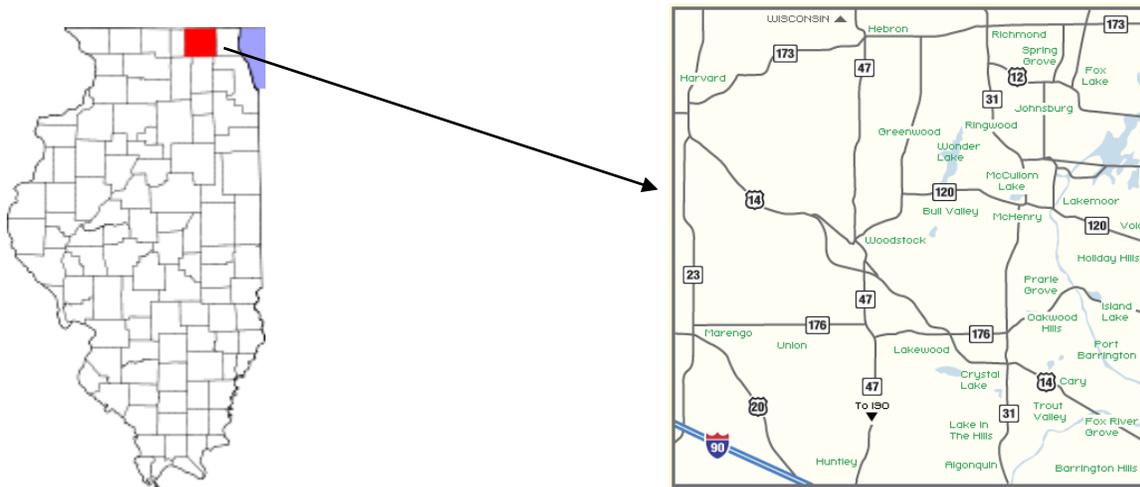
The Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designated to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. This CAFR is intended to be used as a source of financial information and data for the citizens of the County, board members and other elected officials, investors, creditors, and other readers. The Auditor's Office can be contacted with any questions concerning the CAFR, which can also be viewed (along with prior year CAFRs) via the Auditor's webpage at <https://www.co.mchenry.il.us/county-government/departments-a-i/auditor/comprehensive-annual-financial-reports>.

The County Board is required by Illinois State Statute to adopt an operating budget before the start of a new fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The budget is maintained on an object code basis (personnel services, contractual, commodities, capital, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board.

The CAFR also reports the activities of two component units, the Public Building Commission and the McHenry County Conservation District. For a detailed description of the relationship these organizations have with the County that require them to be reported as component units, see Note 1 of the Notes to Financial Statements on pages 17-18 of the financial section.

In accordance with GAAP, this CAFR includes Management’s Discussion and Analysis (MD&A), which provides a narrative introduction and an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The remainder of this transmittal letter will provide an overview of the County’s economic conditions and demographic information, financial planning and policies, along with major initiatives and accomplishments achieved during fiscal year 2015.

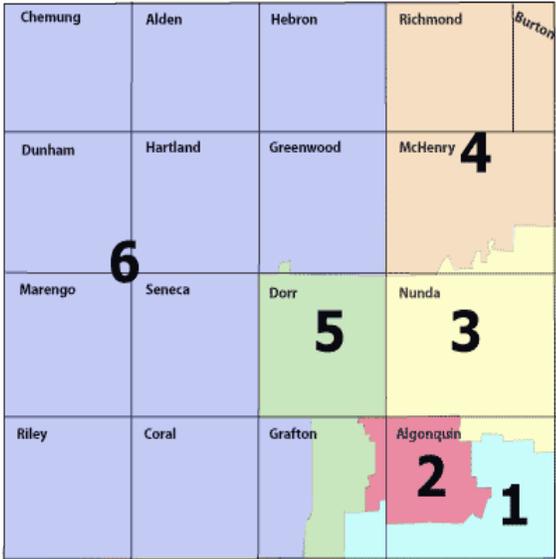
Profile and History of McHenry County, Illinois



McHenry County is located in the northeastern part of Illinois, and is adjacent to Walworth and Kenosha Counties in Wisconsin and the following counties in Illinois – Lake, Cook, Kane, DeKalb, and Boone. The County covers a total area of 611 square miles consisting of 603 square miles of land and 8 square miles of water. The 2015 estimated population by the U.S. Census Bureau is 307,343 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. The County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County (U.S. Highways 12, 14 and 20 and Illinois Routes 23, 31, 47, 62, 120, 173, and 176), making it accessible to areas in northern Illinois or southern Wisconsin. McHenry County government is based primarily out of Woodstock and County offices and the judicial facilities are located along Illinois Route 47. The Mental Health office and a joint Animal Control/Health facility are located in Crystal Lake. There are also several state agencies with local offices in Woodstock.

The early beginning of the County resulted from people who moved out from the Chicago area in search of land and farm sites. They petitioned the Illinois legislature in 1836 to form a new local county. The new area was named in honor after Colonel William McHenry, who commanded a regiment during the Black Hawk War. McHenry County was established on January 16, 1836 and was incorporated on June 1, 1837 by three residents, who were duly elected as the first Board of County Commissioners. A Sheriff, Coroner, Recorder, and Surveyor were also elected at that meeting. Another meeting was held on June 5, 1837 in which a Clerk, Secretary, and Treasurer were appointed. It was also ordered by the Court that Judges of Election be appointed in order to hold an election on June 10, 1837 for Justices of the Peace and Constables. These elections were held in the homes of the residents.

Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to split the area and to form a new county called Lake County. The original county seat was located in the village of McHenry. However, a more central location was desired and Centerville was named the county seat in 1844. Centerville was renamed to Woodstock in 1845 and remains to this day as the county seat. In December 1849, voters established a township system of government, in part to provide a better system for road taxation, due to the poor road systems in place. The introduction of railroads brought changes to the County as it enabled farmers the ability to ship their products to Chicago’s markets and provided transportation for commuting to city jobs. All of the changes made throughout the early years resulted in migration of residents who sought the rural lifestyle for raising their families while still having access to the city for their jobs. The result of this transformation was the growth and establishment of the towns, cities, and villages that exist today.



Oct 2011

Map of Townships and Districts

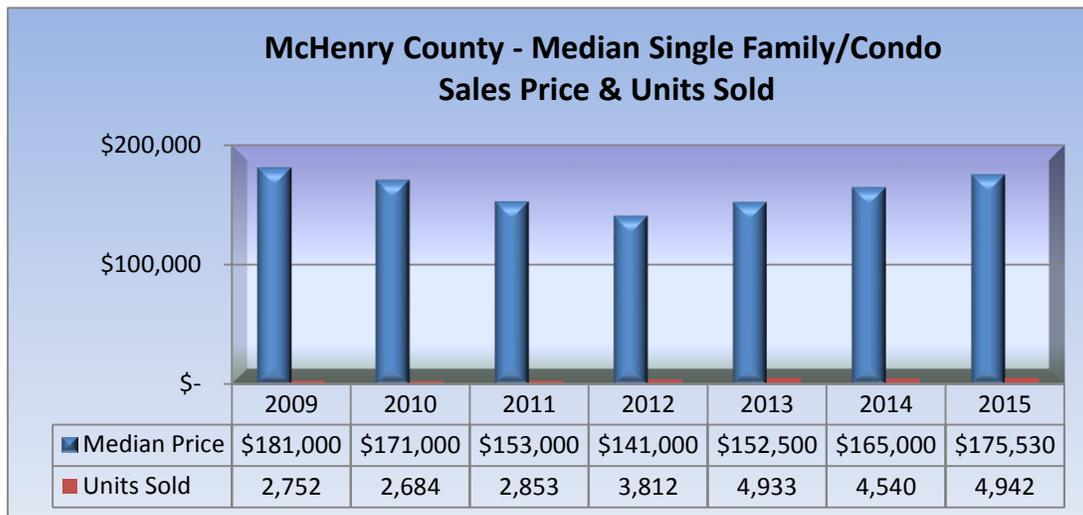
Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. Every two years, the County Board elects one of the members as Chairman of the County Board, along with a Vice-Chairman. There are also 9 other officials elected by the citizens of the county: Auditor, Circuit Clerk, Coroner, County Clerk, Recorder, Regional Superintendent of Schools, Sheriff, State’s Attorney, and Treasurer. The County Board appoints the departmental directors after conducting a search for the best candidates. A County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors. In the March 2014 Primary Election, voters approved a referendum making the County Board Chairman popularly elected to four-year terms starting in 2016.

The County provides a range of services for its citizens including law enforcement, construction and maintenance of roads and bridges, property assessment and tax collection, official records, elections, document recording, comprehensive planning and growth management, social service programs, judicial functions, health services, animal control services, emergency disaster and response planning, storm water management, environmental protection, groundwater protection, and the administrative functions to support all of these services.

Economic Condition of McHenry County, Illinois

Local Economy

The progress of McHenry County’s economic recovery from the recession that began in late 2007 and lasted until mid-2009 has been slow, but positive signs of increases in housing, employment, retail sales, and personal income in 2015 emerged. The real estate market showed some positive movements for the first time in years, particularly in the summer months. Gains in home sales and a strong demand for housing was noted by local real estate experts. Sales of single family homes and condos are highlighted in the following chart obtained from reports by the Illinois Association of Realtors. A review of this residential home sales data near the end of the recession is beginning to reflect an increase in the median price, as well as in the sales volume in 2015 as follows:



Source: Illinois Association of Realtors

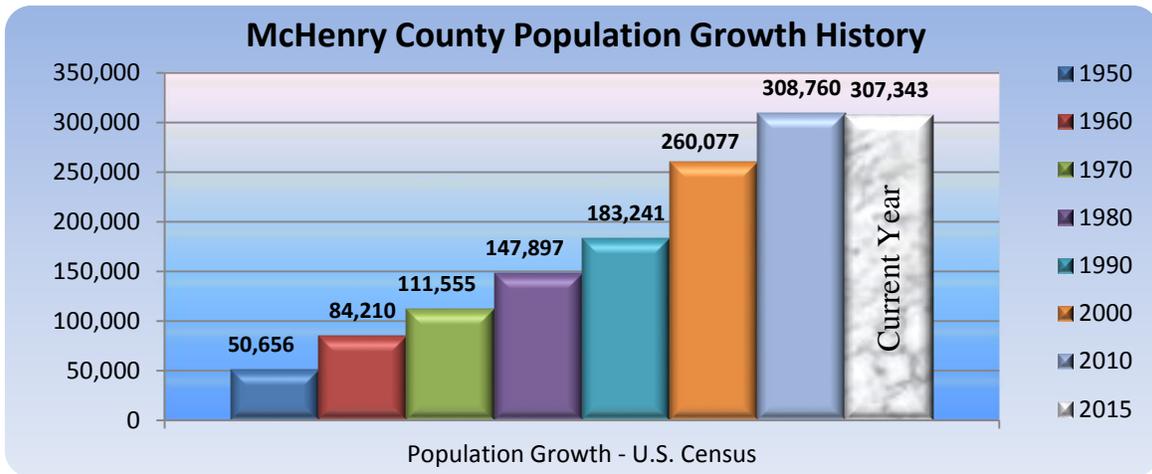
McHenry County has continued to see some recovery in the local economy. A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. This year the sales tax revenue surpassed the highest year experienced in FY2014 (\$9.9 million), with \$10.0 million in sales tax receipts for FY2015. The low point in sales tax revenue occurred in FY2009 when only \$7.9 million was received locally.

The median household income, as published by the U.S. Census Bureau, for McHenry County was \$76,856 for 2014, as compared to the State of Illinois’ median household income of \$57,458. In comparison, the County’s median household income was \$75,713 for 2013, with the State of Illinois at \$56,212. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 4.1% for families as of 2014, as compared to 10.5% for the State.

Population Growth

The U.S. Census Bureau’s 2015 annual estimate of the County’s population was 307,343, which continues to place McHenry County as the sixth largest county in Illinois out of a total of 102 counties and shows a net change of only 60 residents from the 2014 estimate of 307,283. The entire State of Illinois’ population decreased by 22,194 residents, or less than 0.2%, since the 2014 census estimate. Statewide, eighty-six (86) of the counties experienced a population decrease of 31,229 residents, with sixteen (16) counties gaining 9,035 residents over the 2014 census estimate.

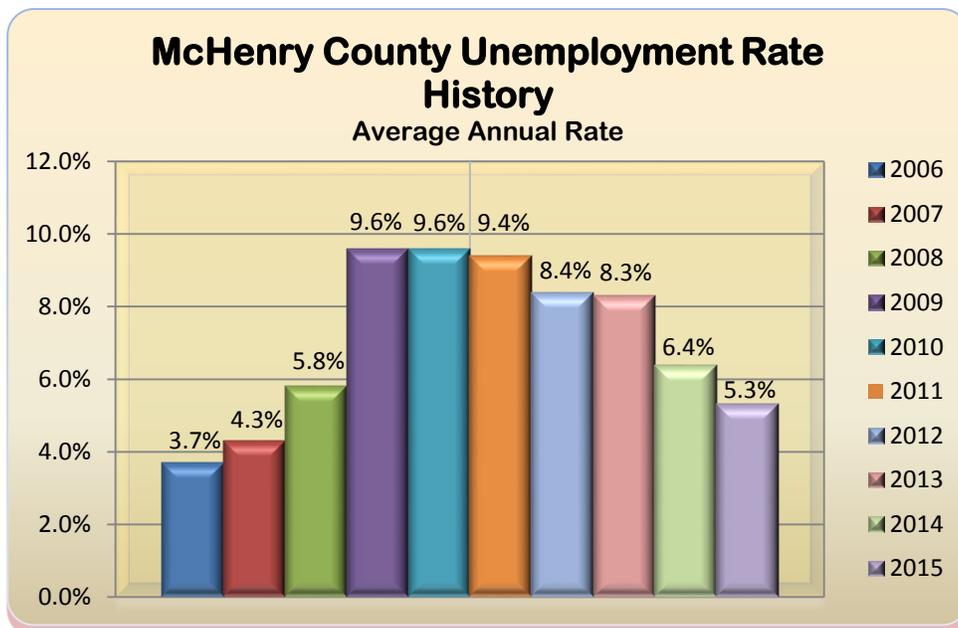
The following chart depicts the County’s population growth in 10-year intervals starting with 1950 and includes the data for the current calendar year 2015:



The County’s population growth was significant in the 1990’s with an overall increase of 41.9% from 1990 to 2000, slowing down to 18.7% from 2000 to 2010, when the most recent decennial census was completed.

Unemployment

The County’s average unemployment rate was as follows for the past five years: 5.3% (2015), 6.4% (2014), 8.3% (2013), 8.4% (2012), and 9.4% (2011). For the State of Illinois, the average annual unemployment rates have been 5.9% (2015), 7.1% (2014), 9.2% (2013), 8.9% (2012), and 9.8% (2011). The U.S. unemployment rate for 2015 was 5.3%. In 2015, the total County annual average labor force was 165,699, consisting of 156,928 employed and 8,771 unemployed. The comparable statistics for 2014 relate to a slightly higher total labor force of 166,668 with 156,033 employed and a higher number, 10,635, of unemployed individuals. The information presented in this section is contained within reports issued by the Illinois Department of Employment Security. The chart below represents that average unemployment rate over the past ten years:



SOURCE: Illinois Department of Employment Security – LAUS Report

The McHenry County Workforce Investment Board and Workforce Network produced a report titled '2015 McHenry County Labor Report', which is available on their website at the following address: <https://www.co.mchenry.il.us/county-government/departments-j-z/workforce-investment-board/mchenry-county-labor-reports>. The report offers a snapshot of the current workforce and highlights key areas in the County such as demographic information; the varied industries and their earnings and sales; characteristics of occupations; average wage comparisons; and the Workforce Program's participant training, employment, and expenditure figures. This data is designed to assist businesses with their decision-making and for local leaders, businesses, and educators to have the information necessary to develop strategic plans. The Workforce Board and Network will meet these needs by developing strategies and plans to attract workers to McHenry County businesses and industries.

Long-term Financial Planning and Relevant Financial Policies

Since 2001, the County Board has instituted the usage of a five-year financial model to assist with the prudent financial management and decision making that has resulted in the strong financial health of the County. In 2015 and also for development of the 2016 Budget, the County Board's Finance and Audit Committee concentrated on a detailed analysis of revenues and projections, plus asked elected officials and department directors to review their expenditures for savings. These processes continue to demonstrate the fiscal discipline that the County maintains to achieve its financial position.

The County's formal budget policy requires that the general fund maintain an unrestricted (total of committed, assigned, and unassigned) fund balance equal to six months of budgeted operating expenditures. As of November 30, 2015, the County had an unrestricted general fund balance of \$43,770,080 as compared to \$88,313,820 in operating expenditures (FY 2016 budgeted), or a reserve of 5.9 months.

Budgetary Controls

McHenry County has operated on a "no growth" or maintenance budget for the past several years, which means that each department starts out with the same appropriated budget from the prior year. Supplemental requests from departments are received and reviewed during the budget process by County Administration, the Committee of the Whole, and the Finance and Audit Committee. These supplemental requests are ranked by priority based upon overall department needs and the importance. The purpose of the supplemental request in meeting the strategic and financial goals of the County is also considered and the final decision to fund the request is based upon the amount of supplemental funds available. The County's Financial Model (discussed in the paragraph above) is also used to determine the supplemental funds that are available.

Cash Management

McHenry County's Investment Policy, updated in 2015, contains cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of all County funds, and the County Auditor, who is responsible for the accounting of said funds. The specific objectives of the policy include: 1) the safety and preservation of the principal, 2) sufficient liquidity to meet the County's operating requirements, 3) maximization of interest income consistent with safety and liquidity, 4) diversification of account holdings in financial institutions with respect to the policy objectives of safety, liquidity, and income, 5) diversification of the types of depository and investments accounts with respect to the objectives of the policy, and 6) compliance with all applicable laws and regulations by which the Treasurer is bound.

Capital Plan

A five-year capital plan is prepared for building improvements and building construction projects, technology, vehicles, and equipment. These capital plans are made a part of the Financial Model in order to determine their impact on the fund balance.

Strategic Planning

A multi-year plan for 2013-2015 was established from a contract with the Northern Illinois University (NIU) Center for Governmental Studies and adopted by the County Board on July 2, 2013. During this strategic planning process, the McHenry County Board identified four key strategic issues: 1) Leadership and Governance; 2) Stable Environment; 3) Economic and Workforce Development; and 4) Quality Infrastructure. Each strategic issue has a set of goals, objectives, and action items that will provide guidance for the County department staff responsible for implementation of the plan, as well as a suggested timeline for completion. An update to the plan was presented in January 2015, and a 2016 Action Plan was developed and approved by the Board on 1/25/16.

Major Initiatives

General and Administrative

- The County Auditor's Office was notified of the 17th consecutive year of receiving an award from the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Another report, the Popular Annual Financial Report (PAFR), received a seventh consecutive GFOA Award for Outstanding Achievement for the FY2014 report.
- County Administration has received, for a second year, the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for its budget for FY2015. In order to receive the budget award, the County had to satisfy nationally recognized guidelines for effective budget presentation.
- The McHenry County Purchasing Department and the McHenry County Division of Transportation (MCDOT) successfully coordinated an intergovernmental bid opening for bulk road salt. The Purchasing Department with the help of MCDOT led the endeavor to collaborate with nine municipalities to submit an invitation to bid to increase competition and reduce costs. Combined purchasing between McHenry County governments proved to be very beneficial to all residents.
- The County purchased Electronic Poll Book Software and Computer Equipment to support mandated changes in Voter Registration. Effective June 1, 2015, Illinois Statute 10 ILCS 5/5-50 Grace Period requires the Election Authority of the County to provide for grace period voter registration and address changes during the period from the close of registration for an election until and including the day of the election. To reduce the burden of the unfunded mandate, McHenry County worked with the Election Authority for Lake County, IL in obtaining poll book software.
- The Facilities Department was honored for its innovative, sustainable practices to expand energy efficiency and reduce overall costs. The National Association of Counties (NACo) awarded McHenry County a 2015 Achievement Award for its tracking system and a decade of sustainability. In total, the County has realized an overall greenhouse gas emissions reduction of 12% and cost savings of 30%.
- The Board of Review heard a total of 4,550 taxpayer-generated assessment appeals for the Tax Year 2015. This was slightly more than the 4,308 assessment appeals from the Tax Year 2014. Tax Years 2013 and 2012 experienced assessment appeals of 7,108 and 10,413, respectively. Based upon the volumes of appeals filed, the Assessor's Office and the Board of Review have worked hard to process these appeals for the greatest of efficiency. The 2015 assessment year presented an overall increase in the assessment base for the first time since 2010.

- McHenry County is leading efforts to create a consortium of local governments to bring new high-speed internet fiber through the City of Crystal Lake up Route 14 and into Woodstock. Fiber conduit installation began in August 2015 and installation will be close to completion and ready for testing in early 2016.

Transportation

- The Division of Transportation (DOT) began work on the Charles J. Miller Road project in early fall 2014 with tree removal and storm sewer work. The roadway work began in early spring 2015 and is presently still under construction. The project area includes Miller Road/Bull Valley Road and Illinois Route 31. The final product will be a four-lane divided roadway with dual left and right turns at IL Route 31. This project is intended to alleviate present and future congestion in the City of McHenry and northeastern McHenry County.
- McHenry County has partnered with Pace Suburban Bus and several communities to offer expanded dial-a-ride services starting on March 2, 2015. MCRide is a curb-to-curb, demand response public transit service available to McHenry County residents traveling within and between partner communities. MCRide is funded by the Regional Transportation Authority (RTA) and the Senior Services Grant Fund.

Community Development

- The 2015 Community Development Block Grant (CDBG) funding application hearings were held in April 2015. The Commission received 21 applications from agencies and municipalities totaling requests of approximately \$2.9 million by all applicants after the presentations by the agencies applying for funding. In May 2015, the County Board approved allocations of approximately \$1,050,000 to 12 different agencies and municipalities for use in various construction and service projects throughout the County.

Public Safety

- The County, led by Emergency Management, is working to update its 2010 Multi-jurisdictional Natural Hazard Mitigation Plan, which must be updated every five years per federal regulations. The purpose of this plan is to identify and assess our community's natural hazard risks and determine how to best reduce or manage those risks. All jurisdictions and agencies are invited to participate in the planning effort, as this will foster relationships between the County, larger communities, and the rural communities. The updated Plan will provide the County, its municipalities and townships, and other participating agencies and institutions with steps that are appropriate to protect people, property, and other assets of McHenry County.
- The McHenry County Sheriff's Office began an integration project with Motorola that includes upgraded software for dispatch, leasing equipment with Motorola on towers, and using a microwave solution for communications. This agreement covers the purchase of radio dispatch consoles, integration into the Motorola Solutions System, and improving the reliability of the system by eliminating T-1 lines and using Motorola's Microwave solution. The total cost of the consoles, upgrades, and integration is \$1.7 million.

Judiciary and Court Related

- The 22nd Judicial Circuit, Department of Probation, and Court Services began training to implement Evidence Based Practices. Integrated Behavioral Intervention Strategies (IBIS) consists of a set of supervision techniques that probation officers can use daily in their interaction with clients. The goal of community supervision is to divert low risk criminal offenders from local jails and prisons by utilizing proven strategies in order to modify anti-social behaviors and improve outcomes. Research shows that probation officers utilizing the IBIS skills can reduce recidivism, which will cost the taxpayers considerably less than the prison system. Fees collected from individuals who have been sentenced to probation, not McHenry County General Fund dollars, will pay all costs associated with this contract.

- The Court, in conjunction with the Office of the Circuit Clerk, received approval from the Administrative Office of the Illinois Courts and the Illinois Supreme Court for E-Record. E-Record will allow the Court to utilize electronic document images as the “official record” of the Court. The impact of this initiative will be profound as savings from storage costs, files and personnel could reach into the millions of dollars over the course of a decade. The conversion will be done deliberately over the next several years.
- After a year of work on the project, the Court, with the assistance of the Circuit Clerk of the Court and the McHenry County Information Technology Department went live in October 2015 with four judges using aiSmartBench. This computer system will allow judges to see case summary information, parties, financial information, attorneys, and events on one screen. Additionally from this one screen, users can access images of documents. This technology is designed to help the Court eliminate the need for paper files. It is anticipated that all judges will be trained on the use of the software in December 2015.

Public Health and Welfare

- The Senior Service Grant Commission met in September of 2015 to review applications and requests for proposals for the FY2016 program year. The County Board approved the allocations for 14 different programs by 11 agencies for a total of \$2,123,056, to be distributed during FY2016. The Senior Services Grant Fund is the result of a referendum in April 2003, where voters approved the levy and collection of a tax not to exceed .025% for the purpose of providing transportation and social services to encourage independent living, wellness, and quality of life for senior citizens in McHenry County.
- The McHenry County Workforce Network continues in the development of a Community Economic Development Strategy document (CEDS) with many partners, including McHenry County Planning & Development, McHenry County Economic Development Corporation, McHenry County College and the Illinois Small Business Development Center. A CEDS document would provide a common direction and voice within the County for the economic partners and is required for many federal grant applications.
- On August 15, 2015, McHenry County Animal Control and Adoption Center (MCAC) joined more than 30 shelters across the Chicago area by waiving adoption fees and participating in “Clear the Shelters” Day. This annual event, sponsored nationally by NBC and Telemundo, helped shelters find homes for more than 1000 animals throughout Chicagoland and upwards of 18,000 across the country. MCAC adopted a total of 22 cats and dogs, which cleared the shelter.
- The McHenry County Department of Health (MCDH) has launched a new feature on its website, (www.mcdh.info) that provides access to food establishment inspection reports for the public. The Health Department’s Food Protection Program is responsible for permitting and inspecting over 1,275 food facilities in McHenry County. Food inspection reports from 2010 to the present are available. The website also includes information on how food establishment inspections are conducted and how to interpret the inspection reports.
- Valley Hi Nursing and Rehab was awarded the Northwest Herald’s “The Best” Senior Facility/Memory Care category in this year’s Best of the Fox reader choice awards. Being acknowledged for the second year in a row, this award reflects the compassion and commitment of staff on a day-to-day basis.

Debt Management

The County’s Debt Issuance policy provides for guidelines and procedures to be used in the issuance and management of McHenry County’s debt instruments, as well as an understanding of the tasks, duties, and responsibilities of the participants. Included in the policy are how requests are handled, the development of the Five Year Capital Improvement Plan annually, the selection of consultants, counsel and underwriters, and arbitrage.

In fiscal year 2015, one new debt certificate issuance of \$15.75 million for governmental activities was completed for the purpose of refunding prior debt issuances at a lower interest rate. Also, one new capital lease was issued for \$1.7 million for the purchase of computer equipment. There were no debt issuances for business-type activities during fiscal year 2015. Further information on the County's outstanding debt can be found in the MD&A section and the Notes to Financial Statements.

Credit Rating

As of 2015, McHenry County continues to hold the Aaa rating by Moody's Investor Service. This is the highest rating available and puts the County in the top tier of local governments in terms of financial strength in both Illinois and nationally. Historically, the first bond rating by Moody's was in 2002 with an Aa3, followed by an upgrade to Aa2 in 2003. In September 2006, the rating was adjusted to Aa2+, again upgraded to an Aa1 in June 2007 and in April 2010 was given the highest rating of Aaa. This attained rating will allow the County to continue to issue debt at the lowest possible interest rate.

McHenry County 2040 Transportation Plan

The *McHenry County 2040 Transportation Plan* (The Plan) is intended to identify the County's future transportation needs and how to best address them. The Plan establishes a vision for McHenry County roadways as well as a set of actionable goals and objectives that serve as a road map to realizing that vision. In March 2014, after the Plan was endorsed by the Transportation Committee, the plan was presented to the County Board and was approved by resolution. This is the County's third long range transportation plan. The Plan was funded with grant monies from the Chicago Metropolitan Agency for Planning and the Regional Transportation Authority. To learn more about the Plan, go to: <https://www.co.mchenry.il.us/county-government/departments-j-z/transportation/transportation-plans/long-range-transportation-plan>.

Legislative Programs

The McHenry County Board has adopted a Federal Legislative Program for Federal Fiscal Year 2015. The major points of the program includes seeking the following: 1) Funds for stormwater management to complete comprehensive watershed and flood mitigation plans for the Lower Nippersink Creek Watershed and the Upper Fox River Watershed; 2) Funding to replace public safety equipment that has exceeded its life expectancy; 3) Funding to address inadequate intersection geometrics, safety concerns, and operational issues on Route 31 between IL 176 in Crystal Lake to IL 120 in McHenry; 4) Additional funding to add capacity to Route 47, from Reed Road to Route 14, reduce traffic congestion on Route 47 through the City of Woodstock, and improve bicycle and pedestrian crossings and business access; 5) Support the Marketplace Fairness act which would require remote sellers to collect sales tax, just like local retailers are required to do; 6) Identify opportunities to expedite the review process for federal transportation funding requirements under current Illinois law ; and 7) Reconsideration of the Federal Communications Commission (FCC) connectivity map in order to pursue assistance for extension of internet fiber into the north and northwest sections of McHenry County.

In addition, the County adopted a 2015 State Legislative Program which contained the following initiatives: 1) Enable County Finance staff to transfer funds between "Contractual" and "Commodity" funds administratively; 2) Authority for non-home rule Illinois Counties to enact a noise ordinance as allowed in the Illinois Municipal Code; 3) Property tax fairness; 4) Statewide ban on coal tar; 5) Increase capacity on the Union Pacific Northwest Railroad by adding trains and constructing new stations in Johnsburg, Prairie Grove, and Woodstock ; and 6) McHenry County transportation projects, including the construction of a full interchange along the Jane Addams Tollway (Interstate 90) at Illinois Route 23.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McHenry County for its CAFR for the fiscal year ended November 30, 2014. This was the 17th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The GFOA award is valid for a period of one year. I believe that our Fiscal Year 2015 CAFR continues to meet the Certificate of Achievement Program's requirements and it is being submitted to the GFOA to determine its eligibility for another certificate award.

The preparation of this report would not have been possible without the professionalism and dedicated work of the entire Auditor's Office staff. I also wish to thank Financial Reporting Manager James Bernier, who works diligently and efficiently on all year-end financial reports and related accounting procedures to ensure accuracy, as well as managing the accounting process during the fiscal year. I extend my appreciation to all of the elected officials and department directors, who along with their staff, cooperate in the gathering of information contained within this report. The valuable support and external audit work from our independent auditors, Baker Tilly Virchow Krause, LLP, is also to be noted.

Sincerely,

Pamela Palmer

Pamela Palmer

McHenry County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of McHenry
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

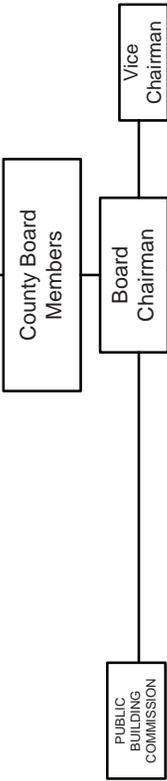
November 30, 2014

Executive Director/CEO

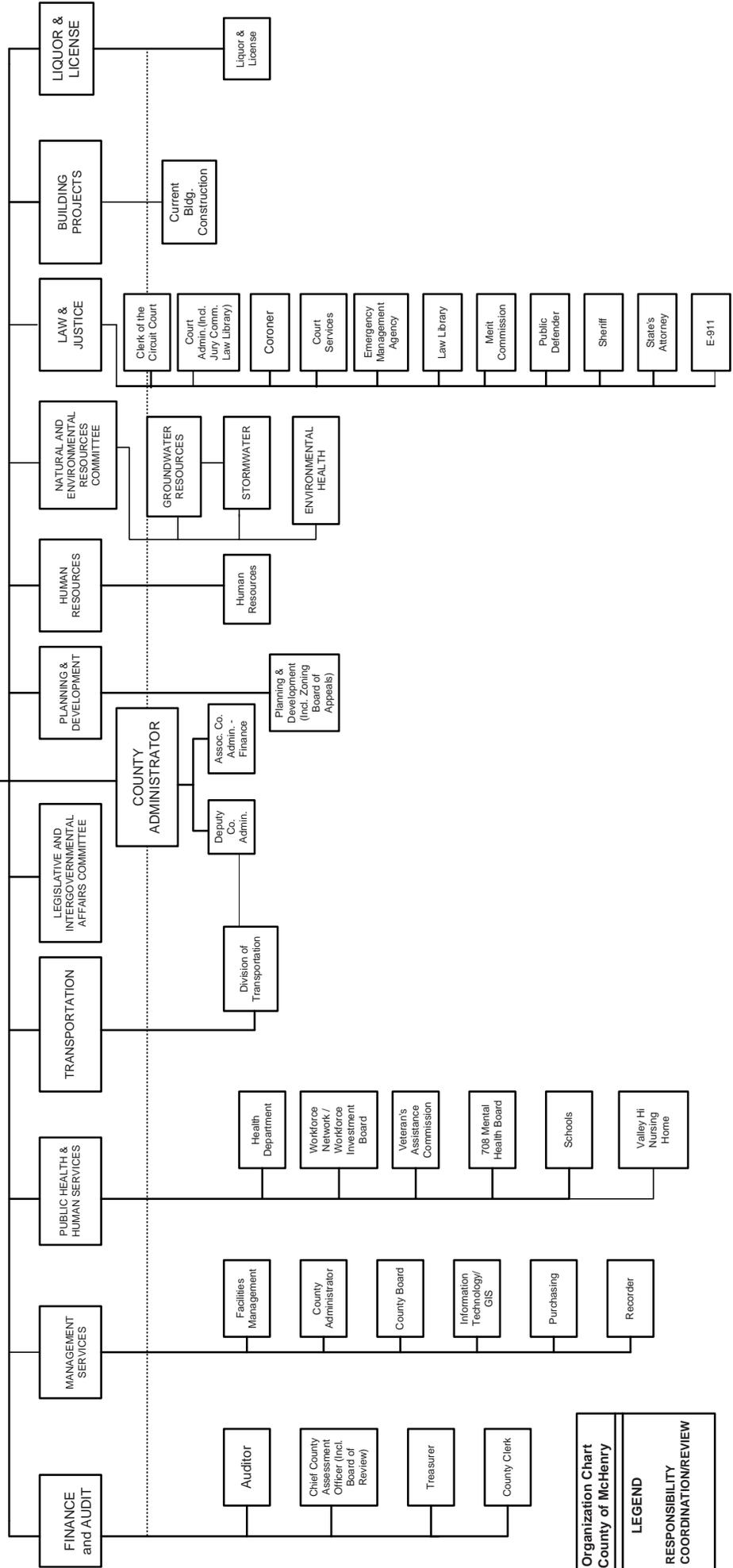


VOTERS of McHENRY COUNTY

- ELECTED OFFICIALS**
- Auditor
 - Circuit Court Clerk
 - Coroner
 - County Clerk
 - Judges, 22nd Judicial Circuit
 - Recorder
 - Regional Supt. of Schools
 - Sheriff
 - State's Attorney
 - Treasurer



Standing Committees



Organization Chart
County of McHenry

LEGEND

— RESPONSIBILITY

..... COORDINATION/REVIEW

FINANCIAL

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of the County Board
County of McHenry, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois, as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise the County of McHenry, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Building Commission's Special Revenue Fund (Blended Component Unit) which represents .02 percent, .03 percent and .00 percent, respectively, of the assets, fund balances and net position, and revenues of the aggregate remaining funds, and .01 percent, .01 percent, and .00 percent respectively, of the assets, net position, and revenues of the governmental activities. We also did not audit the financial statements of the Conservation District (Discretely Presented Component Unit), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Building Commission's Special Revenue Fund (Blended Component Unit) and the Conservation District (Discretely Presented Component Unit), is based solely on the reports of the other auditors. 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. The financial statements of the Public Building Commission's Special Revenue Fund (Blended Component Unit), and the Conservation District (Discretely Presented Component Unit), were not audited in accordance with *Government Auditing Standards*.

To the Honorable Chair and Members of the County Board
County of McHenry, Illinois

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to the County of McHenry, Illinois' 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 County of McHenry, Illinois' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of McHenry, Illinois as of November 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1. D., the County of McHenry, Illinois adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective December 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of changes in the net pension liability and related ratios, schedule of county contributions, and schedule of funding progress, as listed in the table of contents 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.

To the Honorable Chair and Members of the County Board
County of McHenry, Illinois

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The combining and individual fund financial statements and the schedules as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplementary Information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

Prior-Year Comparative Information

We have previously audited the County of McHenry, Illinois' 2014 financial statements, and we and other auditors expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated May 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the County of McHenry, 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 the County of McHenry, Illinois' internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
April 29, 2016



**Management's
Discussion and
Analysis**

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

This section of the County of McHenry, Illinois' (the "County") comprehensive annual financial report presents management's discussion and analysis (MD&A) of the financial activities of the County during the fiscal year ended November 30, 2015. Please read it in conjunction with the Transmittal Letter, located at the front of this report, and the basic financial statements, including the accompanying notes to financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County has implemented new accounting standards that replace existing guidance for defined benefit pension plans. The County is now required to recognize a liability equal to the net pension liability, which is defined as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. As a result of implementing the new standards, the County reported, under long-term obligations, a net pension liability of \$30.7 million for governmental activities and \$1.2 million for business-type activities, for a total of \$31.9 million, as of November 30, 2015.
- Total assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$472.8 million, as of November 30, 2015. Of this amount, \$304.4 million represents net investment in capital assets, \$95.8 million represents net position restricted for specific activities, and \$72.6 million represents unrestricted net position. \$412.7 million represents net position for governmental activities and \$60.1 million represents net position for business-type activities.
- Net position increased by \$15.1 million for governmental activities and increased by \$2.2 million for business-type activities, for the fiscal year ended November 30, 2015.
- The County's governmental funds reported combined ending fund balances of \$141.3 million, as of November 30, 2015, compared to \$153.4 million at November 30, 2014, which represents a decrease of \$12.1 million or 7.9%.
- The General Fund reported ending fund balance of \$47.8 million, as of November 30, 2015, compared to \$48.7 million as of November 30, 2014, which represents a decrease of \$0.9 million or 1.8%.
- Governmental activities long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, net pension liability, and other post-employment benefit obligation) totaled \$28.9 million, as of November 30, 2015, compared to \$37.9 million as of November 30, 2014, which represents a net decrease of \$9.0 million or 23.7%. During the year, one new debt certificate issuance was completed for the purpose of refunding prior debt issuances at a lower interest rate. Overall, the refundings will reduce total debt service payments over the next seven years by approximately \$1,062,000 and resulted in an economic gain of approximately \$972,000. Also, one new capital lease was issued for \$1.7 million for the purchase of computer equipment. Business-type activities long-term obligations (excluding compensated absences, net pension liability, and other post-employment benefit obligation) totaled \$546 as of November 30, 2015, compared to \$15,460 as of November 30, 2014. There were no issuances for business-type activities during fiscal year 2015.
- The County is \$186.7 million below its authorized debt limit as of November 30, 2015.

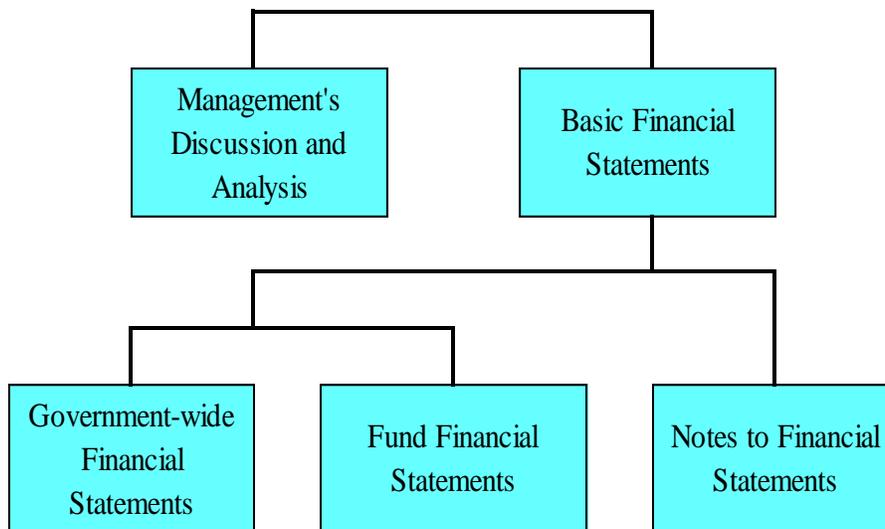
County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements (see diagram below). The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements.

In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial position of the County.

Required Components of the Comprehensive Annual Financial Report



Basic Financial Statements (BFS)

The **BFS** include two kinds of statements and notes that present different perspectives of the County's financial activities.

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's overall financial position, in a manner similar to a private-sector business.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide financial statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

The next section of the basic financial statements is the **Notes to Financial Statements**. The notes to financial statements include a summary of the County's significant accounting policies, as well as additional details on various items contained in the financial statements.

After the notes are the following sections: **Required supplementary information** contains the budgetary comparison schedules for the general fund and major special revenue funds, as well as additional information about the County's pension plans and other post-employment benefits. **Supplementary information** is provided to show details about the County's individual non-major governmental funds, which are aggregated in a single column on the basic financial statements, and to show details about individual proprietary funds and fiduciary funds. Budgetary information required by State Statutes also can be found in this part of the comprehensive annual financial report. The **Statistical Section** presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

Government-wide Financial Statements (GWFS)

The GWFS are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The GWFS contains the *statement of net position* and the *statement of activities*, described below:

The *Statement of Net Position* presents information using the accrual basis of accounting, on all of the County's assets, liabilities, and deferred inflows/outflows of resources (including capital assets and short-term and long-term liabilities), with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the County's functions/programs (hereafter referred to as activities). Direct expenses are those that are specifically associated with an activity and are clearly identified with that activity. Program revenues are from charges for services paid by recipients or operating/capital grants and contributions. The comparison of direct expenses with program revenues identifies the extent to which each activity is self-financing or draws from the general revenues of the County. General revenues include property taxes, sales taxes, state income taxes, tax transfer stamps, other taxes, and investment income. The governmental activities of the County include general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare. The business-type activities of the County include the Valley Hi Nursing Home (public health and welfare) and the Emergency Telephone 911 operation (public safety). The government-wide financial statements also include two component units, which are legally separate organizations for which the County is financially accountable – the Public Building Commission (a blended component unit) and the McHenry County Conservation District (a discretely presented component unit). Financial information for the discretely presented component unit is reported separately from the primary government.

The GWFS can be found on pages 1 - 4 of this report.

Fund Financial Statements (FFS)

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

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

Governmental FFS are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. Governmental funds are reported using the modified accrual basis of accounting, which has a measurement focus of current financial resources. As a result, the governmental fund financial statements give a detailed short-term view to assist the reader in determining if there are more or less financial resources available to finance the County's programs. The difference between assets, liabilities, and deferred inflows/outflows of resources in governmental funds is reported as fund balance, which is presented in categories that describe the nature and extent of constraints on the use of resources that the County is bound to observe. The relationship between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for funds that are considered to be major funds. Governmental funds considered to be major for fiscal year 2015 are the General Fund, the County Mental Health Fund, and the Illinois Municipal Retirement Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The governmental FFS can be found on pages 5 - 8 of this report.

Proprietary FFS The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Valley Hi nursing home and for the Emergency Telephone 911 system operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses one internal service fund to account for employee and retiree healthcare benefits. Services are allocated to governmental activities and business-type activities on the government-wide financial statements based upon the actual level of services provided to these activities.

Proprietary FFS provide more detailed information than the business-type activities on the government-wide financial statements. The proprietary fund financial statements provide separate information for enterprise funds that are considered to be major funds. The Enterprise fund considered to be major for fiscal year 2015 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be nonmajor. Conversely, when multiple internal service funds are used, they are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary FFS can be found on pages 9 - 13 of this report.

Fiduciary FFS Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary FFS can be found on page 14 of this report.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS.

The notes to the financial statements can be found on pages 15 - 65 of this report.

Other information

The County adopts an annual appropriation budget for its general, special revenue, debt service, capital projects and permanent funds. Budgets are adopted on a basis consistent with generally accepted accounting principles and the budgetary comparison schedules are presented using the same format, language, and classifications as the legal budget document.

The budgetary comparison schedules present four columns: 1) the original budget as adopted by the County Board; 2) the final budget as amended by the County Board; 3) the actual resources, charges to appropriations, and ending balances; and 4) the variance between the final budget and the actual resources and charges.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI), which consists of budgetary comparison schedules for the general fund and major special revenue funds, as well as additional information about the County's pension plans and other post-employment benefits. Following the RSI is the supplementary information section, which includes the combining statements, individual fund schedules, and budgetary comparison schedules for non-major governmental funds, as well as various statements and schedules for proprietary funds and fiduciary funds.

The RSI and supplementary information section can be found on pages 66 - 160 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. Total assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$472.8 million, as of November 30, 2015, as compared to net position of \$468.1 million as of November 30, 2014; an increase of \$4.7 million or 1.0%. Of this amount, \$304.4 million represents net investment in capital assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. \$95.8 million represents restricted net position, which are resources that are subject to external restrictions on how they may be used. Finally, \$72.6 million represents unrestricted net position. \$412.7 million represents net position for governmental activities and \$60.1 million represents net position for business-type activities.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

The following table reflects the condensed Statement of Net Position as of November 30, 2015:

Statement of Net Position
November 30, 2015

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014*	2015	2014*	2015	2014*
Assets						
Current assets	\$ 244,559,302	\$ 252,036,907	\$ 48,061,962	\$ 48,211,220	\$ 292,621,264	\$ 300,248,127
Capital assets	320,913,625	301,028,440	13,317,074	13,819,471	334,230,699	314,847,911
Investment in joint venture	686,442	-	95,610	-	782,052	-
Total assets	<u>566,159,369</u>	<u>553,065,347</u>	<u>61,474,646</u>	<u>62,030,691</u>	<u>627,634,015</u>	<u>615,096,038</u>
Deferred Outflows of Resources						
Pension-related items	17,852,158	-	1,338,412	-	19,190,570	-
Liabilities						
Current liabilities	29,394,005	25,688,537	990,873	926,321	30,384,878	26,614,858
Noncurrent liabilities	63,427,985	40,455,281	1,699,836	425,346	65,127,821	40,880,627
Total liabilities	<u>92,821,990</u>	<u>66,143,818</u>	<u>2,690,709</u>	<u>1,351,667</u>	<u>95,512,699</u>	<u>67,495,485</u>
Deferred Inflows of Resources						
Pension-related items	1,927,082	-	1,047	-	1,928,129	-
Property taxes levied for future period	76,574,775	76,486,825	-	3,000,000	76,574,775	79,486,825
Total deferred inflows of resources	<u>78,501,857</u>	<u>76,486,825</u>	<u>1,047</u>	<u>3,000,000</u>	<u>78,502,904</u>	<u>79,486,825</u>
Net Position						
Net investment in capital assets	291,054,683	270,863,664	13,316,528	13,804,011	304,371,211	284,667,675
Restricted	95,857,810	107,428,692	-	-	95,857,810	107,428,692
Unrestricted	25,775,187	32,142,348	46,804,774	43,875,013	72,579,961	76,017,361
Total net position	<u>\$ 412,687,680</u>	<u>\$ 410,434,704</u>	<u>\$ 60,121,302</u>	<u>\$ 57,679,024</u>	<u>\$ 472,808,982</u>	<u>\$ 468,113,728</u>

* Prior year numbers are not restated for GASB 68.

For more detailed information on the County's net position, please refer to the Statement of Net Position, found on pages 1 - 2.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2015:

Changes in Net Position
For the Fiscal Year Ended November 30, 2015

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014*	2015	2014*	2015	2014*
Revenues						
Program Revenues						
Charges for services	\$ 23,908,777	\$ 24,806,782	\$ 12,938,396	\$ 13,256,191	\$ 36,847,173	\$ 38,062,973
Operating grants and contributions	18,307,775	19,319,310	-	-	18,307,775	19,319,310
Capital grants and contributions	7,573,150	2,882,321	-	-	7,573,150	2,882,321
General Revenues						
Property taxes	75,798,457	74,017,467	2,993,381	4,493,330	78,791,838	78,510,797
Sales taxes	19,987,380	19,577,205	-	-	19,987,380	19,577,205
State income taxes	6,962,600	6,265,092	-	-	6,962,600	6,265,092
Tax transfer stamps	2,133,728	1,833,392	-	-	2,133,728	1,833,392
Other taxes	2,588,533	2,283,433	-	-	2,588,533	2,283,433
Investment income	259,070	263,632	85,068	68,095	344,138	331,727
Miscellaneous	505,127	457,065	-	-	505,127	457,065
Gain on sale of capital assets	45,671	91,722	-	-	45,671	91,722
Total Revenues	158,070,268	151,797,421	16,016,845	17,817,616	174,087,113	169,615,037
Expenses						
General and administrative	37,596,322	34,302,304	-	-	37,596,322	34,302,304
Community development	3,825,976	3,719,430	-	-	3,825,976	3,719,430
Transportation	19,992,910	21,339,490	-	-	19,992,910	21,339,490
Public safety	43,354,459	40,980,612	2,695,482	2,660,194	46,049,941	43,640,806
Judiciary and court related	15,280,218	14,255,999	-	-	15,280,218	14,255,999
Public health and welfare	22,065,296	23,516,262	11,091,061	10,799,150	33,156,357	34,315,412
Interest and fiscal charges	882,763	1,534,221	-	-	882,763	1,534,221
Total expenses	142,997,944	139,648,318	13,786,543	13,459,344	156,784,487	153,107,662
Changes in net position	15,072,324	12,149,103	2,230,302	4,358,272	17,302,626	16,507,375
Net position - beginning of year (as previously stated)	410,434,704	398,285,601	57,679,024	53,320,752	468,113,728	451,606,353
Restatement	(12,819,348)	-	211,976	-	(12,607,372)	-
Net position - beginning of year (as restated)	397,615,356	398,285,601	57,891,000	53,320,752	455,506,356	451,606,353
Net position - end of year	\$ 412,687,680	\$ 410,434,704	\$ 60,121,302	\$ 57,679,024	\$ 472,808,982	\$ 468,113,728

* Prior year numbers are not restated for GASB 68.

The restatement of beginning net position relates primarily to the implementation of new accounting standards for defined benefit pension plans. For more information, see Note 20 in the Notes to Financial Statements on page 65.

For more detailed information on the operations of governmental and business-type activities, please refer to the Statement of Activities, found on pages 3 - 4.

County of McHenry, Illinois
 Management's Discussion and Analysis (MD&A) (Unaudited)
 For the Year Ended November 30, 2015

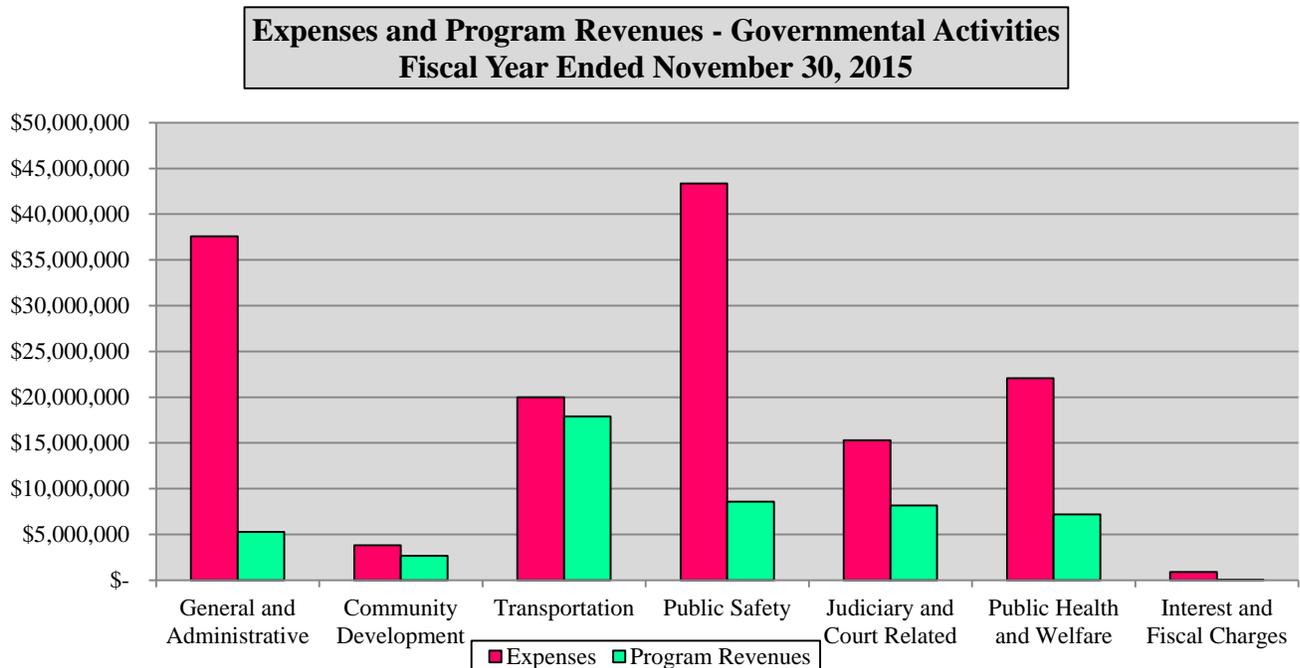
Governmental Activities

Net position for governmental activities increased by \$15.1 million during fiscal year 2015. In total, revenues increased \$6.3 million or 4.2%, from \$151.8 million for fiscal year 2014 to \$158.1 million for fiscal year 2015. Noteworthy changes related to revenues were as follows: 1) Operating grants and contributions decreased by \$1.0 million or 5.2%, 2) Capital grants and contributions increased by \$4.7 million or 162.1%, and 3) Property taxes increased by \$1.8 million or 2.4%.

The reasons for these noteworthy changes are as follows:

- Operating grants and contributions decreased from \$19.3 million for fiscal year 2014 to \$18.3 million for fiscal year 2015; a decrease of \$1.0 million or 5.2%. The decrease in this category is due to an overall reduction in the availability of grant funding at both the federal and state levels.
- Capital grants and contributions increased from \$2.9 million for fiscal year 2014 to \$7.6 million for fiscal year 2015; an increase of \$4.7 million or 162.1%. The increase in this category is due to federal and state funding received for road and bridge construction projects, including Walkup Road and bridges on Alden Road and Lawrence Road.
- Property taxes increased from \$74.0 million for fiscal year 2014 to \$75.8 million for fiscal year 2015; an increase of \$1.8 million or 2.4%. The increase in property tax revenue is due to an increase in the tax levy for governmental activities, which increased from \$74.1 million for fiscal year 2014 to \$76.0 million for fiscal year 2015. Overall, the County's total property tax levy for fiscal year 2015 was \$79.0 million and total collections were \$78.8 million, which represents a collection rate of 99.8%.

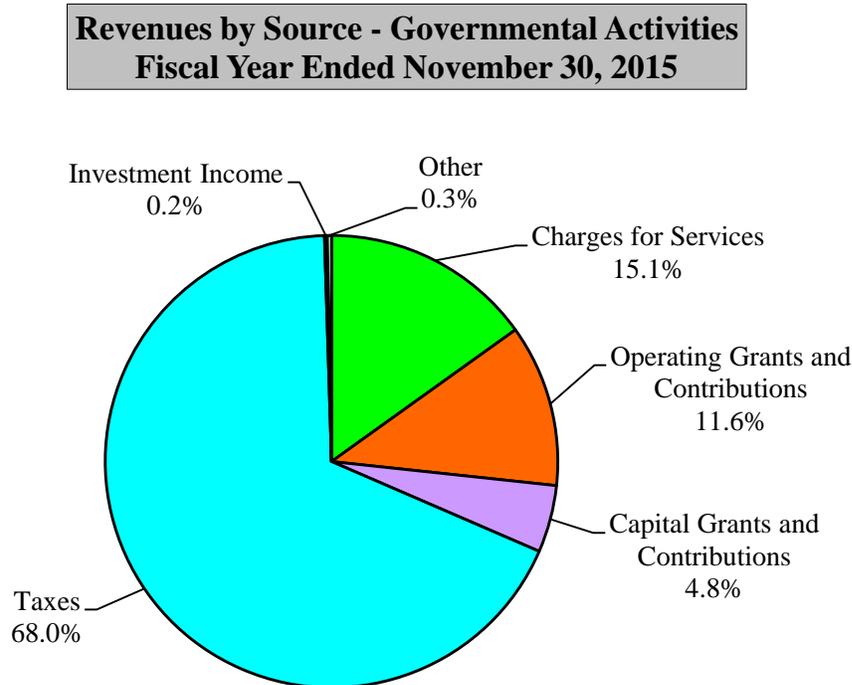
The following chart depicts the expenses and related program revenues by function for the County's governmental activities for the fiscal year ended November 30, 2015:



County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

See analysis of governmental activities expenses on page XIII.

The following chart reflects revenues by source for governmental activities for the fiscal year ended November 30, 2015:



Revenues from governmental activities totaled \$158.1 million for the fiscal year ended November 30, 2015. Taxes (\$107.5 million, or 68.0%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$75.8 million or 70.5% of taxes and sales taxes totaled \$20.0 million or 18.6% of taxes, for a combined total of \$95.8 million or 89.1% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

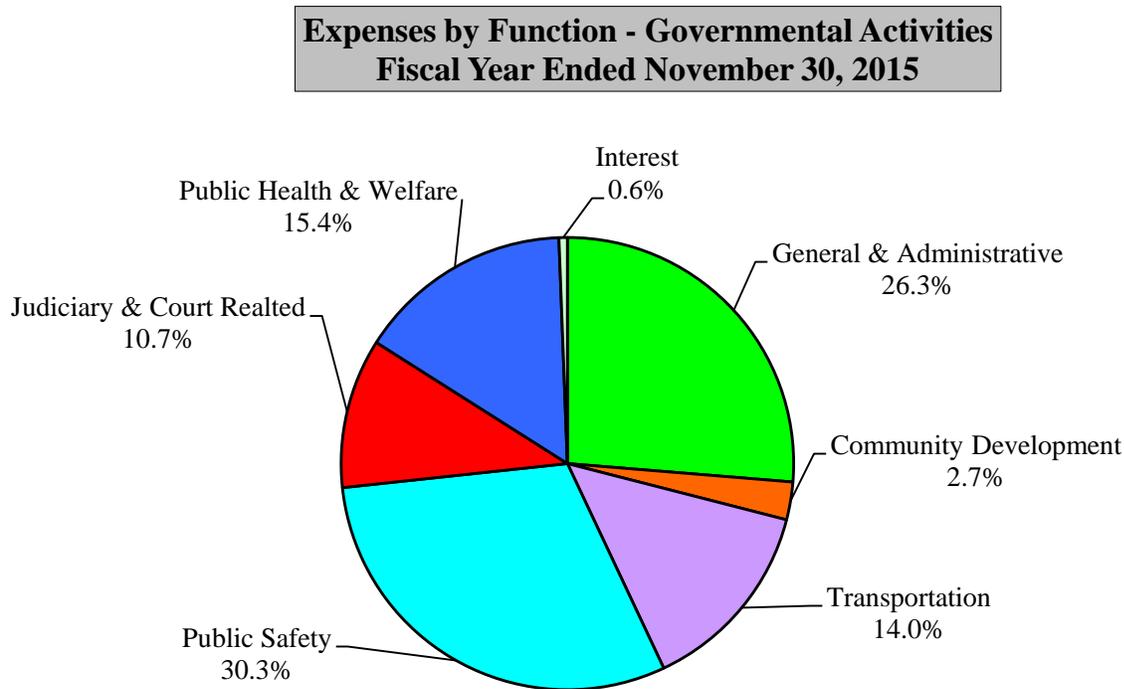
Charges for services (\$23.9 million, or 15.1%) represents the second largest revenue source. Charges for services are derived mainly from recording fees, penalties on delinquent taxes, court security fees, jail space rental, Circuit Clerk fees, sale of animal control tags, geographic information system fees, and various fees collected for automation and document storage within the Recorder's Office and the Clerk of the Circuit Court Office.

Operating grants and contributions (\$18.3 million, or 11.6%) represents the third largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Workforce Network, Planning and Development, Facilities Management, and the Sheriff's Office. In addition, the Motor Fuel Tax Fund and County Option Motor Fuel Tax Fund receive fees imposed on gasoline purchases to be used for highway maintenance and improvements.

Capital grants and contributions (\$7.6 million, or 4.8%) represents the fourth largest revenue sources. Capital grants and contributions consists primarily of federal and state funding received for road and bridge construction projects.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2015:



Expenses for governmental activities totaled \$143.0 million for the fiscal year ended November 30, 2015. The largest component of governmental activities expenses is public safety, which totaled \$43.3 million, or 30.3% of total governmental activities expenses. Expenses in this category include the operations of the Sheriff, Coroner, and Emergency Management offices. The Sheriff's Office represents the largest component of public safety and activities performed include patrol, detectives, narcotics, County jail, and County garage.

The second largest component of governmental activities expenses is general and administrative, which totaled \$37.6 million, or 26.3% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$22.1 million, or 15.4% of total governmental activities expenses. The Health Department and the Mental Health Department represent the largest components of the public health and welfare activity. Also included in this activity are the operations of Workforce Network, Veteran's Assistance, and Senior Services.

The fourth largest component of governmental activities expenses is transportation, which totaled \$20.0 million, or 14.0% of total governmental activities expenses. All transportation expenses represent the operations of the Division of Transportation.

The fifth largest component of governmental activities expenses is judiciary and court related, which totaled \$15.3 million, or 10.7% of total governmental activities expenses. Expenses for this activity include the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

County of McHenry, Illinois
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The sixth largest component of governmental activities expenses is community development, which totaled \$3.8 million, or 2.7% of total governmental activities expenses. All community development expenses represent the operations of the Planning and Development Department.

The smallest component of governmental activities expenses is interest, which totaled \$0.9 million, or 0.6% of total governmental activities expenses. Interest represents payments on long-term obligations, including debt certificates and capital leases. See page XVIII for further discussion of long-term obligations.

Business-type Activities

For the fiscal year ended November 30, 2015, net position for business-type activities increased by \$2.2 million, from \$57.9 million at November 30, 2014 (as restated) to \$60.1 million at November 30, 2015. Total revenues for business-type activities decreased from \$17.8 million for fiscal year 2014 to \$16.0 million for fiscal year 2015; a decrease of \$1.8 million or 10.1%. The decrease in total revenue is primarily due to a decrease in the property tax levy for the Valley Hi nursing home, which decreased from \$4.5 million for fiscal year 2014 to \$3.0 million for fiscal year 2015; a decrease of \$1.5 million or 33.3%. The levy was further reduced to \$0 for fiscal year 2016. The property tax levy was reduced because of the level of cash reserves in the Valley Hi Fund.

Total expenses for business-type activities increased from \$13.5 million for fiscal year 2014 to \$13.8 million for fiscal year 2015; an increase of \$0.3 million or 2.2%. The consistent level of expenses from fiscal year 2014 to fiscal year 2015 reflects a lack of significant changes, capital projects, or other activities that may otherwise cause a noteworthy increase or decrease in total expenses.

For more detailed information, please refer to the Statement of Activities on pages 3 – 4.

MAJOR FUNDS FINANCIAL ANALYSIS

Governmental Funds

The General Fund is the primary operating fund of the County. The fund experienced a decrease in fund balance of \$0.9 million for fiscal year 2015. Despite the decrease in fund balance, the County has maintained the level of unrestricted fund balance in the General Fund in close alignment with the target reserve of six months, as defined in the County's budget policy. The level of unrestricted fund balance in the General Fund increased from 5.8 months at November 30, 2014 to 5.9 months at November 30, 2015.

Total revenues increased \$1.7 million or 2.0%, from \$83.7 million for fiscal year 2014 to \$85.4 million for fiscal year 2015. The revenue category that experienced the largest increase is property taxes, which increased \$1.5 million or 3.9%, from \$38.8 million for fiscal year 2014 to \$40.3 million for fiscal year 2015. The increase in property taxes is due to an increase in the amount of the County's property tax levy. The general fund property tax levy increased from \$38.8 million for fiscal year 2014 to \$40.4 million for fiscal year 2015, an increase of \$1.6 million or 4.1%. A small portion of property tax revenue represents collections from prior year levies, but most collections are for the current year levy. In fiscal year 2015, the County experienced a collection rate of 99.8% of the current year levy. The revenue category that experienced the largest decrease was grants, contributions, and intergovernmental, which decreased from \$4.7 million for fiscal year 2014 to \$3.6 million for fiscal year 2015; a decrease of \$1.1 million or 23.4%. The largest individual decrease within the category is for Health Department grants, which decreased from \$3.6 million for fiscal year 2014 to \$2.8 million for fiscal year 2015; a decrease of \$0.8 million or 22.2%. The decrease in this category is mostly due to a reduction in the availability of grant funding at both the federal and state levels.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

Total General Fund expenditures increased \$1.4 million or 1.7%, from \$82.9 million for fiscal year 2014 to \$84.3 million for fiscal year 2015. The expenditure category with the largest increase was general and administrative, which increased from \$27.1 million for fiscal year 2014 to \$28.2 million for fiscal year 2015; an increase of \$1.1 million or 4.1%. The increase in general and administrative expenditures is mainly due to the following two items. First, employer health care contributions for general fund employees increased from \$11.1 million for fiscal year 2014 to \$11.5 million for fiscal year 2015; an increase of \$0.4 million or 3.6%. Second, the County began participating in the McHenry County Broadband Fiber Network Consortium (Fiber Consortium) in fiscal year 2015. The Fiber Consortium was created to install a new high-speed fiber optic cable network and improve broadband internet access for participating governments in the County. The General Fund contributed \$0.7 million to the Fiber Consortium in fiscal year 2015. See the budgetary variances section below for more information on the General Fund.

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an increase in fund balance of \$0.6 million for fiscal year 2015. Total revenues decreased \$0.4 million or 3.6%, from \$11.0 million for fiscal year 2014 to \$10.6 million for fiscal year 2015. The decrease in revenues is due to a decrease in the amount of the County's mental health property tax levy, which decreased from \$10.8 million for fiscal year 2014 to \$10.4 million for fiscal year 2015; a decrease of \$0.4 million or 3.7%. Total expenditures increased \$0.3 million or 3.2%, from \$9.3 million for fiscal year 2014 to \$9.6 million for fiscal year 2015. The overall increase in expenditures is mostly due to an increase in expenditures for client services, which increased from \$7.8 million for fiscal year 2014 to \$8.3 million for fiscal year 2015; an increase of \$0.5 million or 6.4%. The fund also provides transfers to a debt service fund to pay principal and interest costs on Series 2010B debt certificates, which were used for the expansion of the County mental health facility.

The Illinois Municipal Retirement Fund (IMRF Fund) accounts for expenditures for municipal retirement expenses for most of the County's employees. The fund experienced an increase in fund balance of \$1.1 million for fiscal year 2015. Total revenues increased \$1.0 million or 14.5%, from \$6.9 million for fiscal year 2014 to \$7.9 million for fiscal year 2015. The increase in revenues is due to an increase in the amount of the County's IMRF property tax levy, which increased from \$6.8 million for fiscal year 2014 to \$7.8 million for fiscal year 2015; an increase of \$1.0 million or 14.7%. The property tax levy was increased to address the deficit fund balance in the IMRF Fund. Total expenditures decreased \$0.4 million or 5.6%, from \$7.2 million for fiscal year 2014 to \$6.8 million for fiscal year 2015. The IMRF Fund has a deficit fund balance of \$0.4 million as of November 30, 2015. The fund deficit is being temporarily financed by an advance from the General Fund. The amount of the advance outstanding as of November 30, 2015 is \$3.2 million. The advance is non-interest bearing, with repayments scheduled to begin in 2016 and end by 2020.

Proprietary Funds

The Valley Hi Fund accounts for the activities of the Valley Hi nursing home. The fund experienced an increase in net position of \$2.3 million for fiscal year 2015. However, when considering only the operating revenues and expenses of the fund, the fund experienced an operating loss of \$0.7 million for fiscal year 2015, compared to an operating loss of \$0.1 million for fiscal year 2014. The biggest reason for the overall increase in net position is nonoperating revenues, specifically property taxes. Property tax revenue was \$3.0 million for fiscal year 2015. Voters approved a referendum in 2002 authorizing the Valley Hi fund to levy property taxes.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the General Fund was increased by \$0.7 million or 0.8% during fiscal year 2015, through budget amendments approved by the County Board, from the original budget of \$85.3 million to the final budget of \$86.0 million. The category with the largest increase was grants, contributions, and intergovernmental, which had an original budget of \$3.9 million and a final budget of \$4.4 million; an increase of \$0.5 million or 12.8%. The revenue budget for this category was increased when the County received grant awards during the year that were not part of the original budget, including an election-related grant in the amount of \$0.2 million and various grants for the Sheriff's Office in the amount of \$0.2 million.

Appropriation Budget: The appropriation budget for expenditures for the General Fund was increased by \$5.7 million or 6.7% during fiscal year 2015, through emergency appropriations approved by the County Board, from the original budget of \$85.0 million to the final budget of \$90.7 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$3.1 million or 119.2%, from the original budget of \$2.6 million to the final budget of \$5.7 million. Individual increases within the capital outlay budget included \$1.1 million for election-related equipment and software, \$0.6 million for new rooftop chillers at the government center, \$0.6 million for computer software projects, and \$0.4 million for vehicle purchases.

Budget to Actual – Revenue: Actual revenues for the General Fund totaled \$85.4 million, while the final budget totaled \$86.0 million, which is a variance of \$0.6 million. One significant revenue source that had budgeted revenues in excess of actual revenue was charges for services. Budgeted revenues for charges for services was \$19.0 million, compared to actual revenues of \$17.6 million, which is a variance of \$1.4 million. The largest individual variance within this category is jail space rental. Budgeted revenues for jail space rental was \$7.0 million, compared to actual revenues of \$6.4 million, which is a variance of \$0.6 million. Jail space rental revenue has been decreasing steadily over the past few years, primarily due to a decrease in the number of federal inmates from the US Immigration and Customs Enforcement housed in the County Jail. Actual revenue in this category has decreased from \$11.4 million in fiscal year 2011, to \$9.6 million in fiscal year 2012, to \$8.1 million in fiscal year 2013, to \$7.0 million in fiscal year 2014, to \$6.4 million in fiscal year 2015. One revenue source that had actual revenue in excess of budgeted revenues was state income taxes. Actual revenues for state income taxes was \$6.9 million, which exceeded budgeted revenues of \$6.3 million; a variance of \$0.6 million. One factor related to higher than expected state income taxes was an improvement in the local unemployment rate from 6.4% in 2014 to 5.3% in 2015.

Budget to Actual – Expenditures: Actual expenditures for the General Fund totaled \$84.3 million, while the final budget totaled \$90.7 million, which is a variance of \$6.4 million. The activity that had the largest variance was general and administrative, which had expenditures of \$28.2 million, compared to a final budget of \$31.0 million, which is a variance of \$2.8 million. The largest individual item related to this variance was budgeted contributions to the Fiber Consortium in excess of actual expenditures in the amount of \$0.9 million. Another significant variance was for open positions and other related personnel budget, for which there was \$0.4 million in unspent budget. Other individual variances include \$0.3 million in unspent budget for employer contributions for health insurance costs and \$0.2 million in leftover contingency budget, which is designed to provide the County with sufficient budget to cover unforeseen events and circumstances. Finally, expenditures for electricity, gas, and water and sewer utilities was \$0.9 million, compared to the final budget of \$1.2 million, which is a variance of \$0.3 million. The variance was due to lower than expected energy costs.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2015, capital assets, net of accumulated depreciation/amortization, totaled \$320.9 million for governmental activities and \$13.3 million for business-type activities, for a total of \$334.2 million for the County.

Capital Assets
(net of accumulated depreciation/amortization)
November 30, 2015

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 63,596,984	\$ 63,410,984	\$ 6,000	\$ 6,000	\$ 63,602,984	\$ 63,416,984
Construction in Progress	73,923,235	57,873,202	156,608	198,158	74,079,843	58,071,360
Infrastructure	106,499,755	102,009,084	-	-	106,499,755	102,009,084
Buildings and Improvements	59,475,694	61,763,055	10,550,239	10,689,090	70,025,933	72,452,145
Land Improvements	157,652	163,625	174,311	189,460	331,963	353,085
Furniture and Fixtures	706,395	709,931	50,762	99,289	757,157	809,220
Machinery and Equipment	10,419,640	10,589,209	362,978	486,723	10,782,618	11,075,932
Computer Software	4,599,913	3,249,375	2,016,176	2,146,662	6,616,089	5,396,037
Transportation Equipment	1,534,357	1,259,975	-	4,089	1,534,357	1,264,064
Total capital assets	\$ 320,913,625	\$ 301,028,440	\$ 13,317,074	\$ 13,819,471	\$ 334,230,699	\$ 314,847,911

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$301.0 million at November 30, 2014 to \$320.9 million at November 30, 2015; a net increase of \$19.9 million, or 6.6%. Capital asset additions totaled \$30.3 million and depreciation/amortization expense was \$10.4 million. Significant additions include \$24.4 million for road and bridge construction projects, of which \$8.4 million was for Miller Road, \$4.4 million was for Walkup Road, \$3.4 million was for Randall Road, \$1.8 million was for Rakow Road, \$1.8 million was for the Alden Road Bridge, and \$1.4 million was for the Lawrence Road Bridge over Lawrence Creek. Other significant additions include \$1.7 million for desktop and laptop computers, \$1.1 million for right of way acquisitions for future road and bridge projects, \$1.1 million for the purchase of election-related equipment and software, \$0.7 million for vehicles, and \$0.4 million for judicial-related software projects. During fiscal year 2015, various projects were placed in service and taken out of construction in progress. Projects placed in service included \$7.9 million for road and bridge construction projects and \$1.9 million for computer software projects.

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$13.8 million at November 30, 2014 to \$13.3 million at November 30, 2015; a net decrease of \$0.5 million, or 3.6%. Capital asset additions totaled \$0.5 million and depreciation/amortization expense was \$1.0 million. Significant capital asset additions include \$0.2 million for energy efficient building improvements and \$0.1 million for flooring replacement and dining area renovation at the Valley Hi nursing home.

For more detailed information on the County's capital assets, see Note 5 in the Notes to Financial Statements on page 30.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

Long-term Obligations – As of November 30, 2015, Long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, net pension liability, and other post-employment benefit obligation) totaled \$28.9 million for governmental activities and \$546 for business-type activities, for a total of \$28.9 million.

Long-term Obligations
November 30, 2015

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Capital Leases	\$ 1,684,515	\$ 981,076	\$ 546	\$ 15,460	\$ 1,685,061	\$ 996,536
Debt Certificates	27,205,000	36,875,000	-	-	27,205,000	36,875,000
Total long-term obligations	\$ 28,889,515	\$ 37,856,076	\$ 546	\$ 15,460	\$ 28,890,061	\$ 37,871,536

Current year issuances for governmental activities were as follows: One new capital lease in the amount of \$1.7 million was issued for the acquisition of computer equipment. One new debt certificate issuance was completed for the purpose of refunding prior debt issuances at a lower interest rate. Overall, the refundings will reduce total debt service payments over the next seven years by approximately \$1,062,000 and resulted in an economic gain of approximately \$972,000.

There were no issuances for business-type activities during fiscal year 2015.

Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act). As of November 30, 2015, the County's debt limit was \$199.4 million, while actual outstanding debt subject to the limit was \$12.7 million, leaving the County \$186.7 million under the debt limit.

The County's most recent bond rating by Moody's Investors Service was graded AAA. This highest level rating reduces the cost of raising capital for County projects, resulting in substantial savings for taxpayers.

For more detailed information on the County's long-term obligations, see Note 6 in the Notes to Financial Statements on page 32.

ECONOMIC FACTORS

The major fund financial analysis and the government-wide financial analysis presented earlier in MD&A provide valuable insights into whether the County's near-term and overall financial position has improved or deteriorated. However, overall economic conditions and other circumstances will also impact the County's future financial position. Considering major economic factors can provide context for interpreting current financial information, as well as provide a basis for assessing the likelihood that the County's current financial position will improve or deteriorate in the future.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2015

One key economic factor that influences the County's long-term financial outlook is population growth. The County's population increased from 183,241 in 1990, to 260,077 in 2000, and to 308,760 in 2010. Since 2010 however, the County's population has decreased to 307,343 in 2015; a decrease of 1,417. Another important economic indicator is the local unemployment rate. The County's unemployment rate was 5.3% in 2015, which represents a significant improvement from the low point during the great recession, which officially lasted from December 2007 through June 2009. The County's unemployment rate was 6.4% in 2014, 8.3% in 2013, 8.4% in 2012, 9.4% in 2011, and 9.6% in 2009 and 2010.

For more detailed statistical information, see the Statistical Section on pages 161 – 184.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of McHenry, Illinois, Auditor's Office, 2200 North Seminary Avenue, Woodstock, Illinois, 60098. This report can also be found on the County website at: <https://www.co.mchenry.il.us/county-government/departments-a-i/auditor/comprehensive-annual-financial-reports>.

BASIC FINANCIAL STATEMENTS

County of McHenry, Illinois

STATEMENT OF NET POSITION

November 30, 2015

(With Comparative Totals - Primary Government for November 30, 2014)

	Primary Government				Component Unit
	Governmental Activities	Business- Type Activities	Totals		
			2015	2014	
ASSETS					
Current					
Cash and equivalents	\$ 146,836,136	\$ 45,472,317	\$ 192,308,453	\$ 201,688,393	\$ 12,390,004
Receivables					
Property taxes	76,574,775	-	76,574,775	79,486,825	19,454,487
Accounts	-	2,710,657	2,710,657	2,881,066	-
Other	1,631,976	1,270,472	2,902,448	1,800,449	47,554
Due from other governments	16,992,733	-	16,992,733	13,687,708	54,193
Internal balances	1,527,486	(1,527,486)	-	-	-
Prepaid expenses	-	136,002	136,002	95,901	112,157
Inventory	996,196	-	996,196	607,785	-
Total current assets	<u>244,559,302</u>	<u>48,061,962</u>	<u>292,621,264</u>	<u>300,248,127</u>	<u>32,058,395</u>
Noncurrent					
Capital Assets					
Land	63,596,984	6,000	63,602,984	63,416,984	202,984,097
Construction in progress	73,923,235	156,608	74,079,843	58,071,360	2,300,223
Capital assets, net of depreciation/amortization	<u>183,393,406</u>	<u>13,154,466</u>	<u>196,547,872</u>	<u>193,359,567</u>	<u>29,659,427</u>
Net capital assets	<u>320,913,625</u>	<u>13,317,074</u>	<u>334,230,699</u>	<u>314,847,911</u>	<u>234,943,747</u>
Other noncurrent assets					
Investment in joint venture	<u>686,442</u>	<u>95,610</u>	<u>782,052</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>321,600,067</u>	<u>13,412,684</u>	<u>335,012,751</u>	<u>314,847,911</u>	<u>234,943,747</u>
Total Assets	<u>566,159,369</u>	<u>61,474,646</u>	<u>627,634,015</u>	<u>615,096,038</u>	<u>267,002,142</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	17,852,158	1,338,412	19,190,570	-	-
Deferred charge on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,667,283</u>
Total Deferred Outflows of Resources	<u>17,852,158</u>	<u>1,338,412</u>	<u>19,190,570</u>	<u>-</u>	<u>7,667,283</u>

	Primary Government				Component Unit
	Governmental Activities	Business-Type Activities	Totals		
			2015	2014	
LIABILITIES					
Current					
Accounts payable	\$ 9,212,334	\$ 432,839	\$ 9,645,173	\$ 6,707,717	\$ 190,926
Accrued expenses	4,643,589	303,316	4,946,905	4,627,408	1,387,262
Unearned revenue	-	-	-	-	24,062
Other liabilities	626,189	177,822	804,011	876,844	-
Current portion of long-term obligations	<u>14,911,893</u>	<u>76,896</u>	<u>14,988,789</u>	<u>14,402,889</u>	<u>6,935,005</u>
Total current liabilities	29,394,005	990,873	30,384,878	26,614,858	8,537,255
Noncurrent					
Noncurrent portion of long-term obligations	<u>63,427,985</u>	<u>1,699,836</u>	<u>65,127,821</u>	<u>40,880,627</u>	<u>128,150,178</u>
Total Liabilities	<u>92,821,990</u>	<u>2,690,709</u>	<u>95,512,699</u>	<u>67,495,485</u>	<u>136,687,433</u>
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	1,927,082	1,047	1,928,129	-	-
Property taxes levied for future period	<u>76,574,775</u>	<u>-</u>	<u>76,574,775</u>	<u>79,486,825</u>	<u>19,454,487</u>
Total Deferred Inflows of Resources	<u>78,501,857</u>	<u>1,047</u>	<u>78,502,904</u>	<u>79,486,825</u>	<u>19,454,487</u>
NET POSITION					
Net investment in capital assets	291,054,683	13,316,528	304,371,211	284,667,675	108,308,339
Restricted for:					
Recorder's Office	2,097,586	-	2,097,586	2,025,439	-
Treasurer's Office	562,676	-	562,676	462,058	-
Liability insurance	14,627,288	-	14,627,288	15,962,989	139,082
Geographic information systems	1,546,259	-	1,546,259	1,702,210	-
County Clerk's Office	85,407	-	85,407	285,944	-
Transportation	54,454,036	-	54,454,036	64,782,555	-
Public safety	962,361	-	962,361	539,912	-
Judiciary and court related	1,717,968	-	1,717,968	2,196,506	-
Public health and welfare	16,064,468	-	16,064,468	16,012,539	-
Employee benefits	2,857,471	-	2,857,471	2,572,824	-
Public Building Commission	31,179	-	31,179	38,301	-
Debt service	-	-	-	-	565,341
Land acquisition and site improvement	-	-	-	-	1,028,273
Other	50,168	-	50,168	46,754	17,355
Working cash - permanently restricted (nonexpendable)	800,943	-	800,943	800,661	-
Unrestricted	<u>25,775,187</u>	<u>46,804,774</u>	<u>72,579,961</u>	<u>76,017,361</u>	<u>8,469,115</u>
Total Net Position	<u>\$ 412,687,680</u>	<u>\$ 60,121,302</u>	<u>\$ 472,808,982</u>	<u>\$ 468,113,728</u>	<u>\$ 118,527,505</u>

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2015

(With Comparative Totals - Primary Government for the Year Ended November 30, 2014)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 37,596,322	\$ 5,071,025	\$ 187,588	\$ -
Community development	3,825,976	613,406	2,041,997	-
Transportation	19,992,910	155,327	10,213,645	7,512,537
Public safety	43,354,459	8,305,603	283,409	-
Judiciary and court related	15,280,218	8,038,492	121,669	-
Public health and welfare	22,065,296	1,724,924	5,459,467	-
Interest and fiscal charges	882,763	-	-	60,613
Total Governmental Activities	<u>142,997,944</u>	<u>23,908,777</u>	<u>18,307,775</u>	<u>7,573,150</u>
Business-Type Activities				
Public health and welfare	11,091,061	10,296,060	-	-
Public safety	2,695,482	2,642,336	-	-
Total Business-Type Activities	<u>13,786,543</u>	<u>12,938,396</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 156,784,487</u>	<u>\$ 36,847,173</u>	<u>\$ 18,307,775</u>	<u>\$ 7,573,150</u>
Component Unit				
Conservation District	<u>\$ 15,499,031</u>	<u>\$ 1,286,895</u>	<u>\$ 3,843</u>	<u>\$ 2,296,234</u>
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Tax transfer stamps				
Other taxes				
Unrestricted intergovernmental revenues				
State income taxes				
Investment income				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year (as previously stated)				
Restatement (see Note 20)				
Net Position - Beginning of Year (as restated)				
Net Position - End of Year				
See accompanying notes to financial statements.				

Net (Expenses) Revenues and
Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Totals		Component Unit
		2015	2014	
\$ (32,337,709)	\$ -	\$ (32,337,709)	\$ (27,596,626)	\$ -
(1,170,573)	-	(1,170,573)	(1,740,229)	-
(2,111,401)	-	(2,111,401)	(7,480,174)	-
(34,765,447)	-	(34,765,447)	(31,579,233)	-
(7,120,057)	-	(7,120,057)	(5,829,354)	-
(14,880,905)	-	(14,880,905)	(16,943,643)	-
(822,150)	-	(822,150)	(1,470,646)	-
<u>(93,208,242)</u>	<u>-</u>	<u>(93,208,242)</u>	<u>(92,639,905)</u>	<u>-</u>
-	(795,001)	(795,001)	(66,040)	-
-	(53,146)	(53,146)	(137,113)	-
-	(848,147)	(848,147)	(203,153)	-
<u>(93,208,242)</u>	<u>(848,147)</u>	<u>(94,056,389)</u>	<u>(92,843,058)</u>	<u>-</u>
-	-	-	-	<u>(11,912,059)</u>
75,798,457	2,993,381	78,791,838	78,510,797	19,683,484
19,987,380	-	19,987,380	19,577,205	-
2,133,728	-	2,133,728	1,833,392	-
2,588,533	-	2,588,533	2,283,433	190,807
6,962,600	-	6,962,600	6,265,092	-
259,070	85,068	344,138	331,727	55,492
505,127	-	505,127	457,065	98,906
45,671	-	45,671	91,722	45,249
<u>108,280,566</u>	<u>3,078,449</u>	<u>111,359,015</u>	<u>109,350,433</u>	<u>20,073,938</u>
15,072,324	2,230,302	17,302,626	16,507,375	8,161,879
410,434,704	57,679,024	468,113,728	451,606,353	110,365,626
<u>(12,819,348)</u>	<u>211,976</u>	<u>(12,607,372)</u>	<u>-</u>	<u>-</u>
<u>397,615,356</u>	<u>57,891,000</u>	<u>455,506,356</u>	<u>451,606,353</u>	<u>110,365,626</u>
<u>\$ 412,687,680</u>	<u>\$ 60,121,302</u>	<u>\$ 472,808,982</u>	<u>\$ 468,113,728</u>	<u>\$ 118,527,505</u>

County of McHenry, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2015

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
ASSETS					
Cash and equivalents	\$ 43,582,346	\$ 10,823,363	\$ 3,942,771	\$ 83,169,376	\$ 141,517,856
Property taxes receivable	41,600,303	10,900,000	7,800,000	16,274,472	76,574,775
Other receivables	269,671	238,473	-	1,123,832	1,631,976
Due from other governments	7,790,067	-	-	9,202,666	16,992,733
Due from other funds	37,097	-	-	642,935	680,032
Inventory	196,142	14,571	-	785,483	996,196
Advance to other funds	3,172,840	-	-	-	3,172,840
Total Assets	\$ 96,648,466	\$ 21,976,407	\$ 11,742,771	\$ 111,198,764	\$ 241,566,408
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)					
Liabilities					
Accounts payable	\$ 1,653,043	\$ 899,749	\$ -	\$ 6,630,182	\$ 9,182,974
Accrued payroll	2,445,826	30,544	1,218,583	547,832	4,242,785
Due to other funds	1,905,250	32,530	-	609,270	2,547,050
Advance from other funds	-	-	3,172,840	-	3,172,840
Other liabilities	437,404	-	-	188,785	626,189
Total Liabilities	6,441,523	962,823	4,391,423	7,976,069	19,771,838
Deferred Inflows of Resources					
Property taxes levied for future period	41,600,303	10,900,000	7,800,000	16,274,472	76,574,775
Unavailable revenue	840,635	30,388	-	3,007,885	3,878,908
Total Deferred Inflows of Resources	42,440,938	10,930,388	7,800,000	19,282,357	80,453,683
Fund Balances (Deficit)					
Nonspendable	3,563,966	14,571	-	1,586,426	5,164,963
Restricted	431,959	10,068,625	-	80,233,630	90,734,214
Committed	-	-	-	2,120,282	2,120,282
Assigned	4,035,922	-	-	-	4,035,922
Unassigned	39,734,158	-	(448,652)	-	39,285,506
Total Fund Balances (Deficit)	47,766,005	10,083,196	(448,652)	83,940,338	141,340,887
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 96,648,466	\$ 21,976,407	\$ 11,742,771	\$ 111,198,764	\$ 241,566,408

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
November 30, 2015

Total Fund Balances - Governmental Funds	\$ 141,340,887
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the governmental funds.	320,913,625
The investment in joint venture is not a financial resource and, therefore, is not reported in the governmental funds.	686,442
Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds.	3,878,908
Premiums and discounts associated with the issuance of long-term debt represent other financing sources (uses) in governmental funds in the year that the debt is issued. In the Statement of Net Position, these costs are capitalized and amortized over the life of the debt. This is the amount of unamortized premiums and discounts included in governmental activities in the Statement of Net Position.	(969,427)
Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	5,485,554
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Accrued interest	(400,804)
Compensated absences	(4,882,063)
Capital leases	(1,684,515)
Debt certificates	(27,205,000)
Claims and judgments - all other claims	(1,674,033)
Net pension liability	(30,723,059)
Other post-employment benefit obligation	(8,003,911)
In addition to the net pension liability, associated deferred outflows and inflows of resources related to pensions are reported in the Statement of Net Position:	
Deferred outflows of resources - pension-related items	17,852,158
Deferred inflows of resources - pension-related items	(1,927,082)
Total Net Position - Governmental Activities	<u>\$ 412,687,680</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended November 30, 2015

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
REVENUES					
Charges for services	\$ 17,561,975	\$ -	\$ -	\$ 4,214,187	\$ 21,776,162
Licenses and permits	1,222,913	-	-	78,592	1,301,505
Fines and forfeitures	942,257	-	-	20,248	962,505
Grants, contributions, and intergovernmental	3,562,837	61,996	-	14,462,923	18,087,756
Property taxes	40,315,735	10,356,242	7,782,821	17,343,659	75,798,457
Sales taxes	10,032,009	-	-	9,955,371	19,987,380
State income taxes	6,962,600	-	-	-	6,962,600
Tax transfer stamps	2,133,728	-	-	-	2,133,728
Other taxes	2,449,726	-	138,807	-	2,588,533
Investment income	89,776	14,019	3,932	143,238	250,965
Miscellaneous	142,612	187,798	-	220,388	550,798
Total Revenues	85,416,168	10,620,055	7,925,560	46,438,606	150,400,389
EXPENDITURES					
Current					
General and administrative	28,209,454	-	818,469	5,919,304	34,947,227
Community development	1,449,634	-	116,543	2,163,975	3,730,152
Transportation	-	-	-	18,495,568	18,495,568
Public safety	33,144,467	-	4,467,978	2,244,491	39,856,936
Judiciary and court related	10,036,770	-	963,765	3,378,452	14,378,987
Public health and welfare	6,205,081	9,628,218	466,006	5,815,104	22,114,409
Capital outlay	4,204,766	-	-	15,550,127	19,754,893
Debt service					
Principal retirement	950,114	-	-	25,462,601	26,412,715
Interest and fiscal charges	52,999	-	-	1,208,107	1,261,106
Total Expenditures	84,253,285	9,628,218	6,832,761	80,237,729	180,951,993
Excess (deficiency) of revenues over expenditures	1,162,883	991,837	1,092,799	(33,799,123)	(30,551,604)
OTHER FINANCING SOURCES (USES)					
Transfers in	14,220	-	-	21,130,474	21,144,694
Transfers out	(3,803,500)	(414,190)	-	(16,927,004)	(21,144,694)
Refunding debt certificates issued	-	-	-	15,755,000	15,755,000
Premium on debt issuance	-	-	-	741,576	741,576
Capital leases issued	1,691,154	-	-	-	1,691,154
Total Other Financing Sources (Uses)	(2,098,126)	(414,190)	-	20,700,046	18,187,730
Net Change in Fund Balances	(935,243)	577,647	1,092,799	(13,099,077)	(12,363,874)
Fund Balance (Deficit) - Beginning of					
Year (as previously stated)	48,701,248	9,505,549	(1,541,451)	96,745,793	153,411,139
Restatement (See Note 20)	-	-	-	293,622	293,622
Fund Balance (Deficit) - Beginning of	48,701,248	9,505,549	(1,541,451)	97,039,415	153,704,761
Fund Balance (Deficit) - End of Year	\$ 47,766,005	\$ 10,083,196	\$ (448,652)	\$ 83,940,338	\$ 141,340,887

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2015

Net Change in Fund Balances - Governmental Funds \$ (12,363,874)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements.	19,754,893
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(2,525,439)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	5,540,933
Some items that are capitalized represent contributed assets.	7,512,537
Depreciation/amortization are reported in the government-wide financial statements.	(10,397,739)

Capital contributions to a joint venture are reported as an expenditure in the fund financial statements, but are capitalized in the government-wide financial statements.	686,442
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds (or were reported in the prior year), as follows:	
Charges for services	(118,063)
Operating grants and contributions	889,075
Capital grants and contributions	(1,383)
Investment income	344

Internal service funds are used by management to charge insurance costs to individual funds.	(601,941)
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Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.	26,412,715
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Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position.	(18,187,730)
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Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are capitalized and amortized in the Statement of Activities.	184,524
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Decrease in compensated absences	87,592
Decrease in accrued interest	193,819
Decrease in claims and judgments - all other claims	1,324,849
Increase in net pension liability	(10,061,229)
Increase in other post-employment benefit obligation	(1,634,217)
Increase in deferred outflows of resources - pension-related items	10,303,298
Increase in deferred inflows of resources - pension-related items	(1,927,082)

Change in Net Position - Governmental Activities	<u>\$ 15,072,324</u>
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See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2015

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>Fund</u>
ASSETS				
Current Assets				
Cash and equivalents	\$ 41,841,975	\$ 3,630,342	\$ 45,472,317	\$ 5,318,280
Accounts receivable	2,710,657	-	2,710,657	-
Other receivables	22,946	1,247,526	1,270,472	-
Due from other funds	-	300	300	2,196,981
Prepaid expenses	23,080	112,922	136,002	-
Total Current Assets	<u>44,598,658</u>	<u>4,991,090</u>	<u>49,589,748</u>	<u>7,515,261</u>
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Construction in progress	138,668	17,940	156,608	-
Buildings and improvements	14,739,633	-	14,739,633	-
Land improvements	302,971	-	302,971	-
Furniture and fixtures	472,332	15,857	488,189	-
Machinery and equipment	577,986	1,838,949	2,416,935	-
Transportation equipment	71,164	19,053	90,217	-
Computer software	38,253	4,590,989	4,629,242	-
Less: accumulated depreciation/ amortization	<u>(5,177,353)</u>	<u>(4,335,368)</u>	<u>(9,512,721)</u>	<u>-</u>
Net Capital Assets	<u>11,169,654</u>	<u>2,147,420</u>	<u>13,317,074</u>	<u>-</u>
Other Noncurrent Assets				
Investment in joint venture	<u>-</u>	<u>95,610</u>	<u>95,610</u>	<u>-</u>
Total Noncurrent Assets	<u>11,169,654</u>	<u>2,243,030</u>	<u>13,412,684</u>	<u>-</u>
Total Assets	<u>55,768,312</u>	<u>7,234,120</u>	<u>63,002,432</u>	<u>7,515,261</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	<u>1,275,570</u>	<u>62,842</u>	<u>1,338,412</u>	<u>-</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>Fund</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 135,485	\$ 297,354	\$ 432,839	\$ 29,360
Accrued payroll	292,449	10,867	303,316	-
Due to other funds	324,952	5,311	330,263	-
Other liabilities	112,090	65,732	177,822	-
Compensated absences	69,673	6,677	76,350	-
Claims and judgments	-	-	-	3,197,870
Capital leases payable	546	-	546	-
	<u>935,195</u>	<u>385,941</u>	<u>1,321,136</u>	<u>3,227,230</u>
Total Current Liabilities				
Noncurrent Liabilities				
Compensated absences	139,345	13,354	152,699	-
Net pension liability	1,146,123	57,042	1,203,165	-
Other post-employment benefit obligation	326,036	17,936	343,972	-
	<u>1,611,504</u>	<u>88,332</u>	<u>1,699,836</u>	<u>-</u>
Total Noncurrent Liabilities				
	<u>2,546,699</u>	<u>474,273</u>	<u>3,020,972</u>	<u>3,227,230</u>
Total Liabilities				
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	-	1,047	1,047	-
	<u>-</u>	<u>1,047</u>	<u>1,047</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	11,169,108	2,147,420	13,316,528	-
Unrestricted	43,328,075	4,674,222	48,002,297	4,288,031
	<u>54,497,183</u>	<u>6,821,642</u>	61,318,825	<u>4,288,031</u>
Total Net Position				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(1,197,523)</u>	
Net Position of Business-Type Activities			<u>\$ 60,121,302</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended November 30, 2015

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 10,277,954	\$ 2,642,296	\$ 12,920,250	\$ 19,053,462
Other	<u>18,106</u>	<u>40</u>	<u>18,146</u>	<u>-</u>
Total Operating Revenues	<u>10,296,060</u>	<u>2,642,336</u>	<u>12,938,396</u>	<u>19,053,462</u>
OPERATING EXPENSES				
Personnel services	7,822,888	351,545	8,174,433	62,986
Contractual services	1,734,803	1,710,924	3,445,727	19,664,804
Commodities	990,286	122,868	1,113,154	282
Depreciation	480,806	154,802	635,608	-
Amortization	<u>-</u>	<u>352,453</u>	<u>352,453</u>	<u>-</u>
Total Operating Expenses	<u>11,028,783</u>	<u>2,692,592</u>	<u>13,721,375</u>	<u>19,728,072</u>
Operating Loss	<u>(732,723)</u>	<u>(50,256)</u>	<u>(782,979)</u>	<u>(674,610)</u>
NONOPERATING REVENUES (EXPENSES)				
Property taxes	2,993,381	-	2,993,381	-
Investment income	79,451	5,617	85,068	7,761
Interest expense	<u>(260)</u>	<u>-</u>	<u>(260)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>3,072,572</u>	<u>5,617</u>	<u>3,078,189</u>	<u>7,761</u>
Net Change in Net Position	<u>2,339,849</u>	<u>(44,639)</u>	<u>2,295,210</u>	<u>(666,849)</u>
Net Position - Beginning of Year (as previously stated)	51,953,893	6,857,746		4,954,880
Restatement (see Note 20)	<u>203,441</u>	<u>8,535</u>		<u>-</u>
Net Position - Beginning of Year (as restated)	<u>52,157,334</u>	<u>6,866,281</u>		<u>4,954,880</u>
Net Position - End of Year	<u>\$ 54,497,183</u>	<u>\$ 6,821,642</u>		<u>\$ 4,288,031</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(64,908)</u>	
Change in Net Position of Business-Type Activities			<u>\$ 2,230,302</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2015

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 10,443,871	\$ 2,148,512	\$ 12,592,383	\$ 18,065,903
Payments to employees	(7,655,245)	(343,468)	(7,998,713)	(64,975)
Payments to third party administrator	-	-	-	(18,188,084)
Payments to suppliers	<u>(2,840,721)</u>	<u>(1,660,984)</u>	<u>(4,501,705)</u>	<u>(496,589)</u>
Net Cash Flows From Operating Activities	<u>(52,095)</u>	<u>144,060</u>	<u>91,965</u>	<u>(683,745)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	2,993,381	-	2,993,381	-
Interfund payments	<u>23,660</u>	<u>(420)</u>	<u>23,240</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>3,017,041</u>	<u>(420)</u>	<u>3,016,621</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(514,656)	(58,572)	(573,228)	-
Capital contributions to joint venture	-	(29,878)	(29,878)	-
Principal payments - capital leases	(14,914)	-	(14,914)	-
Interest paid	<u>(260)</u>	<u>-</u>	<u>(260)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(529,830)</u>	<u>(88,450)</u>	<u>(618,280)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from investment income	<u>67,919</u>	<u>5,617</u>	<u>73,536</u>	<u>7,761</u>
Net Cash Flows From Investing Activities	<u>67,919</u>	<u>5,617</u>	<u>73,536</u>	<u>7,761</u>
Net Change in Cash and Equivalents	2,503,035	60,807	2,563,842	(675,984)
Cash and Equivalents - Beginning of Year	<u>39,338,940</u>	<u>3,569,535</u>	<u>42,908,475</u>	<u>5,994,264</u>
Cash and Equivalents - End of Year	<u>\$ 41,841,975</u>	<u>\$ 3,630,342</u>	<u>\$ 45,472,317</u>	<u>\$ 5,318,280</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating loss	\$ (732,723)	\$ (50,256)	\$ (782,979)	\$ (674,610)
Adjustments to reconcile operating loss to net cash flows from operating activities				
Depreciation	480,806	154,802	635,608	-
Amortization	-	352,453	352,453	-
Changes in assets, liabilities, and deferred inflows and outflows of resources				
Accounts receivable	170,409	-	170,409	-
Other receivables	-	(493,824)	(493,824)	-
Due from other funds	-	-	-	(987,559)
Prepaid expenses	-	(40,101)	(40,101)	-
Deferred outflows of resources - pension-related items	(801,029)	(38,921)	(839,950)	-
Accounts payable	(186,373)	196,086	9,713	(59,261)
Accounts payable - capital asset purchases	70,741	16,823	87,564	-
Accrued payroll	26,721	1,380	28,101	(1,989)
Other liabilities	(22,598)	-	(22,598)	-
Compensated absences	(4,053)	(2,031)	(6,084)	-
Claims and judgments	-	-	-	1,039,674
Net pension liability	875,023	41,656	916,679	-
Other post-employment benefit obligation	70,981	4,946	75,927	-
Deferred inflows of resources - pension-related items	-	1,047	1,047	-
Net Cash Flows From Operating Activities	<u>\$ (52,095)</u>	<u>\$ 144,060</u>	<u>\$ 91,965</u>	<u>\$ (683,745)</u>
NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:				
Capital contributions to joint venture financed through accounts payable	<u>\$ -</u>	<u>\$ 65,732</u>	<u>\$ 65,732</u>	<u>\$ -</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2015

ASSETS

Cash and equivalents	\$ 9,990,562
Due from other governments	<u>537,260</u>
Total Assets	<u><u>\$ 10,527,822</u></u>

LIABILITIES

Accounts payable	\$ 1,021,288
Due to residents	47,507
Bond escrow	2,905,376
Due to other governments	4,140,661
Other liabilities	<u>2,412,990</u>
Total Liabilities	<u><u>\$ 10,527,822</u></u>

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2015

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the County of McHenry, Illinois (County) conform to accounting principles generally accepted in the United States of America, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of significant accounting policies:

A. Reporting Entity

The reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability exists when:

1. The primary government appoints a voting majority of the component unit's board, and either a) the primary government has the ability to impose its will on the component unit, or b) there exists a financial benefit or burden relationship between the primary government and the component unit; or
2. The component unit is fiscally dependent on the primary government and there exists a financial benefit or burden relationship between the primary government and the component unit.

Legally separate tax-exempt organizations may also be reported as a component unit of a primary government if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition to the criteria described above, the primary government may also consider a legally separate organization to be a component unit if it would otherwise be misleading to exclude the component unit, based on the nature and significance of the component unit's relationship with the primary government.

Following is a description of the organizations that the County considers to be component units, the rationale for including these organizations as component units, and the manner in which the component units are presented in the accompanying financial statements.

Component Unit #1 - McHenry County Public Building Commission - (Blended Component Unit)

The McHenry County Public Building Commission (Commission) is considered to be a component unit of the County because the County Board appoints a voting majority of the Commission's Board and because there exists a financial burden relationship, since the County is legally obligated for the Commission's outstanding debt. The sole purpose of the Commission is to manage the County's building activities. Therefore, the Commission is presented as a blended component unit, which means that the Commission is reported as if it were part of the County. The Commission is presented in the accompanying financial statements as a Special Revenue Fund. The Commission has a fiscal year that ends on November 30, the same as the County. Separately audited financial statements for the Commission may be obtained from the Public Building Commission, 2200 N. Seminary Avenue, Woodstock, Illinois, 60098-2367.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Component Unit #2 - McHenry County Conservation District - (Discretely Presented Component Unit)

The McHenry County Conservation District (District) is considered to be a component unit of the County because the County Board appoints a voting majority of the District's Board and because the County has the ability to impose its will on the District, since the District's annual budget and appropriation ordinance is not considered to be adopted until it is adopted by a resolution of the County Board. The District acquires and maintains land as open space for preservation, education, and recreation within the County. The District is reported as a discretely presented component unit within the accompanying financial statements. The District has a fiscal year that ends on March 31. The latest financial statements as reflected in this report are for the year ended March 31, 2015. Separately audited financial statements may be obtained from the McHenry County Conservation District, 18410 U.S. Highway 14, Woodstock, Illinois, 60098.

Related Organizations

Certain organizations have a voting majority of their board members appointed by the County Board. However, the County is not financially accountable for these organizations because the County does not have the ability to impose its will and because there is no financial benefit or burden relationship. Accordingly, these organizations are not included as part of the financial reporting entity. Such organizations include the following:

Greenwood Drainage District
Hebron Drainage District
McHenry County Housing Authority
Marengo Rescue Squad
Lake in the Hills Sanitary District

Crystal Lake Rural Fire Protection District
Fox River Grove Fire Protection District
Harvard Community Fire Protection District
McHenry Township Fire Protection District

B. Government-Wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the County. Eliminations have been made to minimize the double-counting of internal activities of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from the discretely presented component unit.

The Statement of Activities demonstrates the degree to which the direct expenses of each County function (general and administrative, community development, transportation, public safety, judiciary and court related, and public health and welfare) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The County does not allocate indirect expenses to the functions in the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements: Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows/outflows of resources, net position/fund balance, revenues, and expenses/expenditures. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund statements. An emphasis is placed on major funds within the governmental and proprietary fund statements. A fund is considered major if it is the primary operating fund of the County or if it meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County administers the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. Services which are administered by various departments and accounted for in the general fund include general and administrative, community development, public safety, judiciary and court related, and public health and welfare.

County Mental Health Fund – This fund accounts for expenditures for administering approved mental health programs. Funding is primarily from property taxes.

Illinois Municipal Retirement Fund – This fund accounts for expenditures for municipal retirement expenses for the County’s employees. Revenue is primarily from property taxes.

The County administers the following major enterprise fund:

Valley Hi Fund – This fund accounts for the activities of the Valley Hi nursing home.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. The County administers the following internal service fund:

Health Insurance Fund – This fund accounts for employee and retiree health insurance premiums and claims.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary (agency) funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. Significant activities reported in the agency funds include assets held by the County as an agent responsible for collecting property taxes and assets held by the Clerk of the Circuit Court as an agent for the courts.

C. 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 fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Agency funds also follow the accrual basis of accounting, but do not have a measurement focus.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues, and various State, Federal, and local grants. On an accrual basis, revenues from taxes are recognized when the County has a legal claim to the resources. Grants, entitlements, State shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In general, the County considers revenues for this purpose to be available if they are collected within 60 days of the end of the current fiscal year. However, the County also judgmentally uses an extended period of time, mainly due to unusual delays in payments from the State of Illinois, to avoid artificially distorting normal revenue patterns.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures are recorded when the related liability is incurred, except for unmatured interest on long-term debt, claims and judgments, compensated absences, pension expenditures, and other post employment benefit costs, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. New Accounting Standards Implemented

The County has implemented the following new accounting standards as of December 1, 2014: GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68". These Statements replace existing accounting and financial reporting standards for defined benefit pension plans. In financial statements prepared using the economic resources measurement focus and the accrual basis of accounting, the County is required to recognize a liability equal to the net pension liability, which is defined as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

D. New Accounting Standards Implemented (Continued)

As a result of implementing Statements 68 and 71, the following accounting and financial reporting changes have been made: On the proprietary funds balance sheet and the government-wide statement of net position, a net pension liability has been recorded as a liability and deferred outflows of resources and deferred inflows of resources have been recorded for various pension-related items. Also, beginning net position has been restated to reflect the beginning net pension liability and deferred outflows of resources related to contributions made subsequent to the measurement date. For more information, see Note 7 and Note 20.

E. Cash and Equivalents

For purposes of the statement of cash flows, the County considers, for proprietary funds, all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

G. Inventory and Prepaid Items

Inventories are valued at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

H. Capital Assets

Capital assets, which include tangible assets (land, land improvements, roads, bridges, and related infrastructure, buildings and improvements, furniture and fixtures, machinery and equipment, and transportation equipment) and intangible assets (computer software), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$250,000 for infrastructure assets, \$1 for land, \$50,000 for buildings and improvements and computer software, and \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are presented as capital outlay expenditures in the governmental funds.

Assets which are acquired and held for the County's use are stated at historical cost. Donated capital assets are recorded at their fair market value at the date of donation.

For proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no interest expense capitalized by proprietary funds during 2015.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

Depreciation/amortization of capital assets is recorded in the statement of activities with accumulated depreciation/amortization reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Roads, bridges, and related infrastructure	10 – 40
Buildings and improvements	10 – 40
Land improvements	15 – 40
Furniture and fixtures	5 – 20
Machinery and equipment	5 – 25
Computer software	5 – 10
Transportation equipment	4 – 10

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate category called deferred outflows of resources, which represents a consumption of net position or fund balance that applies to a future period. Deferred outflows of resources are considered by GASB to be separate and distinct from assets. The County reports the following deferred outflows of resources: pension-related items (governmental activities, business-type activities, and proprietary funds).

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate category called deferred inflows of resources, which represents an acquisition of net position or fund balance that applies to a future period. Deferred inflows of resources are considered by GASB to be separate and distinct from liabilities. The County reports the following deferred inflows of resources: property taxes levied for future period (governmental activities, business-type activities, proprietary funds, and governmental funds), unavailable revenue (governmental funds), and pension-related items (governmental activities, business-type activities, and proprietary funds).

J. Unearned Revenue

Unearned revenue arises when resources are received before the County has a legal claim to them, such as when grant monies are received before all eligibility requirements (other than time requirements) imposed by the provider have been met. Unearned revenues are reported as a liability. In subsequent periods, when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. In addition to grant funding, unearned revenue arises from various charges for services, intergovernmental payments, and developer contributions received before such payments have been earned.

K. Compensated Absences

County employees accumulate vacation, sick pay, and compensatory time off for subsequent use or for payment upon termination, death, or retirement. Employees are allowed to accrue up to 150% of their annual vacation accrual, and at no time shall their balance exceed the 150% maximum limit. Employees may not receive vacation pay in lieu of time off unless the department head requests that the employee waive vacation to avoid a hardship on the department. Accrued compensatory time off, earned for hours worked in excess of the employee's regular work schedule, may accumulate up to a maximum of 240 hours, with any excess paid out by the County. Accumulated sick leave is not paid out at termination of employment.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Compensated Absences (Continued)

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation leave balances and unused compensatory time balances for County employees and is determined using current salary rates and includes salary-related payments.

A liability for compensated absences is reported in the individual governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave and accumulated compensatory time of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary funds statement of net position. Premiums and discounts from long-term debt issuances are capitalized and amortized over the life of the issuance using the effective interest method. Issuance costs are reported as expenses in the year of issuance.

In the fund financial statements, governmental funds recognize issuance premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Debt service funds are used to account for and service the long-term obligations issued for governmental funds. Enterprise funds individually account for and service the applicable debt that benefit those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a liability of a governmental fund.

M. Defined Benefit Pension Plans

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

N. Capital Contributions

Capital contributions in the government-wide financial statements represent donations of land, highways, and other capital assets, primarily from developers. Capital contributions reported in the enterprise funds, if any, represent transfers of equipment from governmental funds and capital contributions from outside parties.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and generally result in an increase to the budget for the subsequent year. See note 11 for a summary of encumbrances outstanding at year-end.

P. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Q. Interfund Transactions

The County has the following types of transactions between funds:

Loans and Advances – amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds and due to other funds, when repayment is expected within one year. When repayment is not expected within one year, interfund loans are reported as advances to other funds and advances from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net position.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the governmental fund balance sheets or proprietary fund statements of net position.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as nonoperating revenues and expenses. Transfers between governmental activities and business-type activities are presented as offsetting transfers, under general revenues and transfers, in the government-wide statement of activities.

R. Claims and Judgments

Claims and judgments are recorded as liabilities if it is probable that a loss has been incurred and the amount in question can be reasonably estimated. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred and the above conditions are met. For additional information on claims and judgments, see note 10 - Risk Management.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position/Fund Balance

Government-Wide Financial Statements

In the government-wide financial statements, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as net position and is displayed in the following categories:

- a. **Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of related bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – All other net position that does not meet the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

For governmental funds, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as fund balance and is displayed in the following categories, which describe the nature and extent of constraints on the use of resources that the County is bound to observe:

- a. **Nonspendable** - Represents fund balance that cannot be spent because it is not in spendable form or legally required to be maintained intact.
- b. **Restricted** - Represents fund balance with constraints placed on its use, either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- c. **Committed** - Represents fund balance with constraints placed on its use, imposed internally by formal action (ordinance) of the County's highest level of decision making authority, the County Board, separate from the authorization to raise the underlying revenue. Committed fund balance may be redeployed for other purposes, but requires additional formal action (ordinance) of the County Board. The formal action to commit fund balance must occur prior to the end of the reporting period.
- d. **Assigned** - Represents fund balance that is not considered to be restricted or committed, but is constrained by the County's intent to use resources for specific purposes. Also, remaining positive fund balance amounts, in governmental funds other than the general fund, that are not classified as nonspendable, restricted, or committed are reported as assigned. The County's policy is that fund balance may only be assigned by the County Board through the passage of a resolution.
- e. **Unassigned** - Represents fund balance in the general fund that does not meet the definition of nonspendable, restricted, committed, or assigned fund balance. The general fund is the only fund that should report a positive unassigned fund balance amount. Other governmental funds may report negative unassigned fund balance if expenditures incurred for a specific purpose exceed the resources that are restricted, committed, or assigned to that purpose.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position/Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the County's policy to use restricted fund balance first, then unrestricted fund balance as necessary. Additionally, it is the County's policy to first use committed fund balance, then assigned fund balance, and finally unassigned fund balance when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The County has a minimum fund balance policy. The policy states that the County should maintain in the general fund, minimum unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) equal to six months of budgeted operating expenditures. As of November 30, 2015, the general fund reserve was 5.9 months.

For proprietary funds, the difference between assets, liabilities, and deferred inflows/outflows of resources is reported as net position, and is displayed in the same format as in the government-wide financial statements.

T. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2014. Comparative data by fund has not been presented in all statements, since its inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2 – Legal Compliance – Budgets

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In October, the County Administrator, Associate County Administrator of Finance, and Finance Committee Chairman submit to the County Board a proposed operating budget for the fiscal year commencing on December 1. The operating budget includes proposed expenditures and the means of financing them.

The operating budget is then posted in the Office of the County Clerk for a period of 15 days for public inspection. Prior to November 30, the budget is adopted by passage of an ordinance by the County Board.

Budgetary control over expenditures is maintained on an object code basis (personnel services, contractual, commodities, etc.) by department. Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency appropriation require approval by the County Board. During the year, several emergency appropriations were approved. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end.

Budgets for governmental fund types and internal service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Enterprise funds are adopted on a modified basis, in that depreciation/amortization is not budgeted and capital outlay and debt principal retirements are budgeted. Budgets are adopted for the General Fund, as well as for Special Revenue, Debt Service, Capital Project, Permanent, Enterprise, and Internal Service Funds. However, no budget is adopted for the Public Building Commission Fund (blended component unit), which is a nonmajor special revenue fund.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 2 – Legal Compliance – Budgets (Continued)

Excess of Expenditure/Expenses Over Appropriations

No funds had an excess of expenditures/expenses over appropriations for the year ended November 30, 2015.

Note 3 – Deposits and Investments

Permitted Deposits and Investments - The County's formal investment policy, which is more restrictive than State Statutes, authorizes the County to make deposits/invest in commercial banks, obligations of the U.S. Treasury or other securities guaranteed by the full faith and credit of the United States of America, savings and loan institutions, and the Illinois Funds Investment Pool.

The County's deposits and investments are categorized to show exposure to applicable risk categories as of November 30, 2015.

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

<u>Investment Type</u>	Fair Value	
	Primary	Fiduciary
	Government	Funds
Illinois Funds	\$ <u>3,549</u>	\$ <u>82,649</u>

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer. Oversight is provided by the Auditor General of the State of Illinois. Illinois Funds is not registered with the SEC. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's formal investment policy requires the Treasurer to determine the maturity of investments, so as to enable sufficient cash for all County operating purposes. Investments may be purchased with maturities to match cash flow needs, future projects, or liability requirements.

Credit risk. As stated above, the County's formal investment policy is more restrictive than State Statutes. In addition, the policy requires the Treasurer to maintain current statements of condition for each financial institution holding County funds to review for any evidence of deterioration. If deterioration is noted, the policy permits the County to withdraw its funds and remove said institutions from the list of approved financial institutions. This policy ensures that the County's investments are only maintained with the most creditworthy issuers. As of November 30, 2015, the County's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial credit risk. As of November 30, 2015, none of the County's investments were exposed to custodial credit risk. The County's formal investment policy does not permit any investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

As of November 30, 2015, the County (primary government) had deposits with a book balance of \$192,299,959 and a bank balance of \$194,893,165 and the fiduciary funds had deposits with a book balance of \$9,906,313 and a bank balance of \$9,783,508. As of November 30, 2015, none of the above deposits were exposed to custodial credit risk. The County's formal investment policy manages custodial credit risk for deposits by requiring that all funds in excess of FDIC insurance be secured by collateral held in the County's name.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 3 – Deposits and Investments (Continued)

A reconciliation of cash and investments as shown on the Statement of Net Position and the Statement of Fiduciary Assets and Liabilities is as follows:

Cash and investments	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Cash on hand	\$ 4,945	\$ 1,600
Carrying amount of deposits	192,299,959	9,906,313
Carrying amount of investments	<u>3,549</u>	<u>82,649</u>
Total cash and investments	<u>\$ 192,308,453</u>	<u>\$ 9,990,562</u>

Cash and investments, as reported in the financial statements:

Cash and equivalents	<u>Primary Government</u>	<u>Fiduciary Funds</u>
	<u>\$ 192,308,453</u>	<u>\$ 9,990,562</u>

Note 4 – Property Taxes/Receivables

A. Property Taxes

The County’s property tax is levied each calendar year on all taxable real property located in the County. Since the calendar year 2015 property tax is levied to finance the operations of fiscal year 2016, the calendar year 2015 property tax levy is recorded as a receivable and a deferred inflow of resources as of November 30, 2015. The calendar year 2014 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2015. The County must file its tax levy by the last Tuesday of December each year.

The township assessors are responsible for assessment of all taxable real property within the County, except for certain railroad and pollution control property which is assessed directly by the State. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 4 – Property Taxes/Receivables (Continued)

B. Allowance for Uncollectible Amounts

Revenues of the County are reported net of uncollectible amounts. The allowance for uncollectible amounts related to revenues of the current period is summarized as follows:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Revolving Loan Fund	Nonmajor Governmental Fund	\$ 250,000
Valley Hi Fund	Major Enterprise Fund	<u>275,000</u>
		<u>\$ 525,000</u>

C. Unearned/Unavailable Revenue

Unearned revenue is reported as a liability for resources that have been received, but not yet earned. Property taxes levied for the subsequent year cannot be used to liquidate liabilities of the current period and are reported as a deferred inflow of resources. Governmental funds report unavailable revenue as a deferred inflow of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the following items are reported in governmental funds and governmental activities:

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Liabilities		
Unearned revenue - resources with unmet eligibility requirements	\$ <u>-</u>	\$ <u>-</u>
Deferred Inflows of Resources		
Property taxes levied for future period	\$ <u>76,574,775</u>	\$ <u>76,574,775</u>
Unavailable revenue - grants receivable	2,151,598	-
Unavailable revenue - other receivables	<u>1,727,310</u>	-
Total unavailable revenue	<u>3,878,908</u>	-
Total deferred inflows of resources	\$ <u>80,453,683</u>	\$ <u>76,574,775</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 5 – Capital Assets

A summary of changes in capital assets for governmental activities of the County (primary government) is as follows:

	<u>Balance</u> <u>December 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 63,410,984	\$ 186,000	\$ -	\$ 63,596,984
Construction in progress	<u>57,873,202</u>	<u>25,830,451</u>	<u>(9,780,418)</u>	<u>73,923,235</u>
Total Capital Assets Not Being Depreciated	<u>121,284,186</u>	<u>26,016,451</u>	<u>(9,780,418)</u>	<u>137,520,219</u>
Other Capital Assets				
Roads, bridges, and related infrastructure	142,019,033	8,247,010	-	150,266,043
Buildings and improvements	103,276,728	334,947	-	103,611,675
Land improvements	181,544	-	-	181,544
Furniture and fixtures	3,445,839	120,895	-	3,566,734
Machinery and equipment	36,412,307	2,552,088	(1,827,430)	37,136,965
Computer software	9,606,044	2,078,638	-	11,684,682
Transportation equipment	<u>5,683,155</u>	<u>713,313</u>	<u>(455,786)</u>	<u>5,940,682</u>
Total Other Capital Assets	<u>300,624,650</u>	<u>14,046,891</u>	<u>(2,283,216)</u>	<u>312,388,325</u>
Less Accumulated Depreciation/Amortization for:				
Roads, bridges, and related infrastructure	(40,009,949)	(3,756,339)	-	(43,766,288)
Buildings and improvements	(41,513,673)	(2,622,308)	-	(44,135,981)
Land improvements	(17,919)	(5,973)	-	(23,892)
Furniture and fixtures	(2,735,908)	(124,431)	-	(2,860,339)
Machinery and equipment	(25,823,098)	(2,721,657)	1,827,430	(26,717,325)
Computer software	(6,356,669)	(728,100)	-	(7,084,769)
Transportation equipment	<u>(4,423,180)</u>	<u>(438,931)</u>	<u>455,786</u>	<u>(4,406,325)</u>
Total Accumulated Depreciation/Amortization	<u>(120,880,396)</u>	<u>(10,397,739)</u>	<u>2,283,216</u>	<u>(128,994,919)</u>
Other Capital Assets, Net	<u>179,744,254</u>	<u>3,649,152</u>	<u>-</u>	<u>183,393,406</u>
Governmental Activities Capital Assets, Net	<u>\$ 301,028,440</u>	<u>\$ 29,665,603</u>	<u>\$ (9,780,418)</u>	<u>\$ 320,913,625</u>

Depreciation/Amortization expense for governmental activities was charged to functions as follows:

General and administrative	\$ 3,379,377
Community development	50,987
Transportation	4,532,410
Public safety	1,274,637
Judiciary and court related	786,224
Public health and welfare	<u>374,104</u>
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 10,397,739</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 5 – Capital Assets (Continued)

A summary of changes in capital assets for business-type activities of the County (primary government) is as follows:

	<u>Balance</u> <u>December 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30</u>
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	<u>198,158</u>	<u>180,417</u>	<u>(221,967)</u>	<u>156,608</u>
Total Capital Assets Not Being Depreciated	<u>204,158</u>	<u>180,417</u>	<u>(221,967)</u>	<u>162,608</u>
Other Capital Assets				
Buildings and improvements	14,529,570	210,063	-	14,739,633
Land improvements	302,971	-	-	302,971
Furniture and fixtures	488,189	-	-	488,189
Machinery and equipment	2,321,751	95,184	-	2,416,935
Computer software	4,407,275	221,967	-	4,629,242
Transportation equipment	<u>90,217</u>	<u>-</u>	<u>-</u>	<u>90,217</u>
Total Other Capital Assets	<u>22,139,973</u>	<u>527,214</u>	<u>-</u>	<u>22,667,187</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(3,840,480)	(348,914)	-	(4,189,394)
Land improvements	(113,511)	(15,149)	-	(128,660)
Furniture and fixtures	(388,900)	(48,527)	-	(437,427)
Machinery and equipment	(1,835,028)	(218,929)	-	(2,053,957)
Computer software	(2,260,613)	(352,453)	-	(2,613,066)
Transportation equipment	<u>(86,128)</u>	<u>(4,089)</u>	<u>-</u>	<u>(90,217)</u>
Total Accumulated Depreciation/Amortization	<u>(8,524,660)</u>	<u>(988,061)</u>	<u>-</u>	<u>(9,512,721)</u>
Other Capital Assets, Net	<u>13,615,313</u>	<u>(460,847)</u>	<u>-</u>	<u>13,154,466</u>
Business-Type Activities Capital Assets, Net	<u>\$ 13,819,471</u>	<u>\$ (280,430)</u>	<u>\$ (221,967)</u>	<u>\$ 13,317,074</u>

Depreciation/Amortization expense for business-type activities was charged to functions as follows:

Public safety	\$ 507,255
Public health and welfare	<u>480,806</u>
Total Depreciation/Amortization Expense – Business-Type Activities	<u>\$ 988,061</u>

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
 November 30, 2015

Note 6 – Long-Term Obligations

The following is a summary of long-term obligation activity for the County (primary government) associated with governmental activities for the year:

	Balance December 1	Increases	Decreases	Balance November 30	Due Within One Year
Compensated absences	\$ 4,969,655	\$ 4,690,499	\$ 4,778,091	\$ 4,882,063	\$ 1,627,354
Capital leases	981,076	1,691,154	987,715	1,684,515	501,573
Debt certificates	36,875,000	15,755,000	25,425,000	27,205,000	8,960,000
Debt certificate issuance premiums	412,375	741,576	184,524	969,427	174,996
Claims and judgments - health claims	2,158,196	19,227,758	18,188,084	3,197,870	3,197,870
Claims and judgments - all other claims	2,998,882	612,597	1,937,446	1,674,033	450,100
Net pension liability	20,661,830	10,061,229	-	30,723,059	-
Other post-employment benefit obligation	6,369,694	2,346,052	711,835	8,003,911	-
	<u>\$ 75,426,708</u>	<u>\$ 55,125,865</u>	<u>\$ 52,212,695</u>	<u>\$ 78,339,878</u>	<u>\$ 14,911,893</u>

Compensated absences and other post-employment benefit obligation will be liquidated primarily by the general fund. Claims and judgments - health claims will be liquidated by the health insurance fund (internal service fund), while claims and judgments - all other claims will be liquidated by the insurance loss fund (nonmajor special revenue fund). Net pension liability will be liquidated primarily by the IMRF fund.

The following is a summary of long-term obligation activities for the County (primary government) associated with business-type activities for the year:

	Balance December 1	Increases	Decreases	Balance November 30	Due Within One Year
Compensated absences	\$ 235,133	\$ 244,454	\$ 250,538	\$ 229,049	\$ 76,350
Capital leases	15,460	-	14,914	546	546
Net pension liability	286,486	916,679	-	1,203,165	-
Other post-employment benefit obligation	268,045	108,999	33,072	343,972	-
	<u>\$ 805,124</u>	<u>\$ 1,270,132</u>	<u>\$ 298,524</u>	<u>\$ 1,776,732</u>	<u>\$ 76,896</u>

Compensated absences, net pension liability, and other post-employment benefit obligation will be liquidated by the Valley Hi fund and the 911 fund.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 6 – Long-Term Obligations (Continued)

Long-term obligations outstanding (excluding compensated absences, debt certificate issuance premiums, claims and judgments, net pension liability, and other post-employment benefit obligation) of the County (primary government) are as follows:

Description	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities				
Avaya Lease 11-16				
\$321,039 capital lease, monthly principal and interest payments of \$5,761 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	\$ 70,432	\$ -	\$ 67,942	\$ 2,490
Server Lease 11-16				
\$1,940,000 capital lease, due in annual installments of \$409,240; interest at 2.42% through October 2015. Proceeds were used for the purchase of computer equipment. The capital lease was repaid by the General Fund.	399,568	-	399,568	-
Recorder Lease 12-16				
\$145,337 capital lease, due in annual installments of \$30,631; interest at 2.38% through July 2016. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Recorder Automation Fund.	59,143	-	29,224	29,919
Panasonic Lease 12-16				
\$116,726 capital lease, monthly principal and interest payments of \$2,580 through August 2016; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	51,331	-	29,828	21,503
HP Toughbooks Lease 13-17				
\$181,184 capital lease, due in annual installments of \$47,668; interest at 3.51% through July 2016. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	90,538	-	44,488	46,050

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities (Continued)				
Stan's Lease 14-18				
\$375,533 capital lease, due in monthly installments of \$7,377; interest at 6.66% through November 2018. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	\$ 310,064	\$ -	\$ 69,967	\$ 240,097
PC & Laptop Lease 15-20				
\$1,691,154 capital lease, due in annual installments of \$351,967; interest at 1.9% through May 2019. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the General Fund.	-	1,691,154	346,698	1,344,456
Total Capital Leases - Governmental Activities	\$ 981,076	\$ 1,691,154	\$ 987,715	\$ 1,684,515

Capital leases have resulted in the acquisition of \$5,433,978 of capital assets (equipment), which have accumulated depreciation of \$3,550,133.

Debt Certificates – Governmental Activities

McHenry County General Obligation

\$8,280,000 McHenry County Debt Certificates Series 2006A, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022. The proceeds were used to advance refund Series 2002B debt certificates. In addition, proceeds were used for the purchase and construction of a new animal control facility and for energy saving renovations at the government center. Principal and interest payments were reported in a Debt Service fund. Funding was provided by transfers in from the General Fund. Debt certificates were currently refunded in 2015, see note below on refunding.

	\$ 5,040,000	\$ -	\$ 5,040,000	\$ -
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$4,885,000 McHenry County Debt Certificates Series 2007A, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017. The proceeds were used for the purchase and implementation of a new radio system for the Sheriff's Office. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 1,665,000	\$ -	\$ 535,000	\$ 1,130,000
McHenry County General Obligation				
\$50,000,000 McHenry County Debt Certificates Series 2007B, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017. The proceeds were used for highway engineering, construction, and maintenance costs. Principal and interest payments were reported in a Debt Service fund. Funding was provided by transfers in from the County Highway Fund, Motor Fuel Tax Fund, and County Option Motor Fuel Tax Fund. Debt certificates were currently refunded in 2015, see note below on refunding.	17,385,000	-	17,385,000	-
McHenry County General Obligation				
\$4,480,000 McHenry County Debt Certificates Series 2008, due in annual installments of \$380,000 to \$520,000; Interest at 3.0% to 4.25% through January 2019. The proceeds were used for the acquisition of land and property adjacent to the County courthouse campus. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	2,450,000	-	455,000	1,995,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$7,595,000 McHenry County Debt Certificates Series 2010A, due in annual installments of \$185,000 to \$1,125,000; Interest at 1.5% to 4.5% through December 2019. The proceeds were used for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, the purchase of a new storage area network, and the partial advanced refunding of the Series 2002A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	\$ 4,010,000	\$ -	\$ 1,090,000	\$ 2,920,000
McHenry County General Obligation				
\$4,000,000 McHenry County Debt Certificates (Recovery Zone Economic Development Bonds) Series 2010B, due in annual installments of \$65,000 to \$350,000; Interest at 0.75% to 5.55% through December 2024. The County is eligible to receive reimbursement from the Federal Government for up to 45% of each scheduled interest payment, subject to federal funding levels. The proceeds were used for the expansion of the County mental health facility. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Mental Health Fund.	3,325,000	-	260,000	3,065,000
McHenry County General Obligation				
\$4,245,000 McHenry County Debt Certificates Series 2012B, due in annual installments of \$310,000 to \$1,245,000; Interest at 2.0% to 3.5% through January 2022. The proceeds were used to currently refund Series 2003A debt certificates and to advance refund Series 2005A debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund.	3,000,000	-	660,000	2,340,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$15,755,000 McHenry County Debt Certificates Series 2015, due in periodic installments of \$590,000 to \$6,410,000, beginning December 2015; Interest at 2.0% to 4.0% through December 2021. The proceeds were used to currently refund Series 2006A and Series 2007B debt certificates. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the General Fund and the County Highway Fund.	\$ -	\$ 15,755,000	\$ -	\$ 15,755,000
Total Debt Certificates - Governmental Activities	\$ <u>36,875,000</u>	\$ <u>15,755,000</u>	\$ <u>25,425,000</u>	\$ <u>27,205,000</u>

Capital Leases – Business-Type Activities

Avaya Lease 11-16

\$70,472 capital lease, monthly principal and interest payments of \$1,264 through December 2015; interest imputed at 3.0%. Proceeds were used for the purchase of computer equipment. The capital lease will be repaid by the Valley Hi Fund.

	\$ <u>15,460</u>	\$ -	\$ <u>14,914</u>	\$ <u>546</u>
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Capital leases have resulted in the acquisition of \$70,472 of capital assets (equipment), which have accumulated depreciation of \$70,472.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the County (primary government) for capital leases and debt certificates are as follows:

Fiscal Year	Governmental Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2016	\$ 501,573	\$ 41,467	\$ 543,040
2017	412,860	27,628	440,488
2018	424,574	15,912	440,486
2019	345,508	6,458	351,966
	\$ <u>1,684,515</u>	\$ <u>91,465</u>	\$ <u>1,775,980</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

<u>Fiscal Year</u>	Business-Type Activities		
	Capital Leases - Minimum Future Lease Payments		
	Principal	Interest	Totals
2016	\$ 546	\$ 1	\$ 547
<u>Fiscal Year</u>	Governmental Activities		
	Debt Certificates		
	Principal	Interest	
2016	\$ 8,960,000	\$ 776,043	
2017	8,760,000	496,685	
2018	1,815,000	325,385	
2019	1,905,000	260,171	
2020	1,425,000	202,280	
2021-2025	4,340,000	333,453	
	\$ 27,205,000	\$ 2,394,017	

There are a number of limitations and restrictions contained in various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Current Refunding of Debt

The County issued Series 2015 debt certificates in the amount of \$15,755,000 during the year. The issuance was used to currently refund Series 2006A debt certificates in the amount of \$4,490,000 and to currently refund Series 2007B debt certificates in the amount of \$11,850,000. The current refundings were undertaken to reduce total debt service payments over the next seven years by approximately \$1,062,000 and resulted in an economic gain of approximately \$972,000.

Conduit Debt

The County has participated in the issuance of Industrial Revenue Bonds and Recovery Zone Facility Bonds. These bonds were issued for various third parties for the purpose of constructing privately operated manufacturing and other related facilities within the County. These bonds are not direct or contingent liabilities of the County. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds, and the bondholders can look only to these sources for repayment. As of November 30, 2015, the balance of conduit debt outstanding is \$6,805,675.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans

A. Plan Description

The County provides a defined benefit pension for qualified full-time employees. The County's pension plans are managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. 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.

B. Benefits Provided

The County's defined benefit pension plans provide retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries.

The County provides two separate defined benefit pension plans through IMRF. First, the Sheriff's Law Enforcement Personnel (SLEP) Plan is for individuals in the Sheriff's Office that meet certain criteria. All other qualified full-time employees participate in the Regular Plan.

Both the Regular and SLEP Plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits.

For the Regular Plan, Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees can retire at age 55 (at reduced benefits) or after age 60 (at full benefits) and 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 on January 1 every year after retirement by 3% of the original amount.

For the Regular Plan, Tier 2 employees are vested for pension benefits when they have at least ten years of qualifying service credit. Tier 2 employees can retire at age 62 (at reduced benefits) or after age 67 (at full benefits) and 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.

For the SLEP Plan, Tier 1 employees are vested for pension benefits when they have at least 20 years of qualifying service credit. Tier 1 employees can retire after age 50 (at full benefits) and are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the final rate of earnings for each year of service credit, to a maximum of 80% 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 on January 1 every year after retirement by 3% of the original amount.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

B. Benefits Provided (Continued)

For the SLEP Plan, Tier 2 employees are vested for pension benefits when they have at least ten years of qualifying service credit. Tier 2 employees can retire at age 50 (at reduced benefits) or after age 55 (at full benefits) and are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the final rate of earnings for each year of service credit, 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.

C. Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

	Regular Plan	SLEP Plan
Inactive employees or beneficiaries currently receiving benefits	564	125
Inactive employees entitled to but not yet receiving benefits	784	27
Active employees	1,040	129
	2,388	281

D. Contributions

As set by statute, Regular and SLEP Plan members are required to contribute 4.5% and 7.5% of their annual covered salary, respectively. 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 required contribution rate for calendar year 2014 was 10.76% for the Regular Plan and 25.17% for the SLEP Plan. For the fiscal year ended November 30, 2015, the County contributed \$5,324,917 for the Regular Plan and \$2,810,505 for the SLEP Plan, for a total of \$8,135,422. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of 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.

E. Net Pension Liability

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The December 31, 2014 actuarial valuation was completed using the entry age normal actuarial cost method. The asset valuation method used was market value of assets. Significant actuarial assumptions included (a) inflation rate of 3.5%, (b) salary increases of 3.75% to 14.5%, including inflation, and (c) investment rate of 7.5%.

The projected retirement age was from the experience-based table of rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Expected Rate of Return

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38 %	7.60 %
International equity	17	7.80
Fixed income	27	3.00
Real estate	8	6.15
Alternative investments	9	5.25-8.5
Cash equivalents	1	2.25
	100 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Regular Plan and 7.48% for the SLEP Plan. The projection of cash flows used to determine the 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 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). The expected rate of return on plan investments of 7.50% and the municipal bond rate of 3.56% were used to develop the discount rates shown above.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability

	Increase (Decrease)		
	(a) Total Pension Liability	(b) Plan Fiduciary Net Pension	(a) - (b) Net Pension Liability
Regular Plan			
Balances at December 31, 2013	\$ 181,164,314	\$ 178,039,995	\$ 3,124,319
Changes for the year:			
Service cost	6,019,721	-	6,019,721
Interest	13,546,874	-	13,546,874
Differences between expected and actual experience	1,915,282	-	1,915,282
Changes of assumptions	6,965,270	-	6,965,270
Contributions - County	-	5,380,268	(5,380,268)
Contributions - Employees	-	2,455,548	(2,455,548)
Net investment income	-	10,882,932	(10,882,932)
Benefit payments, including refunds of employee contributions	(7,098,367)	(7,098,367)	-
Other changes	-	174,347	(174,347)
Net changes	<u>21,348,780</u>	<u>11,794,728</u>	<u>9,554,052</u>
Balances at December 31, 2014	<u>\$ 202,513,094</u>	<u>\$ 189,834,723</u>	<u>\$ 12,678,371</u>
SLEP Plan			
Balances at December 31, 2013	\$ 111,841,434	\$ 94,017,437	\$ 17,823,997
Changes for the year:			
Service cost	2,498,881	-	2,498,881
Interest	8,297,342	-	8,297,342
Differences between expected and actual experience	(2,389,738)	-	(2,389,738)
Changes of assumptions	2,088,402	-	2,088,402
Contributions - County	-	2,930,257	(2,930,257)
Contributions - Employees	-	953,167	(953,167)
Net investment income	-	5,712,480	(5,712,480)
Benefit payments, including refunds of employee contributions	(4,623,875)	(4,623,875)	-
Other changes	-	(524,873)	524,873
Net changes	<u>5,871,012</u>	<u>4,447,156</u>	<u>1,423,856</u>
Balances at December 31, 2014	<u>\$ 117,712,446</u>	<u>\$ 98,464,593</u>	<u>\$ 19,247,853</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability (Continued)

Reconciliation of Net Pension Liability to the Financial Statements	<u>Regular Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
Governmental Activities	\$ 11,475,206	\$ 19,247,853	\$ 30,723,059
Proprietary funds/business-type activities			
Valley Hi Fund	1,146,123	-	1,146,123
E911 Fund	<u>57,042</u>	<u>-</u>	<u>57,042</u>
Total proprietary funds/business-type activities	<u>1,203,165</u>	<u>-</u>	<u>1,203,165</u>
Total	<u>\$ 12,678,371</u>	<u>\$ 19,247,853</u>	<u>\$ 31,926,224</u>

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

The following table presents the net pension liability for the Regular and SLEP Plans, as calculated using the current discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Regular Plan			
Net pension liability (asset)	\$ <u>41,966,305</u>	\$ <u>12,678,371</u>	\$ <u>(10,981,970)</u>
SLEP Plan			
Net pension liability	\$ <u>36,141,490</u>	\$ <u>19,247,853</u>	\$ <u>5,466,973</u>

G. Pension Expense

For the fiscal year ended November 30, 2015, the County recognized pension expense of \$5,934,667 for the Regular Plan and \$3,563,014, for the SLEP Plan, for a total of \$9,497,681.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

H. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 1,508,891	\$ -	
Changes of assumptions	5,487,354	-	
Net difference between projected and actual investment earnings	2,003,408	-	
Changes in proportion	8,932	8,932	
Contributions subsequent to the measurement date	<u>4,887,807</u>	<u>-</u>	
Total	<u>\$ 13,896,392</u>	<u>\$ 8,932</u>	
SLEP Plan			
Differences between expected and actual experience	\$ -	\$ 1,919,197	
Changes of assumptions	1,677,194	-	
Net difference between projected and actual investment earnings	1,033,102	-	
Contributions subsequent to the measurement date	<u>2,583,882</u>	<u>-</u>	
Total	<u>\$ 5,294,178</u>	<u>\$ 1,919,197</u>	
Reconciliation of Deferred Outflows of Resources to the Financial Statements	Regular Plan	SLEP Plan	Total
Governmental Activities	\$ <u>12,557,980</u>	\$ <u>5,294,178</u>	\$ <u>17,852,158</u>
Proprietary funds/Business-type activities			
Valley Hi Fund	1,275,570	-	1,275,570
E911 Fund	<u>62,842</u>	<u>-</u>	<u>62,842</u>
Total proprietary funds/Business-type activities	<u>1,338,412</u>	<u>-</u>	<u>1,338,412</u>
Total	<u>\$ 13,896,392</u>	<u>\$ 5,294,178</u>	<u>\$ 19,190,570</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 7 – Defined Benefit Pension Plans (Continued)

H. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Reconciliation of Deferred Inflows of Resources to the Financial Statements	<u>Regular Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
Governmental Activities	\$ 7,885	\$ 1,919,197	\$ 1,927,082
Proprietary funds/Business-type activities			
Valley Hi Fund	-	-	-
E911 Fund	1,047	-	1,047
Total proprietary funds/Business-type activities	<u>1,047</u>	<u>-</u>	<u>1,047</u>
Total	<u>\$ 8,932</u>	<u>\$ 1,919,197</u>	<u>\$ 1,928,129</u>

Amounts reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date (\$4,887,807 for the Regular Plan and \$2,583,882 for the SLEP Plan, for a total of \$7,471,689) will be recognized as a reduction of the net pension liability in the fiscal year ending November 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Regular Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
2016	\$ 2,385,159	\$ 198,943	\$ 2,584,102
2017	2,385,159	198,943	2,584,102
2018	2,385,159	198,943	2,584,102
2019	1,844,176	198,941	2,043,117
2020	-	(4,671)	(4,671)
	<u>\$ 8,999,653</u>	<u>\$ 791,099</u>	<u>\$ 9,790,752</u>

I. Payables to the Pension Plan

As of November 30, 2015, the County reported a payable of \$400,957 for the Regular Plan and \$213,636 for the SLEP Plan, for a total of \$614,593, for outstanding required contributions to IMRF for the month of November 2015.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 8 – Other Post Employment Benefits (OPEB)

A. Plan Description

In addition to the pension benefits described above, the County also provides health and dental insurance benefits (OPEB) to eligible retirees and their spouses (plan members). The OPEB plan is a single-employer defined benefit OPEB plan and is administered by the County. The County is required by state statute to offer health and dental insurance benefits to eligible retirees and their spouses at the same premium-equivalent rate as active employees. The County utilizes premium-equivalents, as it is self-insured for health and dental claims, see note 10, Risk Management. The County's OPEB plan does not issue a stand-alone financial report.

B. Funding Policy

The County Board establishes the level of health and dental benefits offered, as well as the level of retiree contributions and employer contributions. The County Board may amend the level of health and dental benefits offered or the contribution rates, by modifying the County's personnel policy or by negotiating the terms of union contracts. Plan members who are non-Medicare eligible are required to contribute between 63-80% of insurance premium-equivalents, while plan members who are Medicare eligible are required to contribute 100% of the premium-equivalents. The County finances employer contributions on a pay-as-you-go basis, meaning the County only contributes an amount equal to the employer's share of current year premium-equivalents, which range between 20-37% of premium-equivalents for members who are non-Medicare eligible and 0% of premium-equivalents for plan members who are Medicare eligible. For fiscal year 2015, plan members contributed \$1,259,010 and, on an age-adjusted basis, the County contributed \$744,907.

C. Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution (ARC)	\$ 2,558,638
Interest on net OPEB obligation	265,510
Adjustment to annual required contribution	<u>(369,097)</u>
Annual OPEB cost (expense)	2,455,051
Contributions made	<u>(744,907)</u>
Increase in net OPEB obligation	1,710,144
Net OPEB obligation - beginning of year	<u>6,637,739</u>
Net OPEB obligation - end of year	<u><u>\$ 8,347,883</u></u>

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 8 – Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
11/30/15	\$ 2,455,051	\$ 744,907	30.34%	\$ 8,347,883
11/30/14	1,731,851	742,231	42.86	6,637,739
11/30/13	1,671,548	163,976	9.81	5,648,119

D. Funded Status and Funding Progress

As of August 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$25,247,069 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,247,069. The covered payroll (annual payroll of active employees covered by the plan) was \$68,379,076, and the ratio of the UAAL to the covered payroll was 36.92%.

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

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Methods and Assumptions

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

In the August 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate between 0.0% - 7.5% initially, graded to 5.0% over six years, projected salary increases of 3.0% a year, and annual inflation of 3.0%. Since the County is only financing employer contributions on a pay-as-you-go basis, the actuarial value of assets is \$0. The UAAL is being amortized using level dollar amounts on an open 30 year basis.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 9 – Contingent Liabilities

The County (primary government) is a defendant in various lawsuits, wherein substantial amounts are claimed. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters could have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Note 10 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; health care and injuries to employees; and natural disasters. The County accounts for its risk financing in the Health Insurance Fund (internal service fund) and Insurance Loss Fund (nonmajor special revenue fund).

The Insurance Loss Fund provides coverage for up to a maximum of \$650,000 for each worker’s compensation claim, \$250,000 for each general liability claim, and \$25,000 for each liability or property damage claim. The County purchases commercial insurance for claims in excess of coverage provided and for other risks of loss. All funds of the County are covered by the Insurance Loss Fund.

The County is self-insured for health and dental claims, which are accounted for in the Health Insurance Fund. The County has \$195,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 135% of total expected annual claims. The County utilizes a third-party administrator to process the claims. The County reimburses the third-party administrator for the claims plus a processing fee. The Health Insurance Fund is supported by payments from other County funds, those that account for personnel costs, based on estimated premium-equivalent amounts.

The claims and judgments liability of \$4,871,903 at November 30, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability for claims and judgments also includes an estimate of the claims incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Settled claims have not exceeded the excess commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the previous year.

Changes in claims and judgments liability in fiscal years 2015 and 2014 were as follows:

		<u>Balance</u>		<u>Incurred</u>		<u>Claim</u>		<u>Balance</u>
		<u>December 1</u>		<u>Claims and</u>		<u>Payments</u>		<u>November 30</u>
				<u>Changes in</u>				
				<u>Estimates</u>				
2014 - 2015	\$	5,157,078	\$	19,840,355	\$	20,125,530	\$	4,871,903
2013 - 2014	\$	6,799,671	\$	17,171,403	\$	18,813,996	\$	5,157,078

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 11 – Contractual Commitments

As of year-end, the County had entered into various contracts for road and bridge construction and repairs, building projects, information technology projects, and other projects, as shown below. No future financing is required.

	Contract Amount	Remaining Balance
Road and bridge construction and repairs	\$ 57,121,260	\$ 23,800,594
Building projects	431,677	236,755
Information technology projects	2,422,171	516,793
Other projects	8,842,726	2,675,371
	\$ 68,817,834	\$ 27,229,513

As of year-end, encumbrances for contractual commitments is summarized as follows:

General Fund	\$ 2,675,837	\$ 767,445
Nonmajor Governmental Funds	65,844,348	26,377,525
Valley Hi Fund	261,152	72,716
911 Fund	36,497	11,827
	\$ 68,817,834	\$ 27,229,513

Note 12 – Component Unit (McHenry County Conservation District)

This report includes financial information for the McHenry County Conservation District (District), which is presented as a discretely presented component unit. See note 1-A for a description of the District and its relationship with the County.

In addition to the basic financial statements and the preceding notes that apply to the District, the following additional disclosures are considered necessary for a fair presentation.

Summary of Significant Accounting Policies

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

The District's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

B. Compensated Absences

District employees earned vacation pay, up to a maximum of 30 working days, and a percentage (based on length of employment) of sick leave may be paid upon termination of employment.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Deposits and Investments

The District's investment policy authorizes the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by saving and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, and securities issued by Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which in the price for which the investment could be sold.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity, and yield. The Board of Trustee's policy requires collateralization at 105% of the aggregate balance of principal and accrued interest on deposits in financial institutions.

1. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral with the collateral held by an agent of the District in the District's name.

2. Investments

The following table presents the investments and maturities of the District's securities with interest rate risk as of March 31, 2015:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater Than 10</u>
Negotiable Certificates of Deposit	\$ <u>4,800,846</u>	\$ <u>2,320,846</u>	\$ <u>2,480,000</u>	\$ <u>-</u>	\$ <u>-</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed with a budgetary or economic cycle. The investment policy does not strictly limit the maximum maturity lengths of investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in Illinois Funds, which is rated AAAM by Standard and Poor's.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Deposits and Investments (Continued)

2. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investment that are in possession of an outside party. The District’s investment policy does not directly address custodial credit risk for investments. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District’s investment policy requires diversification of investments to avoid unreasonable risk. At March 31, 2015, the District held no investments that were greater than 5% of its overall portfolio.

Capital Assets

A summary of changes in capital assets of the District is as follows:

	Balance April 1	Additions	Deletions	Balance March 31
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 202,498,874	\$ 485,223	\$ -	\$ 202,984,097
Construction in progress	957,676	2,509,641	(1,167,094)	2,300,223
Total Capital Assets Not Being Depreciated	<u>203,456,550</u>	<u>2,994,864</u>	<u>(1,167,094)</u>	<u>205,284,320</u>
Other Capital Assets				
Land improvements and roads	30,422,065	1,025,792	-	31,447,857
Buildings and improvements	14,618,227	98,270	(20,000)	14,696,497
Furniture and equipment	2,435,010	85,426	(68,808)	2,451,628
Office equipment	458,522	55,722	(19,115)	495,129
Vehicles	2,235,374	140,434	(202,282)	2,173,526
Total Other Capital Assets	<u>50,169,198</u>	<u>1,405,644</u>	<u>(310,205)</u>	<u>51,264,637</u>
Less accumulated depreciation for:				
Land improvements and roads	(11,958,287)	(969,383)	-	(12,927,670)
Buildings and improvements	(4,931,843)	(503,461)	9,400	(5,425,904)
Furniture and equipment	(1,429,276)	(164,577)	68,799	(1,525,054)
Office equipment	(256,994)	(23,130)	19,114	(261,010)
Vehicles	(1,391,318)	(276,536)	202,282	(1,465,572)
Total Accumulated Depreciation	<u>(19,967,718)</u>	<u>(1,937,087)</u>	<u>299,595</u>	<u>(21,605,210)</u>
Other Capital Assets, Net	<u>30,201,480</u>	<u>(531,443)</u>	<u>(10,610)</u>	<u>29,659,427</u>
Governmental Activities Capital Assets, Net	<u>\$ 233,658,030</u>	<u>\$ 2,463,421</u>	<u>\$ (1,177,704)</u>	<u>\$ 234,943,747</u>

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
 November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Long-Term Obligations

The following is a summary of long-term obligation transactions for the District:

	Balance April 1	Issuances	Retirements	Balance March 31	Due Within One Year
Compensated absences	\$ 702,561	\$ 322,149	\$ 297,311	\$ 727,399	\$ 295,005
General obligation bonds	127,550,000	108,215,000	124,545,000	111,220,000	6,640,000
Bond issuance premiums	1,705,377	18,282,692	1,705,377	18,282,692	-
Installment contract	4,800,000	-	-	4,800,000	-
Other post-employment benefit obligation	51,760	3,332	-	55,092	-
	<u>\$ 134,809,698</u>	<u>\$ 126,823,173</u>	<u>\$ 126,547,688</u>	<u>\$ 135,085,183</u>	<u>\$ 6,935,005</u>

Long-term obligations outstanding (excluding compensated absences, bond issuance premiums, and other post-employment benefit obligation) of the District are as follows:

Description	Balance December 1	Issuances	Retirements	Balance November 30
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General Obligation Bonds – Governmental Activities (District)

McHenry County Conservation District

\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments of \$115,000 to \$1,785,000; interest at 4.7% to 5.5% through February 1, 2018. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.

\$ 6,620,000	\$ -	\$ 1,530,000	\$ 5,090,000
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McHenry County Conservation District

\$12,235,000 General Obligation Limited Refunding Bonds Series 2001B, due in annual installments of \$150,000 to \$1,410,000; interest at 4.25% to 5.0% through February 1, 2016. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.

350,000	-	200,000	150,000
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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District) (Continued)				
McHenry County Conservation District				
\$58,825,000 General Obligation Refunding Bonds Series 2005A, due in annual installments of \$135,000 to \$9,850,000; interest at 3.0% to 5.0% through February 1, 2021. The proceeds were used to refund prior general obligation bonds. Principal and interest payments were reported in the District Debt Service Fund.	\$ 47,585,000	\$ -	\$ 47,585,000	\$ -
McHenry County Conservation District				
\$73,000,000 General Obligation Bonds Series 2007, due in periodic installments of \$5,000 to \$13,695,000; interest at 4.0% to 5.125% through February 1, 2027. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments were reported in the District Debt Service Fund.	72,995,000	-	72,995,000	-
McHenry County Conservation District				
\$108,215,000 General Obligation Refunding Bonds Series 2014, due in periodic installments of \$2,235,000 to \$13,470,000; interest at 3.0% to 5.0% through February 1, 2027. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	-	108,215,000	2,235,000	105,980,000
Total General Obligation Bonds - Governmental Activities (District)	\$ <u>127,550,000</u>	\$ <u>108,215,000</u>	\$ <u>124,545,000</u>	\$ <u>111,220,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Installment Contract – Governmental Activities (District)				
McHenry County Conservation District				
\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments; balloon payment of principal and interest due November 1, 2016. The proceeds were used for the acquisition of land. Principal and interest payments will be reported in the District Debt Service Fund.				
	\$ <u>4,800,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,800,000</u>

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the District for general obligation bonds and installment contracts for governmental activities are as follows:

Fiscal Year	General Obligation Bonds		Installment Contract	
	Principal	Interest	Principal	Interest
2016	\$ 6,640,000	\$ 5,426,125	\$ -	\$ 120,000
2017	6,695,000	5,187,700	4,800,000	70,356
2018	6,815,000	4,898,713	-	-
2019	7,285,000	4,553,500	-	-
2020	7,800,000	4,189,250	-	-
2021-2025	50,000,000	14,388,500	-	-
2026-2027	25,985,000	1,972,750	-	-
	\$ <u>111,220,000</u>	\$ <u>40,616,538</u>	\$ <u>4,800,000</u>	\$ <u>190,356</u>

Advance Refunding of Debt

On December 16, 2014, the District issued \$108,215,000 Series 2014 General Obligation Refunding Bonds to advance refund \$47,585,000 of the Series 2005A General Obligation Bonds and \$72,995,000 of the Series 2007 General Obligation Bonds. As a result of the refunding, the District achieved cash flow savings of \$14,167,866 and an economic gain of \$12,133,605. The refunded portion of the Series 2005A Bonds were called and paid from escrow on February 1, 2015. The refunded portion of the Series 2007 bonds will be called and paid from escrow on February 1, 2017.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Defined Benefit Pension Plan (pre-GASB 68 implementation)

A. Plan Description

The District's defined benefit pension plan provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

B. Funding Policy

As set by statute, plan members are required to contribute 4.5% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The required employer contribution rates for calendar year 2014 was 12.25%. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. Annual Pension Cost

For fiscal year 2015, the District's annual pension cost of \$546,303 was equal to the District's required and actual contribution.

D. Actuarial Assumptions

The required contributions for calendar year 2014 were determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Each plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

E. Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the District Plan was 67.81% funded. The actuarial accrued liability for benefits was \$10,374,343 and the actuarial value of assets was \$7,034,487, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,339,856. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$4,435,718 and the ratio of the UAAL to the covered payroll was 75.29%.

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Defined Benefit Pension Plan (pre-GASB 68 implementation) (Continued)

F. Trend Information

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2015	\$ 546,303	100%	\$ -
2014	540,606	100%	-
2013	525,832	100%	-

Other Post Employment Benefits (OPEB)

A. Plan Description

In addition to the pension benefits described above, the District also provides post employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. The District plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the District plan. The District plan does not issue a separate report.

B. Funding Policy

The District provides pre and post-Medicare post employment health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the District's retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the District's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Other Post Employment Benefits (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution (ARC)	\$	17,719
Interest on net OPEB obligation		2,070
Adjustment to annual required contribution		<u>(1,725)</u>
Annual OPEB cost (expense)		18,064
Contributions made		<u>(14,732)</u>
Increase in net OPEB obligation		3,332
Net OPEB obligation - beginning of year		<u>51,760</u>
Net OPEB obligation - end of year	\$	<u><u>55,092</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
3/31/15	\$ 18,064	\$ 14,732	81.55%	\$ 55,092
3/31/14	15,310	9,346	61.05	51,760
3/31/13	15,271	9,346	61.20	45,796

D. Funded Status and Funding Progress

As of March 31, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$201,239 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$201,239. The covered payroll (annual payroll of active employees covered by the plan) was \$4,138,394, and the ratio of the UAAL to the covered payroll was 4.86%.

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

The schedule of funding progress, presented as required supplementary information (RSI), following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 12 – Component Unit (McHenry County Conservation District) (Continued)

Other Post Employment Benefits (OPEB) (Continued)

E. Actuarial Methods and Assumptions

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

In the March 31, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, annual healthcare cost trend rates between 5.5% to 7.0% initially, reduced to an ultimate rate of 5.0%, projected salary increases of 4.0% a year, and annual inflation of 3.0%. The actuarial value of assets was not determined, as the District has not advanced funded its obligation. The UAAL is being amortized as a level percentage of projected payroll on an open 30 year basis.

Risk Management

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

The District participates in the Park District Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims, and public officials' liability claims of its members.

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the bylaws of PDRMA, assessment factors based on past member experience, and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2014, the total equity of PDRMA was \$41,316,024. For the year ended December 31, 2014, the increase in net position of PDRMA was \$1,031,678. The District made \$234,834 of payments to PDRMA during the year ended March 31, 2015.

In the event of a liability loss exceeding \$21,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

The District purchases employee health insurance from third-party insurance company providers.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 13 – Enterprise Funds – Segment Information

The County maintains one major enterprise fund which accounts for the activities of the Valley Hi Nursing Home. The fund is intended to be self-supporting through resident fees, intergovernmental revenues (mainly Medicare), and real estate taxes.

The other enterprise fund maintained by the County is the 911 fund, which is supported by charges to participating members. Since the 911 fund is the only nonmajor Enterprise Fund, segment information is not presented. All the 911 fund information is included in the basic financial statements.

Note 14 – Fund Balance Restricted for Future Grant/Program Expenditure

The County receives grant funds from various government agencies. The funds are restricted until expended in accordance with the various restrictions imposed by the grantor.

Note 15 – Interfund Balances and Transfers

A. Interfund Balances

Individual interfund balances for the County (primary government) as of November 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From/To Other Funds Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	County Mental Health Fund	\$ 199	\$ -
General Fund	Nonmajor Governmental Funds	36,375	-
General Fund	Valley Hi Fund	523	-
Nonmajor Governmental Funds	General Fund	1,286	-
Nonmajor Governmental Funds	County Mental Health Fund	19,981	-
Nonmajor Governmental Funds	Valley Hi Fund	208,480	-
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	413,188	-
911 Fund	General Fund	300	-
Internal Service Fund	General Fund	1,903,664	-
Internal Service Fund	County Mental Health Fund	12,350	-
Internal Service Fund	Nonmajor Governmental Funds	159,707	-
Internal Service Fund	Valley Hi Fund	115,949	-
Internal Service Fund	911 Fund	5,311	-
		<hr/>	<hr/>
Subtotal - Fund Financial Statements		2,877,313	\$ <hr/>
Less: Fund eliminations		(5,720,190)	
Add: Internal service fund activities related to enterprise funds		1,197,523	
Add: Advance from general fund to IMRF fund		3,172,840	
		<hr/>	
Total Internal Balances - Government-Wide Statement of Net Position		\$ <hr/>	

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 15 – Interfund Balances and Transfers (Continued)

A. Interfund Balances (Continued)

The principal reason for these interfund balances is a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The General Fund is advancing funds to the IMRF Fund, for the purpose of providing temporary funding for contractually required expenditures that exceed currently available fund resources. Under the agreement, the General Fund may advance up to \$3,347,883. The advance is non-interest bearing, with repayments scheduled to begin in 2016 and end by 2020. The amount of the advance outstanding as of November 30, 2015 is \$3,172,840.

B. Transfers

Interfund transfers for the year ended November 30, 2015 are as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	County Mental Health Fund	\$ 4,770	Administrative expenditures
General Fund	Nonmajor Governmental Funds	9,000	Administrative expenditures
General Fund	Nonmajor Governmental Funds	450	Working Cash transfers
Nonmajor Governmental Funds	General Fund	3,789,453	Debt service payments
Nonmajor Governmental Funds	General Fund	14,047	Administrative expenditures
Nonmajor Governmental Funds	County Mental Health Fund	409,420	Debt service payments
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	10,813,969	Use of restricted sales taxes
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	19,239	Administrative expenditures
Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	<u>6,084,346</u>	Debt service payments
Subtotal - Governmental Fund Financial Statements		21,144,694	
Less: Fund eliminations		<u>(21,144,694)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 16 – Net Position/Fund Balance

Net position reported on the government-wide statement of net position as of November 30, 2015 includes the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>
Net investment in capital assets			
Land	\$ 63,596,984	\$ 6,000	\$ 63,602,984
Construction in progress	73,923,235	156,608	74,079,843
Other capital assets, net of accumulated depreciation/amortization	183,393,406	13,154,466	196,547,872
Less: related long-term debt outstanding	<u>(29,858,942)</u>	<u>(546)</u>	<u>(29,859,488)</u>
Total net investment in capital assets	<u>291,054,683</u>	<u>13,316,528</u>	<u>304,371,211</u>
Restricted			
Recorder's Office	2,097,586	-	2,097,586
Treasurer's Office	562,676	-	562,676
Liability insurance	14,627,288	-	14,627,288
Geographic information systems	1,546,259	-	1,546,259
County Clerk's Office	85,407	-	85,407
Transportation	54,454,036	-	54,454,036
Public safety	962,361	-	962,361
Judiciary and court related	1,717,968	-	1,717,968
Public health and welfare	16,064,468	-	16,064,468
Employee benefits	2,857,471	-	2,857,471
Public Building Commission	31,179	-	31,179
Other	50,168	-	50,168
Working cash - permanently restricted (nonexpendable)	<u>800,943</u>	<u>-</u>	<u>800,943</u>
Total restricted	<u>95,857,810</u>	<u>-</u>	<u>95,857,810</u>
Unrestricted	<u>25,775,187</u>	<u>46,804,774</u>	<u>72,579,961</u>
Total net position	<u>\$ 412,687,680</u>	<u>\$ 60,121,302</u>	<u>\$ 472,808,982</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2015 includes the following:

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Total
Nonspendable					
Inventory	\$ 196,142	\$ 14,571	\$ -	\$ 785,483	\$ 996,196
Long-term portion - advances to other funds/loans receivable	3,367,824	-	-	-	3,367,824
Working cash principal	-	-	-	800,943	800,943
	<u>3,563,966</u>	<u>14,571</u>	<u>-</u>	<u>1,586,426</u>	<u>5,164,963</u>
Restricted					
Recorder's Office	44,335	-	-	2,052,617	2,096,952
Regional Office of Education	27,091	-	-	-	27,091
Treasurer's Office	-	-	-	562,676	562,676
Liability insurance	-	-	-	14,627,288	14,627,288
Geographic information systems	-	-	-	1,546,259	1,546,259
County Clerk's Office	-	-	-	85,407	85,407
Transportation programs	-	-	-	52,328,574	52,328,574
Sheriff's Office	349,355	-	-	519,743	869,098
Coroner's Office	-	-	-	76,568	76,568
Court Services/Probation programs	-	-	-	489,571	489,571
Special Court programs	-	-	-	471,211	471,211
Circuit Clerk automation	-	-	-	269,174	269,174
Other Circuit Clerk programs	-	-	-	351,040	351,040
Law library	-	-	-	69,595	69,595
Other judiciary & court programs	11,178	-	-	39,799	50,977
Mental health programs	-	10,068,625	-	-	10,068,625
Senior service programs	-	-	-	2,291,250	2,291,250
Veterans' assistance programs	-	-	-	539,912	539,912
Tuberculosis care and treatment	-	-	-	502,089	502,089
Workforce network programs	-	-	-	345,679	345,679
Dental care clinic	-	-	-	142,193	142,193
Other public health programs	-	-	-	34,335	34,335
Social security contributions	-	-	-	2,857,471	2,857,471
Public Building Commission	-	-	-	31,179	31,179
	<u>431,959</u>	<u>10,068,625</u>	<u>-</u>	<u>80,233,630</u>	<u>90,734,214</u>

(Continued)

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2015 includes the following (Continued):

	<u>General Fund</u>	<u>County Mental Health Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
Committed					
Treasurer's Office	\$ -	\$ -	\$ -	\$ 272,706	\$ 272,706
Revolving Loan Program	-	-	-	1,847,576	1,847,576
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,120,282</u>	<u>2,120,282</u>
Assigned					
Subsequent year's budget	2,591,428	-	-	-	2,591,428
Information technology	535,679	-	-	-	535,679
Machinery & equipment	473,314	-	-	-	473,314
Vehicles	225,500	-	-	-	225,500
Planning & development	40,735	-	-	-	40,735
Sheriff's Office	100,740	-	-	-	100,740
Other	68,526	-	-	-	68,526
	<u>4,035,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,035,922</u>
Unassigned (deficit)	<u>39,734,158</u>	<u>-</u>	<u>(448,652)</u>	<u>-</u>	<u>39,285,506</u>
Total fund balance	<u>\$ 47,766,005</u>	<u>\$ 10,083,196</u>	<u>\$ (448,652)</u>	<u>\$ 83,940,338</u>	<u>\$ 141,340,887</u>

Note 17 - Fund Deficit

The following fund reported a deficit as of November 30, 2015:

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit Amount</u>
Illinois Municipal Retirement Fund	Major Special Revenue Fund	\$ (448,652)

The deficit in the Illinois Municipal Retirement Fund is due to contractually required expenditures exceeding currently available fund resources. The fund deficit is being temporarily financed by an advance from the General Fund. The fund deficit will be eliminated as future revenues are used to repay the advance, with repayments scheduled to begin in 2016 and end by 2020. See note 15 for more detail on the advance.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 18 – New Governmental Accounting Standard

Following is a summary of a new Statement issued by the Governmental Accounting Standards Board (GASB), which the County will have to implement in a future year:

Statement No. 75 – "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This Statement replaces existing accounting and financial reporting standards for other post employment benefits (OPEB), see note 7.

Under the new Statement, in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting, the County will be required to recognize a liability equal to the net OPEB liability, which is defined as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

Additionally, this Statement requires that actuarial valuations of the total OPEB liability are required to be performed at least every two years, as well as identifies the actuarial cost methods and certain other assumptions and requirements that must be used in the preparation of the actuarial valuation.

The County is required to implement this Statement for the fiscal year ending November 30, 2018.

Note 19 - Joint Venture

The County participates in the McHenry County Broadband Fiber Network Consortium (Fiber Consortium), which was established in 2015. The Fiber Consortium was created for the purpose of providing the location, hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a broadband network for the mutual benefit of its members, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding the broadband network, communications, public sector information systems and technology, and management reporting within the geographical boundaries of its member public sector agencies.

There are five members of the Fiber Consortium. The members and their respective share of construction costs are as follows:

	Construction Cost Share
County of McHenry	35.97 %
McHenry County ETSB - PSAP (911 Fund)	5.01
City of Woodstock	18.29
Woodstock School District 200	38.16
McHenry County College	2.57
	100.00 %

The Fiber Consortium is governed and managed by a board consisting of one representative from each member, as designated by each member through a resolution adopted by the governing board of each member. The County acts as fiscal agent for the Fiber Consortium and reports the financial activity of the Fiber Consortium in an agency fund.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Note 19 - Joint Venture (Continued)

The County reports its share of the equity in the Fiber Consortium as "Investment in Joint Venture" on the statement of net position under governmental activities and the 911 Fund reports its share of the equity on the statement of net position under business-type activities and on the proprietary funds statement of net position. As of November 30, 2015, the County reported investment in joint venture of \$686,442 under governmental activities and \$95,610 under business-type activities/proprietary funds statement of net position, for a total of \$782,052.

The Fiber Consortium has a December 31 year-end and is required to have an annual audit completed. Financial statements for the Fiber Consortium for the year ended December 31, 2015 were not available in time to include summary financial information in this report. Financial statements for the Fiber Consortium will be available from McHenry County Administration, 2200 N Seminary Ave, Woodstock, IL 60098.

Note 20 - Restatement of Beginning Fund Balance/Net Position

Beginning fund balance/net position for the Inmate Welfare Fund (nonmajor special revenue fund) was restated, due to the reclassification of amounts previously reported as liabilities in the General Fund. As a result, beginning fund balance/net position was increased by \$293,622.

In connection with the implementation of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68", the County has made the following adjustments. On the proprietary funds statement of net position and the government-wide statement of net position, beginning net position has been restated to reflect the beginning net pension liability and the deferred outflows of resources related to contributions made subsequent to the measurement date of the beginning net pension liability, but prior to the start of the County's fiscal year.

The prior year columns in report have not been restated. The restatement of beginning fund balance/net position as a result of these adjustments are as follows:

	<u>Governmental Funds</u>	<u>Government-Wide Statements</u>	
		<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Fund Balance/Net position - November 30, 2014 (as previously reported)	\$ 153,411,139	\$ 410,434,704	\$ 57,679,024
Adjustment for Inmate Welfare Fund	293,622	293,622	-
Adjustment for GASB 68 & 71 implementation	<u>-</u>	<u>(13,112,970)</u>	<u>211,976</u>
Fund Balance/Net position - November 30, 2014 (as restated)	<u>\$ 153,704,761</u>	<u>\$ 397,615,356</u>	<u>\$ 57,891,000</u>
	<u>Proprietary Funds</u>		
	<u>Valley Hi Fund</u>	<u>911 Fund</u>	<u>Total</u>
Net position - November 30, 2014 (as previously reported)	\$ 51,953,893	\$ 6,857,746	\$ 58,811,639
Adjustment for GASB 68 & 71 implementation	<u>203,441</u>	<u>8,535</u>	<u>211,976</u>
Net position - November 30, 2014 (as restated)	<u>\$ 52,157,334</u>	<u>\$ 6,866,281</u>	<u>\$ 59,023,615</u>

REQUIRED SUPPLEMENTARY INFORMATION

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 19,023,516	\$ 19,028,516	\$ 17,561,975	\$ (1,466,541)
Licenses and permits	1,065,000	1,065,000	1,222,913	157,913
Fines and forfeitures	1,005,500	1,005,500	942,257	(63,243)
Grants, contributions, and intergovernmental	3,900,594	4,362,931	3,562,837	(800,094)
Property taxes	40,405,000	40,405,000	40,315,735	(89,265)
Sales taxes	9,575,000	9,575,000	10,032,009	457,009
State income taxes	6,325,000	6,325,000	6,962,600	637,600
Tax transfer stamps	1,600,000	1,900,000	2,133,728	233,728
Other taxes	2,097,300	2,097,300	2,449,726	352,426
Investment income	97,000	97,000	89,776	(7,224)
Miscellaneous	186,419	186,419	142,612	(43,807)
Total Revenues	85,280,329	86,047,666	85,416,168	(631,498)
EXPENDITURES				
Current				
General and administrative	29,904,516	31,017,069	28,209,454	2,807,615
Community development	1,429,860	1,515,635	1,449,634	66,001
Public safety	32,893,676	33,587,173	33,144,467	442,706
Judiciary and court related	9,874,106	10,135,887	10,036,770	99,117
Public health and welfare	7,160,313	7,254,541	6,205,081	1,049,460
Capital outlay	2,608,558	5,738,992	4,204,766	1,534,226
Debt service				
Principal retirement	1,070,655	1,367,435	950,114	417,321
Interest and fiscal charges	52,529	62,529	52,999	9,530
Total Expenditures	84,994,213	90,679,261	84,253,285	6,425,976
Excess (deficiency) of revenues over expenditures	286,116	(4,631,595)	1,162,883	5,794,478
OTHER FINANCING SOURCES (USES)				
Transfers in	14,650	14,650	14,220	(430)
Transfers out	(5,393,041)	(3,836,141)	(3,803,500)	32,641
Capital leases issued	1,760,000	1,760,000	1,691,154	(68,846)
Total Other Financing Sources (Uses)	(3,618,391)	(2,061,491)	(2,098,126)	(36,635)
Net Change in Fund Balance	\$ (3,332,275)	\$ (6,693,086)	(935,243)	\$ 5,757,843
Fund Balance - Beginning of Year			48,701,248	
Fund Balance - End of Year			\$ 47,766,005	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY MENTAL HEALTH FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 61,528	\$ 61,528	\$ 61,996	\$ 468
Property taxes	10,900,000	10,900,000	10,356,242	(543,758)
Investment income	10,150	10,150	14,019	3,869
Miscellaneous	<u>24,150</u>	<u>24,150</u>	<u>187,798</u>	<u>163,648</u>
Total Revenues	<u>10,995,828</u>	<u>10,995,828</u>	<u>10,620,055</u>	<u>(375,773)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,162,848	1,162,848	874,545	288,303
Contractual services	9,885,417	10,811,718	8,703,291	2,108,427
Commodities	56,100	125,641	50,382	75,259
Capital outlay	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total Expenditures	<u>11,194,365</u>	<u>12,190,207</u>	<u>9,628,218</u>	<u>2,561,989</u>
Excess (deficiency) of revenues over expenditures	(198,537)	(1,194,379)	991,837	2,186,216
OTHER FINANCING USES				
Transfers out	<u>(414,569)</u>	<u>(439,569)</u>	<u>(414,190)</u>	<u>25,379</u>
Net Change in Fund Balance	<u>\$ (613,106)</u>	<u>\$ (1,633,948)</u>	577,647	<u>\$ 2,211,595</u>
Fund Balance - Beginning of Year			<u>9,505,549</u>	
Fund Balance - End of Year			<u>\$ 10,083,196</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 7,800,000	\$ 7,800,000	\$ 7,782,821	\$ (17,179)
Other taxes				
Personal property replacement tax	112,800	112,800	138,807	26,007
Investment income	<u>1,835</u>	<u>1,835</u>	<u>3,932</u>	<u>2,097</u>
Total Revenues	<u>7,914,635</u>	<u>7,914,635</u>	<u>7,925,560</u>	<u>10,925</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	889,736	889,736	818,469	71,267
Community development	126,691	126,691	116,543	10,148
Public safety	4,857,021	4,857,021	4,467,978	389,043
Judiciary and court related	1,047,684	1,047,684	963,765	83,919
Public health and welfare	<u>506,583</u>	<u>506,583</u>	<u>466,006</u>	<u>40,577</u>
Total Expenditures	<u>7,427,715</u>	<u>7,427,715</u>	<u>6,832,761</u>	<u>594,954</u>
Net Change in Fund Balance	<u>\$ 486,920</u>	<u>\$ 486,920</u>	1,092,799	<u>\$ 605,879</u>
Fund Deficit - Beginning of Year			<u>(1,541,451)</u>	
Fund Deficit - End of Year			<u>\$ (448,652)</u>	

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2015

	<u>Calendar Year 2014</u>
Regular Plan	
Total pension liability	
Service cost	\$ 6,019,721
Interest	13,546,874
Differences between expected and actual experience	1,915,282
Changes of assumptions	6,965,270
Benefit payments, including refunds of employee contributions	<u>(7,098,367)</u>
Net change in total pension liability	<u>21,348,780</u>
Total pension liability - beginning	<u>181,164,314</u>
Total pension liability - ending	<u>\$ 202,513,094</u>
Plan fiduciary net position	
Contributions - County	\$ 5,380,268
Contributions - Employees	2,455,548
Net investment income	10,882,932
Benefit payments, including refunds of employee contributions	(7,098,367)
Other changes	<u>174,347</u>
Net change in plan fiduciary net position	<u>11,794,728</u>
Total plan fiduciary net position - beginning	<u>178,039,995</u>
Total plan fiduciary net position - ending	<u>\$ 189,834,723</u>
Net pension liability - ending	<u>\$ 12,678,371</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.74 %</u>
Covered-employee payroll	<u>\$ 52,665,702</u>
Net pension liability as a percentage of covered-employee payroll	<u>24.07 %</u>

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2015

	<u>Calendar Year 2014</u>
SLEP Plan	
Total pension liability	
Service cost	\$ 2,498,881
Interest	8,297,342
Differences between expected and actual experience	(2,389,738)
Changes of assumptions	2,088,402
Benefit payments, including refunds of employee contributions	<u>(4,623,875)</u>
Net change in total pension liability	<u>5,871,012</u>
Total pension liability - beginning	<u>111,841,434</u>
Total pension liability - ending	<u>\$ 117,712,446</u>
Plan fiduciary net position	
Contributions - County	\$ 2,930,257
Contributions - Employees	953,167
Net investment income	5,712,480
Benefit payments, including refunds of employee contributions	(4,623,875)
Other changes	<u>(524,873)</u>
Net change in plan fiduciary net position	<u>4,447,156</u>
Total plan fiduciary net position - beginning	<u>94,017,437</u>
Total plan fiduciary net position - ending	<u>\$ 98,464,593</u>
Net pension liability - ending	<u>\$ 19,247,853</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.65 %</u>
Covered-employee payroll	<u>\$ 11,935,877</u>
Net pension liability as a percentage of covered-employee payroll	<u>161.26 %</u>

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF COUNTY CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2015

	<u>Calendar Year 2014</u>
Regular Plan	
Actuarially determined contribution	\$ 5,340,302
Actual contribution	<u>5,380,268</u>
Contribution deficiency (excess)	\$ <u>(39,966)</u>
Covered-employee payroll	\$ <u>52,665,702</u>
Actual contribution as a percentage of covered-employee payroll	<u>10.22</u> %
SLEP Plan	
Actuarially determined contribution	\$ 2,930,258
Actual contribution	<u>2,930,257</u>
Contribution deficiency (excess)	\$ <u>1</u>
Covered-employee payroll	\$ <u>11,935,877</u>
Actual contribution as a percentage of covered-employee payroll	<u>24.55</u> %

Notes to schedule:

Valuation Date: December 31, 2012. Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates

Actuarial Cost Method: Aggregate entry age normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 29-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 4.0%
Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases: 4.40% to 16%, including inflation
Investment Rate of Return: 7.5%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
November 30, 2015

County Plan		(1)	(2)	(2)-(1)		(3)	UAAL as a
Actuarial	Actuarial	Actuarial	Actuarial	Unfunded	(1)/(2)	Covered	Percentage of
Valuation	Value of	Liability (AAL)	Accrued	AAL	Funded	Payroll	Covered
Date	Assets	Entry Age	Entry Age	(UAAL)	Ratio	Payroll	Payroll
							((2-1)/3)
8/1/2013	\$ -	\$ 25,247,069	\$ 25,247,069	-	% \$	68,379,076	36.92 %
8/1/2011	-	15,797,805	15,797,805	-		65,612,697	24.08
8/1/2009	-	14,687,870	14,687,870	-		62,919,438	23.34
8/1/2007	-	12,127,965	12,127,965	-		55,354,688	21.91

See Independent Auditors' Report and accompanying notes to required supplementary information.

County of McHenry, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2015

Note 1 – Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at fiscal year-end.

Note 2 – Excess of Expenditures Over Appropriations

No major funds had an excess of expenditures over appropriations for the year ended November 30, 2015.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for and report all financial resources not accounted for and reported in another fund.

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 160,000	\$ 160,000	\$ 159,235	\$ (765)
Tax redemption fees	160,000	160,000	66,000	(94,000)
Recording fees	1,000,000	1,000,000	1,004,554	4,554
Penalties/fees on delinquent taxes	1,750,000	1,750,000	1,343,616	(406,384)
Cable television franchise fees	500,000	500,000	579,344	79,344
Assessor's salary reimbursement	57,123	57,123	51,500	(5,623)
Russel Ct facility - rent & utilization fee	36,920	36,920	51,246	14,326
Other fees and charges	14,300	14,300	25,629	11,329
Community Development				
Subdivision review fees	5,000	5,000	3,668	(1,332)
Maps and publications fees	1,000	1,000	753	(247)
Solid waste tipping fees	21,000	21,000	21,000	-
Other fees and charges	11,750	11,750	8,364	(3,386)
Public Safety				
Sheriff fees - circuit court	365,000	365,000	338,436	(26,564)
Sheriff fees - photocopies	6,000	6,000	9,432	3,432
Sheriff fees - foreign courts	30,000	30,000	31,951	1,951
Foreclosures	45,000	45,000	21,094	(23,906)
Court security fees	650,000	650,000	536,825	(113,175)
Jail space rental	7,050,000	7,050,000	6,426,800	(623,200)
Payphones	150,000	150,000	88,662	(61,338)
Dispatching fee	259,388	259,388	263,097	3,709
Squad car replacement fee	25,000	25,000	18,477	(6,523)
Sheriff salary reimbursement	-	-	53,562	53,562
Off duty detail	-	5,000	16,720	11,720
Other fees and charges	61,745	61,745	113,956	52,211
Judiciary and Court Related				
10% bond earnings	312,000	312,000	261,682	(50,318)
Circuit clerk fees	3,192,800	3,192,800	2,756,711	(436,089)
County court fees	200,000	200,000	167,613	(32,387)
Court services salary reimbursements	1,275,802	1,275,802	1,643,371	367,569
State's attorney salary reimbursements	166,508	166,508	144,677	(21,831)
State's attorney fees	67,500	67,500	61,307	(6,193)
Public aid	5,000	5,000	2,602	(2,398)
Periodic imprisonment fees	10,000	10,000	6,730	(3,270)
Public defender salary reimbursement	99,955	99,955	99,895	(60)
Public defenders fees	80,000	80,000	40,225	(39,775)
Other fees and charges	51,600	51,600	43,763	(7,837)

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CHARGES FOR SERVICES (Continued)				
Public Health and Welfare				
Animal control tags	\$ 636,500	\$ 636,500	\$ 666,310	\$ 29,810
Veterinary fees	58,000	58,000	51,647	(6,353)
Nursing fees	68,500	68,500	41,348	(27,152)
Health review fees	5,000	5,000	4,820	(180)
Health promotion	13,000	13,000	17,745	4,745
Vital record fees	58,000	58,000	52,372	(5,628)
Subdivision review fees	4,000	4,000	2,201	(1,799)
Medicare	5,000	5,000	5,684	684
Public aid	175,000	175,000	92,519	(82,481)
Vision and hearing fees	50,000	50,000	38,709	(11,291)
Solid waste tipping fees	18,000	18,000	18,286	286
Other fees and charges	112,125	112,125	107,837	(4,288)
Total Charges for Services	<u>19,023,516</u>	<u>19,028,516</u>	<u>17,561,975</u>	<u>(1,466,541)</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	114,000	114,000	109,410	(4,590)
Amusement licenses	10,000	10,000	5,885	(4,115)
Community Development				
Building permits	250,000	250,000	382,820	132,820
Zoning permits	60,000	60,000	74,772	14,772
Stormwater permits	84,000	84,000	104,177	20,177
Public Health and Welfare				
Septic and well permits	85,000	85,000	93,250	8,250
Health licenses	450,000	450,000	443,899	(6,101)
Hauler license fees	12,000	12,000	8,700	(3,300)
Total Licenses and Permits	<u>1,065,000</u>	<u>1,065,000</u>	<u>1,222,913</u>	<u>157,913</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	10,000	10,000	13,562	3,562
Judiciary and Court Related				
Fines and bond forfeitures	863,000	863,000	818,432	(44,568)
County drug fines	95,000	95,000	72,659	(22,341)
Public Health and Welfare				
Veterinary fines	37,500	37,500	37,604	104
Total Fines and Forfeitures	<u>1,005,500</u>	<u>1,005,500</u>	<u>942,257</u>	<u>(63,243)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GRANTS, CONTRIBUTIONS, AND INTERGOVERNMENTAL				
General and Administrative				
Election-related grants	\$ 21,750	\$ 210,603	\$ 238,988	\$ 28,385
Regional Office of Education grants	125,000	139,000	144,294	5,294
Energy efficiency grants	67,574	67,574	8,045	(59,529)
Public Safety				
Sheriff's Office - grants	50,000	227,044	184,831	(42,213)
Emergency Management - grants	68,000	118,440	79,281	(39,159)
Judiciary and Court Related				
Dependent children/parent reimbursements	34,000	34,000	49,971	15,971
State's Attorney - grants	29,810	29,810	31,305	1,495
Court Administration - grants	5,000	5,000	4,492	(508)
Public Health and Welfare				
Health department grants -				
Nursing	2,997,972	3,029,972	2,378,973	(650,999)
Environmental Administration	146,488	146,488	119,790	(26,698)
Administration	55,000	55,000	5,000	(50,000)
IDPH vaccines	300,000	300,000	317,867	17,867
Total Grants, Contributions, and Intergovernmental	<u>3,900,594</u>	<u>4,362,931</u>	<u>3,562,837</u>	<u>(800,094)</u>
PROPERTY TAXES	<u>40,405,000</u>	<u>40,405,000</u>	<u>40,315,735</u>	<u>(89,265)</u>
SALES TAXES	<u>9,575,000</u>	<u>9,575,000</u>	<u>10,032,009</u>	<u>457,009</u>
STATE INCOME TAXES	<u>6,325,000</u>	<u>6,325,000</u>	<u>6,962,600</u>	<u>637,600</u>
TAX TRANSFER STAMPS	<u>1,600,000</u>	<u>1,900,000</u>	<u>2,133,728</u>	<u>233,728</u>
OTHER TAXES				
Local use tax	1,175,000	1,175,000	1,445,018	270,018
Personal property replacement tax	750,000	750,000	765,447	15,447
Gambling taxes	172,300	172,300	239,261	66,961
Total Other Taxes	<u>2,097,300</u>	<u>2,097,300</u>	<u>2,449,726</u>	<u>352,426</u>
INVESTMENT INCOME				
Interest	<u>97,000</u>	<u>97,000</u>	<u>89,776</u>	<u>(7,224)</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
MISCELLANEOUS				
General and Administrative				
Tax sale indemnity proceeds	\$ 145,000	\$ 145,000	\$ 121,140	\$ (23,860)
Proceeds from sale of capital assets	25,000	25,000	14,341	(10,659)
Other income	<u>16,419</u>	<u>16,419</u>	<u>7,131</u>	<u>(9,288)</u>
Total Miscellaneous	<u>186,419</u>	<u>186,419</u>	<u>142,612</u>	<u>(43,807)</u>
TOTAL REVENUES	<u>\$ 85,280,329</u>	<u>\$ 86,047,666</u>	<u>\$ 85,416,168</u>	<u>\$ (631,498)</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 584,180	\$ 596,885	\$ 597,442	\$ (557)
Contractual services	175,300	181,000	155,794	25,206
Commodities	<u>17,950</u>	<u>17,950</u>	<u>13,273</u>	<u>4,677</u>
Total Administration	<u>777,430</u>	<u>795,835</u>	<u>766,509</u>	<u>29,326</u>
Auditor				
Personnel services	380,579	391,974	391,969	5
Contractual services	6,100	6,100	5,687	413
Commodities	<u>11,849</u>	<u>11,849</u>	<u>9,108</u>	<u>2,741</u>
Total Auditor	<u>398,528</u>	<u>409,923</u>	<u>406,764</u>	<u>3,159</u>
County Board and Liquor Commission				
Personnel services	614,833	614,833	612,813	2,020
Contractual services	70,632	70,632	65,710	4,922
Commodities	<u>32,000</u>	<u>32,000</u>	<u>22,935</u>	<u>9,065</u>
Total County Board and Liquor Commission	<u>717,465</u>	<u>717,465</u>	<u>701,458</u>	<u>16,007</u>
County Clerk				
Personnel services	440,851	440,851	440,003	848
Contractual services	7,050	7,050	6,231	819
Commodities	<u>9,100</u>	<u>9,100</u>	<u>9,065</u>	<u>35</u>
Total County Clerk	<u>457,001</u>	<u>457,001</u>	<u>455,299</u>	<u>1,702</u>
County Clerk - Elections				
Personnel services	519,788	519,788	418,715	101,073
Contractual services	194,050	194,750	193,803	947
Commodities	<u>185,645</u>	<u>184,945</u>	<u>176,431</u>	<u>8,514</u>
Total County Clerk - Elections	<u>899,483</u>	<u>899,483</u>	<u>788,949</u>	<u>110,534</u>
Educational Service Region				
Personnel services	213,012	205,043	205,035	8
Contractual services	40,250	60,850	52,492	8,358
Commodities	<u>36,180</u>	<u>46,758</u>	<u>38,670</u>	<u>8,088</u>
Total Educational Service Region	<u>289,442</u>	<u>312,651</u>	<u>296,197</u>	<u>16,454</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Facilities Management				
Personnel services	\$ 1,148,417	\$ 1,176,938	\$ 1,176,933	\$ 5
Contractual services	1,756,375	1,795,316	1,638,361	156,955
Commodities	<u>129,192</u>	<u>130,177</u>	<u>109,181</u>	<u>20,996</u>
Total Facilities Management	<u>3,033,984</u>	<u>3,102,431</u>	<u>2,924,475</u>	<u>177,956</u>
Human Resources				
Personnel services	280,552	280,552	235,436	45,116
Contractual services	264,130	265,530	264,435	1,095
Commodities	<u>6,250</u>	<u>6,250</u>	<u>3,716</u>	<u>2,534</u>
Total Human Resources	<u>550,932</u>	<u>552,332</u>	<u>503,587</u>	<u>48,745</u>
Information Technology				
Personnel services	1,839,467	1,866,108	1,866,103	5
Contractual services	1,221,779	1,304,479	1,197,306	107,173
Commodities	<u>76,477</u>	<u>92,477</u>	<u>68,456</u>	<u>24,021</u>
Total Information Technology	<u>3,137,723</u>	<u>3,263,064</u>	<u>3,131,865</u>	<u>131,199</u>
Merit Commission				
Personnel services	5,096	5,096	1,838	3,258
Contractual services	54,000	74,000	26,120	47,880
Commodities	<u>900</u>	<u>900</u>	<u>489</u>	<u>411</u>
Total Merit Commission	<u>59,996</u>	<u>79,996</u>	<u>28,447</u>	<u>51,549</u>
Purchasing				
Personnel services	244,180	251,878	251,873	5
Contractual services	21,278	21,278	12,808	8,470
Commodities	<u>422,735</u>	<u>468,635</u>	<u>451,882</u>	<u>16,753</u>
Total Purchasing	<u>688,193</u>	<u>741,791</u>	<u>716,563</u>	<u>25,228</u>
Recorder				
Personnel services	843,788	843,788	767,112	76,676
Contractual services	40,250	39,556	20,946	18,610
Commodities	<u>1,138,710</u>	<u>1,439,404</u>	<u>1,439,161</u>	<u>243</u>
Total Recorder	<u>2,022,748</u>	<u>2,322,748</u>	<u>2,227,219</u>	<u>95,529</u>
Supervisor of Assessments				
Personnel services	888,006	888,006	879,485	8,521
Contractual services	161,250	161,250	155,645	5,605
Commodities	<u>11,500</u>	<u>11,500</u>	<u>6,416</u>	<u>5,084</u>
Total Supervisor of Assessments	<u>1,060,756</u>	<u>1,060,756</u>	<u>1,041,546</u>	<u>19,210</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 563,032	\$ 564,400	\$ 564,395	\$ 5
Contractual services	63,245	63,245	31,149	32,096
Commodities	<u>7,850</u>	<u>7,850</u>	<u>6,805</u>	<u>1,045</u>
Total Treasurer	<u>634,127</u>	<u>635,495</u>	<u>602,349</u>	<u>33,146</u>
Non-Departmental				
Personnel services	1,381,285	421,000	870	420,130
Contractual services	13,784,073	15,233,748	13,617,357	1,616,391
Commodities	<u>11,350</u>	<u>11,350</u>	<u>-</u>	<u>11,350</u>
Total Non-Departmental	<u>15,176,708</u>	<u>15,666,098</u>	<u>13,618,227</u>	<u>2,047,871</u>
Total General and Administrative	<u>29,904,516</u>	<u>31,017,069</u>	<u>28,209,454</u>	<u>2,807,615</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,186,252	1,190,993	1,190,988	5
Contractual services	186,135	267,169	226,136	41,033
Commodities	<u>57,473</u>	<u>57,473</u>	<u>32,510</u>	<u>24,963</u>
Total Planning and Development	<u>1,429,860</u>	<u>1,515,635</u>	<u>1,449,634</u>	<u>66,001</u>
Total Community Development	<u>1,429,860</u>	<u>1,515,635</u>	<u>1,449,634</u>	<u>66,001</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	27,612,706	28,347,675	28,544,084	(196,409)
Contractual services	3,413,251	3,417,893	3,093,176	324,717
Commodities	<u>1,049,960</u>	<u>930,302</u>	<u>662,273</u>	<u>268,029</u>
Total County Sheriff	<u>32,075,917</u>	<u>32,695,870</u>	<u>32,299,533</u>	<u>396,337</u>
Emergency Management				
Personnel services	227,464	229,935	229,930	5
Contractual services	31,350	74,253	24,764	49,489
Commodities	<u>16,130</u>	<u>26,650</u>	<u>25,678</u>	<u>972</u>
Total Emergency Management	<u>274,944</u>	<u>330,838</u>	<u>280,372</u>	<u>50,466</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 396,708	\$ 414,358	\$ 419,904	\$ (5,546)
Contractual services	134,675	138,862	137,468	1,394
Commodities	<u>11,432</u>	<u>7,245</u>	<u>7,190</u>	<u>55</u>
Total County Coroner	<u>542,815</u>	<u>560,465</u>	<u>564,562</u>	<u>(4,097)</u>
Total Public Safety	<u>32,893,676</u>	<u>33,587,173</u>	<u>33,144,467</u>	<u>442,706</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,855,255	1,859,914	1,859,909	5
Contractual services	27,450	27,450	19,715	7,735
Commodities	<u>25,550</u>	<u>25,550</u>	<u>23,990</u>	<u>1,560</u>
Total Clerk of the Circuit Court	<u>1,908,255</u>	<u>1,912,914</u>	<u>1,903,614</u>	<u>9,300</u>
Court Administration				
Personnel services	519,077	519,077	504,233	14,844
Contractual services	525,000	625,000	596,944	28,056
Commodities	<u>67,980</u>	<u>73,117</u>	<u>67,425</u>	<u>5,692</u>
Total Court Administration	<u>1,112,057</u>	<u>1,217,194</u>	<u>1,168,602</u>	<u>48,592</u>
Court Services				
Personnel services	2,383,430	2,450,031	2,450,026	5
Contractual services	476,900	477,536	477,536	-
Commodities	<u>20,300</u>	<u>20,300</u>	<u>20,064</u>	<u>236</u>
Total Court Services	<u>2,880,630</u>	<u>2,947,867</u>	<u>2,947,626</u>	<u>241</u>
Public Defender				
Personnel services	956,209	986,233	986,228	5
Contractual services	10,550	10,550	6,422	4,128
Commodities	<u>9,929</u>	<u>9,929</u>	<u>7,155</u>	<u>2,774</u>
Total Public Defender	<u>976,688</u>	<u>1,006,712</u>	<u>999,805</u>	<u>6,907</u>
State's Attorney				
Personnel services	2,758,419	2,818,018	2,818,012	6
Contractual services	181,375	176,500	161,934	14,566
Commodities	<u>56,682</u>	<u>56,682</u>	<u>37,177</u>	<u>19,505</u>
Total State's Attorney	<u>2,996,476</u>	<u>3,051,200</u>	<u>3,017,123</u>	<u>34,077</u>
Total Judiciary and Court Related	<u>9,874,106</u>	<u>10,135,887</u>	<u>10,036,770</u>	<u>99,117</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC HEALTH AND WELFARE				
Health Department				
Personnel services	\$ 5,376,980	\$ 5,376,980	\$ 5,018,614	\$ 358,366
Contractual services	1,015,123	1,097,790	653,541	444,249
Commodities	<u>768,210</u>	<u>779,771</u>	<u>532,926</u>	<u>246,845</u>
Total Health Department	<u>7,160,313</u>	<u>7,254,541</u>	<u>6,205,081</u>	<u>1,049,460</u>
Total Public Health and Welfare	<u>7,160,313</u>	<u>7,254,541</u>	<u>6,205,081</u>	<u>1,049,460</u>
Total Expenditures - Current	<u>81,262,471</u>	<u>83,510,305</u>	<u>79,045,406</u>	<u>4,464,899</u>
CAPITAL OUTLAY	<u>2,608,558</u>	<u>5,738,992</u>	<u>4,204,766</u>	<u>1,534,226</u>
DEBT SERVICE				
Principal retirement	1,070,655	1,367,435	950,114	417,321
Interest and fiscal charges	<u>52,529</u>	<u>62,529</u>	<u>52,999</u>	<u>9,530</u>
Total Debt Service	<u>1,123,184</u>	<u>1,429,964</u>	<u>1,003,113</u>	<u>426,851</u>
TOTAL EXPENDITURES	<u>\$ 84,994,213</u>	<u>\$ 90,679,261</u>	<u>\$ 84,253,285</u>	<u>\$ 6,425,976</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2015

	Special Revenue	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS				
Cash and equivalents	\$ 82,367,983	\$ -	\$ 801,393	\$ 83,169,376
Property taxes receivable	16,274,472	-	-	16,274,472
Other receivables	1,123,832	-	-	1,123,832
Due from other governments	9,202,666	-	-	9,202,666
Due from other funds	642,935	-	-	642,935
Inventory	785,483	-	-	785,483
Total Assets	\$ 110,397,371	\$ -	\$ 801,393	\$ 111,198,764
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,630,182	\$ -	\$ -	\$ 6,630,182
Accrued payroll	547,832	-	-	547,832
Due to other funds	608,820	-	450	609,270
Other liabilities	188,785	-	-	188,785
Total Liabilities	7,975,619	-	450	7,976,069
Deferred Inflows of Resources				
Property taxes levied for future period	16,274,472	-	-	16,274,472
Unavailable revenue	3,007,885	-	-	3,007,885
Total Deferred Inflows of Resources	19,282,357	-	-	19,282,357
Fund Balances				
Nonspendable	785,483	-	800,943	1,586,426
Restricted	80,233,630	-	-	80,233,630
Committed	2,120,282	-	-	2,120,282
Total Fund Balances	83,139,395	-	800,943	83,940,338
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 110,397,371	\$ -	\$ 801,393	\$ 111,198,764

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2015

	Special Revenue	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES				
Charges for services	\$ 4,214,187	\$ -	\$ -	\$ 4,214,187
Licenses and permits	78,592	-	-	78,592
Fines and forfeitures	20,248	-	-	20,248
Grants, contributions, and intergovernmental	14,462,923	-	-	14,462,923
Property taxes	17,343,659	-	-	17,343,659
Sales taxes	9,955,371	-	-	9,955,371
Investment income	142,506	-	732	143,238
Miscellaneous	220,388	-	-	220,388
Total Revenues	46,437,874	-	732	46,438,606
EXPENDITURES				
Current				
General and administrative	5,771,209	148,095	-	5,919,304
Community development	2,163,975	-	-	2,163,975
Transportation	18,495,568	-	-	18,495,568
Public safety	2,244,491	-	-	2,244,491
Judiciary and court related	3,378,452	-	-	3,378,452
Public health and welfare	5,815,104	-	-	5,815,104
Capital outlay	15,550,127	-	-	15,550,127
Debt service				
Principal retirement	37,601	25,425,000	-	25,462,601
Interest and fiscal charges	1,407	1,206,700	-	1,208,107
Total Expenditures	53,457,934	26,779,795	-	80,237,729
Excess (deficiency) of revenues over expenditures	<u>(7,020,060)</u>	<u>(26,779,795)</u>	<u>732</u>	<u>(33,799,123)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,847,255	10,283,219	-	21,130,474
Transfers out	(16,926,554)	-	(450)	(16,927,004)
Refunding debt certificates issued	-	15,755,000	-	15,755,000
Premium on debt issuance	-	741,576	-	741,576
Total Other Financing Sources (Uses)	(6,079,299)	26,779,795	(450)	20,700,046
Net Change in Fund Balances	(13,099,359)	-	282	(13,099,077)
Fund Balances - Beginning of Year (as previously stated)	95,945,132	-	800,661	96,745,793
Restatement (See Note 20)	293,622	-	-	293,622
Fund Balances - Beginning of Year (as restated)	<u>96,238,754</u>	<u>-</u>	<u>800,661</u>	<u>97,039,415</u>
Fund Balances - End of Year	<u>\$ 83,139,395</u>	<u>\$ -</u>	<u>\$ 800,943</u>	<u>\$ 83,940,338</u>

NONMAJOR SPECIAL REVENUE FUNDS

Veterans' Assistance Commission Bus Fund – to account for expenditures related to the purchase of buses used to transport veterans.

Veterans' Assistance Commission Fund – to account for expenditures to assist veterans. Revenue is from property taxes.

County Highway Fund – to account for expenditures for highway maintenance and construction. Funding is primarily from property taxes and transfer in from other funds.

Social Security Fund – to account for expenditures related to Social Security payments to the United States government. Revenue is primarily from property taxes.

Coroner's Fund - to account for fees collected by the Coroner that are restricted for expenditures of the Coroner's Office.

Matching Fund – to account for expenditures for road construction. Revenue is from property taxes.

County Bridge Fund – to account for expenditures to construct and maintain County bridges. Revenue is from property taxes.

County Option Motor Fuel Tax Fund – to account for the collection of an optional gasoline tax to be used for road maintenance and repair.

Tuberculosis Care and Treatment Fund – to account for expenditures for the administration of the tuberculosis care program. Revenue is from property taxes.

Maintenance and Child Support Collection Fund – to account for fees charged to obligors to process child support payments.

County Clerk Automation Fund – to account for fees collected to be used for the automation of the County Clerk's Office.

Recorder Automation Fund – to account for Recorder's automation fees to be used to improve the capabilities of the Recorder's office through the application of new technology.

Animal Shelter Fund – to account for expenditures for the maintenance of the animal shelter. Revenue is primarily from donations and contributions.

County Treasurer Automation Fund – to account for the collection of a fee for the upgrading of equipment and programs necessary to assist in the collection and distribution of taxes. The funds are also used for advanced recordkeeping and to microfiche all office records.

Workforce Network Fund – to account for funds received under the Workforce Investment Act (WIA) used for various employment and training programs and services, which help eligible individuals become economically self-sufficient.

Law Library Fund – to account for the operations of the law library. Revenues are from a fee charged on civil court cases.

Special Courts Fund – to account for the activities of the Mental Health Court and the Drug Court. Revenues are primarily from judiciary and court related fees.

Expedited Permit Fund – to account for fees paid by stormwater permit applicants for expediting the review process through an outside engineering firm.

Circuit Court Document Storage Fund – to account for the collection of document storage fees to be used to establish and maintain a document storage system in the office of the Clerk of the Circuit Court.

Probation Service Fee Fund – to account for probation service fees collected from persons sentenced to probation.

HUD Grants Fund – to account for grant funds received from the U.S. Department of Housing and Urban Development (HUD). Grant programs include Community Development Block Grants (CDBG), Home Investment Partnership Program (HOME), and Neighborhood Stabilization Program (NSP). Funds are used to assist communities in meeting their greatest economic and community development needs, with an emphasis upon persons with low to moderate income.

Dental Care Clinic Fund – to account for funds used in the operation of the County Dental Care Clinic.

Circuit Court Automation Fund – to account for the collection of court automation fees to be used to establish and maintain automated recordkeeping systems of the Clerk of the Circuit Court.

Illinois Criminal Justice Authority Fund – to account for funds used in the Multi-Jurisdictional Drug Prosecution Program. This program is designed to prosecute all felony narcotics cases, including any correlative forfeiture actions.

Circuit Court Admin Fund – to account for fees that are restricted to the Circuit Clerk's Office.

EMDT Fund – to account for funds used for the purpose of providing drug and alcohol testing along with electronic monitoring services.

Treasurer's Passport Services Fund – to account for the collection of fees and processing of passport applications in the Treasurer's Office.

State's Attorney Automation Fund – to account for the collection of a fee to be used to establish and maintain automated recordkeeping systems of the Office of the State's Attorney.

DUI Conviction Fund – to account for DUI conviction fines allocated to the County by the Illinois vehicle code to be used for the procurement of law enforcement equipment.

Geographic Information Systems Fund – to account for the collection of fees to be used for the implementation and maintenance of the County's Geographic Information System.

Revolving Loan Fund – to account for monies received from the State of Illinois for community development loans under the Community Development Block Grant Program. The principal and interest repaid on these loans is kept by the County and used to make new community development loans.

Health Scholarship Fund – to account for monies donated for use by the County Board and the Health Department for support of a Public Health Scholarship and research activities.

Senior Services Fund – to account for the revenues and expenditures of the social services – senior citizens tax levy.

RTA Sales Tax Fund – to account for the collection of a sales tax, which is restricted for use on transportation programs.

Public Building Commission Fund – to account for the activities of the Public Building Commission (blended component unit).

Insurance Loss Fund – to account for general liability, property, worker's compensation, and unemployment compensation insurance premiums and claims. Revenue is primarily from property taxes.

Circuit Clerk Electronic Citation Fund – to account for fees that are restricted to the Circuit Clerk's Office.

Motor Fuel Tax Fund – to account for allotments received from the State of Illinois and expenditures for highway construction and maintenance.

Inmate Welfare Fund – to account for jail commissary revenue and other corrections revenue that is restricted for expenditures that promote the welfare of inmates in the County jail.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2015

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	County Highway Fund	Social Security Fund
ASSETS				
Cash and equivalents	\$ 7,959	\$ 553,106	\$ 6,051,779	\$ 3,037,198
Property taxes receivable	-	400,000	6,455,268	3,966,697
Other receivables	-	-	132,767	-
Due from other governments	-	-	450,581	-
Due from other funds	-	-	311,869	-
Inventory	-	-	26,819	-
	<u>-</u>	<u>-</u>	<u>26,819</u>	<u>-</u>
Total Assets	<u>\$ 7,959</u>	<u>\$ 953,106</u>	<u>\$ 13,429,083</u>	<u>\$ 7,003,895</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 5,202	\$ 374,256	\$ -
Accrued payroll	-	11,855	184,509	179,727
Due to other funds	-	4,096	170,842	-
Other liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>21,153</u>	<u>729,607</u>	<u>179,727</u>
Deferred Inflows of Resources				
Property taxes levied for future period	-	400,000	6,455,268	3,966,697
Unavailable revenue	-	-	407,756	-
	<u>-</u>	<u>-</u>	<u>407,756</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>400,000</u>	<u>6,863,024</u>	<u>3,966,697</u>
Fund Balances				
Nonspendable	-	-	26,819	-
Restricted	7,959	531,953	5,809,633	2,857,471
Committed	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>7,959</u>	<u>531,953</u>	<u>5,836,452</u>	<u>2,857,471</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,959</u>	<u>\$ 953,106</u>	<u>\$ 13,429,083</u>	<u>\$ 7,003,895</u>

Coroner's Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund	Maintenance and Child Support Collection Fund
\$ 100,435	\$ 14,362,024	\$ 3,752,864	\$ 11,212,143	\$ 520,367	\$ 40,003
-	1,825,878	481,629	-	250,000	-
-	1,573	-	-	-	-
-	44,471	872,177	1,273,768	-	-
-	-	-	-	-	-
-	-	-	683,232	-	-
<u>\$ 100,435</u>	<u>\$ 16,233,946</u>	<u>\$ 5,106,670</u>	<u>\$ 13,169,143</u>	<u>\$ 770,367</u>	<u>\$ 40,003</u>
\$ 23,867	\$ 1,998,949	\$ 478,605	\$ 540,122	\$ 953	\$ 5,155
-	-	-	-	9,743	-
-	-	-	-	7,582	2,295
-	-	-	187,446	-	-
<u>23,867</u>	<u>1,998,949</u>	<u>478,605</u>	<u>727,568</u>	<u>18,278</u>	<u>7,450</u>
-	1,825,878	481,629	-	250,000	-
-	44,471	743,234	15,814	-	-
-	<u>1,870,349</u>	<u>1,224,863</u>	<u>15,814</u>	<u>250,000</u>	<u>-</u>
-	-	-	683,232	-	-
76,568	12,364,648	3,403,202	11,742,529	502,089	32,553
-	-	-	-	-	-
<u>76,568</u>	<u>12,364,648</u>	<u>3,403,202</u>	<u>12,425,761</u>	<u>502,089</u>	<u>32,553</u>
<u>\$ 100,435</u>	<u>\$ 16,233,946</u>	<u>\$ 5,106,670</u>	<u>\$ 13,169,143</u>	<u>\$ 770,367</u>	<u>\$ 40,003</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2015

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
ASSETS				
Cash and equivalents	\$ 85,407	\$ 2,067,842	\$ 28,011	\$ 575,766
Property taxes receivable	-	-	-	-
Other receivables	-	896	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 85,407</u>	<u>\$ 2,068,738</u>	<u>\$ 28,011</u>	<u>\$ 575,766</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 1,266	\$ -	\$ 454
Accrued payroll	-	9,552	-	-
Due to other funds	-	4,669	-	12,636
Other liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>15,487</u>	<u>-</u>	<u>13,090</u>
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	634	-	-
	<u>-</u>	<u>634</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>634</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	85,407	2,052,617	28,011	562,676
Committed	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>85,407</u>	<u>2,052,617</u>	<u>28,011</u>	<u>562,676</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 85,407</u>	<u>\$ 2,068,738</u>	<u>\$ 28,011</u>	<u>\$ 575,766</u>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ 164,894	\$ 103,422	\$ 466,287	\$ 600	\$ 139,556	\$ 597,172
-	-	-	-	-	-
-	-	29,288	-	-	-
1,971,372	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,136,266</u>	<u>\$ 103,422</u>	<u>\$ 495,575</u>	<u>\$ 600</u>	<u>\$ 139,556</u>	<u>\$ 597,172</u>
\$ 68,853	\$ 26,892	\$ 1,726	\$ 600	\$ 45,723	\$ 83,019
39,023	6,385	14,987	-	3,563	-
15,439	550	7,651	-	-	24,582
-	-	-	-	-	-
<u>123,315</u>	<u>33,827</u>	<u>24,364</u>	<u>600</u>	<u>49,286</u>	<u>107,601</u>
-	-	-	-	-	-
1,667,272	-	-	-	-	-
<u>1,667,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
345,679	69,595	471,211	-	90,270	489,571
-	-	-	-	-	-
<u>345,679</u>	<u>69,595</u>	<u>471,211</u>	<u>-</u>	<u>90,270</u>	<u>489,571</u>
<u>\$ 2,136,266</u>	<u>\$ 103,422</u>	<u>\$ 495,575</u>	<u>\$ 600</u>	<u>\$ 139,556</u>	<u>\$ 597,172</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2015

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
ASSETS				
Cash and equivalents	\$ 1,339	\$ 161,671	\$ 280,645	\$ 1,216
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	137,808	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 139,147	\$ 161,671	\$ 280,645	\$ 1,216
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 129,635	\$ 3,675	\$ 67	\$ -
Accrued payroll	3,251	11,515	10,109	-
Due to other funds	4,922	4,288	1,295	-
Other liabilities	1,339	-	-	-
Total Liabilities	139,147	19,478	11,471	-
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	142,193	269,174	1,216
Committed	-	-	-	-
Total Fund Balances	-	142,193	269,174	1,216
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 139,147	\$ 161,671	\$ 280,645	\$ 1,216

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 191,268	\$ -	\$ 275,317	\$ 38,583	\$ 113,794	\$ 1,596,853
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	19,239	-	-	-	-
-	-	-	-	-	-
<u>\$ 191,268</u>	<u>\$ 19,239</u>	<u>\$ 275,317</u>	<u>\$ 38,583</u>	<u>\$ 113,794</u>	<u>\$ 1,596,853</u>
\$ 2,068	\$ 5,680	\$ -	\$ -	\$ -	\$ 23,551
713	-	2,611	-	-	18,904
-	13,559	-	-	-	8,139
-	-	-	-	-	-
<u>2,781</u>	<u>19,239</u>	<u>2,611</u>	<u>-</u>	<u>-</u>	<u>50,594</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
188,487	-	-	38,583	113,794	1,546,259
-	-	272,706	-	-	-
<u>188,487</u>	<u>-</u>	<u>272,706</u>	<u>38,583</u>	<u>113,794</u>	<u>1,546,259</u>
<u>\$ 191,268</u>	<u>\$ 19,239</u>	<u>\$ 275,317</u>	<u>\$ 38,583</u>	<u>\$ 113,794</u>	<u>\$ 1,596,853</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2015

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
ASSETS				
Cash and equivalents	\$ 943,348	\$ 6,824	\$ 2,924,428	\$ 8,098,110
Property taxes receivable	-	-	1,645,000	-
Other receivables	904,228	-	-	-
Due from other governments	-	-	-	2,497,222
Due from other funds	-	-	1,286	-
Inventory	-	-	-	-
	-	-	-	-
Total Assets	\$ 1,847,576	\$ 6,824	\$ 4,570,714	\$ 10,595,332
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 500	\$ 537,581	\$ -
Accrued payroll	-	-	130	-
Due to other funds	-	-	96,753	215,116
Other liabilities	-	-	-	-
	-	-	-	-
Total Liabilities	-	500	634,464	215,116
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	1,645,000	-
Unavailable revenue	-	-	-	-
	-	-	-	-
Total Deferred Inflows of Resources	-	-	1,645,000	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	6,324	2,291,250	10,380,216
Committed	1,847,576	-	-	-
	1,847,576	-	-	-
Total Fund Balances	1,847,576	6,324	2,291,250	10,380,216
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,847,576	\$ 6,824	\$ 4,570,714	\$ 10,595,332

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Inmate Welfare Fund	Totals
\$ 31,650	\$ 14,383,864	\$ 39,730	\$ 8,999,981	\$ 412,527	\$ 82,367,983
-	1,250,000	-	-	-	16,274,472
304	-	-	54,776	-	1,123,832
-	-	-	1,955,267	-	9,202,666
-	310,541	-	-	-	642,935
-	-	-	75,432	-	785,483
<u>\$ 31,954</u>	<u>\$ 15,944,405</u>	<u>\$ 39,730</u>	<u>\$ 11,085,456</u>	<u>\$ 412,527</u>	<u>\$ 110,397,371</u>
\$ 775	\$ 13,193	\$ -	\$ 2,251,237	\$ 6,578	\$ 6,630,182
-	39,518	-	1,737	-	547,832
-	14,406	-	-	-	608,820
-	-	-	-	-	188,785
<u>775</u>	<u>67,117</u>	<u>-</u>	<u>2,252,974</u>	<u>6,578</u>	<u>7,975,619</u>
-	1,250,000	-	-	-	16,274,472
-	-	-	128,704	-	3,007,885
-	1,250,000	-	128,704	-	19,282,357
-	-	-	75,432	-	785,483
31,179	14,627,288	39,730	8,628,346	405,949	80,233,630
-	-	-	-	-	2,120,282
<u>31,179</u>	<u>14,627,288</u>	<u>39,730</u>	<u>8,703,778</u>	<u>405,949</u>	<u>83,139,395</u>
<u>\$ 31,954</u>	<u>\$ 15,944,405</u>	<u>\$ 39,730</u>	<u>\$ 11,085,456</u>	<u>\$ 412,527</u>	<u>\$ 110,397,371</u>

(Concluded)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2015

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	County Highway Fund	Social Security Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ 1,467	\$ -
Licenses and permits	-	-	78,592	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	605,377	-
Property taxes	-	399,159	6,435,796	3,997,268
Sales taxes	-	-	-	-
Investment income	11	3	7,949	3,367
Miscellaneous	600	-	137,906	-
Total Revenues	611	399,162	7,267,087	4,000,635
EXPENDITURES				
Current				
General and administrative	-	-	-	574,638
Community development	-	-	-	82,998
Transportation	-	-	10,454,593	-
Public safety	-	-	-	2,025,561
Judiciary and court related	-	-	-	681,398
Public health and welfare	-	435,934	-	351,393
Capital outlay	-	-	1,780,839	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	435,934	12,235,432	3,715,988
Excess (deficiency) of revenues over expenditures	611	(36,772)	(4,968,345)	284,647
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,813,969	-
Transfers out	-	-	(6,084,346)	-
Total Other Financing Sources (Uses)	-	-	4,729,623	-
Net Change in Fund Balances	611	(36,772)	(238,722)	284,647
Fund Balances - Beginning of Year (as previously stated)	7,348	568,725	6,075,174	2,572,824
Restatement (See Note 20)	-	-	-	-
Fund Balances - Beginning of Year (as restated)	7,348	568,725	6,075,174	2,572,824
Fund Balances - End of Year	\$ 7,959	\$ 531,953	\$ 5,836,452	\$ 2,857,471

Coroner's Fund	Matching Fund	County Bridge Fund	County Option Motor Fuel Tax Fund	Tuberculosis Care and Treatment Fund	Maintenance and Child Support Collection Fund
\$ 54,948	\$ -	\$ -	\$ -	\$ 7,210	\$ 119,244
-	-	-	-	-	-
-	-	-	-	-	-
4,334	8,324	452,488	4,097,819	-	-
-	1,815,994	479,763	-	249,455	-
-	-	-	-	-	-
143	21,183	7,163	16,937	753	83
-	-	-	-	-	-
<u>59,425</u>	<u>1,845,501</u>	<u>939,414</u>	<u>4,114,756</u>	<u>257,418</u>	<u>119,327</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	306,878	1,106,789	3,042,770	-	-
33,325	-	-	-	-	-
-	-	-	-	-	146,885
-	-	-	-	302,962	-
26,607	2,396,669	2,073,683	970,937	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>59,932</u>	<u>2,703,547</u>	<u>3,180,472</u>	<u>4,013,707</u>	<u>302,962</u>	<u>146,885</u>
<u>(507)</u>	<u>(858,046)</u>	<u>(2,241,058)</u>	<u>101,049</u>	<u>(45,544)</u>	<u>(27,558)</u>
-	-	-	-	-	-
<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(9,507)</u>	<u>(858,046)</u>	<u>(2,241,058)</u>	<u>101,049</u>	<u>(45,544)</u>	<u>(27,558)</u>
86,075	13,222,694	5,644,260	12,324,712	547,633	60,111
-	-	-	-	-	-
<u>86,075</u>	<u>13,222,694</u>	<u>5,644,260</u>	<u>12,324,712</u>	<u>547,633</u>	<u>60,111</u>
<u>\$ 76,568</u>	<u>\$ 12,364,648</u>	<u>\$ 3,403,202</u>	<u>\$ 12,425,761</u>	<u>\$ 502,089</u>	<u>\$ 32,553</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2015

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
REVENUES				
Charges for services	\$ 13,320	\$ 706,685	\$ 2,593	\$ 123,921
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	142	3,324	40	713
Miscellaneous	-	-	-	-
Total Revenues	13,462	710,009	2,633	124,634
EXPENDITURES				
Current				
General and administrative	10,685	602,295	-	24,016
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	830	-
Capital outlay	14,461	5,136	-	-
Debt service				
Principal retirement	-	29,224	-	-
Interest and fiscal charges	-	1,407	-	-
Total Expenditures	25,146	638,062	830	24,016
Excess (deficiency) of revenues over expenditures	<u>(11,684)</u>	<u>71,947</u>	<u>1,803</u>	<u>100,618</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(11,684)	71,947	1,803	100,618
Fund Balances - Beginning of Year (as previously stated)	97,091	1,980,670	26,208	462,058
Restatement (See Note 20)	-	-	-	-
Fund Balances - Beginning of Year (as restated)	97,091	1,980,670	26,208	462,058
Fund Balances - End of Year	<u>\$ 85,407</u>	<u>\$ 2,052,617</u>	<u>\$ 28,011</u>	<u>\$ 562,676</u>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ -	\$ 185,573	\$ 197,070	\$ 4,290	\$ 534,196	\$ 339,823
-	-	-	-	-	-
-	-	-	-	-	-
1,974,167	-	175,471	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
281	252	-	-	254	1,065
31,868	-	-	-	-	12,404
<u>2,006,316</u>	<u>185,825</u>	<u>372,541</u>	<u>4,290</u>	<u>534,450</u>	<u>353,292</u>
-	-	-	-	-	-
-	-	-	4,290	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	326,588	450,133	-	389,434	501,281
2,021,772	-	-	-	-	-
3,983	-	-	-	103,064	17,131
8,377	-	-	-	-	-
-	-	-	-	-	-
<u>2,034,132</u>	<u>326,588</u>	<u>450,133</u>	<u>4,290</u>	<u>492,498</u>	<u>518,412</u>
<u>(27,816)</u>	<u>(140,763)</u>	<u>(77,592)</u>	<u>-</u>	<u>41,952</u>	<u>(165,120)</u>
-	-	-	-	-	-
-	-	-	-	-	(19,239)
-	-	-	-	-	(19,239)
<u>(27,816)</u>	<u>(140,763)</u>	<u>(77,592)</u>	<u>-</u>	<u>41,952</u>	<u>(184,359)</u>
373,495	210,358	548,803	-	48,318	673,930
-	-	-	-	-	-
<u>373,495</u>	<u>210,358</u>	<u>548,803</u>	<u>-</u>	<u>48,318</u>	<u>673,930</u>
<u>\$ 345,679</u>	<u>\$ 69,595</u>	<u>\$ 471,211</u>	<u>\$ -</u>	<u>\$ 90,270</u>	<u>\$ 489,571</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2015

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
REVENUES				
Charges for services	\$ -	\$ 32,190	\$ 556,438	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	2,026,597	297,772	-	66,715
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	-	281	510	37
Miscellaneous	-	-	-	-
Total Revenues	<u>2,026,597</u>	<u>330,243</u>	<u>556,948</u>	<u>66,752</u>
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	2,026,597	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	620,672	66,715
Public health and welfare	-	408,599	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,026,597</u>	<u>408,599</u>	<u>620,672</u>	<u>66,715</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(78,356)</u>	<u>(63,724)</u>	<u>37</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(78,356)</u>	<u>(63,724)</u>	<u>37</u>
Fund Balances - Beginning of Year (as previously stated)	-	220,549	332,898	1,179
Restatement (See Note 20)	-	-	-	-
Fund Balances - Beginning of Year (as restated)	<u>-</u>	<u>220,549</u>	<u>332,898</u>	<u>1,179</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 142,193</u>	<u>\$ 269,174</u>	<u>\$ 1,216</u>

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 94,084	\$ 21,253	\$ 134,270	\$ 24,532	\$ -	\$ 703,742
-	-	-	-	-	-
-	-	-	-	20,248	-
-	-	-	-	-	-
-	-	-	-	-	-
277	-	368	54	-	2,542
-	-	-	-	-	-
<u>94,361</u>	<u>21,253</u>	<u>134,638</u>	<u>24,586</u>	<u>20,248</u>	<u>706,284</u>
-	-	71,640	-	-	862,235
-	-	-	-	-	-
-	-	-	-	-	-
58,083	52,271	-	50,000	-	-
-	-	-	-	-	-
24,634	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>82,717</u>	<u>52,271</u>	<u>71,640</u>	<u>50,000</u>	<u>-</u>	<u>862,235</u>
<u>11,644</u>	<u>(31,018)</u>	<u>62,998</u>	<u>(25,414)</u>	<u>20,248</u>	<u>(155,951)</u>
-	19,239	-	-	-	-
-	-	-	-	-	-
-	19,239	-	-	-	-
<u>11,644</u>	<u>(11,779)</u>	<u>62,998</u>	<u>(25,414)</u>	<u>20,248</u>	<u>(155,951)</u>
176,843	11,779	209,708	63,997	93,546	1,702,210
-	-	-	-	-	-
<u>176,843</u>	<u>11,779</u>	<u>209,708</u>	<u>63,997</u>	<u>93,546</u>	<u>1,702,210</u>
<u>\$ 188,487</u>	<u>\$ -</u>	<u>\$ 272,706</u>	<u>\$ 38,583</u>	<u>\$ 113,794</u>	<u>\$ 1,546,259</u>

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended November 30, 2015

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	1,721,208	-
Sales taxes	-	-	-	9,955,371
Investment income	33,298	11	4,379	10,109
Miscellaneous	825	-	-	-
Total Revenues	34,123	11	1,725,587	9,965,480
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	50,090	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	2,293,614	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	50,090	-	2,293,614	-
Excess (deficiency) of revenues over expenditures	(15,967)	11	(568,027)	9,965,480
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	14,047	-
Transfers out	-	-	-	(10,813,969)
Total Other Financing Sources (Uses)	-	-	14,047	(10,813,969)
Net Change in Fund Balances	(15,967)	11	(553,980)	(848,489)
Fund Balances - Beginning of Year (as previously stated)	1,863,543	6,313	2,845,230	11,228,705
Restatement (See Note 20)	-	-	-	-
Fund Balances - Beginning of Year (as restated)	1,863,543	6,313	2,845,230	11,228,705
Fund Balances - End of Year	\$ 1,847,576	\$ 6,324	\$ 2,291,250	\$ 10,380,216

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Inmate Welfare Fund	Totals
\$ -	\$ -	\$ 36,008	\$ -	\$ 321,330	\$ 4,214,187
-	-	-	-	-	78,592
-	-	-	-	-	20,248
-	-	-	4,753,859	-	14,462,923
-	2,245,016	-	-	-	17,343,659
-	-	-	-	-	9,955,371
939	137	80	25,439	382	142,506
-	36,785	-	-	-	220,388
<u>939</u>	<u>2,281,938</u>	<u>36,088</u>	<u>4,779,298</u>	<u>321,712</u>	<u>46,437,874</u>
8,061	3,617,639	-	-	-	5,771,209
-	-	-	-	-	2,163,975
-	-	-	3,584,538	-	18,495,568
-	-	-	-	185,605	2,244,491
-	-	34,992	-	-	3,378,452
-	-	-	-	-	5,815,104
-	-	-	8,109,203	23,780	15,550,127
-	-	-	-	-	37,601
-	-	-	-	-	1,407
<u>8,061</u>	<u>3,617,639</u>	<u>34,992</u>	<u>11,693,741</u>	<u>209,385</u>	<u>53,457,934</u>
<u>(7,122)</u>	<u>(1,335,701)</u>	<u>1,096</u>	<u>(6,914,443)</u>	<u>112,327</u>	<u>(7,020,060)</u>
-	-	-	-	-	10,847,255
-	-	-	-	-	(16,926,554)
-	-	-	-	-	(6,079,299)
<u>(7,122)</u>	<u>(1,335,701)</u>	<u>1,096</u>	<u>(6,914,443)</u>	<u>112,327</u>	<u>(13,099,359)</u>
38,301	15,962,989	38,634	15,618,221	-	95,945,132
-	-	-	-	293,622	293,622
<u>38,301</u>	<u>15,962,989</u>	<u>38,634</u>	<u>15,618,221</u>	<u>293,622</u>	<u>96,238,754</u>
<u>\$ 31,179</u>	<u>\$ 14,627,288</u>	<u>\$ 39,730</u>	<u>\$ 8,703,778</u>	<u>\$ 405,949</u>	<u>\$ 83,139,395</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION BUS FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 12	\$ 12	\$ 11	\$ (1)
Miscellaneous	<u>500</u>	<u>500</u>	<u>600</u>	<u>100</u>
Total Revenues	<u>512</u>	<u>512</u>	<u>611</u>	<u>99</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	1,000	1,000	-	1,000
Commodities	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Expenditures	<u>1,550</u>	<u>1,550</u>	<u>-</u>	<u>1,550</u>
Net Change in Fund Balance	<u>\$ (1,038)</u>	<u>\$ (1,038)</u>	611	<u>\$ 1,649</u>
Fund Balance - Beginning of Year			<u>7,348</u>	
Fund Balance - End of Year			<u>\$ 7,959</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' ASSISTANCE COMMISSION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 400,000	\$ 400,000	\$ 399,159	\$ (841)
Investment income	-	-	3	3
Miscellaneous	<u>600</u>	<u>600</u>	<u>-</u>	<u>(600)</u>
Total Revenues	<u>400,600</u>	<u>400,600</u>	<u>399,162</u>	<u>(1,438)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	356,451	360,470	333,743	26,727
Contractual services	273,400	273,400	86,874	186,526
Commodities	<u>24,150</u>	<u>24,150</u>	<u>15,317</u>	<u>8,833</u>
Total Expenditures	<u>654,001</u>	<u>658,020</u>	<u>435,934</u>	<u>222,086</u>
Net Change in Fund Balance	<u>\$ (253,401)</u>	<u>\$ (257,420)</u>	(36,772)	<u>\$ 220,648</u>
Fund Balance - Beginning of Year			<u>568,725</u>	
Fund Balance - End of Year			<u>\$ 531,953</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY HIGHWAY FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 5,000	\$ 5,000	\$ 1,467	\$ (3,533)
Licenses and permits	83,700	83,700	78,592	(5,108)
Grants, contributions, and intergovernmental	1,295,676	1,295,676	605,377	(690,299)
Property taxes	6,450,000	6,450,000	6,435,796	(14,204)
Investment income	6,100	6,100	7,949	1,849
Miscellaneous	121,000	121,000	137,906	16,906
Total Revenues	<u>7,961,476</u>	<u>7,961,476</u>	<u>7,267,087</u>	<u>(694,389)</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	5,439,663	5,439,663	4,795,609	644,054
Contractual services	4,977,610	7,406,307	5,044,449	2,361,858
Commodities	745,511	762,264	614,535	147,729
Capital outlay	2,945,000	5,934,202	1,780,839	4,153,363
Total Expenditures	<u>14,107,784</u>	<u>19,542,436</u>	<u>12,235,432</u>	<u>7,307,004</u>
Deficiency of revenues over expenditures	<u>(6,146,308)</u>	<u>(11,580,960)</u>	<u>(4,968,345)</u>	<u>6,612,615</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,411,858	11,411,858	10,813,969	(597,889)
Transfers out	(6,193,538)	(6,193,538)	(6,084,346)	109,192
Total Other Financing Sources (Uses)	<u>5,218,320</u>	<u>5,218,320</u>	<u>4,729,623</u>	<u>(488,697)</u>
Net Change in Fund Balance	<u>\$ (927,988)</u>	<u>\$ (6,362,640)</u>	<u>(238,722)</u>	<u>\$ 6,123,918</u>
Fund Balance - Beginning of Year			<u>6,075,174</u>	
Fund Balance - End of Year			<u>\$ 5,836,452</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 4,006,025	\$ 4,006,025	\$ 3,997,268	\$ (8,757)
Investment income	<u>2,475</u>	<u>2,475</u>	<u>3,367</u>	<u>892</u>
Total Revenues	<u>4,008,500</u>	<u>4,008,500</u>	<u>4,000,635</u>	<u>(7,865)</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	602,691	602,691	574,638	28,053
Community development	87,050	87,050	82,998	4,052
Public safety	2,124,445	2,124,445	2,025,561	98,884
Judiciary and court related	714,662	714,662	681,398	33,264
Public health and welfare	<u>368,547</u>	<u>368,547</u>	<u>351,393</u>	<u>17,154</u>
Total Expenditures	<u>3,897,395</u>	<u>3,897,395</u>	<u>3,715,988</u>	<u>181,407</u>
Net Change in Fund Balance	<u>\$ 111,105</u>	<u>\$ 111,105</u>	284,647	<u>\$ 173,542</u>
Fund Balance - Beginning of Year			<u>2,572,824</u>	
Fund Balance - End of Year			<u>\$ 2,857,471</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CORONER'S FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 54,948	\$ 4,948
Grants, contributions, and intergovernmental	4,625	4,625	4,334	(291)
Investment income	<u>-</u>	<u>-</u>	<u>143</u>	<u>143</u>
Total Revenues	<u>54,625</u>	<u>54,625</u>	<u>59,425</u>	<u>4,800</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	14,405	33,055	28,850	4,205
Commodities	7,500	7,500	4,475	3,025
Capital outlay	<u>-</u>	<u>28,000</u>	<u>26,607</u>	<u>1,393</u>
Total Expenditures	<u>21,905</u>	<u>68,555</u>	<u>59,932</u>	<u>8,623</u>
Excess (deficiency) of revenues over expenditures	32,720	(13,930)	(507)	13,423
OTHER FINANCING USES				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 23,720</u>	<u>\$ (22,930)</u>	(9,507)	<u>\$ 13,423</u>
Fund Balance - Beginning of Year			<u>86,075</u>	
Fund Balance - End of Year			<u>\$ 76,568</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MATCHING FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ -	\$ -	\$ 8,324	\$ 8,324
Property taxes	1,820,000	1,820,000	1,815,994	(4,006)
Investment income	<u>21,000</u>	<u>21,000</u>	<u>21,183</u>	<u>183</u>
Total Revenues	<u>1,841,000</u>	<u>1,841,000</u>	<u>1,845,501</u>	<u>4,501</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	350,000	632,590	306,878	325,712
Capital outlay	<u>6,090,000</u>	<u>14,142,112</u>	<u>2,396,669</u>	<u>11,745,443</u>
Total Expenditures	<u>6,440,000</u>	<u>14,774,702</u>	<u>2,703,547</u>	<u>12,071,155</u>
Net Change in Fund Balance	<u>\$ (4,599,000)</u>	<u>\$ (12,933,702)</u>	(858,046)	<u>\$ 12,075,656</u>
Fund Balance - Beginning of Year			<u>13,222,694</u>	
Fund Balance - End of Year			<u>\$ 12,364,648</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY BRIDGE FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 860,000	\$ 860,000	\$ 452,488	\$ (407,512)
Property taxes	480,800	480,800	479,763	(1,037)
Investment income	<u>8,000</u>	<u>8,000</u>	<u>7,163</u>	<u>(837)</u>
Total Revenues	<u>1,348,800</u>	<u>1,348,800</u>	<u>939,414</u>	<u>(409,386)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,545,000	3,083,883	1,106,789	1,977,094
Capital outlay	<u>2,710,000</u>	<u>5,041,806</u>	<u>2,073,683</u>	<u>2,968,123</u>
Total Expenditures	<u>4,255,000</u>	<u>8,125,689</u>	<u>3,180,472</u>	<u>4,945,217</u>
Net Change in Fund Balance	<u>\$ (2,906,200)</u>	<u>\$ (6,776,889)</u>	(2,241,058)	<u>\$ 4,535,831</u>
Fund Balance - Beginning of Year			<u>5,644,260</u>	
Fund Balance - End of Year			<u>\$ 3,403,202</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY OPTION MOTOR FUEL TAX FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 5,500,000	\$ 5,500,000	\$ 4,097,819	\$ (1,402,181)
Investment income	<u>20,000</u>	<u>20,000</u>	<u>16,937</u>	<u>(3,063)</u>
Total Revenues	<u>5,520,000</u>	<u>5,520,000</u>	<u>4,114,756</u>	<u>(1,405,244)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	4,635,000	6,321,188	2,052,200	4,268,988
Commodities	1,345,000	1,419,000	990,570	428,430
Capital outlay	<u>3,800,000</u>	<u>9,312,914</u>	<u>970,937</u>	<u>8,341,977</u>
Total Expenditures	<u>9,780,000</u>	<u>17,053,102</u>	<u>4,013,707</u>	<u>13,039,395</u>
Net Change in Fund Balance	<u>\$ (4,260,000)</u>	<u>\$ (11,533,102)</u>	101,049	<u>\$ 11,634,151</u>
Fund Balance - Beginning of Year			<u>12,324,712</u>	
Fund Balance - End of Year			<u>\$ 12,425,761</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TUBERCULOSIS CARE AND TREATMENT FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 10,500	\$ 10,500	\$ 7,210	\$ (3,290)
Property taxes	250,000	250,000	249,455	(545)
Investment income	<u>625</u>	<u>625</u>	<u>753</u>	<u>128</u>
Total Revenues	<u>261,125</u>	<u>261,125</u>	<u>257,418</u>	<u>(3,707)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	274,899	274,899	250,702	24,197
Contractual services	63,275	63,275	46,007	17,268
Commodities	<u>33,050</u>	<u>33,050</u>	<u>6,253</u>	<u>26,797</u>
Total Expenditures	<u>371,224</u>	<u>371,224</u>	<u>302,962</u>	<u>68,262</u>
Net Change in Fund Balance	<u>\$ (110,099)</u>	<u>\$ (110,099)</u>	(45,544)	<u>\$ 64,555</u>
Fund Balance - Beginning of Year			<u>547,633</u>	
Fund Balance - End of Year			<u>\$ 502,089</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAINTENANCE AND CHILD SUPPORT COLLECTION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 120,000	\$ 120,000	\$ 119,244	\$ (756)
Investment income	<u>200</u>	<u>200</u>	<u>83</u>	<u>(117)</u>
Total Revenues	120,200	120,200	119,327	(873)
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	<u>176,191</u>	<u>176,191</u>	<u>146,885</u>	<u>29,306</u>
Net Change in Fund Balance	<u>\$ (55,991)</u>	<u>\$ (55,991)</u>	(27,558)	<u>\$ 28,433</u>
Fund Balance - Beginning of Year			<u>60,111</u>	
Fund Balance - End of Year			<u>\$ 32,553</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK AUTOMATION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 13,000	\$ 13,000	\$ 13,320	\$ 320
Investment income	<u>125</u>	<u>125</u>	<u>142</u>	<u>17</u>
Total Revenues	<u>13,125</u>	<u>13,125</u>	<u>13,462</u>	<u>337</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	10,000	10,000	8,985	1,015
Commodities	2,500	2,500	1,700	800
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>14,461</u>	<u>539</u>
Total Expenditures	<u>27,500</u>	<u>27,500</u>	<u>25,146</u>	<u>2,354</u>
Net Change in Fund Balance	<u>\$ (14,375)</u>	<u>\$ (14,375)</u>	(11,684)	<u>\$ 2,691</u>
Fund Balance - Beginning of Year			<u>97,091</u>	
Fund Balance - End of Year			<u>\$ 85,407</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDER AUTOMATION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 855,000	\$ 855,000	\$ 706,685	\$ (148,315)
Investment income	<u>3,500</u>	<u>3,500</u>	<u>3,324</u>	<u>(176)</u>
Total Revenues	<u>858,500</u>	<u>858,500</u>	<u>710,009</u>	<u>(148,491)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	547,965	547,965	380,336	167,629
Contractual services	238,000	258,000	217,432	40,568
Commodities	120,850	120,850	4,527	116,323
Capital outlay	104,000	104,000	5,136	98,864
Debt service				
Principal retirement	29,224	29,224	29,224	-
Interest and fiscal charges	<u>1,407</u>	<u>1,407</u>	<u>1,407</u>	<u>-</u>
Total Expenditures	<u>1,041,446</u>	<u>1,061,446</u>	<u>638,062</u>	<u>423,384</u>
Net Change in Fund Balance	<u>\$ (182,946)</u>	<u>\$ (202,946)</u>	71,947	<u>\$ 274,893</u>
Fund Balance - Beginning of Year			<u>1,980,670</u>	
Fund Balance - End of Year			<u>\$ 2,052,617</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL SHELTER FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 2,500	\$ 2,500	\$ 2,593	\$ 93
Investment income	<u>100</u>	<u>100</u>	<u>40</u>	<u>(60)</u>
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>2,633</u>	<u>33</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	5,000	5,000	192	4,808
Commodities	<u>2,600</u>	<u>2,600</u>	<u>638</u>	<u>1,962</u>
Total Expenditures	<u>7,600</u>	<u>7,600</u>	<u>830</u>	<u>6,770</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	1,803	<u>\$ 6,803</u>
Fund Balance - Beginning of Year			<u>26,208</u>	
Fund Balance - End of Year			<u>\$ 28,011</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TREASURER AUTOMATION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 130,000	\$ 130,000	\$ 123,921	\$ (6,079)
Investment income	<u>700</u>	<u>700</u>	<u>713</u>	<u>13</u>
Total Revenues	<u>130,700</u>	<u>130,700</u>	<u>124,634</u>	<u>(6,066)</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	39,500	39,500	15,371	24,129
Commodities	12,500	17,754	8,645	9,109
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Expenditures	<u>52,001</u>	<u>57,255</u>	<u>24,016</u>	<u>33,239</u>
Net Change in Fund Balance	<u>\$ 78,699</u>	<u>\$ 73,445</u>	100,618	<u>\$ 27,173</u>
Fund Balance - Beginning of Year			<u>462,058</u>	
Fund Balance - End of Year			<u>\$ 562,676</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE NETWORK FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,158,080	\$ 2,158,080	\$ 1,974,167	\$ (183,913)
Investment income	362	362	281	(81)
Miscellaneous	<u>104,031</u>	<u>104,031</u>	<u>31,868</u>	<u>(72,163)</u>
Total Revenues	<u>2,262,473</u>	<u>2,262,473</u>	<u>2,006,316</u>	<u>(256,157)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,346,293	1,314,293	1,198,858	115,435
Contractual services	777,104	809,104	748,177	60,927
Commodities	104,076	104,076	74,737	29,339
Capital outlay	20,000	20,000	3,983	16,017
Debt service				
Principal retirement	<u>15,000</u>	<u>15,000</u>	<u>8,377</u>	<u>6,623</u>
Total Expenditures	<u>2,262,473</u>	<u>2,262,473</u>	<u>2,034,132</u>	<u>228,341</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(27,816)	<u>\$ (27,816)</u>
Fund Balance - Beginning of Year			<u>373,495</u>	
Fund Balance - End of Year			<u>\$ 345,679</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 226,000	\$ 226,000	\$ 185,573	\$ (40,427)
Investment income	<u>500</u>	<u>500</u>	<u>252</u>	<u>(248)</u>
Total Revenues	<u>226,500</u>	<u>226,500</u>	<u>185,825</u>	<u>(40,675)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	157,285	155,785	155,817	(32)
Contractual services	400	400	378	22
Commodities	<u>155,800</u>	<u>172,100</u>	<u>170,393</u>	<u>1,707</u>
Total Expenditures	<u>313,485</u>	<u>328,285</u>	<u>326,588</u>	<u>1,697</u>
Net Change in Fund Balance	<u>\$ (86,985)</u>	<u>\$ (101,785)</u>	(140,763)	<u>\$ (38,978)</u>
Fund Balance - Beginning of Year			<u>210,358</u>	
Fund Balance - End of Year			<u>\$ 69,595</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL COURTS FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 228,000	\$ 228,000	\$ 197,070	\$ (30,930)
Grants, contributions, and intergovernmental	<u>176,730</u>	<u>176,730</u>	<u>175,471</u>	<u>(1,259)</u>
Total Revenues	<u>404,730</u>	<u>404,730</u>	<u>372,541</u>	<u>(32,189)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	437,363	437,363	416,135	21,228
Contractual services	22,700	19,550	6,400	13,150
Commodities	<u>25,000</u>	<u>28,150</u>	<u>27,598</u>	<u>552</u>
Total Expenditures	<u>485,063</u>	<u>485,063</u>	<u>450,133</u>	<u>34,930</u>
Net Change in Fund Balance	<u>\$ (80,333)</u>	<u>\$ (80,333)</u>	(77,592)	<u>\$ 2,741</u>
Fund Balance - Beginning of Year			<u>548,803</u>	
Fund Balance - End of Year			<u>\$ 471,211</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EXPEDITED PERMIT FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 26,500	\$ 26,500	\$ 4,290	\$ (22,210)
EXPENDITURES				
Current				
Community development				
Contractual services	<u>26,500</u>	<u>26,500</u>	<u>4,290</u>	<u>22,210</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT DOCUMENT STORAGE FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 620,000	\$ 620,000	\$ 534,196	\$ (85,804)
Investment income	<u>200</u>	<u>200</u>	<u>254</u>	<u>54</u>
Total Revenues	<u>620,200</u>	<u>620,200</u>	<u>534,450</u>	<u>(85,750)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	174,087	174,087	174,087	-
Contractual services	340,000	340,000	203,872	136,128
Commodities	-	11,475	11,475	-
Capital outlay	<u>-</u>	<u>164,904</u>	<u>103,064</u>	<u>61,840</u>
Total Expenditures	<u>514,087</u>	<u>690,466</u>	<u>492,498</u>	<u>197,968</u>
Net Change in Fund Balance	<u>\$ 106,113</u>	<u>\$ (70,266)</u>	41,952	<u>\$ 112,218</u>
Fund Balance - Beginning of Year			<u>48,318</u>	
Fund Balance - End of Year			<u>\$ 90,270</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROBATION SERVICE FEE FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 338,000	\$ 338,000	\$ 339,823	\$ 1,823
Investment income	1,000	1,000	1,065	65
Miscellaneous	<u>-</u>	<u>-</u>	<u>12,404</u>	<u>12,404</u>
Total Revenues	<u>339,000</u>	<u>339,000</u>	<u>353,292</u>	<u>14,292</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	67,386	67,386	67,234	152
Contractual services	338,000	415,500	397,407	18,093
Commodities	42,000	42,000	36,640	5,360
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>17,131</u>	<u>2,869</u>
Total Expenditures	<u>467,386</u>	<u>544,886</u>	<u>518,412</u>	<u>26,474</u>
Deficiency of revenues over expenditures	(128,386)	(205,886)	(165,120)	40,766
OTHER FINANCING USES				
Transfers out	<u>(7,241)</u>	<u>(33,022)</u>	<u>(19,239)</u>	<u>13,783</u>
Net Change in Fund Balance	<u>\$ (135,627)</u>	<u>\$ (238,908)</u>	(184,359)	<u>\$ 54,549</u>
Fund Balance - Beginning of Year			<u>673,930</u>	
Fund Balance - End of Year			<u>\$ 489,571</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HUD GRANTS FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,826,195	\$ 4,122,092	\$ 2,026,597	\$ (2,095,495)
EXPENDITURES				
Current				
Community development				
Personnel services	324,803	411,342	297,158	114,184
Contractual services	1,491,559	3,687,917	1,727,933	1,959,984
Commodities	9,833	22,833	1,506	21,327
Total Expenditures	<u>1,826,195</u>	<u>4,122,092</u>	<u>2,026,597</u>	<u>2,095,495</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DENTAL CARE CLINIC FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 71,000	\$ 71,000	\$ 32,190	\$ (38,810)
Grants, contributions, and intergovernmental	442,200	442,200	297,772	(144,428)
Investment income	<u>700</u>	<u>700</u>	<u>281</u>	<u>(419)</u>
Total Revenues	<u>513,900</u>	<u>513,900</u>	<u>330,243</u>	<u>(183,657)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	472,475	472,475	352,352	120,123
Contractual services	93,100	93,100	43,949	49,151
Commodities	<u>18,600</u>	<u>18,600</u>	<u>12,298</u>	<u>6,302</u>
Total Expenditures	<u>584,175</u>	<u>584,175</u>	<u>408,599</u>	<u>175,576</u>
Net Change in Fund Balance	<u>\$ (70,275)</u>	<u>\$ (70,275)</u>	(78,356)	<u>\$ (8,081)</u>
Fund Balance - Beginning of Year			<u>220,549</u>	
Fund Balance - End of Year			<u>\$ 142,193</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT AUTOMATION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 670,000	\$ 670,000	\$ 556,438	\$ (113,562)
Investment income	<u>200</u>	<u>200</u>	<u>510</u>	<u>310</u>
Total Revenues	<u>670,200</u>	<u>670,200</u>	<u>556,948</u>	<u>(113,252)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	166,896	166,896	151,771	15,125
Contractual services	<u>396,000</u>	<u>496,000</u>	<u>468,901</u>	<u>27,099</u>
Total Expenditures	<u>562,896</u>	<u>662,896</u>	<u>620,672</u>	<u>42,224</u>
Net Change in Fund Balance	<u>\$ 107,304</u>	<u>\$ 7,304</u>	(63,724)	<u>\$ (71,028)</u>
Fund Balance - Beginning of Year			<u>332,898</u>	
Fund Balance - End of Year			<u>\$ 269,174</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS CRIMINAL JUSTICE AUTHORITY FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 66,715	\$ 66,715	\$ 66,715	\$ -
Investment income	<u>-</u>	<u>-</u>	<u>37</u>	<u>37</u>
Total Revenues	66,715	66,715	66,752	37
EXPENDITURES				
Current				
Judiciary and court related Personnel services	<u>66,715</u>	<u>66,715</u>	<u>66,715</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	37	<u>\$ 37</u>
Fund Balance - Beginning of Year			<u>1,179</u>	
Fund Balance - End of Year			<u>\$ 1,216</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT COURT ADMIN FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 86,000	\$ 86,000	\$ 94,084	\$ 8,084
Investment income	<u>200</u>	<u>200</u>	<u>277</u>	<u>77</u>
Total Revenues	<u>86,200</u>	<u>86,200</u>	<u>94,361</u>	<u>8,161</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	22,245	22,245	17,581	4,664
Contractual services	21,000	21,910	10,816	11,094
Commodities	32,000	32,000	29,686	2,314
Capital outlay	<u>-</u>	<u>39,506</u>	<u>24,634</u>	<u>14,872</u>
Total Expenditures	<u>75,245</u>	<u>115,661</u>	<u>82,717</u>	<u>32,944</u>
Net Change in Fund Balance	<u>\$ 10,955</u>	<u>\$ (29,461)</u>	11,644	<u>\$ 41,105</u>
Fund Balance - Beginning of Year			<u>176,843</u>	
Fund Balance - End of Year			<u>\$ 188,487</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMDT FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 22,000	\$ 22,000	\$ 21,253	\$ (747)
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	37,000	37,000	36,593	407
Commodities	<u>10,000</u>	<u>35,781</u>	<u>15,678</u>	<u>20,103</u>
Total Expenditures	<u>47,000</u>	<u>72,781</u>	<u>52,271</u>	<u>20,510</u>
Deficiency of revenues over expenditures	(25,000)	(50,781)	(31,018)	19,763
OTHER FINANCING SOURCES				
Transfers in	<u>7,241</u>	<u>33,022</u>	<u>19,239</u>	<u>(13,783)</u>
Net Change in Fund Balance	<u>\$ (17,759)</u>	<u>\$ (17,759)</u>	(11,779)	<u>\$ 5,980</u>
Fund Balance - Beginning of Year			<u>11,779</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TREASURER'S PASSPORT SERVICES FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 56,000	\$ 56,000	\$ 134,270	\$ 78,270
Investment income	<u>200</u>	<u>200</u>	<u>368</u>	<u>168</u>
Total Revenues	<u>56,200</u>	<u>56,200</u>	<u>134,638</u>	<u>78,438</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	70,528	70,528	67,124	3,404
Contractual services	19,100	19,100	-	19,100
Commodities	<u>20,000</u>	<u>20,000</u>	<u>4,516</u>	<u>15,484</u>
Total Expenditures	<u>109,628</u>	<u>109,628</u>	<u>71,640</u>	<u>37,988</u>
Net Change in Fund Balance	<u>\$ (53,428)</u>	<u>\$ (53,428)</u>	62,998	<u>\$ 116,426</u>
Fund Balance - Beginning of Year			<u>209,708</u>	
Fund Balance - End of Year			<u>\$ 272,706</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE'S ATTORNEY AUTOMATION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 30,000	\$ 30,000	\$ 24,532	\$ (5,468)
Investment income	<u>50</u>	<u>50</u>	<u>54</u>	<u>4</u>
Total Revenues	30,050	30,050	24,586	(5,464)
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (19,950)</u>	<u>\$ (19,950)</u>	(25,414)	<u>\$ (5,464)</u>
Fund Balance - Beginning of Year			<u>63,997</u>	
Fund Balance - End of Year			<u>\$ 38,583</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DUI CONVICTION FUND
 For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 20,248	\$ (4,752)
EXPENDITURES				
Current				
Public safety				
Commodities	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	20,248	<u>\$ 20,248</u>
Fund Balance - Beginning of Year			<u>93,546</u>	
Fund Balance - End of Year			<u>\$ 113,794</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GEOGRAPHIC INFORMATION SYSTEMS FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 603,000	\$ 603,000	\$ 703,742	\$ 100,742
Investment income	<u>2,500</u>	<u>2,500</u>	<u>2,542</u>	<u>42</u>
Total Revenues	<u>605,500</u>	<u>605,500</u>	<u>706,284</u>	<u>100,784</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	548,670	548,670	547,753	917
Contractual services	325,250	345,664	295,779	49,885
Commodities	<u>38,750</u>	<u>38,750</u>	<u>18,703</u>	<u>20,047</u>
Total Expenditures	<u>912,670</u>	<u>933,084</u>	<u>862,235</u>	<u>70,849</u>
Net Change in Fund Balance	<u>\$ (307,170)</u>	<u>\$ (327,584)</u>	(155,951)	<u>\$ 171,633</u>
Fund Balance - Beginning of Year			<u>1,702,210</u>	
Fund Balance - End of Year			<u>\$ 1,546,259</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REVOLVING LOAN FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 29,986	\$ 29,986	\$ 33,298	\$ 3,312
Miscellaneous	<u>-</u>	<u>-</u>	<u>825</u>	<u>825</u>
Total Revenues	29,986	29,986	34,123	4,137
EXPENDITURES				
Current				
Community development				
Contractual services	<u>105,000</u>	<u>105,000</u>	<u>50,090</u>	<u>54,910</u>
Net Change in Fund Balance	<u>\$ (75,014)</u>	<u>\$ (75,014)</u>	(15,967)	<u>\$ 59,047</u>
Fund Balance - Beginning of Year			<u>1,863,543</u>	
Fund Balance - End of Year			<u>\$ 1,847,576</u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 HEALTH SCHOLARSHIP FUND
 For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 11	\$ (89)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Net Change in Fund Balance	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	11	<u>\$ 3,011</u>
Fund Balance - Beginning of Year			<u>6,313</u>	
Fund Balance - End of Year			<u>\$ 6,324</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SENIOR SERVICES FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,721,208	\$ (3,792)
Investment income	<u>3,520</u>	<u>3,520</u>	<u>4,379</u>	<u>859</u>
Total Revenues	<u>1,728,520</u>	<u>1,728,520</u>	<u>1,725,587</u>	<u>(2,933)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	7,511	17,536	13,688	3,848
Contractual services	1,725,000	2,327,989	2,279,567	48,422
Commodities	<u>500</u>	<u>500</u>	<u>359</u>	<u>141</u>
Total Expenditures	<u>1,733,011</u>	<u>2,346,025</u>	<u>2,293,614</u>	<u>52,411</u>
Deficiency of revenues over expenditures	(4,491)	(617,505)	(568,027)	49,478
OTHER FINANCING SOURCES				
Transfers in	<u>8,011</u>	<u>18,036</u>	<u>14,047</u>	<u>(3,989)</u>
Net Change in Fund Balance	<u>\$ 3,520</u>	<u>\$ (599,469)</u>	(553,980)	<u>\$ 45,489</u>
Fund Balance - Beginning of Year			<u>2,845,230</u>	
Fund Balance - End of Year			<u>\$ 2,291,250</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RTA SALES TAX FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ 9,250,000	\$ 9,250,000	\$ 9,955,371	\$ 705,371
Investment income	<u>10,000</u>	<u>10,000</u>	<u>10,109</u>	<u>109</u>
Total Revenues	9,260,000	9,260,000	9,965,480	705,480
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	9,260,000	9,260,000	9,965,480	705,480
OTHER FINANCING USES				
Transfers out	<u>(11,411,858)</u>	<u>(11,411,858)</u>	<u>(10,813,969)</u>	<u>597,889</u>
Net Change in Fund Balance	<u>\$ (2,151,858)</u>	<u>\$ (2,151,858)</u>	(848,489)	<u>\$ 1,303,369</u>
Fund Balance - Beginning of Year			<u>11,228,705</u>	
Fund Balance - End of Year			<u>\$ 10,380,216</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE LOSS FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 2,250,000	\$ 2,250,000	\$ 2,245,016	\$ (4,984)
Investment income	20	20	137	117
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>36,785</u>	<u>6,785</u>
Total Revenues	<u>2,280,020</u>	<u>2,280,020</u>	<u>2,281,938</u>	<u>1,918</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	1,133,372	1,133,372	1,133,372	-
Contractual services	2,577,356	3,216,254	2,480,468	735,786
Commodities	<u>23,840</u>	<u>23,840</u>	<u>3,799</u>	<u>20,041</u>
Total Expenditures	<u>3,734,568</u>	<u>4,373,466</u>	<u>3,617,639</u>	<u>755,827</u>
Net Change in Fund Balance	<u>\$ (1,454,548)</u>	<u>\$ (2,093,446)</u>	(1,335,701)	<u>\$ 757,745</u>
Fund Balance - Beginning of Year			<u>15,962,989</u>	
Fund Balance - End of Year			<u>\$ 14,627,288</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CIRCUIT CLERK ELECTRONIC CITATION FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 45,000	\$ 45,000	\$ 36,008	\$ (8,992)
Investment income	<u>100</u>	<u>100</u>	<u>80</u>	<u>(20)</u>
Total Revenues	45,100	45,100	36,088	(9,012)
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	<u>45,100</u>	<u>45,100</u>	<u>34,992</u>	<u>10,108</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,096	<u>\$ 1,096</u>
Fund Balance - Beginning of Year			<u>38,634</u>	
Fund Balance - End of Year			<u>\$ 39,730</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 4,073,747	\$ 4,073,747	\$ 4,753,859	\$ 680,112
Investment income	<u>24,000</u>	<u>24,000</u>	<u>25,439</u>	<u>1,439</u>
Total Revenues	<u>4,097,747</u>	<u>4,097,747</u>	<u>4,779,298</u>	<u>681,551</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	147,855	147,855	147,624	231
Contractual services	5,150,000	6,460,425	3,295,577	3,164,848
Commodities	170,000	170,000	141,337	28,663
Capital outlay	<u>6,355,000</u>	<u>11,938,757</u>	<u>8,109,203</u>	<u>3,829,554</u>
Total Expenditures	<u>11,822,855</u>	<u>18,717,037</u>	<u>11,693,741</u>	<u>7,023,296</u>
Net Change in Fund Balance	<u>\$ (7,725,108)</u>	<u>\$ (14,619,290)</u>	(6,914,443)	<u>\$ 7,704,847</u>
Fund Balance - Beginning of Year			<u>15,618,221</u>	
Fund Balance - End of Year			<u>\$ 8,703,778</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INMATE WELFARE FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ -	\$ 371,000	\$ 321,330	\$ (49,670)
Investment income	-	-	382	382
Total Revenues	<u>-</u>	<u>371,000</u>	<u>321,712</u>	<u>(49,288)</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	-	131,000	111,022	19,978
Commodities	-	240,000	74,583	165,417
Capital outlay	-	-	23,780	(23,780)
Total Expenditures	<u>-</u>	<u>371,000</u>	<u>209,385</u>	<u>161,615</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>112,327</u>	<u>\$ 112,327</u>
Fund Balance - Beginning of Year (as previously stated)			-	
Restatement (See Note 20)			<u>293,622</u>	
Fund Balance - Beginning of Year (as restated)			<u>293,622</u>	
Fund Balance - End of Year			<u>\$ 405,949</u>	

NONMAJOR DEBT SERVICE FUNDS

Series 2006 A Certificate Fund - \$8,280,000 Debt Certificates, due in annual installments of \$40,000 to \$1,400,000; Interest at 3.85% to 4.0% through January 2022. The proceeds were used to advance refund Series 2002B debt certificates, for the purchase and construction of a new animal control facility, and for energy saving renovations at the government center.

Series 2007 A Certificate Fund - \$4,885,000 Debt Certificates, due in annual installments of \$440,000 to \$575,000; Interest at 3.85% to 4.15% through January 2017. The proceeds were used for the purchase and implementation of a new radio system for the Sheriff's Office.

Series 2007 B Certificate Fund - \$50,000,000 Debt Certificates, due in annual installments of \$4,060,000 to \$6,060,000; Interest at 4.0% to 4.5% through January 2017. The proceeds were used for highway engineering, construction, and maintenance costs.

Series 2008 Certificate Fund - \$4,480,000 Debt Certificates, due in annual installments of \$380,000 to \$520,000; Interest at 3.0% to 4.25% through January 2019. The proceeds were used for the acquisition of land and property adjacent to the County courthouse campus.

Series 2010 A Certificate Fund - \$7,595,000 Debt Certificates, due in annual installments of \$185,000 to \$1,125,000; Interest at 1.5% to 4.5% through December 2019. The proceeds were used for various capital projects, including the construction of a new County archive facility, the purchase of a new local area network, the buildout of a courtroom, and the purchase of a new storage area network.

Series 2010 B Certificate Fund - \$4,000,000 Debt Certificates (Recovery Zone Economic Development Bonds), due in annual installments of \$65,000 to \$350,000; Interest at 0.75% to 5.55% through December 2024. The County will receive a reimbursement from the Federal Government equal to 45% of each scheduled interest payment. The proceeds were used for the expansion of the County mental health facility.

Series 2012 B Certificate Fund - \$4,245,000 Debt Certificates, due in annual installments of \$310,000 to \$1,245,000; Interest at 2.0% to 3.5% through January 2022. The proceeds were used to currently refund Series 2003A debt certificates and to advance refund Series 2005A debt certificates.

Series 2015 Certificate Fund - \$15,755,000 Debt Certificates, due in periodic installments of \$590,000 to \$6,410,000; Interest at 2.0% to 4.0% through December 2021. The proceeds were used to currently refund Series 2006A and Series 2007B debt certificates.

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended November 30, 2015

	Series 2006 A Certificate Fund	Series 2007 A Certificate Fund	Series 2007 B Certificate Fund	Series 2008 Certificate Fund
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative				
Contractual services	-	-	-	-
Debt service				
Principal retirement	550,000	535,000	5,535,000	455,000
Interest and fiscal charges	99,731	56,519	391,163	89,703
Total Expenditures	649,731	591,519	5,926,163	544,703
Deficiency of revenues over expenditures	(649,731)	(591,519)	(5,926,163)	(544,703)
OTHER FINANCING SOURCES				
Transfers in	649,731	591,519	5,926,163	544,703
Refunding debt certificates issued	-	-	-	-
Premium on debt issuance	-	-	-	-
Total Other Financing Sources	649,731	591,519	5,926,163	544,703
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

Series 2010 A Certificate Fund	Series 2010 B Certificate Fund	Series 2012 B Certificate Fund	Series 2015 Certificate Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	148,095	148,095
1,090,000	260,000	660,000	16,340,000	25,425,000
126,753	149,420	65,537	227,874	1,206,700
<u>1,216,753</u>	<u>409,420</u>	<u>725,537</u>	<u>16,715,969</u>	<u>26,779,795</u>
(1,216,753)	(409,420)	(725,537)	(16,715,969)	(26,779,795)
1,216,753	409,420	725,537	219,393	10,283,219
-	-	-	15,755,000	15,755,000
-	-	-	741,576	741,576
<u>1,216,753</u>	<u>409,420</u>	<u>725,537</u>	<u>16,715,969</u>	<u>26,779,795</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2006 A CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	550,000	550,000	550,000	-
Interest and fiscal charges	189,214	99,731	99,731	-
Total Expenditures	739,214	649,731	649,731	-
Deficiency of revenues over expenditures	(739,214)	(649,731)	(649,731)	-
OTHER FINANCING SOURCES				
Transfers in	739,214	649,731	649,731	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 A CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	535,000	535,000	535,000	-
Interest and fiscal charges	56,467	56,520	56,519	1
Total Expenditures	591,467	591,520	591,519	1
Deficiency of revenues over expenditures	(591,467)	(591,520)	(591,519)	1
OTHER FINANCING SOURCES				
Transfers in	591,467	591,520	591,519	(1)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2007 B CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	5,535,000	5,535,000	5,535,000	-
Interest and fiscal charges	658,538	391,163	391,163	-
Total Expenditures	6,193,538	5,926,163	5,926,163	-
Deficiency of revenues over expenditures	(6,193,538)	(5,926,163)	(5,926,163)	-
OTHER FINANCING SOURCES				
Transfers in	6,193,538	5,926,163	5,926,163	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2008 CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	455,000	455,000	455,000	-
Interest and fiscal charges	89,650	89,703	89,703	-
Total Expenditures	544,650	544,703	544,703	-
Deficiency of revenues over expenditures	(544,650)	(544,703)	(544,703)	-
OTHER FINANCING SOURCES				
Transfers in	544,650	544,703	544,703	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2010 A CERTIFICATE FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	1,090,000	1,090,000	1,090,000	-
Interest and fiscal charges	<u>126,700</u>	<u>126,753</u>	<u>126,753</u>	<u>-</u>
Total Expenditures	<u>1,216,700</u>	<u>1,216,753</u>	<u>1,216,753</u>	<u>-</u>
Deficiency of revenues over expenditures	(1,216,700)	(1,216,753)	(1,216,753)	-
OTHER FINANCING SOURCES				
Transfers in	<u>1,216,700</u>	<u>1,216,753</u>	<u>1,216,753</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2010 B CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	260,000	260,000	260,000	-
Interest and fiscal charges	149,369	149,422	149,420	2
Total Expenditures	409,369	409,422	409,420	2
Deficiency of revenues over expenditures	(409,369)	(409,422)	(409,420)	2
OTHER FINANCING SOURCES				
Transfers in	409,369	409,422	409,420	(2)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2012 B CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	660,000	660,000	660,000	-
Interest and fiscal charges	66,075	66,075	65,537	538
Total Expenditures	726,075	726,075	725,537	538
Deficiency of revenues over expenditures	(726,075)	(726,075)	(725,537)	538
OTHER FINANCING SOURCES				
Transfers in	726,075	726,075	725,537	(538)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2015 CERTIFICATE FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General and administrative				
Contractual services	-	148,095	148,095	-
Debt service				
Principal retirement	-	16,340,000	16,340,000	-
Interest and fiscal charges	-	229,562	227,874	1,688
Total Expenditures	-	16,717,657	16,715,969	1,688
Deficiency of revenues over expenditures	-	(16,717,657)	(16,715,969)	1,688
OTHER FINANCING SOURCES				
Transfers in	-	221,081	219,393	(1,688)
Refunding debt certificates issued	-	15,755,000	15,755,000	-
Premium on debt issuance	-	741,576	741,576	-
Total Other Financing Sources	-	16,717,657	16,715,969	(1,688)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

NONMAJOR PERMANENT FUNDS

Working Cash I and II Funds – to account for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the fund may not be expended.

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
November 30, 2015

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
ASSETS			
Cash and equivalents	\$ <u>331,602</u>	\$ <u>469,791</u>	\$ <u>801,393</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 100	\$ 350	\$ 450
Fund Balances			
Nonspendable	<u>331,502</u>	<u>469,441</u>	<u>800,943</u>
Total Liabilities and Fund Balances	\$ <u>331,602</u>	\$ <u>469,791</u>	\$ <u>801,393</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2015

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 301	\$ 431	\$ 732
EXPENDITURES	-	-	-
Excess of revenues over expenditures	301	431	732
OTHER FINANCING USES			
Transfers out	(100)	(350)	(450)
Net Change in Fund Balances	201	81	282
Fund Balances - Beginning of Year	331,301	469,360	800,661
Fund Balances - End of Year	\$ 331,502	\$ 469,441	\$ 800,943

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 1 FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 301	\$ 201
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	100	100	301	201
OTHER FINANCING USES				
Transfers out	<u>(100)</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	201	<u>\$ 201</u>
Fund Balance - Beginning of Year			<u>331,301</u>	
Fund Balance - End of Year			<u>\$ 331,502</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH NO. 2 FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 350	\$ 350	\$ 431	\$ 81
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	350	350	431	81
OTHER FINANCING USES				
Transfers out	<u>(350)</u>	<u>(350)</u>	<u>(350)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	81	<u>\$ 81</u>
Fund Balance - Beginning of Year			<u>469,360</u>	
Fund Balance - End of Year			<u>\$ 469,441</u>	

ENTERPRISE FUNDS

Major Fund:

Valley Hi Fund – to account for the activities of the Valley Hi nursing home.

Nonmajor Fund:

911 Fund (Emergency Telephone Services Board Fund) – to account for funds raised through a telephone surcharge tax on each telephone line in the County. The money collected is distributed to this fund net of a small collection charge retained by the telephone company. The funds are used to operate and equip a 911 telephone dispatch center within the County area.

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
VALLEY HI FUND
For the Year Ended November 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 10,610,000	\$ 10,610,000	\$ 10,277,954	\$ (332,046)
Other	<u>13,500</u>	<u>13,500</u>	<u>18,106</u>	<u>4,606</u>
Total Operating Revenues	<u>\$ 10,623,500</u>	<u>\$ 10,623,500</u>	<u>\$ 10,296,060</u>	<u>\$ (327,440)</u>
OPERATING EXPENSES				
Personnel services	\$ 7,809,251	\$ 7,809,251	\$ 7,822,888	\$ (13,637)
Contractual services	1,948,123	2,010,187	1,734,803	275,384
Commodities	<u>1,087,250</u>	<u>1,106,675</u>	<u>990,286</u>	<u>116,389</u>
Total operating expenses before capital outlay	<u>10,844,624</u>	<u>10,926,113</u>	<u>10,547,977</u>	<u>378,136</u>
Capital outlay	30,000	422,863	362,771	60,092
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(362,771)</u>	<u>362,771</u>
Adjusted capital outlay	<u>30,000</u>	<u>422,863</u>	<u>-</u>	<u>422,863</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 10,874,624</u>	<u>\$ 11,348,976</u>	<u>\$ 10,547,977</u>	<u>\$ 800,999</u>
NONOPERATING REVENUES				
Property taxes	\$ 3,000,000	\$ 3,000,000	\$ 2,993,381	\$ (6,619)
Investment income	<u>80,100</u>	<u>80,100</u>	<u>79,451</u>	<u>(649)</u>
Total Nonoperating Revenues	<u>\$ 3,080,100</u>	<u>\$ 3,080,100</u>	<u>\$ 3,072,832</u>	<u>\$ (7,268)</u>
NONOPERATING EXPENSES				
Interest expense	<u>\$ 15,174</u>	<u>\$ 15,174</u>	<u>\$ 260</u>	<u>\$ 14,914</u>

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
911 FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 2,408,076	\$ 2,408,076	\$ 2,642,296	\$ 234,220
Other	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>
Total Operating Revenues	<u>\$ 2,408,076</u>	<u>\$ 2,408,076</u>	<u>\$ 2,642,336</u>	<u>\$ 234,260</u>
OPERATING EXPENSES				
Personnel services	\$ 488,190	\$ 488,190	\$ 351,545	\$ 136,645
Contractual services	1,750,790	1,879,311	1,710,924	168,387
Commodities	<u>42,000</u>	<u>322,458</u>	<u>78,056</u>	<u>244,402</u>
Total operating expenses before capital outlay	<u>2,280,980</u>	<u>2,689,959</u>	<u>2,140,525</u>	<u>549,434</u>
Capital outlay	370,000	664,710	68,621	596,089
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(23,809)</u>	<u>23,809</u>
Adjusted capital outlay	<u>370,000</u>	<u>664,710</u>	<u>44,812</u>	<u>619,898</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 2,650,980</u>	<u>\$ 3,354,669</u>	<u>\$ 2,185,337</u>	<u>\$ 1,169,332</u>
NONOPERATING REVENUES				
Investment income	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 5,617</u>	<u>\$ 817</u>

INTERNAL SERVICE FUND

Health Insurance Fund – to account for employee medical, dental, and prescription insurance premiums and claims.

County of McHenry, Illinois
SCHEDULE OF OPERATING AND NONOPERATING REVENUES AND
EXPENSES - BUDGET AND ACTUAL
HEALTH INSURANCE FUND
For the Year Ended November 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>19,746,577</u>	\$ <u>19,746,577</u>	\$ <u>19,053,462</u>	\$ <u>(693,115)</u>
OPERATING EXPENSES				
Personnel Services	\$ 70,536	\$ 70,536	\$ 62,986	\$ 7,550
Contractual services	19,998,759	19,998,759	19,664,804	333,955
Commodities	<u>6,625</u>	<u>6,625</u>	<u>282</u>	<u>6,343</u>
Total Operating Expenses	\$ <u>20,075,920</u>	\$ <u>20,075,920</u>	\$ <u>19,728,072</u>	\$ <u>347,848</u>
NONOPERATING REVENUES				
Investment income	\$ <u>4,500</u>	\$ <u>4,500</u>	\$ <u>7,761</u>	\$ <u>3,261</u>

AGENCY FUNDS

Treasurer Fund – to account for the funds held by the Treasurer as an agent responsible for drainage districts, the inheritance tax account, protested taxes, tax sales escrow, and interest earned on real estate taxes.

Clerk of the Circuit Court Fund – to account for the funds held by the Clerk of the Circuit Court as an agent for the courts.

Highway Fund – to account for township motor fuel tax funds held by the Division of Transportation.

Valley Hi Resident Fund – to account for the funds held by Valley Hi Nursing Home as an agent for residents and donations made for the benefit of the residents.

County Clerk Redemption Fund – to account for the funds held by the County Clerk as an agent for delinquent tax payers.

Collector Fund – to account for the funds held by the County as an agent responsible for collecting property taxes.

Illinois Housing Surcharge Fund - to account for the rental housing support program surcharge that is collected for the recording of real estate documents and remitted to the State.

Regional Office of Education Fund - to account for funds held by the County as an agent for the McHenry County Regional Office of Education.

Payroll Agency Fund - to account for funds held by the County for employee flexible spending accounts (FSA).

Fiber Consortium Fund - to account for the McHenry County Fiber Consortium, an entity for which the County acts as the fiscal agent.

County of McHenry, Illinois
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2015

	<u>Treasurer Fund</u>	<u>Clerk of the Circuit Court Fund</u>	<u>Highway Fund</u>	<u>Valley Hi Resident Fund</u>	<u>County Clerk Redemption Fund</u>
ASSETS					
Cash and equivalents	\$ 1,419,219	\$ 4,137,105	\$ 684,849	\$ 47,507	\$ 1,135,427
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,419,219</u>	<u>\$ 4,137,105</u>	<u>\$ 684,849</u>	<u>\$ 47,507</u>	<u>\$ 1,135,427</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 155,056	\$ -	\$ -
Due to residents	-	-	-	47,507	-
Bond escrow	-	2,905,376	-	-	-
Due to other governments	1,419,219	517,839	529,793	-	-
Other liabilities	<u>-</u>	<u>713,890</u>	<u>-</u>	<u>-</u>	<u>1,135,427</u>
Total Liabilities	<u>\$ 1,419,219</u>	<u>\$ 4,137,105</u>	<u>\$ 684,849</u>	<u>\$ 47,507</u>	<u>\$ 1,135,427</u>

<u>Collector Fund</u>	<u>Illinois Housing Surcharge Fund</u>	<u>Regional Office of Education Fund</u>	<u>Payroll Agency Fund</u>	<u>Fiber Consortium Fund</u>	<u>Totals</u>
\$ 1,645,181	\$ 28,629	\$ 529,954	\$ 33,719	\$ 328,972	\$ 9,990,562
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,260</u>	<u>537,260</u>
<u>\$ 1,645,181</u>	<u>\$ 28,629</u>	<u>\$ 529,954</u>	<u>\$ 33,719</u>	<u>\$ 866,232</u>	<u>\$ 10,527,822</u>
\$ -	\$ -	\$ -	\$ -	\$ 866,232	\$ 1,021,288
-	-	-	-	-	47,507
-	-	-	-	-	2,905,376
1,645,181	28,629	-	-	-	4,140,661
<u>-</u>	<u>-</u>	<u>529,954</u>	<u>33,719</u>	<u>-</u>	<u>2,412,990</u>
<u>\$ 1,645,181</u>	<u>\$ 28,629</u>	<u>\$ 529,954</u>	<u>\$ 33,719</u>	<u>\$ 866,232</u>	<u>\$ 10,527,822</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2015

	Balance December 1, 2014	Additions	Deductions	Balance November 30, 2015
Treasurer Fund				
ASSETS				
Cash and equivalents	\$ 1,904,143	\$ 1,358,543	\$ 1,843,467	\$ 1,419,219
LIABILITIES				
Due to other governments	\$ 1,904,143	\$ 1,358,543	\$ 1,843,467	\$ 1,419,219
Clerk of the Circuit Court Fund				
ASSETS				
Cash and equivalents	\$ 3,572,888	\$ 23,891,773	\$ 23,327,556	\$ 4,137,105
LIABILITIES				
Bond escrow	\$ 2,508,298	\$ 4,632,322	\$ 4,235,244	\$ 2,905,376
Due to other governments	529,708	13,857,308	13,869,177	517,839
Other liabilities	534,882	5,402,143	5,223,135	713,890
Total Liabilities	\$ 3,572,888	\$ 23,891,773	\$ 23,327,556	\$ 4,137,105
Highway Fund				
ASSETS				
Cash and equivalents	\$ 1,358,557	\$ 763,988	\$ 1,437,696	\$ 684,849
Due from other governments	87,826	-	87,826	-
Total Assets	\$ 1,446,383	\$ 763,988	\$ 1,525,522	\$ 684,849
LIABILITIES				
Accounts payable	\$ 405,644	\$ 1,096,273	\$ 1,346,861	\$ 155,056
Due to other governments	1,040,739	676,162	1,187,108	529,793
Total Liabilities	\$ 1,446,383	\$ 1,772,435	\$ 2,533,969	\$ 684,849
Valley Hi Resident Fund				
ASSETS				
Cash and equivalents	\$ 43,187	\$ 31,632	\$ 27,312	\$ 47,507
LIABILITIES				
Due to residents	\$ 43,187	\$ 31,632	\$ 27,312	\$ 47,507

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2015

	Balance December 1, 2014	Additions	Deductions	Balance November 30, 2015
County Clerk Redemption Fund				
ASSETS				
Cash and equivalents	\$ 299,491	\$ 12,906,966	\$ 12,071,030	\$ 1,135,427
LIABILITIES				
Other liabilities	\$ 299,491	\$ 12,906,966	\$ 12,071,030	\$ 1,135,427
Collector Fund				
ASSETS				
Cash and equivalents	\$ 6,902,819	\$ 830,182,788	\$ 835,440,426	\$ 1,645,181
LIABILITIES				
Due to other governments	\$ 6,902,819	\$ 830,182,788	\$ 835,440,426	\$ 1,645,181
Illinois Housing Surcharge Fund				
ASSETS				
Cash and equivalents	\$ 25,434	\$ 389,970	\$ 386,775	\$ 28,629
LIABILITIES				
Due to other governments	\$ 25,434	\$ 389,970	\$ 386,775	\$ 28,629
Regional Office of Education Fund				
ASSETS				
Cash and equivalents	\$ 686,371	\$ 1,815,033	\$ 1,971,450	\$ 529,954
LIABILITIES				
Other liabilities	\$ 686,371	\$ 1,815,033	\$ 1,971,450	\$ 529,954
Payroll Agency Fund				
ASSETS				
Cash and equivalents	\$ -	\$ 226,717	\$ 192,998	\$ 33,719
LIABILITIES				
Other liabilities	\$ -	\$ 226,717	\$ 192,998	\$ 33,719

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2015

	Balance December 1, 2014	Additions	Deductions	Balance November 30, 2015
Fiber Consortium Fund				
ASSETS				
Cash and equivalents	\$ -	\$ 2,601,024	\$ 2,272,052	\$ 328,972
Due from other governments	-	537,260	-	537,260
Total Assets	<u>\$ -</u>	<u>\$ 3,138,284</u>	<u>\$ 2,272,052</u>	<u>\$ 866,232</u>
LIABILITIES				
Accounts payable	<u>\$ -</u>	<u>\$ 1,948,176</u>	<u>\$ 1,081,944</u>	<u>\$ 866,232</u>
Totals				
ASSETS				
Cash and equivalents	\$ 14,792,890	\$ 874,168,434	\$ 878,970,762	\$ 9,990,562
Due from other governments	87,826	537,260	87,826	537,260
Total Assets	<u>\$ 14,880,716</u>	<u>\$ 874,705,694</u>	<u>\$ 879,058,588</u>	<u>\$ 10,527,822</u>
LIABILITIES				
Accounts payable	\$ 405,644	\$ 3,044,449	\$ 2,428,805	\$ 1,021,288
Due to residents	43,187	31,632	27,312	47,507
Bond escrow	2,508,298	4,632,322	4,235,244	2,905,376
Due to other governments	10,402,843	846,464,771	852,726,953	4,140,661
Other liabilities	1,520,744	20,350,859	19,458,613	2,412,990
Total Liabilities	<u>\$ 14,880,716</u>	<u>\$ 874,524,033</u>	<u>\$ 878,876,927</u>	<u>\$ 10,527,822</u>

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2015

STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to financial statements, and required supplementary information indicate about the County's overall financial health.

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Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	162 - 169
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate the County's most significant own-source revenue, property taxes.	170 - 174
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	175 - 179
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	180 - 181
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	182 - 184

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

County of McHenry, Illinois
NET POSITION - BY COMPONENT
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities				
Net investment in capital assets	\$ 154,597,466	\$ 168,077,235	\$ 186,108,100	\$ 193,667,253
Restricted	72,186,833	83,884,874	94,814,206	110,628,189
Unrestricted	<u>44,583,626</u>	<u>50,060,006</u>	<u>43,594,428</u>	<u>44,841,564</u>
Total Governmental Activities	<u>\$ 271,367,925</u>	<u>\$ 302,022,115</u>	<u>\$ 324,516,734</u>	<u>\$ 349,137,006</u>
Business-Type Activities				
Net investment in capital assets	\$ 5,061,542	\$ 4,531,583	\$ 4,568,317	\$ 7,291,886
Restricted	-	411,176	41,191	492,746
Unrestricted	<u>13,770,255</u>	<u>16,996,918</u>	<u>22,272,580</u>	<u>23,773,241</u>
Total Business-Type Activities	<u>\$ 18,831,797</u>	<u>\$ 21,939,677</u>	<u>\$ 26,882,088</u>	<u>\$ 31,557,873</u>
Primary Government				
Net investment in capital assets	\$ 159,659,008	\$ 172,608,818	\$ 190,676,417	\$ 200,959,139
Restricted	72,186,833	84,296,050	94,855,397	111,120,935
Unrestricted	<u>58,353,881</u>	<u>67,056,924</u>	<u>65,867,008</u>	<u>68,614,805</u>
Total Primary Government	<u>\$ 290,199,722</u>	<u>\$ 323,961,792</u>	<u>\$ 351,398,822</u>	<u>\$ 380,694,879</u>

	2010	2011	2012	2013	2014	2015
\$	209,424,352	\$ 223,693,448	\$ 238,349,986	\$ 254,679,031	\$ 270,863,664	\$ 291,054,683
	107,121,300	116,754,427	111,049,850	109,592,257	107,428,692	95,857,810
	<u>48,003,693</u>	<u>39,868,128</u>	<u>39,069,307</u>	<u>34,014,313</u>	<u>32,142,348</u>	<u>25,775,187</u>
\$	<u>364,549,345</u>	<u>380,316,003</u>	<u>388,469,143</u>	<u>398,285,601</u>	<u>410,434,704</u>	<u>412,687,680</u>
\$	7,709,277	\$ 7,685,488	\$ 15,518,830	\$ 14,473,854	\$ 13,804,011	\$ 13,316,528
	693,237	707,422	-	-	-	-
	<u>27,700,590</u>	<u>33,962,683</u>	<u>32,871,174</u>	<u>38,846,898</u>	<u>43,875,013</u>	<u>46,804,774</u>
\$	<u>36,103,104</u>	<u>42,355,593</u>	<u>48,390,004</u>	<u>53,320,752</u>	<u>57,679,024</u>	<u>60,121,302</u>
\$	217,133,629	\$ 231,378,936	\$ 253,868,816	\$ 269,152,885	\$ 284,667,675	\$ 304,371,211
	107,814,537	117,461,849	111,049,850	109,592,257	107,428,692	95,857,810
	<u>75,704,283</u>	<u>73,830,811</u>	<u>71,940,481</u>	<u>72,861,211</u>	<u>76,017,361</u>	<u>72,579,961</u>
\$	<u>400,652,449</u>	<u>422,671,596</u>	<u>436,859,147</u>	<u>451,606,353</u>	<u>468,113,728</u>	<u>472,808,982</u>

County of McHenry, Illinois
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities										
General and administrative	\$ 33,304,143	\$ 28,649,900	\$ 36,269,025	\$ 32,184,476	\$ 34,857,021	\$ 31,708,738	\$ 35,519,392	\$ 36,716,979	\$ 34,302,304	\$ 37,596,322
Community development	2,678,785	3,449,524	2,169,597	3,027,001	7,364,952	4,770,885	4,286,876	4,031,197	3,719,430	3,825,976
Transportation	10,997,498	12,260,312	13,292,664	18,281,173	17,782,366	18,281,227	19,818,851	19,462,103	21,339,490	19,992,910
Public safety	28,854,125	30,956,789	33,132,115	38,590,241	38,047,322	38,737,004	38,884,186	40,757,655	40,980,612	43,354,459
Judiciary and court related	10,916,010	12,829,189	13,518,255	13,604,193	13,778,713	13,943,432	13,996,893	14,081,733	14,255,999	15,280,218
Public health and welfare	23,454,095	24,368,771	27,184,973	28,574,453	28,710,653	27,557,830	28,423,928	24,957,498	23,516,262	22,065,296
Interest and fiscal charges	1,257,230	2,149,414	3,312,029	3,182,260	3,102,232	2,726,775	2,336,518	1,901,744	1,534,221	882,763
Total Governmental Activities	111,461,886	114,663,899	128,878,658	137,443,797	143,643,259	137,725,891	143,266,644	141,908,909	139,648,318	142,997,944
Business-Type Activities										
Public health and welfare	7,515,927	9,737,659	9,541,020	10,042,346	10,085,088	9,527,978	10,380,394	10,449,731	10,799,150	11,091,061
Public safety	1,652,536	1,979,992	2,011,399	2,315,535	2,331,714	2,765,086	2,580,677	2,666,421	2,660,194	2,695,482
Total Business-Type Activities	9,168,463	11,717,651	11,552,419	12,357,881	12,416,802	12,293,064	12,961,071	13,116,152	13,459,344	13,786,543
Total Primary Government	\$ 120,630,349	\$ 126,381,550	\$ 140,431,077	\$ 149,801,678	\$ 156,060,061	\$ 150,018,955	\$ 156,227,715	\$ 155,025,061	\$ 153,107,662	\$ 156,784,487
PROGRAM REVENUES										
Governmental Activities										
Charges for services										
General and administrative	\$ 6,283,160	\$ 5,778,519	\$ 5,135,160	\$ 6,265,612	\$ 6,779,291	\$ 5,550,919	\$ 6,005,617	\$ 5,896,726	\$ 5,771,321	\$ 5,071,025
Community development	1,518,472	1,075,295	804,410	526,487	541,192	474,634	428,441	458,793	534,174	613,406
Transportation	114,214	135,169	96,965	86,869	69,027	63,040	95,369	88,320	91,029	155,327
Public safety	9,641,669	10,488,124	12,064,091	12,637,154	12,120,177	13,465,305	11,381,987	9,757,347	8,614,756	8,305,603
Judiciary and court related	8,339,350	9,595,094	9,745,480	9,716,466	9,488,739	9,122,454	8,839,484	8,078,390	8,033,346	8,038,492
Public health and welfare	1,818,859	1,964,354	2,038,370	1,961,645	2,029,130	2,016,524	1,884,605	1,806,964	1,762,156	1,724,924
Operating grants and contributions	18,505,216	23,600,690	22,656,506	31,454,008	32,636,359	25,326,118	22,450,688	21,636,743	19,319,310	18,307,775
Capital grants and contributions	2,223,295	3,800,048	5,141,148	5,778,791	1,206,453	-	255,707	1,588,971	2,882,321	7,573,150
Total Governmental Activities	48,444,235	56,437,293	57,682,130	68,427,032	64,870,368	56,018,994	51,341,898	49,312,254	47,008,413	49,789,702
Business-Type Activities										
Charges for services										
Public health and welfare	\$ 5,475,126	\$ 6,702,116	\$ 6,790,327	\$ 8,196,650	\$ 8,429,840	\$ 9,980,585	\$ 10,235,827	\$ 10,196,234	\$ 10,733,110	\$ 10,296,060
Public safety	2,032,278	2,209,926	3,223,595	2,660,384	2,491,834	2,556,939	2,736,436	2,542,348	2,523,081	2,642,336
Total Business-Type Activities	7,507,404	8,912,042	10,013,922	10,857,034	10,921,674	12,537,524	12,972,263	12,738,582	13,256,191	12,938,396
Total Primary Government	\$ 55,951,639	\$ 65,349,335	\$ 67,696,052	\$ 79,284,066	\$ 75,792,042	\$ 68,556,518	\$ 64,314,161	\$ 62,050,836	\$ 60,264,604	\$ 62,728,098

County of McHenry, Illinois
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (63,017,651)	\$ (58,226,606)	\$ (71,196,528)	\$ (69,016,765)	\$ (78,772,891)	\$ (81,706,897)	\$ (91,924,746)	\$ (92,596,655)	\$ (92,639,905)	\$ (93,208,242)
Business-Type Activities	<u>(1,661,059)</u>	<u>(2,805,609)</u>	<u>(1,538,497)</u>	<u>(1,500,847)</u>	<u>(1,495,128)</u>	<u>244,460</u>	<u>11,192</u>	<u>(377,570)</u>	<u>(203,153)</u>	<u>(848,147)</u>
Total Primary Government	\$ <u>(64,678,710)</u>	\$ <u>(61,032,215)</u>	\$ <u>(72,735,025)</u>	\$ <u>(70,517,612)</u>	\$ <u>(80,268,019)</u>	\$ <u>(81,462,437)</u>	\$ <u>(91,913,554)</u>	\$ <u>(92,974,225)</u>	\$ <u>(92,843,058)</u>	\$ <u>(94,056,389)</u>
GENERAL REVENUES AND TRANSFERS										
Governmental Activities										
Property taxes	\$ 56,249,505	\$ 60,175,903	\$ 63,395,685	\$ 67,859,666	\$ 68,390,469	\$ 70,755,868	\$ 72,206,475	\$ 73,113,284	\$ 74,017,467	\$ 75,798,457
Sales taxes	9,580,333	9,533,202	15,003,386	15,983,268	16,704,187	17,481,700	18,036,621	18,718,620	19,577,205	19,987,380
State income taxes	5,465,713	5,875,908	6,214,390	5,603,268	4,880,880	5,139,609	5,749,691	6,234,765	6,265,092	6,962,600
Tax transfer stamps	4,631,095	3,264,738	1,968,253	1,232,451	1,203,780	1,123,002	1,258,599	1,896,811	1,833,392	2,133,728
Other taxes	6,575,678	1,804,030	2,173,857	1,763,703	1,744,807	1,955,665	2,006,647	2,005,449	2,283,433	2,588,533
Investment income	5,006,956	6,713,449	4,577,645	584,228	423,535	342,007	309,709	275,817	263,632	259,070
Miscellaneous	792,329	610,444	357,931	565,895	837,572	675,704	469,454	404,762	457,065	505,127
Gain on sale of capital assets	115,317	71,889	-	44,558	-	-	40,690	26,164	91,722	45,671
Transfers	-	831,233	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>88,416,926</u>	<u>88,880,796</u>	<u>93,691,147</u>	<u>93,637,037</u>	<u>94,185,230</u>	<u>97,473,555</u>	<u>100,077,886</u>	<u>102,675,672</u>	<u>104,789,008</u>	<u>108,280,566</u>
Business-Type Activities										
Property taxes	5,996,097	5,998,876	5,932,935	5,994,282	5,919,050	5,912,097	5,950,311	5,237,688	4,493,330	2,993,381
Investment income	479,999	745,846	547,973	182,350	121,309	95,932	72,908	70,630	68,095	85,068
Transfers	-	(831,233)	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>6,476,096</u>	<u>5,913,489</u>	<u>6,480,908</u>	<u>6,176,632</u>	<u>6,040,359</u>	<u>6,008,029</u>	<u>6,023,219</u>	<u>5,308,318</u>	<u>4,561,425</u>	<u>3,078,449</u>
Total Primary Government	\$ <u>94,893,022</u>	\$ <u>94,794,285</u>	\$ <u>100,172,055</u>	\$ <u>99,813,669</u>	\$ <u>100,225,589</u>	\$ <u>103,481,584</u>	\$ <u>106,101,105</u>	\$ <u>107,983,990</u>	\$ <u>109,350,433</u>	\$ <u>111,359,015</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 25,399,275	\$ 30,654,190	\$ 22,494,619	\$ 24,620,272	\$ 15,412,339	\$ 15,766,658	\$ 8,153,140	\$ 10,079,017	\$ 12,149,103	\$ 15,072,324
Business-Type Activities	<u>4,815,037</u>	<u>3,107,880</u>	<u>4,942,411</u>	<u>4,675,785</u>	<u>4,545,231</u>	<u>6,252,489</u>	<u>6,034,411</u>	<u>4,930,748</u>	<u>4,358,272</u>	<u>2,230,302</u>
Total Primary Government	\$ <u>30,214,312</u>	\$ <u>33,762,070</u>	\$ <u>27,437,030</u>	\$ <u>29,296,057</u>	\$ <u>19,957,570</u>	\$ <u>22,019,147</u>	\$ <u>14,187,551</u>	\$ <u>15,009,765</u>	\$ <u>16,507,375</u>	\$ <u>17,302,626</u>

County of McHenry, Illinois
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 1,841,063	\$ 3,367,690	\$ 4,896,687	\$ 3,890,055	\$ 4,543,345
Unreserved	39,680,368	42,525,921	38,848,139	44,881,550	47,525,814
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 41,521,431</u>	<u>\$ 45,893,611</u>	<u>\$ 43,744,826</u>	<u>\$ 48,771,605</u>	<u>\$ 52,069,159</u>
All Other Governmental Funds					
Reserved	\$ 15,815,383	\$ 17,104,118	\$ 21,158,012	\$ 21,152,055	\$ 36,357,884
Unreserved					
Special revenue funds	54,420,402	64,119,701	66,212,656	77,525,162	68,443,969
Capital projects funds	3,605,068	32,098,411	13,341,272	260,818	14,036
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 73,840,853</u>	<u>\$ 113,322,230</u>	<u>\$ 100,711,940</u>	<u>\$ 98,938,035</u>	<u>\$ 104,815,889</u>

Note: The County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable the fund balance categories used prior to 2011.

2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,440,951	979,132	1,310,108	3,228,443	3,563,966
929,636	366,748	534,121	691,306	431,959
2,957,458	3,832,006	3,497,757	4,932,913	4,035,922
<u>48,567,345</u>	<u>48,046,334</u>	<u>46,556,929</u>	<u>39,848,586</u>	<u>39,734,158</u>
<u>\$ 53,895,390</u>	<u>\$ 53,224,220</u>	<u>\$ 51,898,915</u>	<u>\$ 48,701,248</u>	<u>\$ 47,766,005</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
1,423,664	1,348,569	1,225,166	1,244,143	1,600,997
110,227,554	105,282,972	102,894,199	102,933,948	90,302,255
1,892,753	1,883,704	1,902,877	2,073,251	2,120,282
<u>(841,118)</u>	<u>(604,437)</u>	<u>(1,372,726)</u>	<u>(1,541,451)</u>	<u>(448,652)</u>
<u>\$ 112,702,853</u>	<u>\$ 107,910,808</u>	<u>\$ 104,649,516</u>	<u>\$ 104,709,891</u>	<u>\$ 93,574,882</u>

County of McHenry, Illinois
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
REVENUES					
Charges for services	\$ 23,884,511	\$ 26,105,579	\$ 24,538,491	\$ 30,460,458	\$ 28,813,360
Licenses and permits	2,161,925	1,762,656	1,422,286	1,147,302	1,166,773
Fines and forfeitures	1,561,136	1,629,982	1,534,686	1,328,070	1,260,451
Grants, contributions, and intergovernmental	17,920,531	23,172,332	22,599,354	27,441,735	35,501,450
Property taxes	50,749,521	54,626,949	58,945,966	63,863,503	64,562,786
Sales taxes	9,530,333	9,533,202	14,392,386	16,052,268	18,048,187
State income taxes	5,465,713	5,875,908	6,214,390	4,703,268	5,780,880
Tax transfer stamps	4,631,095	3,264,738	1,968,253	1,232,451	1,203,780
Other taxes	6,558,678	2,143,030	2,173,857	1,779,703	1,804,807
Investment income	4,995,957	6,407,385	4,650,860	733,638	424,921
Miscellaneous	870,873	650,032	364,393	610,453	837,572
Total Revenues	<u>128,330,273</u>	<u>135,171,793</u>	<u>138,804,922</u>	<u>149,352,849</u>	<u>159,404,967</u>
EXPENDITURES					
Current					
General and administrative	26,806,604	26,984,381	26,373,070	27,059,336	28,389,135
Community development	2,692,960	3,428,328	2,163,939	3,029,167	7,340,586
Transportation	9,546,135	12,599,577	13,937,579	18,708,657	18,675,266
Public safety	27,347,522	29,912,573	31,495,112	36,479,080	36,125,726
Judiciary and court related	10,819,640	13,497,931	15,791,493	13,901,681	13,890,625
Public health and welfare	23,560,643	24,679,407	27,189,292	28,632,690	28,974,311
Capital outlay	15,134,089	32,474,800	27,344,905	11,154,580	13,805,171
Debt service					
Principal retirement	2,252,439	3,220,206	7,798,926	8,548,252	8,597,661
Interest and fiscal charges	1,140,762	1,090,312	3,507,908	3,264,626	2,901,750
Total Expenditures	<u>119,300,794</u>	<u>147,887,515</u>	<u>155,602,224</u>	<u>150,778,069</u>	<u>158,700,231</u>
Excess (deficiency) of revenues over expenditures	<u>9,029,479</u>	<u>(12,715,722)</u>	<u>(16,797,302)</u>	<u>(1,425,220)</u>	<u>704,736</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	6,331,432	24,521,463	31,671,737	30,615,292	13,644,072
Transfers out	(6,331,432)	(24,521,463)	(31,671,737)	(30,615,292)	(13,644,072)
Debt certificates issued	4,688,000	54,885,000	-	4,480,000	8,147,000
Refunding debt certificates issued	3,592,000	-	-	-	3,448,000
Premium on debt issuance	-	137,921	-	28,416	459,447
Payment to bond escrow agent	(3,522,175)	-	-	-	(3,583,775)
Insurance recoveries	-	-	-	-	-
Capital leases issued	250,254	1,546,358	2,038,227	169,678	-
Total Other Financing Sources (Uses)	<u>5,008,079</u>	<u>56,569,279</u>	<u>2,038,227</u>	<u>4,678,094</u>	<u>8,470,672</u>
Net Change in Fund Balances	<u>\$ 14,037,558</u>	<u>\$ 43,853,557</u>	<u>\$ (14,759,075)</u>	<u>\$ 3,252,874</u>	<u>\$ 9,175,408</u>
Debt service as a percentage of noncapital expenditures	<u>3.3 %</u>	<u>3.9 %</u>	<u>9.2 %</u>	<u>8.8 %</u>	<u>8.2 %</u>

	2011	2012	2013	2014	2015
\$	28,602,757	\$ 26,671,499	\$ 24,072,857	\$ 21,568,291	\$ 21,776,162
	1,068,367	1,057,632	1,164,101	1,225,016	1,301,505
	1,159,054	1,095,605	958,208	1,039,648	962,505
	28,679,928	23,297,655	21,233,366	22,172,722	18,087,756
	70,755,868	72,206,475	73,113,284	74,017,467	75,798,457
	17,481,700	18,036,621	18,718,620	19,577,205	19,987,380
	5,139,609	5,749,691	6,234,765	6,265,092	6,962,600
	1,123,002	1,258,599	1,896,811	1,833,392	2,133,728
	1,955,665	2,006,647	2,005,449	2,283,433	2,588,533
	340,280	305,078	268,731	255,945	250,965
	719,739	510,144	430,926	583,265	550,798
	<u>157,025,969</u>	<u>152,195,646</u>	<u>150,097,118</u>	<u>150,821,476</u>	<u>150,400,389</u>
	30,860,975	31,904,248	32,517,099	32,892,250	34,947,227
	4,739,417	4,234,982	3,961,571	3,426,098	3,730,152
	18,835,196	18,672,852	17,126,943	17,660,855	18,495,568
	36,235,507	37,041,770	38,189,737	38,936,843	39,856,936
	13,745,080	13,835,337	13,432,634	13,581,970	14,378,987
	27,586,500	28,276,597	24,915,835	23,476,267	22,114,409
	18,429,974	12,236,735	12,892,983	13,194,968	19,754,893
	9,468,785	13,731,719	9,687,878	10,120,439	26,412,715
	3,009,679	2,545,139	2,140,219	1,755,268	1,261,106
	<u>162,911,113</u>	<u>162,479,379</u>	<u>154,864,899</u>	<u>155,044,958</u>	<u>180,951,993</u>
	<u>(5,885,144)</u>	<u>(10,283,733)</u>	<u>(4,767,781)</u>	<u>(4,223,482)</u>	<u>(30,551,604)</u>
	24,073,795	24,415,247	24,459,350	20,911,710	21,144,694
	(24,073,795)	(24,415,247)	(24,459,350)	(20,911,710)	(21,144,694)
	-	-	-	-	-
	-	5,465,000	-	-	15,755,000
	-	166,455	-	-	741,576
	-	(1,073,000)	-	-	-
	-	-	-	710,657	-
	<u>2,924,043</u>	<u>262,063</u>	<u>181,184</u>	<u>375,533</u>	<u>1,691,154</u>
	<u>2,924,043</u>	<u>4,820,518</u>	<u>181,184</u>	<u>1,086,190</u>	<u>18,187,730</u>
\$	<u>(2,961,101)</u>	<u>(5,463,215)</u>	<u>(4,586,597)</u>	<u>(3,137,292)</u>	<u>(12,363,874)</u>
	<u>8.9 %</u>	<u>11.1 %</u>	<u>8.4 %</u>	<u>8.4 %</u>	<u>17.5 %</u>

County of McHenry, Illinois
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years

Year Taxes Payable	Real Property					Railroad Property and Other	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Total Assessed Value as a % of Estimated Actual Value
	Farm	Residential	Commercial	Industrial	Other					
2006	\$ 227,318,495	\$ 7,010,406,096	\$ 946,541,231	\$ 359,681,646	\$ 15,933,834	\$ 4,780,696	\$ 8,564,661,998	\$ 25,693,985,994	\$ 0.728	33.3 %
2007	242,284,601	7,739,948,744	1,042,482,191	378,488,761	15,210,290	5,075,587	9,423,490,174	28,270,470,522	0.706	33.3
2008	255,194,149	8,360,880,272	1,125,071,165	395,468,291	14,396,994	4,909,505	10,155,920,376	30,467,761,128	0.687	33.3
2009	270,049,021	8,639,858,959	1,186,655,676	410,478,144	14,245,656	5,356,962	10,526,644,418	31,579,933,254	0.701	33.3
2010	276,678,637	8,522,019,341	1,206,095,170	411,119,294	13,427,368	6,243,622	10,435,583,432	31,306,750,296	0.716	33.3
2011	275,661,935	7,866,580,876	1,166,707,825	397,434,087	13,333,125	7,763,227	9,727,481,075	29,182,443,225	0.792	33.3
2012	263,585,558	7,155,985,786	1,042,866,545	359,374,976	12,328,505	8,207,596	8,842,348,966	26,527,046,898	0.888	33.3
2013	246,710,702	6,359,887,024	952,581,395	326,185,550	12,468,064	9,222,423	7,907,055,158	23,721,165,474	0.996	33.3
2014	234,798,385	5,775,371,019	860,389,334	295,685,623	11,860,496	11,592,824	7,189,697,681	21,569,093,043	1.096	33.3
2015	234,249,603	5,568,261,179	827,332,318	281,474,480	10,455,494	12,346,414	6,934,119,488	20,802,358,464	1.141	33.3

Source: McHenry County Assessor's Office.

Note: Each real property parcel, other than farmland, must be viewed, inspected, and revalued once every four years. Between these general assessment years, township assessors may revalue property if its value is incorrect. By law, most real property is assessed at 33.3% of its fair cash value, which is synonymous with the term market value. There are some exceptions, most notably for farmland, which is assessed based on its agricultural productivity or its ability to produce income. Farmland is reassessed each year by the Illinois Department of Revenue.

County of McHenry, Illinois
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years

	Year Taxes Payable				
	2006	2007	2008	2009	2010
DIRECT RATES - COUNTY					
General	0.250	0.250	0.285	0.300	0.326
Highway	0.060	0.064	0.060	0.060	0.060
County Bridge	0.002	0.004	0.010	0.009	0.010
Matching	0.012	0.028	0.034	0.033	0.010
Mental Health	0.121	0.118	0.114	0.116	0.118
Tuberculosis Care and Treatment	0.002	0.002	0.003	0.004	0.004
Illinois Municipal Retirement	0.070	0.056	0.037	0.038	0.043
Veterans' Assistance	0.007	0.006	0.006	0.005	0.003
Loss Prevention and Protection	0.064	0.059	0.044	0.038	0.037
Social Security	0.049	0.036	0.017	0.024	0.031
Senior Services	0.021	0.019	0.018	0.017	0.017
Nursing Home	0.070	0.064	0.059	0.057	0.057
Total County	0.728	0.706	0.687	0.701	0.716
OVERLAPPING RATES					
Municipalities	0.184 - 1.467	0.180 - 1.426	0.175 - 1.409	0.178 - 1.447	0.180 - 1.487
Unit School Districts	3.587 - 4.517	3.446 - 4.677	3.378 - 4.609	3.172 - 4.693	3.274 - 4.791
Elementary School Districts	1.862 - 3.683	1.919 - 3.754	1.869 - 3.714	1.891 - 3.794	1.956 - 3.933
High School Districts	1.659 - 2.086	1.599 - 2.154	1.552 - 2.149	1.559 - 2.241	1.625 - 2.279
Community College Districts	0.256 - 0.447	0.274 - 0.491	0.263 - 0.478	0.258 - 0.436	0.274 - 0.467
Conservation District	0.149	0.143	0.174	0.173	0.178
Township and Road Districts	0.105 - 0.664	0.102 - 0.644	0.098 - 0.629	0.099 - 0.647	0.101 - 0.658
Park Districts	0.300 - 0.534	0.031 - 0.524	0.032 - 0.508	0.029 - 0.528	0.032 - 0.535
Fire Protection Districts	0.126 - 0.635	0.189 - 0.623	0.184 - 0.612	0.188 - 0.638	0.193 - 0.637
Library Districts	0.074 - 0.400	0.071 - 0.395	0.069 - 0.383	0.071 - 0.392	0.072 - 0.391
Sanitary Districts	0.045 - 0.057	0.044 - 0.056	0.049 - 0.054	0.056 - 0.057	0.057
Cemetery Districts	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008
Rescue Squad District	0.088	0.200	0.195	0.199	0.200

Source: McHenry County Clerk's Office.

Notes: Rates are per \$100 of assessed valuation.

The County's ability to change property taxes is limited by the Property Tax Extension Limitation Law (PTELL). Increases are limited to the lesser of 5 percent or the increase in the national consumer price index (CPI) for the year preceding the levy year. For the 2014 levy (payable in 2015), the increase was limited to the CPI increase of 1.5%.

Year Taxes Payable

2011	2012	2013	2014	2015
0.370	0.417	0.480	0.541	0.584
0.065	0.072	0.084	0.089	0.093
0.010	0.012	0.016	0.015	0.007
0.011	0.013	0.016	0.016	0.026
0.129	0.144	0.150	0.150	0.150
0.005	0.004	0.003	0.003	0.004
0.046	0.053	0.067	0.095	0.113
0.004	0.004	0.005	0.006	0.006
0.040	0.044	0.038	0.038	0.032
0.033	0.037	0.048	0.056	0.058
0.018	0.020	0.023	0.024	0.025
0.061	0.068	0.066	0.063	0.043
<u>0.792</u>	<u>0.888</u>	<u>0.996</u>	<u>1.096</u>	<u>1.141</u>

0.192 - 1.707	0.207 - 1.943	0.232 - 2.210	0.264 - 2.356	0.278 - 2.545
3.503 - 5.226	3.638 - 5.894	3.593 - 6.900	4.014 - 7.742	5.068 - 8.215
2.154 - 4.229	2.487 - 5.250	2.962 - 5.927	3.311 - 6.894	3.532 - 7.659
1.780 - 2.510	2.093 - 2.926	2.407 - 3.123	2.704 - 3.486	2.887 - 3.891
0.278 - 0.454	0.290 - 0.465	0.338 - 0.505	0.359 - 0.547	0.445 - 0.668
0.196	0.219	0.248	0.275	0.284
0.123 - 0.708	0.123 - 0.586	0.142 - 0.819	0.152 - 0.851	0.157 - 0.837
0.034 - 0.575	0.035 - 0.659	0.038 - 0.758	0.042 - 0.836	0.052 - 0.903
0.213 - 0.718	0.243 - 0.722	0.288 - 0.827	0.325 - 0.936	0.345 - 0.999
0.078 - 0.419	0.089 - 0.467	0.104 - 0.532	0.119 - 0.595	0.127 - 0.638
0.062 - 0.066	0.070 - 0.071	0.071 - 0.083	0.078 - 0.091	0.071 - 0.131
0.001 - 0.009	0.002 - 0.011	0.002 - 0.012	0.002 - 0.013	0.002 - 0.014
0.200	0.200	0.200	0.200	0.200

County of McHenry, Illinois
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2015			2006		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Wal-Mart Stores, Inc.	\$ 21,199,238	1	0.28 %	\$ 13,408,797	2	0.15 %
Nimed Corp.	20,172,234	2	0.27	10,355,704	6	0.11
Inland Real Estate Group	12,784,571	3	0.17	20,362,500	1	0.22
Federal National Mortgage Assn.	12,429,525	4	0.16	-	-	-
Home Depot	10,159,230	5	0.13	-	-	-
DDR McHenry SQ LLC	8,416,454	6	0.11	-	-	-
Meijer Stores	7,448,691	7	0.10	11,766,216	4	0.13
Target Corp.	7,133,347	8	0.09	9,545,262	8	0.10
Rubloff	6,656,815	9	0.09	12,085,386	3	0.13
Centro Bradley	5,860,002	10	0.08	-	-	-
Cunat Bros. Inc.	-	-	-	10,732,370	5	0.12
Bradley Oper LTD/Heritage Prop	-	-	-	9,745,286	7	0.11
Sunrise Senior Living	-	-	-	8,568,307	9	0.09
Menard Inc.	-	-	-	7,910,396	10	0.09
	<u>\$ 112,260,107</u>		<u>1.48 %</u>	<u>\$ 114,480,224</u>		<u>1.25 %</u>

Source: McHenry County Assessor's Office.

County of McHenry, Illinois
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Net Amount Collected in Subsequent Years	Total Collected to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006	\$ 62,333,680	\$ 62,245,602	99.86 %	\$ -	\$ 62,245,602	99.86 %
2007	66,273,418	66,174,779	99.85	-	66,174,779	99.85
2008	69,497,238	69,328,620	99.76	-	69,328,620	99.76
2009	73,587,785	73,429,748	99.79	11,488	73,441,236	99.80
2010	74,443,780	74,299,194	99.81	(11,272)	74,287,922	99.79
2011	76,846,500	76,659,934	99.76	13,133	76,673,067	99.77
2012	78,285,064	78,153,090	99.83	(1,640)	78,151,450	99.83
2013	78,535,191	78,356,747	99.77	16,650	78,373,397	99.79
2014	78,627,451	78,505,603	99.85	(1,052)	78,504,551	99.84
2015	78,966,290	78,804,983	99.80	-	78,804,983	99.80

Source: McHenry County Treasurer's Office.

County of McHenry, Illinois
RATIOS OF OUTSTANDING DEBT - BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Debt Certificates	Debt		Debt Certificates	Revenue Bonds	Capital Leases			
		Certificate Issuance Premiums	Capital Leases						
2006	\$ 28,840,473	\$ -	\$ 785,929	\$ 12,020,000	\$ 165,000	\$ 52,774	\$ 41,864,176	0.35 %	\$ 134.02
2007	81,460,136	132,061	1,348,872	11,535,000	-	39,586	94,515,655	0.74	299.15
2008	74,637,760	118,297	2,410,549	11,035,000	-	25,997	88,227,603	0.68	276.89
2009	71,530,000	130,129	1,619,735	10,525,000	-	11,994	83,816,858	0.67	261.14
2010	72,045,000	546,623	647,074	9,555,000	-	-	82,793,697	0.66	268.15
2011	63,540,000	484,835	2,607,332	8,915,000	-	57,613	75,604,780	0.57	245.36
2012	55,180,000	570,574	1,927,676	-	-	43,981	57,722,231	0.42	187.32
2013	46,205,000	490,099	1,395,982	-	-	29,934	48,121,015	0.35	156.54
2014	36,875,000	412,375	981,076	-	-	15,460	38,283,911	0.27	124.59
2015	27,205,000	969,427	1,684,515	-	-	546	29,859,488	0.20	97.15

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. See Demographic and Economic Statistics at page 170 for personal income and population data.

County of McHenry, Illinois
RATIOS OF OUTSTANDING GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Value of Property	Per Capita
	Debt Certificates	Debt Certificate Issuance Premiums	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt		
2006	\$ 40,860,473	\$ -	\$ -	\$ 40,860,473	0.16 %	\$ 130.81
2007	92,995,136	132,061	-	93,127,197	0.33	294.76
2008	85,672,760	118,297	-	85,791,057	0.28	269.24
2009	82,055,000	130,129	-	82,185,129	0.26	256.06
2010	81,600,000	546,623	-	82,146,623	0.26	266.05
2011	72,455,000	484,835	-	72,939,835	0.25	236.71
2012	55,180,000	570,574	-	55,750,574	0.21	180.92
2013	46,205,000	490,099	-	46,695,099	0.20	151.90
2014	36,875,000	412,375	-	37,287,375	0.17	121.35
2015	27,205,000	969,427	-	28,174,427	0.14	91.67

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Assessed Value and Estimated Actual Value of Taxable Property Schedule at page 170 for property value data.
See Demographic and Economic Statistics at page 180 for population data.

County of McHenry, Illinois
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2015

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
County of McHenry	\$ 29,859,000	100.0 %	\$ 29,859,000
Overlapping			
Municipalities	108,685,000	6.1 - 100.0	89,208,000
Unit School Districts	836,008,000	0.1 - 100.0	375,310,000
Elementary School Districts	86,108,000	92.8 - 100.0	83,695,000
High School Districts	64,611,000	98.4 - 100.0	64,053,000
Community College Districts	469,723,000	0.1 - 96.2	21,437,000
Conservation District	134,303,000	100.0	134,303,000
Township and Road Districts	3,119,000	100.0	3,119,000
Park Districts	27,311,000	82.4 - 100.0	25,331,000
Fire Protection Districts	12,393,000	0.7 - 100.0	9,672,000
Library Districts	19,752,000	2.3 - 100.0	4,434,000
Total Overlapping			<u>810,562,000</u>
Total Direct and Overlapping Debt			<u>\$ 840,421,000</u>

Sources: Assessed value data used to estimate applicable percentages provided the County Clerk's Office. Debt outstanding data obtained from annual financial reports submitted to the Illinois Comptroller or Illinois State Board of Education or from individual comprehensive annual financial reports.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses of the County should be taken into account. However, this does not mean that every taxpayer of the County is a taxpayer of each of the above overlapping districts and responsible for bearing the repayment of the long-term debt of each overlapping district.

The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another district's assessed value that is within the County's boundaries and dividing it by that district's total assessed value.

Amounts are rounded to the nearest thousand.

County of McHenry, Illinois
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 246,234,032	\$ 270,925,343	\$ 291,982,711	\$ 302,641,027	\$ 300,023,024	\$ 279,665,081	\$ 254,217,533	\$ 227,327,836	\$ 206,703,808	\$ 199,355,935
Less: total debt applicable to limit	<u>-</u>	<u>(54,885,000)</u>	<u>(50,385,000)</u>	<u>(45,695,000)</u>	<u>(40,805,000)</u>	<u>(35,715,000)</u>	<u>(30,405,000)</u>	<u>(24,855,000)</u>	<u>(19,050,000)</u>	<u>(12,665,000)</u>
Legal debt margin	\$ <u>246,234,032</u>	\$ <u>216,040,343</u>	\$ <u>241,597,711</u>	\$ <u>256,946,027</u>	\$ <u>259,218,024</u>	\$ <u>243,950,081</u>	\$ <u>223,812,533</u>	\$ <u>202,472,836</u>	\$ <u>187,653,808</u>	\$ <u>186,690,935</u>
Total debt applicable to limit as a % of debt limit	<u>-</u> %	<u>20.26</u> %	<u>17.26</u> %	<u>15.10</u> %	<u>13.60</u> %	<u>12.77</u> %	<u>11.96</u> %	<u>10.93</u> %	<u>9.22</u> %	<u>6.35</u> %

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed valuation (2014 tax year)	\$ <u>6,934,119,488</u>
Debt limitation (2.875% of assessed valuation)	<u>199,355,935</u>
Debt outstanding	
Debt Certificates	27,205,000
Capital Leases	<u>1,685,061</u>
Subtotal	28,890,061
Less: debt not subject to limitation	<u>(16,225,061)</u>
Total debt applicable to limit	<u>12,665,000</u>
Debt limit margin	\$ <u>186,690,935</u>

Note: Per state statute, the County is limited to issuing debt in an amount not to exceed 2.875% of the assessed value of the taxable property within the County. However, this limitation does not apply to debt issued for the purpose of building a County court house, jail, or other necessary County buildings and for the accommodation thereof. (50 ILCS 405 - Local Government Debt Limitation Act)

County of McHenry, Illinois
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

911 Fund Revenue Bonds							
Fiscal Year	Charges for Services	Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2006	\$ 2,032,278	\$ 104,103	\$ 1,332,078	\$ 804,303	\$ 160,000	\$ 7,035	4.82
2007	2,209,926	135,558	1,517,913	827,571	165,000	300	5.01
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. 911 Fund revenue bonds were backed by charges for services, which represent monthly telephone surcharges paid on telephone lines within the County. This issue was paid off in 2007.

County of McHenry, Illinois
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
2006	312,373	\$ 12,128,427,000	\$ 38,827	53,917	3,142	3.7	%
2007	315,943	12,709,394,000	40,227	54,256	3,523	4.3	
2008	318,641	13,011,546,000	40,835	54,350	3,742	5.8	
2009	320,961	12,508,246,000	38,971	54,080	3,648	9.6	
2010	308,760	12,546,535,000	40,635	53,179	3,456	9.6	
2011	308,135	13,150,557,000	42,678	52,875	3,438	9.4	
2012	308,145	13,768,164,000	44,681	52,209	3,369	8.4	
2013	307,409	13,905,855,000	45,236	51,547	3,634	8.3	
2014	307,283	14,356,414,000	46,720	50,652	3,695	6.4	
2015	307,343	14,808,518,000	48,182	49,973	3,607	5.3	

Sources:

- (1) US Census Bureau.
- (2) Bureau of Economic Analysis, US Department of Commerce.
- (3) Regional Superintendent of Schools.
- (4) Illinois Department of Employment Security.

County of McHenry, Illinois
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	3,448	1	2.20 %	3,049	1	1.83 %
Wal-Mart	2,248	2	1.43	-	-	-
Jewel Osco	1,700	3	1.08	-	-	-
County of McHenry	1,400	4	0.89	1,200	2	0.72
Follett School Solutions, Inc.	924	5	0.59	960	3	0.58
McHenry County College	770	6	0.49	636	8	0.38
Intren, Inc.	751	7	0.48	-	-	-
Catalent Pharma Solutions	750	8	0.48	-	-	-
Snap-on, Inc.	725	9	0.46	-	-	-
Sage Products, Inc.	700	10	0.45	-	-	-
Cardinal Health	-	-	-	860	4	0.52
Brake Parts, Inc.	-	-	-	850	5	0.51
Intermatic, Inc.	-	-	-	850	6	0.51
Brown Printing	-	-	-	751	7	0.45
Mercey Health System	-	-	-	612	9	0.37
True Value Manufacturing	-	-	-	470	10	0.28
	<u>13,416</u>		<u>8.55 %</u>	<u>10,238</u>		<u>6.15 %</u>

Source: Principal employers obtained from the annual McHenry County Book of Lists, compiled by the McHenry County Business Journal. Total County employment obtained from the Illinois Department of Employment Security.

County of McHenry, Illinois
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	Full-time Equivalent Employees as of November 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General and administrative	201.7	203.9	213.3	208.2	207.3	205.4	206.1	207.0	206.3	194.6
Community development	23.6	25.1	23.5	27.0	28.0	26.9	26.9	30.0	24.8	24.7
Transportation	50.5	56.5	59.5	57.4	56.4	60.0	60.0	57.0	56.0	63.2
Public safety	382.5	394.2	404.9	400.1	401.0	402.7	402.8	400.2	395.7	393.7
Judiciary and court related	194.8	211.5	212.1	208.4	214.9	207.0	208.3	209.2	208.2	212.2
Public health and welfare	300.1	302.6	312.2	359.6	358.3	333.1	329.2	308.4	306.1	276.9
	<u>1,153.2</u>	<u>1,193.8</u>	<u>1,225.5</u>	<u>1,260.7</u>	<u>1,265.9</u>	<u>1,235.1</u>	<u>1,233.3</u>	<u>1,211.8</u>	<u>1,197.1</u>	<u>1,165.3</u>

Source: McHenry County Department of Human Resources.

Note: A full-time employee is scheduled to work 37.5 hours per week, which is equal to 1950 hours per year (52 weeks * 37.5 hours/week). Full-time equivalent employment is calculated by dividing total labor hours by 1950.

County of McHenry, Illinois
OPERATING INDICATORS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General and administrative										
Documents recorded	96,602	86,224	65,141	63,309	59,651	54,381	62,098	62,056	44,148	48,547
Real estate transfer declarations	9,550	6,811	4,661	3,847	3,809	3,723	4,721	6,620	6,090	6,490
Birth certificates issued	2,212	2,058	2,047	2,076	1,900	1,807	1,804	1,659	1,690	1,722
Registered deaths	1,514	1,503	1,700	1,500	1,642	1,635	1,661	1,651	1,640	1,772
Parcels assessed	140,899	142,521	147,007	148,679	149,278	149,348	149,353	149,251	149,189	149,461
Registered voters	186,323	189,386	199,378	200,205	202,033	202,494	203,225	204,129	206,197	205,178
Tax bills mailed	134,047	137,723	136,597	137,746	137,857	138,522	138,134	138,154	138,343	138,250
Passports applications processed	1,548	2,528	1,603	1,359	1,067	1,124	1,545	2,258	3,300	4,003
Teachers certified	3,142	3,523	3,742	3,648	3,456	3,438	3,369	3,634	3,695	3,607
Community development										
Building permit applications	1,421	1,430	1,387	1,246	1,086	886	899	904	1,002	1,010
Zoning petitions filed	96	100	79	58	51	51	52	48	52	40
Transportation										
Permits (access, facility, & utility)	114	159	108	90	76	105	86	64	76	91
Lane miles resurfaced	15.7	15.9	27.3	21.3	28.3	17.6	18.2	28.6	27.0	25.0
Public safety										
Incoming 911 calls	33,187	36,148	35,215	34,597	36,722	39,393	42,186	40,177	29,793	29,440
Arrests	2,556	3,690	3,827	3,622	3,398	3,432	2,653	3,055	3,449	3,322
Citations issued	12,215	14,085	13,294	14,527	13,558	12,322	14,679	10,709	10,127	9,524
Inmates processed	8,513	9,796	10,378	10,216	8,765	8,396	7,615	6,655	6,639	6,368
Hazardous material and other emergency responses	55	50	55	50	39	26	30	60	48	36
Judiciary and court related										
Judges	13	15	16	16	16	19	19	19	19	19
Total cases filed	96,769	105,502	103,207	93,849	90,367	81,058	77,258	72,330	64,110	59,378
Jury trials	37	60	81	84	80	77	47	62	92	66
Defendants appointed to public defender	4,213	4,306	4,979	5,124	4,406	4,179	3,888	4,281	4,126	4,114
Charges disposed by public defender	9,078	8,750	9,914	10,128	9,195	8,912	8,144	8,095	8,533	8,303
Public health and welfare										
Food establishment inspections	5,753	5,680	5,765	4,205	5,612	4,899	4,612	4,811	4,746	5,446
Vision screenings	12,095	11,114	9,629	9,028	7,966	9,135	8,275	7,699	7,926	8,880
Hearing screenings	13,255	13,272	13,126	13,063	11,999	12,381	12,222	11,202	12,954	12,888
Nursing home - resident days	41,181	43,406	44,450	45,186	44,945	44,731	44,239	44,201	44,819	44,262
Veterans assistance - new claims awarded	58	45	76	97	146	191	162	143	151	163

Sources: County Departments.

County of McHenry, Illinois
CAPITAL ASSET STATISTICS - BY FUNCTION
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General and administrative										
Primary buildings	2	2	2	2	2	2	2	2	2	2
Transportation										
Lane miles	495	502	490	495	497	497	518	518	522	524
Street lights	233	267	363	363	379	393	351	506	541	559
Traffic signals	27	29	31	32	32	35	35	36	40	40
Bridges	37	37	38	38	41	42	42	43	43	43
Vehicles	69	75	79	76	76	76	77	79	79	78
Public safety										
Jail inmate capacity	620	632	666	666	666	666	666	666	666	666
Sheriff vehicles	165	173	172	186	192	164	162	159	148	152
Sheriff boats	6	6	6	5	5	5	5	5	5	5
Judiciary and court related										
Courtrooms	13	16	16	16	16	18	18	18	18	18
Public health and welfare										
Nursing home capacity	117	127	128	128	128	128	128	128	128	128
Vehicles - veterans assistance	4	4	5	5	5	4	4	4	4	4

Sources: County Departments.