

A SALUTE TO OUR COUNTY VETERANS



FOR THE FISCAL YEAR
ENDED
NOVEMBER 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT



County of McHenry, Illinois

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2016

Prepared by the County Auditor's Office:

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INTRODUCTORY

County of McHenry, Illinois

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County of McHenry, Illinois

OFFICERS AND OFFICIALS

November 30, 2016

COUNTY BOARD MEMBERS

Jack D. Franks, Chairman
Michele Aavang
Yvonne Barnes
Kay R. Bates
Chris Christensen
Andrew Gasser
Joseph Gottemoller
John D. Hammerand
James L. Heisler
John Jung, Jr.
Jim Kearns
Donald C. Kopsell
Donna Kurtz

Mary T. McCann
Robert Nowak
Michael Rein
John Reinert
Michael Skala
Larry W. Smith
Jeffrey Thorsen
Michael J. Walkup
Charles Wheeler
Thomas Wilbeck
Craig Wilcox
Paula Yensen

ELECTED OFFICIALS

Pamela Palmer
Katherine M. Keefe
Anne L. Majewski M.D.
Mary E. McClellan
Joseph J. Tirio
Bill Prim
Patrick D. Kenneally
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**

**SHANNON TERESI, MAS, CPA,
CIA, CRMA, CFE
FINANCIAL REPORTING
MANAGER/
CHIEF DEPUTY AUDITOR**



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

July 25, 2017

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, 2016, 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 2016. 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.

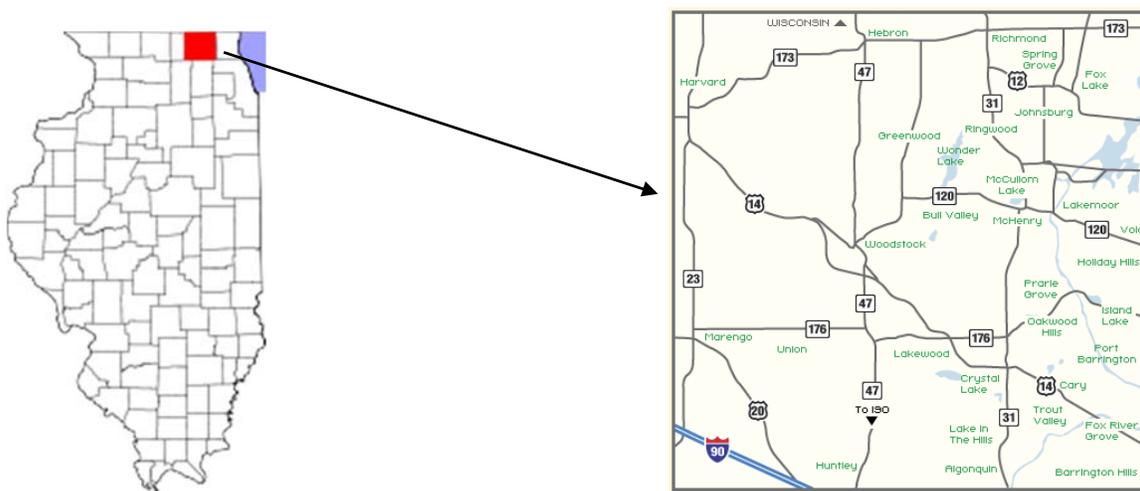
The Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their 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 2016.

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 2016 estimated population by the U.S. Census Bureau is 307,004 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.



Map of Townships and Districts

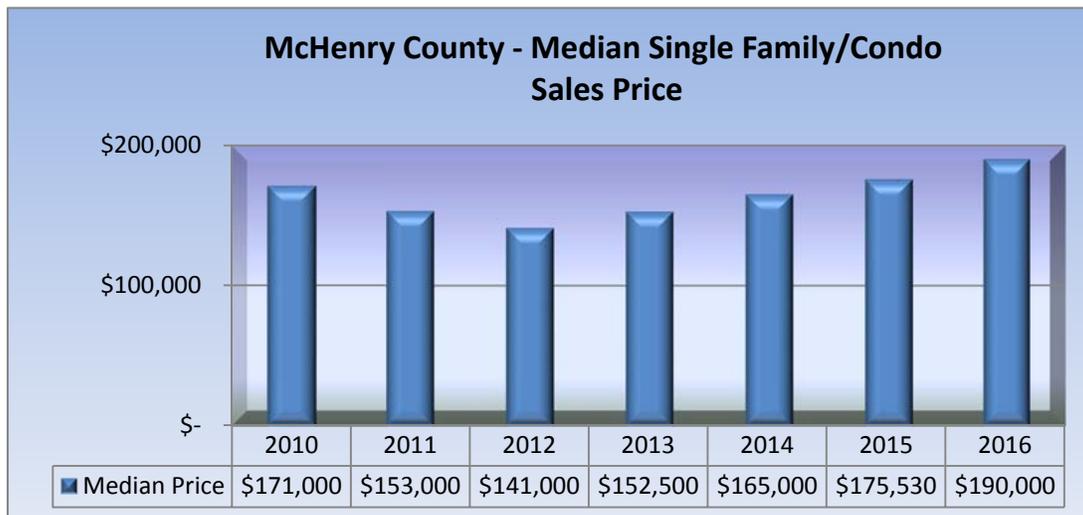
Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. In the March 2014 Primary Election, voters approved a referendum making the County Board Chairman popularly elected to four-year terms starting in November 2016. 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.

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 2016 emerged. The real estate market continues to show positive movements, 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 in 2016 as follows:



Source: Illinois Association of Realtors

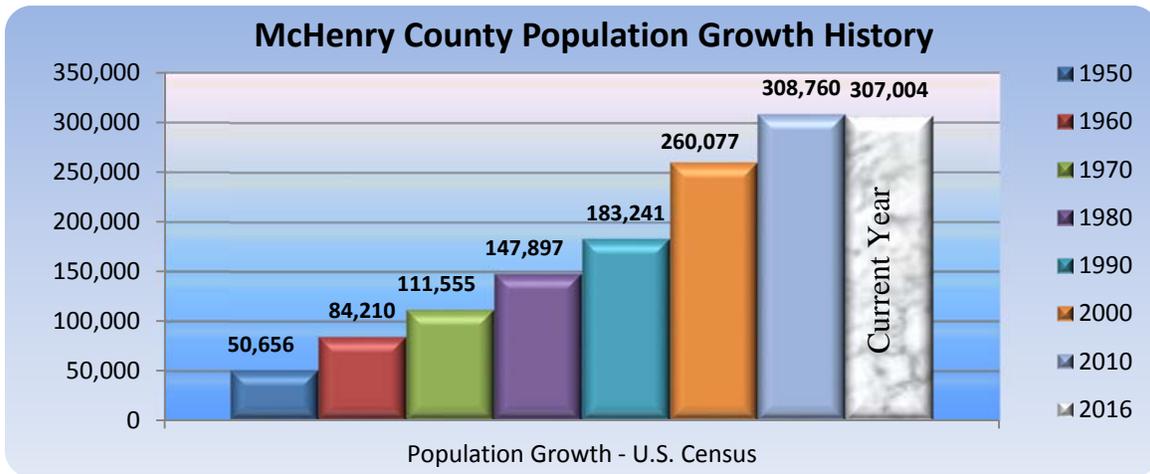
A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. This year the sales tax revenue declined \$0.3 million from the highest year experienced in FY2015 (\$10.0 million), with \$9.7 million in sales tax receipts for FY2016. McHenry County has continued to see some recovery in the local economy, despite experiencing this decline in sales tax revenue. 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 \$80,513 for 2015, as compared to the State of Illinois' median household income of \$59,590. In comparison, the County's median household income was \$76,856 for 2014, with the State of Illinois at \$57,458. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 6.5% for families as of 2015, as compared to 9.8% for the State. Although the County percentage increased 2.4% from 2014, it continues to be lower than the State percentage of 9.8%.

Population Change

The U.S. Census Bureau's 2016 annual estimate of the County's population was 307,004, which continues to place McHenry County as the sixth largest county in Illinois out of 102 total counties and shows a net change of 339 residents from the 2015 estimate of 307,343. The entire State of Illinois' population decreased by 37,508 residents, or less than 0.3%, since the 2015 census estimate. Statewide, eighty-nine (89) of the counties experienced a population decrease of 45,378 residents, with thirteen (13) counties gaining 7,870 residents over

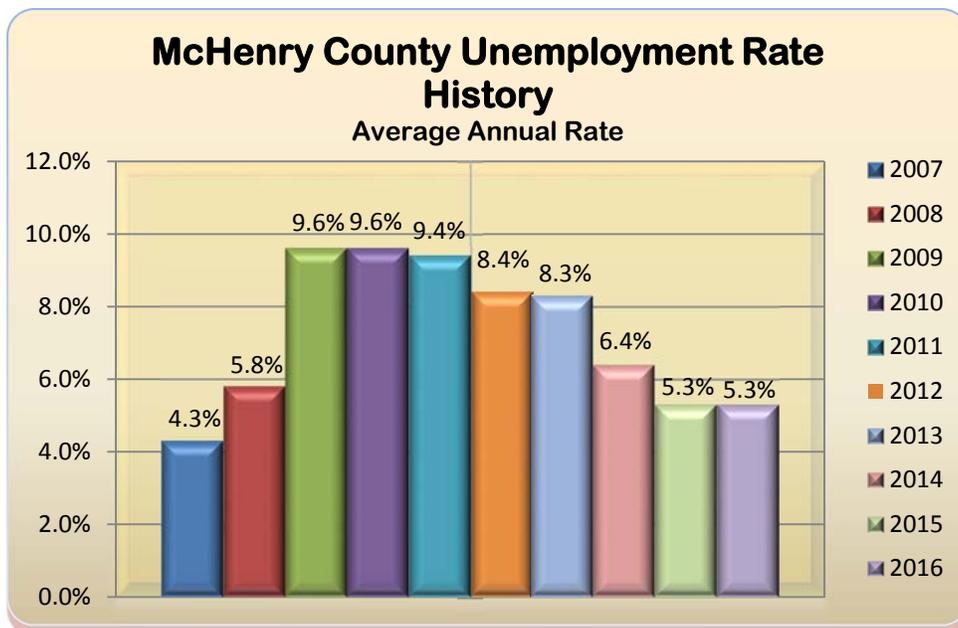
the 2015 census estimate. The following chart depicts the County's population growth in 10-year intervals starting with 1950 and includes the data for the current calendar year 2016:



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% (2016), 5.3% (2015), 6.4% (2014), 8.3% (2013), and 8.4% (2012). For the State of Illinois, the average annual unemployment rates have been 5.9% (2016), 5.9% (2015), 7.1% (2014), 9.2% (2013), and 8.9% (2012). The U.S. unemployment rate for 2016 was 4.9%. In 2016, the total County annual average labor force was 167,068, consisting of 158,153 employed and 8,915 unemployed. The comparable statistics for 2015 relate to a slightly lower total labor force of 165,699 with 156,928 employed and a lower number, 8,771, 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 '2016 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, 2016, the County had an unrestricted general fund balance of \$44,603,111 as compared to \$88,614,586 in operating expenditures (FY 2017 budgeted), or a reserve of 6.0 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. A 2016 Action Plan was developed and approved by the Board on 1/25/16, adding another key issue, Public Safety, with progress reports on each issue given in November 2016.

Major Initiatives

General and Administrative

- The County Auditor's Office was notified of the 18th 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 an eighth consecutive GFOA Award for Outstanding Achievement for the FY2015 report.
- County Administration has received, for a third year, the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for its budget for FY2016. In order to receive the budget award, the County had to satisfy nationally recognized guidelines for effective budget presentation.
- The County issued a Request for Proposal (RFP) for new Financial System Software and Implementation Services on November 28, 2016. A core team of County staff worked with the external consultant from GFOA to help formulate the requirements for the RFP. Proposals for services from the vendors were submitted to the Purchasing Department by January 12, 2017. The present system has been in use since 1996. New processes will be instituted to gain efficiencies in financial transactions.
- Risk Management hosted two OSHA 10-hour training courses in October and November to teach workplace safety, reduce jobsite hazards and educate workers to predict, prevent, identify, and stop possible common worksite hazards. Each class was taught by a certified instructor and was open to County employees from various departments, but primarily for MCDOT employees. Available seats were offered to our municipal partners at no cost, so their staff could benefit from this training as well.
- The Board of Review heard a total of 4,118 taxpayer-generated assessment appeals for the Tax Year 2016. This was slightly less than the 4,550 assessment appeals from the Tax Year 2015. Tax Years 2014 and 2013 experienced assessment appeals of 4,308 and 7,108, 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 2016 assessment year presented an overall increase in the assessment base for the second year in a row since 2010.
- Two elected officials, the County Recorder and the States Attorney, who both held office for a long-term period, retired at the end of the County fiscal year in November 2016. The County Board Chairman was publicly elected for the first time in 2016. With the newly elected officials beginning in 2016, there is the opportunity for new ideas and changes to take place within these offices, as well as the County.

Transportation

- The McHenry County Division of Transportation (McDOT) won an American Public Works Association (APWA) award in 2017 for Public Works Project of the Year, Transportation Project: less than \$5 Million, for their work on the Franklinville Road Bridge Project. While the primary scope of this project was to replace the failing bridge structure, protecting the natural environment was also a top priority for McDOT. The work was staged over two construction seasons, and despite several challenges, the roadway was open to traffic on June 30, 2016, a full month in advance of the July 29th contract date.
- The Geographic Information Systems (GIS) Department worked with the McHenry County Division of Transportation (McDOT) to launch a new version of the Construction Viewer in August. This viewer allows users to identify where construction zones are located on County roads and provides other pertinent information regarding each construction project. The new version is compatible with mobile devices. Additionally, the GIS department has been working with the McDOT on an interactive map that will display historic road and drainage documents.

Community Development

- The 2016 Community Development Block Grant (CDBG) funding application hearings were held in January 2016. The Commission received 17 applications from 11 agencies and municipalities totaling requests of approximately \$2.8 million by all applicants after the presentations were made in applying for funding. In April 2016, the County Board approved allocations of approximately \$1,058,000 to nine different agencies and municipalities for use in various construction and service projects throughout the County.
- On February 2, 2016, the McHenry County Board approved the Comprehensive Economic Development Strategy (CEDS). The CEDS is a regional plan connecting three Northern Illinois counties on key initiatives to attract and retain businesses, improve workforce and infrastructure, and promote other economic development activities. Originally covering Boone and Winnebago counties, the updated document includes McHenry County, which shares industry strengths, transportation assets and other connections with the rest of the region.

Public Safety

- At the May 17 Board meeting, the McHenry County Board adopted a resolution supporting “Stepping Up”, a national initiative to reduce the number of people with mental illnesses in jail. The initiative is co-lead by seven County departments including the Mental Health Board, the Sheriff’s Office, the 22nd Judicial Circuit Court, Court Services and Probation, the State’s Attorney’s Office, Public Defender’s Office, and County Administration. Through the adoption of McHenry County’s Stepping Up Resolution, the County is affirming their support for the national initiative and demonstrates a commitment to alleviating the over-representation of individuals with mental illness in our jails.
- The McHenry County Sheriff’s Office Correctional Facility received the American Correctional Association (ACA) accreditation after conclusion of a three-day audit in November 2016. The award was presented in January 2017 at the ACA Winter Conference. The accreditation program is a professional peer review based on national standards that address services, programs, health care and security operations essential to effective correctional management. The jail spent six months preparing for the audit and compiling information that the committee would use to supplement their own on-site inspection.

Judiciary and Court Related

- The 22nd Judicial Circuit of McHenry County received notice from the Substance Abuse and Mental Health Services Administration (SAMHSA) that a Drug Court Enhancement Grant was being awarded to McHenry County in the amount of \$295,095 per year, for a period of three years. The drug court

program has been in operation in McHenry County since December 2011. This grant will provide the opportunity to expand treatment and case management services to 50 individuals each year.

- The McHenry County State's Attorney's Office (SAO) is on the cusp of becoming one of the first such offices in the State of Illinois to manage almost every component of a case electronically. After four years, the technical leap from paper filing to more efficient forms of data storage and access is ready for launch. JustWare is a central computerized storage area, accessible to all SAO personnel at any terminal, where everything relevant to a file can be viewed, shared, stored, and documented. What was once a concept for the operations of the State's Attorney's Office, has now become a live, usable, time and money- saving reality.
- Since October 2014, the 22nd Judicial Circuit, with the assistance of the Circuit Clerk of the Court and the McHenry County Information Technology Department, has been working to implement their aiSmartBench application. This technology is designed to help the Court eliminate the need for paper files. Judges are able to see case summary information, parties, financial information, attorney information, and events on one screen. Additionally from this one screen, users can access images of documents via built-in integration. Initially, this project was anticipated to take a minimum of three years for all judges to be trained on the use of the software; however, with the assistance of the vendor, the full implementation of the project took only 16 months.

Public Health and Welfare

- The Senior Service Grant Commission met in September of 2016 to review applications and requests for proposals for the FY2017 program year. The County Board approved the allocations for 15 different programs by 12 agencies for a total of \$1,772,000, to be distributed during FY2017. 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 was awarded an Illinois Talent Pipeline Grant for Incumbent and Dislocated Workers to grow their knowledge and skills in Industrial Maintenance Technology. The training was expanded to provide proactive strategies for maintenance in manufacturing. The grant has trained 40 workers with 13 County employers that will result in Industrial Maintenance certificates for those completing the program and upgraded maintenance departments.
- The McHenry County Department of Health (MCDH) celebrated 50 years of public health accomplishments with an open house in recognition of the milestone in April 2016. MCDH opened its doors for the first time in 1966. Over the decades, the focus has expanded from home health care to its present five divisions. For half a century, the Department has operated under its mission to improve the health and safety of McHenry County residents.
- Valley Hi Nursing and Rehab was one of five facilities in Illinois to be awarded the American Health Care Association Bronze Quality Award. The award was presented in October, but Valley Hi began the process to obtain the award in the fall of 2015. The Bronze Quality Award is the first step towards achieving the Gold Quality Award. The process takes many years and the criteria gets increasingly harder as each level is obtained. Valley Hi's goal will be a challenge, but one certainly attainable with their dedicated staff.

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 arbitration.

In fiscal year 2016, there were no new debt issuances for governmental activities, but there were two new capital leases in the amount of \$1.7 million and \$2.2 million, for the acquisition of computer equipment. There were no debt issuances for business-type activities during fiscal year 2016. 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 2016, 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. Each year a Five Year Transportation Program is completed as an update to the 2040 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 2016. The major priorities of the program includes seeking the following: 1) Preservation of the federal deductibility of local property and income taxes and the tax-exempt status of municipal bonds; 2) Maintaining the federal-state-local structure for financing and delivering Medicaid services; 3) Protect County interests in Federal "Waters of the U.S." rulemaking; 4) 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; 5) 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.

In addition, the County adopted a 2016 State Legislative Program which contained the following initiatives: 1) Improve uniformity and consistency in the property assessment process; 2) Consolidation of township governments; 3) Property tax fairness; 4) Reforms to the Illinois Workers' Compensation system; 5) Reform to reduce the burden of juror pay to counties; 6) Support health and human services programs that provide timely and effective services for our residents; 7) Continued dialogue and examination of the Prevailing Wage Law; and 8) 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, 2015. This was the 18th 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 2016 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, Shannon Teresi, 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, CFE

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, 2015

Executive Director/CEO



VOTERS of McHENRY COUNTY

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

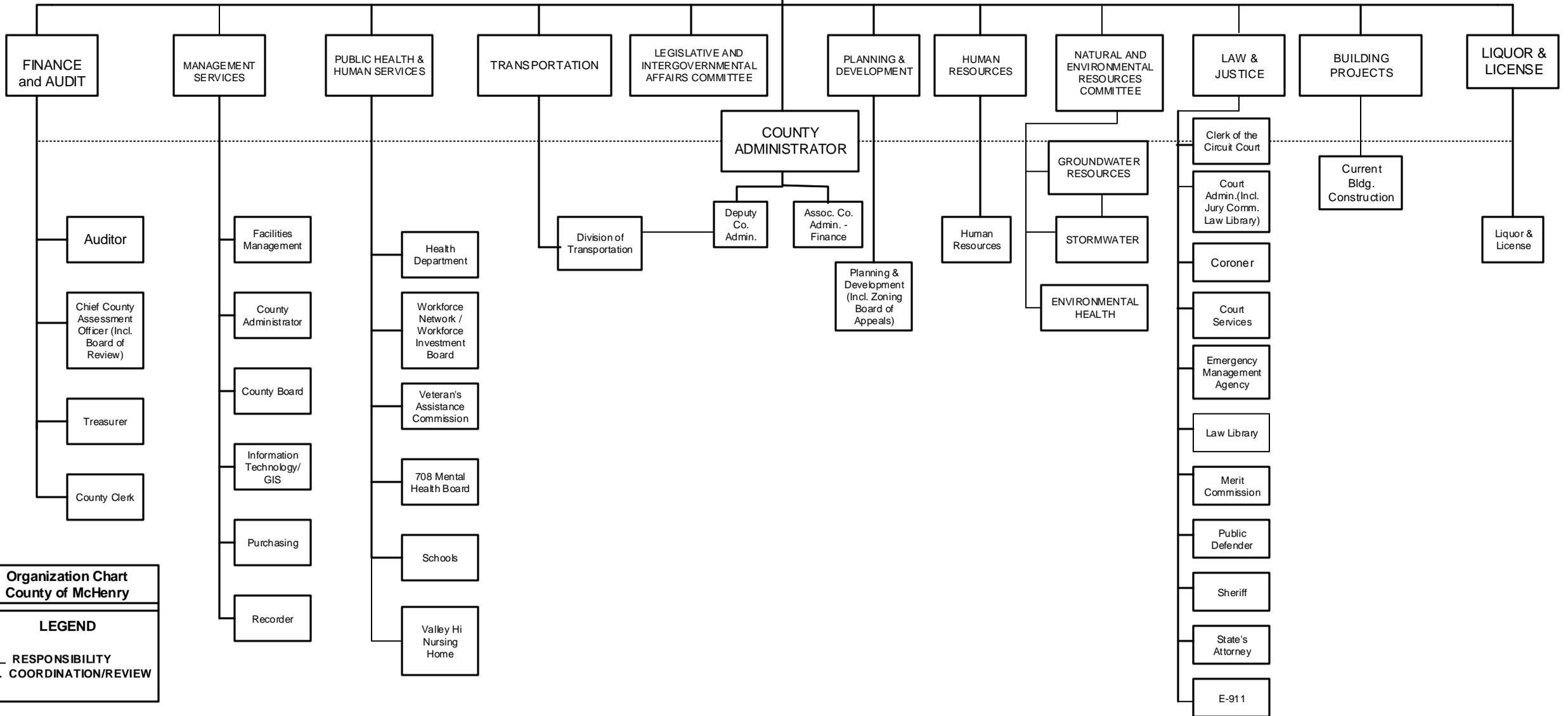
PUBLIC BUILDING COMMISSION

County Board Members

Board Chairman

Vice Chairman

Standing Committees



XVIII

**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, 2016, 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, .02 percent and .00 percent, respectively, of the assets, fund balances and net position, and revenues of the aggregate remaining funds, and .00 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 report 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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 are presented for purposes of additional analysis and are 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' 2015 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 April 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2015, 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
July 25, 2017



**Management's
Discussion and
Analysis**

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

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, 2016. 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

- Total assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$480.7 million, as of November 30, 2016. Of this amount, \$320.7 million represents net investment in capital assets, \$95.6 million represents net position restricted for specific activities, and \$64.4 million represents unrestricted net position. \$422.1 million represents net position for governmental activities and \$58.6 million represents net position for business-type activities.
- Net position increased by \$9.4 million for governmental activities and decreased by \$1.5 million for business-type activities, for the fiscal year ended November 30, 2016.
- The County's governmental funds reported combined ending fund balances of \$143.0 million, as of November 30, 2016, compared to \$141.3 million at November 30, 2015, which represents an increase of \$1.7 million or 1.2%.
- The General Fund reported ending fund balance of \$48.4 million, as of November 30, 2016, compared to \$47.8 million as of November 30, 2015, which represents an increase of \$0.6 million or 1.3%.
- 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 \$22.0 million, as of November 30, 2016, compared to \$28.9 million as of November 30, 2015, which represents a net decrease of \$6.9 million or 23.9%. During the year, there was no new debt issuances. However, there were two new capital leases that were issued for \$1.7 and \$2.2 million for the purchase of radio dispatch consoles and computer equipment. Business-type activities long-term obligations (excluding compensated absences, net pension liability, and other post-employment benefit obligation) were zero as of November 30, 2016, compared to \$546 as of November 30, 2015. There were no issuances for business-type activities during fiscal year 2016.
- The County's debt limit for November 30, 2016 is \$203.9 million and only \$6.4 million is applicable to limit. The County is \$197.5 million below its authorized debt limit as of November 30, 2016.

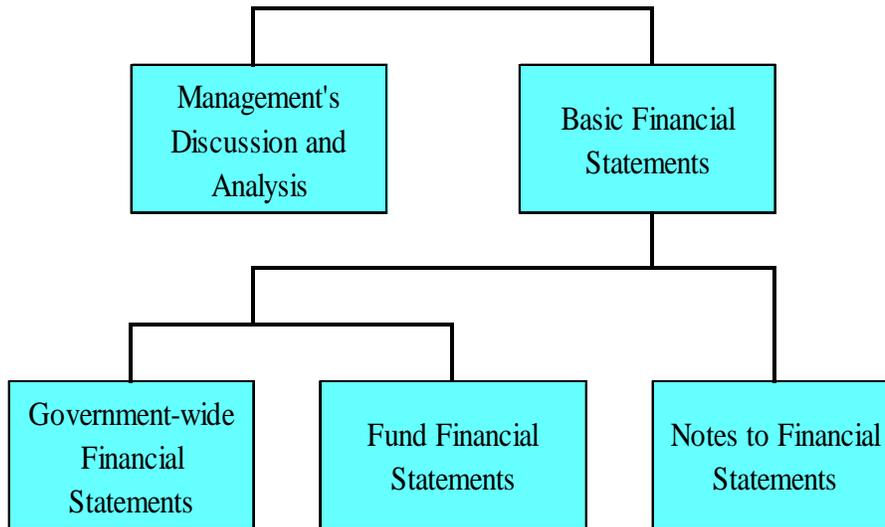
OVERVIEW OF THE FINANCIAL STATEMENTS

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.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

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.

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.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

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, 2016

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 2016 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 2016 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, 2016

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 - 69 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 70 - 162 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 \$480.7 million, as of November 30, 2016, as compared to net position of \$472.8 million as of November 30, 2015; an increase of \$7.9 million or 1.7%. Of this amount, \$320.7 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. \$95.6 million represents restricted net position, which are resources that are subject to external restrictions on how they may be used. Finally, \$64.4 million represents unrestricted net position. \$422.1 million represents net position for governmental activities and \$58.6 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, 2016

The following table reflects the condensed Statement of Net Position as of November 30, 2016:

Statement of Net Position
November 30, 2016

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets | | | | | | |
| Current assets | \$ 244,110,294 | \$ 244,559,302 | \$ 47,792,865 | \$ 48,061,962 | \$ 291,903,159 | \$ 292,621,264 |
| Capital assets | 330,946,985 | 320,913,625 | 12,563,275 | 13,317,074 | 343,510,260 | 334,230,699 |
| Investment in joint venture | 732,170 | 686,442 | 101,979 | 95,610 | 834,149 | 782,052 |
| Total assets | <u>575,789,449</u> | <u>566,159,369</u> | <u>60,458,119</u> | <u>61,474,646</u> | <u>636,247,568</u> | <u>627,634,015</u> |
| Deferred Outflows of Resources | | | | | | |
| Pension-related items | <u>34,868,343</u> | <u>17,852,158</u> | <u>2,319,996</u> | <u>1,338,412</u> | <u>37,188,339</u> | <u>19,190,570</u> |
| Liabilities | | | | | | |
| Current liabilities | 25,784,525 | 29,394,005 | 820,094 | 990,873 | 26,604,619 | 30,384,878 |
| Noncurrent liabilities | <u>82,026,820</u> | <u>63,427,985</u> | <u>3,345,635</u> | <u>1,699,836</u> | <u>85,372,455</u> | <u>65,127,821</u> |
| Total liabilities | <u>107,811,345</u> | <u>92,821,990</u> | <u>4,165,729</u> | <u>2,690,709</u> | <u>111,977,074</u> | <u>95,512,699</u> |
| Deferred Inflows of Resources | | | | | | |
| Pension-related items | 1,448,656 | 1,927,082 | - | 1,047 | 1,448,656 | 1,928,129 |
| Property taxes levied for future period | <u>79,334,078</u> | <u>76,574,775</u> | <u>10,000</u> | <u>-</u> | <u>79,344,078</u> | <u>76,574,775</u> |
| Total deferred inflows of resources | <u>80,782,734</u> | <u>78,501,857</u> | <u>10,000</u> | <u>1,047</u> | <u>80,792,734</u> | <u>78,502,904</u> |
| Net Position | | | | | | |
| Net investment in capital assets | 308,153,944 | 291,054,683 | 12,563,275 | 13,316,528 | 320,717,219 | 304,371,211 |
| Restricted | 95,579,921 | 95,857,810 | - | - | 95,579,921 | 95,857,810 |
| Unrestricted | <u>18,329,848</u> | <u>25,775,187</u> | <u>46,039,111</u> | <u>46,804,774</u> | <u>64,368,959</u> | <u>72,579,961</u> |
| Total net position | <u>\$ 422,063,713</u> | <u>\$ 412,687,680</u> | <u>\$ 58,602,386</u> | <u>\$ 60,121,302</u> | <u>\$ 480,666,099</u> | <u>\$ 472,808,982</u> |

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, 2016

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2016:

Changes in Net Position
For the Fiscal Year Ended November 30, 2016

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2016 | 2015* | 2016 | 2015* | 2016 | 2015* |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 25,431,230 | \$ 23,908,777 | \$ 12,886,933 | \$ 12,938,396 | \$ 38,318,163 | \$ 36,847,173 |
| Operating grants and contributions | 18,759,232 | 18,307,775 | - | - | 18,759,232 | 18,307,775 |
| Capital grants and contributions | 4,670,717 | 7,573,150 | - | - | 4,670,717 | 7,573,150 |
| General Revenues | | | | | | |
| Property taxes | 76,113,609 | 75,798,457 | - | 2,993,381 | 76,113,609 | 78,791,838 |
| Sales taxes | 19,852,773 | 19,987,380 | - | - | 19,852,773 | 19,987,380 |
| State income taxes | 6,369,804 | 6,962,600 | - | - | 6,369,804 | 6,962,600 |
| Tax transfer stamps | 2,632,513 | 2,133,728 | - | - | 2,632,513 | 2,133,728 |
| Other taxes | 2,614,547 | 2,588,533 | - | - | 2,614,547 | 2,588,533 |
| Investment income | 511,663 | 259,070 | 44,606 | 85,068 | 556,269 | 344,138 |
| Miscellaneous | 434,918 | 505,127 | - | - | 434,918 | 505,127 |
| Gain on sale of capital assets | - | 45,671 | - | - | - | 45,671 |
| Total Revenues | 157,391,006 | 158,070,268 | 12,931,539 | 16,016,845 | 170,322,545 | 174,087,113 |
| Expenses | | | | | | |
| General and administrative | 38,877,497 | 37,596,322 | - | - | 38,877,497 | 37,596,322 |
| Community development | 4,169,341 | 3,825,976 | - | - | 4,169,341 | 3,825,976 |
| Transportation | 18,287,903 | 19,992,910 | - | - | 18,287,903 | 19,992,910 |
| Public safety | 47,068,773 | 43,354,459 | 2,375,850 | 2,695,482 | 49,444,623 | 46,049,941 |
| Judiciary and court related | 16,271,942 | 15,280,218 | - | - | 16,271,942 | 15,280,218 |
| Public health and welfare | 22,780,073 | 22,065,296 | 12,074,605 | 11,091,061 | 34,854,678 | 33,156,357 |
| Interest and fiscal charges | 559,444 | 882,763 | - | - | 559,444 | 882,763 |
| Total expenses | 148,014,973 | 142,997,944 | 14,450,455 | 13,786,543 | 162,465,428 | 156,784,487 |
| Changes in net position | 9,376,033 | 15,072,324 | (1,518,916) | 2,230,302 | 7,857,117 | 17,302,626 |
| Net position - beginning of year (as previously stated) | 412,687,680 | 410,434,704 | 60,121,302 | 57,679,024 | 472,808,982 | 468,113,728 |
| Restatement | - | (12,819,348) | - | 211,976 | - | (12,607,372) |
| Net position - beginning of year (as restated) | 412,687,680 | 397,615,356 | 60,121,302 | 57,891,000 | 472,808,982 | 455,506,356 |
| Net position - end of year | \$ 422,063,713 | \$ 412,687,680 | \$ 58,602,386 | \$ 60,121,302 | \$ 480,666,099 | \$ 472,808,982 |

* Prior year numbers are 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 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, 2016

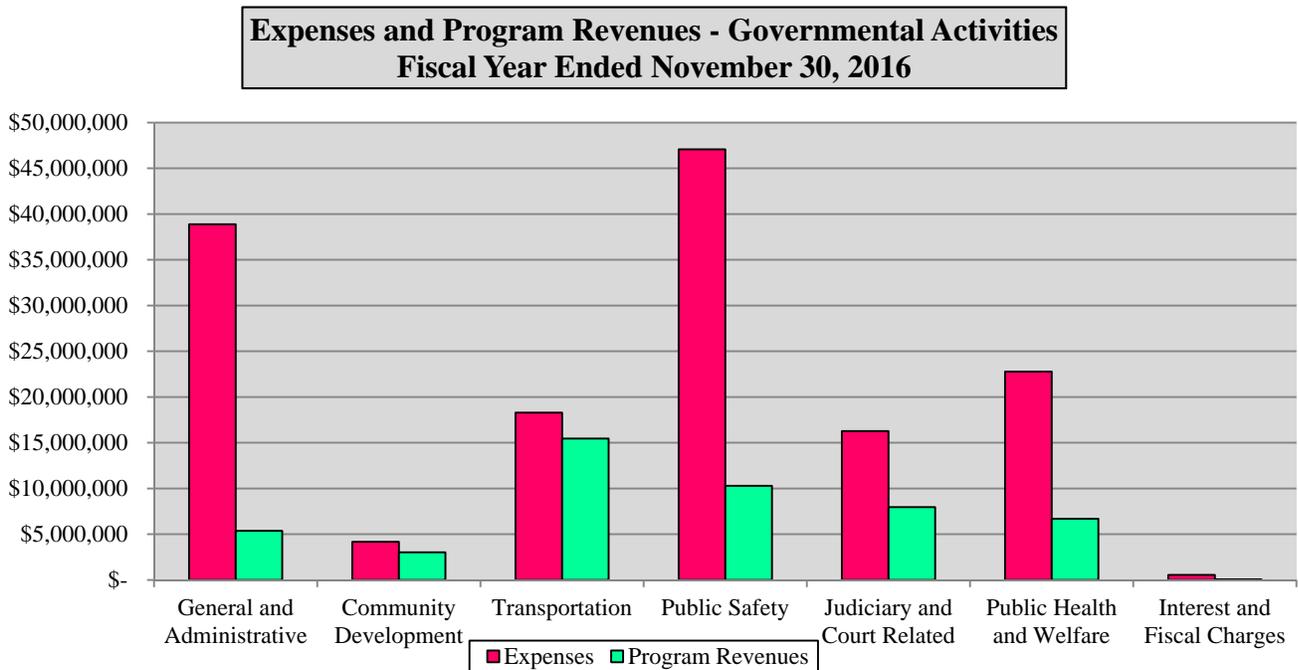
Governmental Activities

Net position for governmental activities increased by \$9.4 million during fiscal year 2016. In total, revenues decreased \$0.7 million or 0.4%, from \$158.1 million for fiscal year 2015 to \$157.4 million for fiscal year 2016. Noteworthy changes related to revenues were as follows: 1) Capital grants and contributions decreased by \$2.9 million or 38.2%, 2) State income taxes decreased by \$0.6 million or 8.6%, and 3) investment income increased by \$0.2 million or 66.7%.

The reasons for these noteworthy changes are as follows:

- Capital grants and contributions decreased from \$7.6 million for fiscal year 2015 to \$4.7 million for fiscal year 2016; a decrease of \$2.9 million or 38.2%. The decrease in this category is due to federal and state funding received for road and bridge construction projects.
- State income taxes decreased from \$7.0 million for fiscal year 2015 to \$6.4 million for fiscal year 2016; a decrease of \$0.6 million or 8.6%. The decrease in this category is due to the decline in the state revenue from high income earners leaving the state and reduction in businesses.
- Investment income increased from \$0.3 million for fiscal year 2015 to \$0.5 million for fiscal year 2016; an increase of \$0.2 million or 66.7%. The increase in investment income revenue is due to a change from strictly investment only in CD's to adding in mortgaged backed mutual funds in fiscal year 2016.

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, 2016:

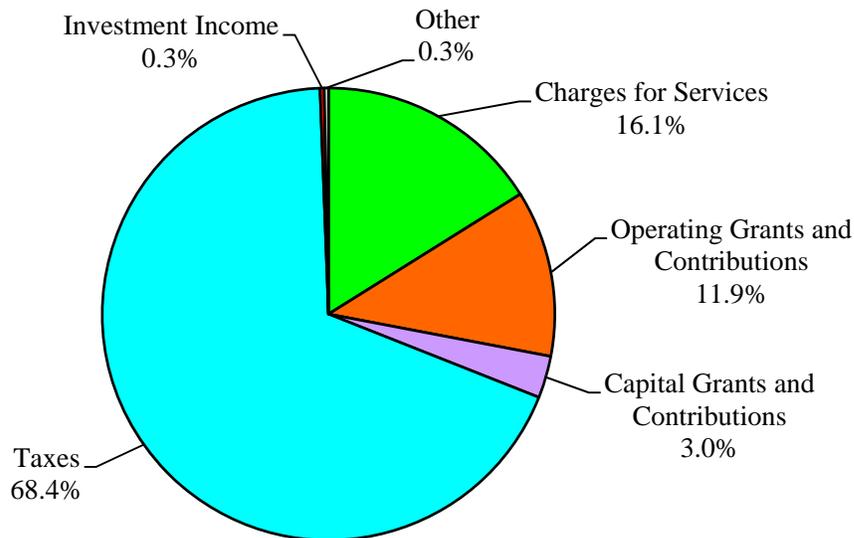


County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

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, 2016:

Revenues by Source - Governmental Activities
Fiscal Year Ended November 30, 2016



Revenues from governmental activities totaled \$157.4 million for the fiscal year ended November 30, 2016. Taxes (\$107.6 million, or 68.4%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$76.1 million or 70.7% of taxes and sales taxes totaled \$19.9 million or 18.5% of taxes, for a combined total of \$96.0 million or 89.2% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

Charges for services (\$25.4 million, or 16.1%) 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.

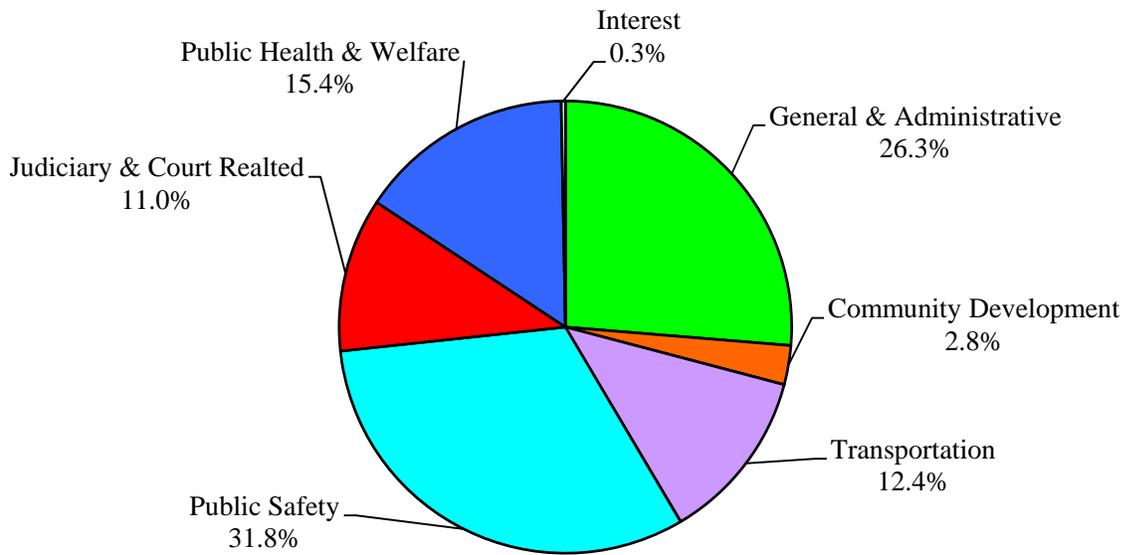
Operating grants and contributions (\$18.8 million, or 11.9%) represents the third largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Workforce Network, Planning and Development, Facilities Management, and the Sheriff's 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 (\$4.7 million, or 3.0%) represents the fourth largest revenue source. 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, 2016

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2016:

Expenses by Function - Governmental Activities
Fiscal Year Ended November 30, 2016



Expenses for governmental activities totaled \$148.0 million for the fiscal year ended November 30, 2016. The largest component of governmental activities expenses is public safety, which totaled \$47.0 million, or 31.8% 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 \$38.9 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 \$22.8 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 \$18.3 million, or 12.4% 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 \$16.3 million, or 11.0% 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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For the Year Ended November 30, 2016

The sixth largest component of governmental activities expenses is community development, which totaled \$4.2 million, or 2.8% 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 \$0.5 million, or 0.3% 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, 2016, net position for business-type activities decreased by \$1.5 million, from \$60.1 million at November 30, 2015 (as restated) to \$58.6 million at November 30, 2016. Total revenues for business-type activities decreased from \$16.0 million for fiscal year 2015 to \$12.9 million for fiscal year 2016; a decrease of \$3.1 million or 19.4%. 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 \$3.0 million for fiscal year 2015 to zero for fiscal year 2016; a decrease of \$3.0 million or 100.0%. 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 \$13.8 million for fiscal year 2015 to \$14.5 million for fiscal year 2016; an increase of \$0.7 million or 5.1%. The increase in level of expenses from fiscal year 2015 to fiscal year 2016 reflects minor increases in personnel and commodities costs due to overtime and medication needed for the Valley Hi nursing home.

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 an increase in fund balance of \$0.7 million for fiscal year 2016. 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 5.9 months at November 30, 2015 to 6.0 months at November 30, 2016.

Total revenues increased \$1.7 million or 2.0%, from \$85.4 million for fiscal year 2015 to \$87.1 million for fiscal year 2016. The revenue category that experienced the largest increase is property taxes, which increased \$1.2 million or 3.0%, from \$40.3 million for fiscal year 2015 to \$41.5 million for fiscal year 2016. 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 \$40.4 million for fiscal year 2015 to \$41.6 million for fiscal year 2016, an increase of \$1.2 million or 3.0%. 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 2016, the County experienced a collection rate of 99.8% of the current year levy. The revenue category that experienced the largest decrease was state income tax, which decreased from \$7.0 million for fiscal year 2015 to \$6.4 million for fiscal year 2016; a decrease of \$0.6 million or 8.6%. The decline is attributed to a reduction in population in the state and businesses. According to the U.S. census data in 2016, Illinois lost 37,508 people, which is attributed to the state's high taxes and budget crisis.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

Total General Fund expenditures increased \$2.6 million or 3.1%, from \$84.3 million for fiscal year 2015 to \$86.9 million for fiscal year 2016. The expenditure category with the largest increase was capital outlay, which increased from \$4.2 million for fiscal year 2015 to \$7.1 million for fiscal year 2016; an increase of \$2.9 million or 69.0%. The increase in capital outlay expenditures is mainly due to the recording of the following two capital leases. The first lease was a HP storage area network (SAN) for additional electronic storage space. The lease was \$2.2 million. The second new lease was attributed to the communication system for the McHenry County Sheriff, Division of Transportation, Health Department, and Court Services Department for StarCom radio dispatch consoles from Motorola that are used during emergencies.

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an increase in fund balance of \$0.2 million for fiscal year 2016. Total revenues increased \$0.1 million or 0.9%, from \$10.6 million for fiscal year 2015 to \$10.7 million for fiscal year 2016. The increase in revenues is due to an increase in the amount of the County's mental health property tax levy, which increased from \$10.4 million for fiscal year 2015 to \$10.9 million for fiscal year 2016; an increase of \$0.5 million or 4.8%. Total expenditures increased \$0.5 million or 5.2%, from \$9.6 million for fiscal year 2015 to \$10.1 million for fiscal year 2016. The overall increase in expenditures is mostly due to an increase in expenditures for client services, which increased from \$8.3 million for fiscal year 2015 to \$8.7 million for fiscal year 2016; an increase of \$0.4 million or 4.8%. 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 \$1.0 million for fiscal year 2016. Total revenues had a minimal difference, and stayed at \$7.9 million for fiscal year 2015 and 2016. The fund had no change in revenues due to the County's IMRF property tax levy, which stayed at \$7.8 million for fiscal year 2015 and 2016. The property tax levy has stayed the same because it maintained a surplus fund balance in the IMRF Fund. Total expenditures increased \$0.1 million or 1.5%, from \$6.8 million for fiscal year 2015 to \$6.9 million for fiscal year 2016. The IMRF Fund has a surplus fund balance of \$0.6 million as of November 30, 2016. An advance from the General Fund is temporarily financing the fund surplus that has continued from fiscal year 2015. The amount of the advance outstanding as of November 30, 2016 is \$3.2 million. The advance is non-interest bearing, with repayments scheduled to begin in 2017 and end by 2020.

Proprietary Funds

The Valley Hi Fund accounts for the activities of the Valley Hi nursing home. The fund experienced a decrease in net position of \$1.8 million for fiscal year 2016. However, when considering only the operating revenues and expenses of the fund, the fund experienced an operating loss of \$1.8 million for fiscal year 2016, compared to an operating loss of \$0.7 million for fiscal year 2015. The biggest reason for the overall decrease in net position is non-operating revenues, specifically property taxes. Property tax revenue decreased because the property tax levy was decreased from \$3.0 million for fiscal year 2015 to zero in fiscal year 2016 due to the surplus in fund balance.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the General Fund was increased by \$0.9 million or 1.0 % during fiscal year 2016, through budget amendments approved by the County Board, from the original budget of \$86.0 million to the final budget of \$86.9 million. The category with the largest increase was tax transfer stamps, which had an original budget of \$1.7 million and a final budget of \$2.4 million; an increase of \$0.7 million or 41.2%. The revenue budget for this category was increased when the Recorder's office had a higher volume of Real Estate Transfer Declarations forms being processed and a higher dollar volume recorded during fiscal year 2016.

Appropriation Budget: The appropriation budget for expenditures for the General Fund was increased by \$7.5 million or 8.8% during fiscal year 2016, through emergency appropriations approved by the County Board, from the original budget of \$85.2 million to the final budget of \$92.7 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$5.9 million or 328.8%, from the original budget of \$1.8 million to the final budget of \$7.7 million. Individual increases within the capital outlay budget included \$2.2 million for a storage area network and \$1.9 million for the government center roof replacement.

Budget to Actual – Revenue: Actual revenues for the General Fund totaled \$87.1 million, while the final budget totaled \$86.9 million, which is a variance of \$0.2 million. One significant revenue source that had actual revenue in excess of budgeted revenues was charges for services. Budgeted revenues for charges for services was \$17.2 million, compared to actual revenues of \$18.6 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 \$5.7 million, compared to actual revenues of \$8.0 million, which is a variance of \$2.3 million. Jail space rental has been fluctuating due to the ongoing immigration issue changes with the US Immigration and Customs Enforcement inmates 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 and in fiscal year 2016 increased to \$8.0. Another revenue source that had actual revenue in excess of budgeted revenues was local use taxes. Actual revenues for local use taxes was \$1.6 million, which exceeded budgeted revenues of \$1.4 million; a variance of \$0.2 million. One factor related to higher than expected local use taxes was an increase in purchases in tangible personal property in Illinois.

Budget to Actual – Expenditures: Actual expenditures for the General Fund totaled \$86.9 million, while the final budget totaled \$92.7 million, which is a variance of \$5.8 million. The activity that had the largest variance was general and administrative, which had expenditures of \$27.2 million, compared to a final budget of \$31.0 million, which is a variance of \$3.8 million. The largest individual item related to this variance was budgeted employer contributions to BCBS for premiums with the actual expenditures in the amount of \$10.3 million compared to \$12.2 million in budget. This is a variance of 1.9 million. The other larger variances were for holiday pay and merit pool, contract union and non-union, of \$1.3 million and \$1.0 and \$0.6 million. There were no expenditures from the merit pool in fiscal year 2016. Another significant variance was for open positions and other related personnel budget, for which there was \$0.5 million in unspent budget. Other individual variances include \$0.3 million in unspent budget for maintenance agreements and \$0.2 million in the fuel, oil, and grease budget due to low fuel prices.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2016, capital assets, net of accumulated depreciation/amortization, totaled \$330.9 million for governmental activities and \$12.6 million for business-type activities, for a total of \$343.5 million for the County.

Capital Assets
(net of accumulated depreciation/amortization)
November 30, 2016

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-----------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 65,901,084 | \$ 63,596,984 | \$ 6,000 | \$ 6,000 | \$ 65,907,084 | \$ 63,602,984 |
| Construction in Progress | 77,063,234 | 73,923,235 | 126,340 | 156,608 | 77,189,574 | 74,079,843 |
| Infrastructure | 110,154,074 | 106,499,755 | - | - | 110,154,074 | 106,499,755 |
| Buildings and Improvements | 56,877,582 | 59,475,694 | 10,365,303 | 10,550,239 | 67,242,885 | 70,025,933 |
| Land Improvements | 151,679 | 157,652 | 159,162 | 174,311 | 310,841 | 331,963 |
| Furniture and Fixtures | 605,434 | 706,395 | 2,522 | 50,762 | 607,956 | 757,157 |
| Machinery and Equipment | 13,831,536 | 10,419,640 | 240,225 | 362,978 | 14,071,761 | 10,782,618 |
| Computer Software | 4,700,872 | 4,599,913 | 1,663,723 | 2,016,176 | 6,364,595 | 6,616,089 |
| Transportation Equipment | 1,661,490 | 1,534,357 | - | - | 1,661,490 | 1,534,357 |
| Total capital assets | \$ 330,946,985 | \$ 320,913,625 | \$ 12,563,275 | \$ 13,317,074 | \$ 343,510,260 | \$ 334,230,699 |

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$320.9 million at November 30, 2015 to \$330.9 million at November 30, 2016; a net increase of \$10.0 million, or 3.1%. Capital asset additions totaled \$21.0 million and depreciation/amortization expense was \$10.9 million. Significant additions include \$10.0 million for road and bridge construction projects, of which \$1.8 million was for Lawrence Road Bridge over Piscasaw Creek, \$1.5 million was for Blivin St. Bridge, \$1.2 million was for Dunham Bridge over Kishwaukee River, and \$1.1 million was for Franklinville Road Bridge over the Kishwaukee River. Other significant additions include \$3.9 million for computer equipment, \$2.3 million for right of way acquisitions for future road and bridge projects, \$1.4 million for the purchase of election-related equipment and software, \$0.6 million for vehicles, and \$0.4 million for judicial-related software projects. During fiscal year 2016, various projects were placed in service and taken out of construction in progress. Projects placed in service included \$7.3 million for road and bridge construction projects and \$1.8 million for computer software projects.

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$13.3 million at November 30, 2015 to \$12.6 million at November 30, 2016; a net decrease of \$0.7 million, or 5.3%. Capital asset additions totaled \$0.2 million and depreciation/amortization expense was \$0.9 million. A significant capital asset addition include \$0.2 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 31 - 32.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2016

Long-term Obligations – As of November 30, 2016, Long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, net pension liability, and other post-employment benefit obligation) totaled \$22.0 million for governmental activities and zero for business-type activities, for a total of \$22.0 million.

Long-term Obligations
November 30, 2016

| | Governmental Activities | | Business-Type Activities | | Totals | |
|------------------------------------|-------------------------|----------------------|--------------------------|---------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Capital Leases | \$ 3,753,610 | \$ 1,684,515 | \$ - | \$ 546 | \$ 3,753,610 | \$ 1,685,061 |
| Debt Certificates | 18,245,000 | 27,205,000 | - | - | 18,245,000 | 27,205,000 |
| Total long-term obligations | \$ 21,998,610 | \$ 28,889,515 | \$ - | \$ 546 | \$ 21,998,610 | \$ 28,890,061 |

Current year issuances for governmental activities were as follows: Two new capital leases in the amount of \$2.2 and \$1.7 million were issued for the acquisition of computer equipment and radio equipment. There were no new debt certificate issuances completed in fiscal year 2016.

There were no issuances for business-type activities during fiscal year 2016 as well.

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, 2016, the County's debt limit was \$203.9 million, while actual outstanding debt subject to the limit was \$6.4 million, leaving the County \$197.5 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 33.

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
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For the Year Ended November 30, 2016

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 307,004 in 2016; a decrease of 339. Another important economic indicator is the local unemployment rate. The County's unemployment rate was 5.3% in 2016, 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 5.3% in 2015, 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 163 – 186.

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, 2016

(With Comparative Totals - Primary Government for November 30, 2015)

| | Primary Government | | | | Component Unit |
|--|-------------------------|--------------------------|--------------------|--------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Totals | | |
| | | | 2016 | 2015 | |
| ASSETS | | | | | |
| Current | | | | | |
| Cash and investments | \$ 145,636,780 | \$ 45,070,667 | \$ 190,707,447 | \$ 192,308,453 | \$ 12,014,572 |
| Receivables | | | | | |
| Property taxes | 79,334,078 | 10,000 | 79,344,078 | 76,574,775 | 19,377,077 |
| Accounts | - | 3,113,654 | 3,113,654 | 2,710,657 | - |
| Other | 1,605,101 | 999,220 | 2,604,321 | 2,902,448 | 44,169 |
| Due from other governments | 15,276,696 | - | 15,276,696 | 16,992,733 | - |
| Internal balances | 1,493,959 | (1,493,959) | - | - | - |
| Prepaid expenses | - | 93,283 | 93,283 | 136,002 | 94,177 |
| Inventory | 763,680 | - | 763,680 | 996,196 | - |
| Total current assets | <u>244,110,294</u> | <u>47,792,865</u> | <u>291,903,159</u> | <u>292,621,264</u> | <u>31,529,995</u> |
| Noncurrent | | | | | |
| Capital Assets | | | | | |
| Land | 65,901,084 | 6,000 | 65,907,084 | 63,602,984 | 203,127,079 |
| Construction in progress | 77,063,234 | 126,340 | 77,189,574 | 74,079,843 | 3,859,542 |
| Capital assets, net of depreciation/amortization | <u>187,982,667</u> | <u>12,430,935</u> | <u>200,413,602</u> | <u>196,547,872</u> | <u>28,754,232</u> |
| Net capital assets | <u>330,946,985</u> | <u>12,563,275</u> | <u>343,510,260</u> | <u>334,230,699</u> | <u>235,740,853</u> |
| Other noncurrent assets | | | | | |
| Investment in joint venture | <u>732,170</u> | <u>101,979</u> | <u>834,149</u> | <u>782,052</u> | <u>-</u> |
| Total noncurrent assets | <u>331,679,155</u> | <u>12,665,254</u> | <u>344,344,409</u> | <u>335,012,751</u> | <u>235,740,853</u> |
| Total Assets | <u>575,789,449</u> | <u>60,458,119</u> | <u>636,247,568</u> | <u>627,634,015</u> | <u>267,270,848</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension-related items | 34,868,343 | 2,319,996 | 37,188,339 | 19,190,570 | 797,584 |
| Deferred charge on refunding | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,028,343</u> |
| Total Deferred Outflows of Resources | <u>34,868,343</u> | <u>2,319,996</u> | <u>37,188,339</u> | <u>19,190,570</u> | <u>7,825,927</u> |

| | Primary Government | | | | Component Unit |
|---|----------------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | Governmental Activities | Business- Type Activities | Totals | | |
| | | | 2016 | 2015 | |
| LIABILITIES | | | | | |
| Current | | | | | |
| Accounts payable | \$ 4,528,938 | \$ 269,414 | \$ 4,798,352 | \$ 9,645,173 | \$ 175,436 |
| Accrued expenses | 4,877,960 | 363,096 | 5,241,056 | 4,946,905 | 1,298,728 |
| Unearned revenue | - | - | - | - | 41,358 |
| Other liabilities | 515,774 | 111,867 | 627,641 | 804,011 | - |
| Current portion of long-term obligations | <u>15,861,853</u> | <u>75,717</u> | <u>15,937,570</u> | <u>14,988,789</u> | <u>11,828,630</u> |
| Total current liabilities | 25,784,525 | 820,094 | 26,604,619 | 30,384,878 | 13,344,152 |
| Noncurrent | | | | | |
| Noncurrent portion of long-term obligations | <u>82,026,820</u> | <u>3,345,635</u> | <u>85,372,455</u> | <u>65,127,821</u> | <u>118,772,644</u> |
| Total Liabilities | <u>107,811,345</u> | <u>4,165,729</u> | <u>111,977,074</u> | <u>95,512,699</u> | <u>132,116,796</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension-related items | 1,448,656 | - | 1,448,656 | 1,928,129 | 280,116 |
| Property taxes levied for future period | <u>79,334,078</u> | <u>10,000</u> | <u>79,344,078</u> | <u>76,574,775</u> | <u>19,377,077</u> |
| Total Deferred Inflows of Resources | <u>80,782,734</u> | <u>10,000</u> | <u>80,792,734</u> | <u>78,502,904</u> | <u>19,657,193</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 308,153,944 | 12,563,275 | 320,717,219 | 304,371,211 | 116,630,062 |
| Restricted for: | | | | | |
| Recorder's Office | 2,280,726 | - | 2,280,726 | 2,097,586 | - |
| Treasurer's Office | 653,547 | - | 653,547 | 562,676 | - |
| Social security | - | - | - | - | 119,755 |
| Liability insurance | 13,367,638 | - | 13,367,638 | 14,627,288 | 170,738 |
| Geographic information systems | 1,489,554 | - | 1,489,554 | 1,546,259 | - |
| County Clerk's Office | 87,377 | - | 87,377 | 85,407 | - |
| Transportation | 55,391,136 | - | 55,391,136 | 54,454,036 | - |
| Public safety | 1,102,115 | - | 1,102,115 | 962,361 | - |
| Judiciary and court related | 1,405,315 | - | 1,405,315 | 1,717,968 | - |
| Public health and welfare | 15,730,060 | - | 15,730,060 | 16,064,468 | - |
| Employee benefits | 3,189,452 | - | 3,189,452 | 2,857,471 | - |
| Public Building Commission | 23,758 | - | 23,758 | 31,179 | - |
| Debt service | - | - | - | - | 543,397 |
| Land acquisition and site improvement | - | - | - | - | 875,141 |
| Other | 57,494 | - | 57,494 | 50,168 | 5,500 |
| Working cash - permanently restricted (nonexpendable) | 801,749 | - | 801,749 | 800,943 | - |
| Unrestricted | <u>18,329,848</u> | <u>46,039,111</u> | <u>64,368,959</u> | <u>72,579,961</u> | <u>4,978,193</u> |
| Total Net Position | <u>\$ 422,063,713</u> | <u>\$ 58,602,386</u> | <u>\$ 480,666,099</u> | <u>\$ 472,808,982</u> | <u>\$ 123,322,786</u> |

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2016

(With Comparative Totals - Primary Government for the Year Ended November 30, 2015)

| Functions | Expenses | Program Revenues | | |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General and administrative | \$ 38,877,497 | \$ 5,137,090 | \$ 230,213 | \$ - |
| Community development | 4,169,341 | 685,159 | 2,348,153 | - |
| Transportation | 18,287,903 | 103,452 | 10,739,828 | 4,613,878 |
| Public safety | 47,068,773 | 9,936,049 | 350,826 | - |
| Judiciary and court related | 16,271,942 | 7,850,886 | 118,255 | - |
| Public health and welfare | 22,780,073 | 1,718,594 | 4,971,957 | - |
| Interest and fiscal charges | 559,444 | - | - | 56,839 |
| Total Governmental Activities | <u>148,014,973</u> | <u>25,431,230</u> | <u>18,759,232</u> | <u>4,670,717</u> |
| Business-Type Activities | | | | |
| Public health and welfare | 12,074,605 | 10,257,412 | - | - |
| Public safety | 2,375,850 | 2,629,521 | - | - |
| Total Business-Type Activities | <u>14,450,455</u> | <u>12,886,933</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 162,465,428</u> | <u>\$ 38,318,163</u> | <u>\$ 18,759,232</u> | <u>\$ 4,670,717</u> |
| Component Unit | | | | |
| Conservation District | <u>\$ 15,272,187</u> | <u>\$ 1,194,248</u> | <u>\$ 6,803</u> | <u>\$ 1,732,204</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 | | | | |
| Net Position - Beginning of Year (as restated) | | | | |
| Net Position - End of Year | | | | |
| See accompanying notes to financial statements. | | | | |

For the Year Ended November 30, 2016

| Net (Expenses) Revenues and Changes in Net Position Primary Government | | | | |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | Business-Type Activities | Totals | | Component Unit |
| | | 2016 | 2015 | |
| \$ (33,510,194) | \$ - | \$ (33,510,194) | \$ (32,337,709) | \$ - |
| (1,136,029) | - | (1,136,029) | (1,170,573) | - |
| (2,830,745) | - | (2,830,745) | (2,111,401) | - |
| (36,781,898) | - | (36,781,898) | (34,765,447) | - |
| (8,302,801) | - | (8,302,801) | (7,120,057) | - |
| (16,089,522) | - | (16,089,522) | (14,880,905) | - |
| (502,605) | - | (502,605) | (822,150) | - |
| <u>(99,153,794)</u> | <u>-</u> | <u>(99,153,794)</u> | <u>(93,208,242)</u> | <u>-</u> |
| - | (1,817,193) | (1,817,193) | (795,001) | - |
| <u>-</u> | <u>253,671</u> | <u>253,671</u> | <u>(53,146)</u> | <u>-</u> |
| - | (1,563,522) | (1,563,522) | (848,147) | - |
| <u>(99,153,794)</u> | <u>(1,563,522)</u> | <u>(100,717,316)</u> | <u>(94,056,389)</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(12,338,932)</u> |
| 76,113,609 | - | 76,113,609 | 78,791,838 | 19,607,433 |
| 19,852,773 | - | 19,852,773 | 19,987,380 | - |
| 2,632,513 | - | 2,632,513 | 2,133,728 | - |
| 2,614,547 | - | 2,614,547 | 2,588,533 | 132,262 |
| 6,369,804 | - | 6,369,804 | 6,962,600 | - |
| 511,663 | 44,606 | 556,269 | 344,138 | 90,471 |
| 434,918 | - | 434,918 | 505,127 | 67,711 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>45,671</u> | <u>10,481</u> |
| <u>108,529,827</u> | <u>44,606</u> | <u>108,574,433</u> | <u>111,359,015</u> | <u>19,908,358</u> |
| 9,376,033 | (1,518,916) | 7,857,117 | 17,302,626 | 7,569,426 |
| 412,687,680 | 60,121,302 | 472,808,982 | 468,113,728 | 118,527,505 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(12,607,372)</u> | <u>(2,774,145)</u> |
| <u>412,687,680</u> | <u>60,121,302</u> | <u>472,808,982</u> | <u>455,506,356</u> | <u>115,753,360</u> |
| <u>\$ 422,063,713</u> | <u>\$ 58,602,386</u> | <u>\$ 480,666,099</u> | <u>\$ 472,808,982</u> | <u>\$ 123,322,786</u> |

County of McHenry, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2016

| | General Fund | County Mental Health Fund | Illinois Municipal Retirement Fund | Total Nonmajor Governmental Funds | Totals |
|--|-----------------------|------------------------------------|---|--|-----------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 45,046,540 | \$ 10,988,362 | \$ 4,986,460 | \$ 79,965,208 | \$ 140,986,570 |
| Property taxes receivable | 44,351,303 | 10,900,000 | 7,800,000 | 16,282,775 | 79,334,078 |
| Other receivables | 280,687 | 337,602 | - | 976,812 | 1,595,101 |
| Due from other governments | 7,721,200 | - | - | 7,555,496 | 15,276,696 |
| Due from other funds | 84,567 | - | - | 457,646 | 542,213 |
| Inventory | 198,133 | 1,790 | - | 563,757 | 763,680 |
| Advance to other funds | 3,172,840 | - | - | - | 3,172,840 |
| Total Assets | \$ 100,855,270 | \$ 22,227,754 | \$ 12,786,460 | \$ 105,801,694 | \$ 241,671,178 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT) | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 1,499,713 | \$ 898,580 | \$ - | \$ 2,129,270 | \$ 4,527,563 |
| Accrued payroll | 2,654,886 | 40,485 | 1,251,555 | 627,213 | 4,574,139 |
| Due to other funds | 1,907,184 | 13,273 | - | 471,454 | 2,391,911 |
| Advance from other funds | - | - | 3,172,840 | - | 3,172,840 |
| Other liabilities | 513,368 | - | - | 2,406 | 515,774 |
| Total Liabilities | 6,575,151 | 952,338 | 4,424,395 | 3,230,343 | 15,182,227 |
| Deferred Inflows of Resources | | | | | |
| Property taxes levied for future period | 44,351,303 | 10,900,000 | 7,800,000 | 16,282,775 | 79,334,078 |
| Unavailable revenue | 1,485,817 | 28,404 | - | 2,598,792 | 4,113,013 |
| Total Deferred Inflows of Resources | 45,837,120 | 10,928,404 | 7,800,000 | 18,881,567 | 83,447,091 |
| Fund Balances (Deficit) | | | | | |
| Nonspendable | 3,370,973 | 1,790 | - | 1,365,506 | 4,738,269 |
| Restricted | 468,915 | 10,345,222 | 562,065 | 80,099,018 | 91,475,220 |
| Committed | - | - | - | 2,234,341 | 2,234,341 |
| Assigned | 1,228,812 | - | - | - | 1,228,812 |
| Unassigned (deficit) | 43,374,299 | - | - | (9,081) | 43,365,218 |
| Total Fund Balances (Deficit) | 48,442,999 | 10,347,012 | 562,065 | 83,689,784 | 143,041,860 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit) | \$ 100,855,270 | \$ 22,227,754 | \$ 12,786,460 | \$ 105,801,694 | \$ 241,671,178 |

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
November 30, 2016

| | | |
|---|----|---------------------------|
| Total Fund Balances - Governmental Funds | \$ | 143,041,860 |
| 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. | | 330,946,985 |
| The investment in joint venture is not a financial resource and, therefore, is not reported in the governmental funds. | | 732,170 |
| Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds. | | 4,113,013 |
| 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. | | (794,431) |
| 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. | | 5,762,811 |
| 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 | | (300,823) |
| Compensated absences | | (4,692,582) |
| Capital leases | | (3,753,610) |
| Debt certificates | | (18,245,000) |
| Claims and judgments - all other claims | | (2,826,545) |
| Net pension liability | | (54,971,350) |
| Other post-employment benefit obligation | | (10,368,472) |
| 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 | | 34,868,343 |
| Deferred inflows of resources - pension-related items | | <u>(1,448,656)</u> |
| Total Net Position - Governmental Activities | \$ | <u><u>422,063,713</u></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, 2016

| | General Fund | County Mental Health Fund | Illinois Municipal Retirement Fund | Total Nonmajor Governmental Funds | Totals |
|--|----------------------|------------------------------------|---|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 18,560,373 | \$ - | \$ - | \$ 4,229,681 | \$ 22,790,054 |
| Licenses and permits | 1,076,425 | - | - | 105,241 | 1,181,666 |
| Fines and forfeitures | 987,974 | - | - | 35,016 | 1,022,990 |
| Grants, contributions, and intergovernmental | 3,408,955 | 58,823 | - | 16,057,565 | 19,525,343 |
| Property taxes | 41,504,683 | 10,589,326 | 7,782,100 | 16,237,500 | 76,113,609 |
| Sales taxes | 9,718,236 | - | - | 10,134,537 | 19,852,773 |
| State income taxes | 6,369,804 | - | - | - | 6,369,804 |
| Tax transfer stamps | 2,632,513 | - | - | - | 2,632,513 |
| Other taxes | 2,491,659 | - | 122,888 | - | 2,614,547 |
| Investment income | 191,676 | 35,643 | 12,890 | 251,009 | 491,218 |
| Miscellaneous | 160,142 | 55,878 | - | 218,898 | 434,918 |
| Total Revenues | 87,102,440 | 10,739,670 | 7,917,878 | 47,269,447 | 153,029,435 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General and administrative | 27,169,600 | - | 840,840 | 4,502,624 | 32,513,064 |
| Community development | 1,413,664 | - | 126,933 | 2,439,980 | 3,980,577 |
| Transportation | - | - | - | 16,752,462 | 16,752,462 |
| Public safety | 33,368,802 | - | 4,483,552 | 2,314,019 | 40,166,373 |
| Judiciary and court related | 10,290,263 | - | 1,017,777 | 3,034,246 | 14,342,286 |
| Public health and welfare | 5,796,084 | 10,059,597 | 438,059 | 5,588,845 | 21,882,585 |
| Capital outlay | 7,061,392 | - | - | 6,904,397 | 13,965,789 |
| Debt service | | | | | |
| Principal retirement | 1,760,714 | - | - | 8,998,838 | 10,759,552 |
| Interest and fiscal charges | 53,924 | - | - | 780,497 | 834,421 |
| Total Expenditures | 86,914,443 | 10,059,597 | 6,907,161 | 51,315,908 | 155,197,109 |
| Excess (deficiency) of revenues over expenditures | 187,997 | 680,073 | 1,010,717 | (4,046,461) | (2,167,674) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 14,600 | - | - | 16,648,411 | 16,663,011 |
| Transfers out | (3,394,250) | (416,257) | - | (12,852,504) | (16,663,011) |
| Capital leases issued | 3,868,647 | - | - | - | 3,868,647 |
| Total Other Financing Sources (Uses) | 488,997 | (416,257) | - | 3,795,907 | 3,868,647 |
| Net Change in Fund Balances | 676,994 | 263,816 | 1,010,717 | (250,554) | 1,700,973 |
| Fund Balance (Deficit) - Beginning of Year | 47,766,005 | 10,083,196 | (448,652) | 83,940,338 | 141,340,887 |
| Fund Balance (Deficit) - End of Year | \$ 48,442,999 | \$ 10,347,012 | \$ 562,065 | \$ 83,689,784 | \$ 143,041,860 |

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, 2016

Net Change in Fund Balances - Governmental Funds \$ 1,700,973

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. | 13,965,789 |
| Some items reported as capital outlay are not capitalized in the government-wide financial statements. | (857,532) |
| Some items that are capitalized are reported as functional expenses in the fund financial statements. | 3,282,367 |
| Some items that are capitalized represent contributed assets. | 4,613,878 |
| Loss on disposal of capital assets | (37,823) |
| Depreciation/amortization are reported in the government-wide financial statements. | (10,933,319) |

| | |
|--|--------|
| 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. | 45,728 |
|--|--------|

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 | 451,541 |
| Operating grants and contributions | (216,732) |
| Capital grants and contributions | (1,984) |
| Investment income | 1,280 |

| | |
|--|---------|
| Internal service funds are used by management to charge insurance costs to individual funds. | 277,257 |
|--|---------|

| | |
|---|------------|
| Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position. | 10,759,552 |
|---|------------|

| | |
|--|-------------|
| Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position. | (3,868,647) |
|--|-------------|

| | |
|---|---------|
| 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. | 174,996 |
|---|---------|

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 | 189,481 |
| Decrease in accrued interest | 99,981 |
| Increase in claims and judgments - all other claims | (1,152,512) |
| Increase in net pension liability | (24,248,291) |
| Increase in other post-employment benefit obligation | (2,364,561) |
| Increase in deferred outflows of resources - pension-related items | 17,024,070 |
| Increase in deferred inflows of resources - pension-related items | 470,541 |

| | |
|--|---------------------|
| Change in Net Position - Governmental Activities | <u>\$ 9,376,033</u> |
|--|---------------------|

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2016

| | Major Enterprise Fund <u>Valley Hi</u> | Nonmajor Enterprise Fund <u>911 Fund</u> | <u>Totals</u> | Internal Service Fund <u> </u> |
|---|---|---|---------------------|--|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 40,763,864 | \$ 4,306,803 | \$ 45,070,667 | \$ 4,650,210 |
| Property taxes receivable | 10,000 | - | 10,000 | - |
| Accounts receivable | 3,113,654 | - | 3,113,654 | 10,000 |
| Other receivables | 73,653 | 925,567 | 999,220 | - |
| Due from other funds | - | - | - | 2,182,612 |
| Prepaid expenses | 23,080 | 70,203 | 93,283 | - |
| Total Current Assets | <u>43,984,251</u> | <u>5,302,573</u> | <u>49,286,824</u> | <u>6,842,822</u> |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Land | 6,000 | - | 6,000 | - |
| Construction in progress | - | 126,340 | 126,340 | - |
| Buildings and improvements | 14,921,831 | - | 14,921,831 | - |
| Land improvements | 302,971 | - | 302,971 | - |
| Furniture and fixtures | 374,713 | 15,857 | 390,570 | - |
| Machinery and equipment | 516,779 | 1,838,949 | 2,355,728 | - |
| Transportation equipment | 71,164 | 19,053 | 90,217 | - |
| Computer software | 38,253 | 4,590,989 | 4,629,242 | - |
| Less: accumulated depreciation/ amortization | <u>(5,482,091)</u> | <u>(4,777,533)</u> | <u>(10,259,624)</u> | <u>-</u> |
| Net Capital Assets | <u>10,749,620</u> | <u>1,813,655</u> | <u>12,563,275</u> | <u>-</u> |
| Other Noncurrent Assets | | | | |
| Investment in joint venture | <u>-</u> | <u>101,979</u> | <u>101,979</u> | <u>-</u> |
| Total Noncurrent Assets | <u>10,749,620</u> | <u>1,915,634</u> | <u>12,665,254</u> | <u>-</u> |
| Total Assets | <u>54,733,871</u> | <u>7,218,207</u> | <u>61,952,078</u> | <u>6,842,822</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension-related items | <u>2,202,672</u> | <u>117,324</u> | <u>2,319,996</u> | <u>-</u> |

| | Major Enterprise Fund <u>Valley Hi</u> | Nonmajor Enterprise Fund <u>911 Fund</u> | <u>Totals</u> | Internal Service Fund |
|---|---|---|----------------------|-----------------------------|
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 228,344 | \$ 41,070 | \$ 269,414 | \$ 1,375 |
| Accrued payroll | 347,313 | 15,783 | 363,096 | 2,998 |
| Due to other funds | 319,934 | 6,620 | 326,554 | 6,360 |
| Other liabilities | 111,867 | - | 111,867 | - |
| Compensated absences | 69,076 | 6,641 | 75,717 | - |
| Claims and judgments | - | - | - | 2,236,683 |
| Total Current Liabilities | <u>1,076,534</u> | <u>70,114</u> | <u>1,146,648</u> | <u>2,247,416</u> |
| Noncurrent Liabilities | | | | |
| Compensated absences | 138,152 | 13,282 | 151,434 | - |
| Net pension liability | 2,602,509 | 137,861 | 2,740,370 | - |
| Other post-employment benefit obligation | <u>428,738</u> | <u>25,093</u> | <u>453,831</u> | <u>-</u> |
| Total Noncurrent Liabilities | <u>3,169,399</u> | <u>176,236</u> | <u>3,345,635</u> | <u>-</u> |
| Total Liabilities | <u>4,245,933</u> | <u>246,350</u> | <u>4,492,283</u> | <u>2,247,416</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes levied for future period | <u>10,000</u> | <u>-</u> | <u>10,000</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 10,749,620 | 1,813,655 | 12,563,275 | - |
| Unrestricted | <u>41,930,990</u> | <u>5,275,526</u> | <u>47,206,516</u> | <u>4,595,406</u> |
| Total Net Position | <u>\$ 52,680,610</u> | <u>\$ 7,089,181</u> | 59,769,791 | <u>\$ 4,595,406</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | <u>(1,167,405)</u> | |
| Net Position of Business-Type Activities | | | <u>\$ 58,602,386</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, 2016

| | 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 | \$ 10,235,061 | \$ 2,629,521 | \$ 12,864,582 | \$ 17,920,566 |
| Other | <u>22,351</u> | <u>-</u> | <u>22,351</u> | <u>-</u> |
| Total Operating Revenues | <u>10,257,412</u> | <u>2,629,521</u> | <u>12,886,933</u> | <u>17,920,566</u> |
| OPERATING EXPENSES | | | | |
| Personnel services | 8,352,243 | 417,148 | 8,769,391 | 56,765 |
| Contractual services | 1,872,733 | 1,380,838 | 3,253,571 | 17,573,936 |
| Commodities | 1,400,090 | 137,288 | 1,537,378 | 1,655 |
| Depreciation | 478,068 | 89,712 | 567,780 | - |
| Amortization | <u>-</u> | <u>352,453</u> | <u>352,453</u> | <u>-</u> |
| Total Operating Expenses | <u>12,103,134</u> | <u>2,377,439</u> | <u>14,480,573</u> | <u>17,632,356</u> |
| Operating Income (Loss) | <u>(1,845,722)</u> | <u>252,082</u> | <u>(1,593,640)</u> | <u>288,210</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | <u>29,149</u> | <u>15,457</u> | <u>44,606</u> | <u>19,165</u> |
| Total Nonoperating Revenues (Expenses) | <u>29,149</u> | <u>15,457</u> | <u>44,606</u> | <u>19,165</u> |
| Net Change in Net Position | (1,816,573) | 267,539 | (1,549,034) | 307,375 |
| Net Position - Beginning of Year | <u>54,497,183</u> | <u>6,821,642</u> | | <u>4,288,031</u> |
| Net Position - End of Year | <u>\$ 52,680,610</u> | <u>\$ 7,089,181</u> | | <u>\$ 4,595,406</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | <u>30,118</u> | |
| Change in Net Position of Business-Type Activities | | | <u>\$ (1,518,916)</u> | |

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2016

| | Major Enterprise Fund <u>Valley Hi</u> | Nonmajor Enterprise Fund <u>911 Fund</u> | <u>Totals</u> | Internal Service Fund <u> </u> |
|---|---|---|----------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers and users | \$ 9,854,192 | \$ 2,951,480 | \$ 12,805,672 | \$ 17,924,935 |
| Payments to employees | (7,667,183) | (379,893) | (8,047,076) | (53,767) |
| Payments to third party administrator | - | - | - | (17,655,364) |
| Payments to suppliers | <u>(3,179,964)</u> | <u>(1,731,691)</u> | <u>(4,911,655)</u> | <u>(903,039)</u> |
| Net Cash Flows From Operating Activities | <u>(992,955)</u> | <u>839,896</u> | <u>(153,059)</u> | <u>(687,235)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Interfund payments | <u>(5,018)</u> | <u>1,609</u> | <u>(3,409)</u> | <u>-</u> |
| Net Cash Flows From Noncapital Financing Activities | <u>(5,018)</u> | <u>1,609</u> | <u>(3,409)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital assets purchased | (58,034) | (108,400) | (166,434) | - |
| Capital contributions to joint venture | - | (72,101) | (72,101) | - |
| Principal payments - capital leases | <u>(546)</u> | <u>-</u> | <u>(546)</u> | <u>-</u> |
| Net Cash Flows From Capital and Related Financing Activities | <u>(58,580)</u> | <u>(180,501)</u> | <u>(239,081)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Marketable securities purchased | (11,836,097) | - | (11,836,097) | - |
| Cash receipts from investment income | <u>287,055</u> | <u>15,457</u> | <u>302,512</u> | <u>19,165</u> |
| Net Cash Flows From Investing Activities | <u>(11,549,042)</u> | <u>15,457</u> | <u>(11,533,585)</u> | <u>19,165</u> |
| Net Change in Cash and Equivalents | (12,605,595) | 676,461 | (11,929,134) | (668,070) |
| Cash and Equivalents - Beginning of Year | <u>41,841,975</u> | <u>3,630,342</u> | <u>45,472,317</u> | <u>5,318,280</u> |
| Cash and Equivalents - End of Year | <u>\$ 29,236,380</u> | <u>\$ 4,306,803</u> | <u>\$ 33,543,183</u> | <u>\$ 4,650,210</u> |

| | Major Enterprise Fund <u>Valley Hi</u> | Nonmajor Enterprise Fund <u>911 Fund</u> | <u>Totals</u> | Internal Service Fund <u>Fund</u> |
|--|---|---|----------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (1,845,722) | \$ 252,082 | \$ (1,593,640) | \$ 288,210 |
| Adjustments to reconcile operating loss to net cash flows from operating activities | | | | |
| Depreciation | 478,068 | 89,712 | 567,780 | - |
| Amortization | - | 352,453 | 352,453 | - |
| Changes in assets, liabilities, and deferred inflows and outflows of resources | | | | |
| Accounts receivable | (402,997) | - | (402,997) | (10,000) |
| Other receivables | - | 321,959 | 321,959 | - |
| Due from other funds | - | - | - | 14,369 |
| Prepaid expenses | - | 42,719 | 42,719 | - |
| Deferred outflows of resources - pension-related items | (927,102) | (54,482) | (981,584) | - |
| Accounts payable | 92,859 | (256,284) | (163,425) | (27,985) |
| Accrued payroll | 54,864 | 4,916 | 59,780 | 2,998 |
| Due to other funds | - | - | - | 6,360 |
| Other liabilities | (223) | - | (223) | - |
| Compensated absences | (1,790) | (108) | (1,898) | - |
| Claims and judgments | - | - | - | (961,187) |
| Net pension liability | 1,456,386 | 80,819 | 1,537,205 | - |
| Other post-employment benefit obligation | 102,702 | 7,157 | 109,859 | - |
| Deferred inflows of resources - pension-related items | - | (1,047) | (1,047) | - |
| Net Cash Flows From Operating Activities | <u>\$ (992,955)</u> | <u>\$ 839,896</u> | <u>\$ (153,059)</u> | <u>\$ (687,235)</u> |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position - Proprietary Funds | | | | |
| Cash and investments | \$ 40,763,864 | \$ 4,306,803 | \$ 45,070,667 | \$ 4,650,210 |
| Less: Noncash Equivalents | <u>(11,527,484)</u> | <u>-</u> | <u>(11,527,484)</u> | <u>-</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 29,236,380</u> | <u>\$ 4,306,803</u> | <u>\$ 33,543,183</u> | <u>\$ 4,650,210</u> |

NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:

| | | | | |
|--------------------------------|---------------------|-------------|---------------------|-------------|
| Unrealized loss on investments | <u>\$ (308,613)</u> | <u>\$ -</u> | <u>\$ (308,613)</u> | <u>\$ -</u> |
|--------------------------------|---------------------|-------------|---------------------|-------------|

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2016

ASSETS

| | |
|----------------------------|----------------------------|
| Cash and investments | \$ 7,803,298 |
| Due from other governments | <u>25,445</u> |
| Total Assets | <u><u>\$ 7,828,743</u></u> |

LIABILITIES

| | |
|--------------------------|----------------------------|
| Accounts payable | \$ 446,359 |
| Due to residents | 36,492 |
| Bond escrow | 2,906,738 |
| Due to other governments | 2,764,977 |
| Other liabilities | <u>1,674,177</u> |
| Total Liabilities | <u><u>\$ 7,828,743</u></u> |

See accompanying notes to financial statements.

County of McHenry, Illinois
INDEX TO NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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, 2016

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, 2016. 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 | Crystal Lake Rural Fire Protection District |
| Hebron Drainage District | Fox River Grove Fire Protection District |
| McHenry County Housing Authority | Harvard Community Fire Protection District |
| Marengo Rescue Squad | McHenry Township Fire Protection District |
| Lake in the Hills Sanitary 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, 2016

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, 2016

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

In February 2015, the GASB issued Statement No. 72 – Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented December 1, 2015.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 1 – Summary of Significant Accounting Policies (Continued)

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 methods and inputs as outlined in Note 3.

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 2016.

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, 2016

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:

| | Years |
|--|---------|
| 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, 2016

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, 2016

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 addition information on claims and judgments, see note 10 - Risk Management.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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, 2016

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, 2016, the general fund reserve was 6.0 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, 2015. 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, 2016

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, 2016.

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, state and local bonds, 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, 2016.

As of November 30, 2016, the County had the following investments:

| Investment Type | Fair Value | |
|---------------------------------------|-----------------------|--------------------|
| | Primary Government | Fiduciary Funds |
| U.S. agencies - explicitly guaranteed | \$ 12,812,099 | \$ - |
| State and local bonds | 1,632,692 | - |
| Illinois Funds | 568 | 97,514 |
| | \$ 14,445,359 | \$ 97,514 |

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.

The county categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > Quoted market prices

| Investment Type | November 30, 2016 | | |
|---------------------------------------|-------------------|---------------|---------|
| | Level 1 | Level 2 | Level 3 |
| U.S. agencies - explicitly guaranteed | \$ - | \$ 12,812,099 | \$ - |
| State and local bonds | - | 1,632,692 | - |
| | \$ - | \$ 14,444,791 | \$ - |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 3 – Deposits and Investments (Continued)

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. As of November 30, 2016, the county's investments were as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity (In Years)</u> | | |
|---------------------------------------|----------------------|-------------------------------|---------------------|---------------------|
| | | <u>Less than One Year</u> | <u>1-5 Years</u> | <u>6-15 Years</u> |
| U.S. agencies - explicitly guaranteed | \$ 12,812,099 | \$ 998,627 | \$ 4,628,861 | \$ 7,184,611 |
| State and local bonds | 1,632,692 | 401,024 | 787,044 | 444,624 |
| | <u>\$ 14,444,791</u> | <u>\$ 1,399,651</u> | <u>\$ 5,415,905</u> | <u>\$ 7,629,235</u> |

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.

| <u>Investment Type</u> | <u>Standard & Poors</u> | <u>Moody's Investor Service</u> |
|------------------------|---------------------------------|---|
| Illinois Funds | AAAm | |
| State and local bonds | | Aa1, Aa2 |

Custodial credit risk. As of November 30, 2016, 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, 2016, the County (primary government) had deposits with a book balance of \$176,256,903 and a bank balance of \$173,306,684 and the fiduciary funds had deposits with a book balance of \$7,704,084 and a bank balance of \$7,706,206. As of November 30, 2016, 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, 2016

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 | \$ 5,185 | \$ 1,700 |
| Carrying amount of deposits | 176,256,903 | 7,704,084 |
| Carrying amount of investments | <u>14,445,359</u> | <u>97,514</u> |
| Total cash and investments | <u>\$ 190,707,447</u> | <u>\$ 7,803,298</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 2016 property tax is levied to finance the operations of fiscal year 2017, the calendar year 2016 property tax levy is recorded as a receivable and a deferred inflow of resources as of November 30, 2016. The calendar year 2015 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2016. 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 2015 property tax levy became due and payable in two installments in June 2016 and September 2016. 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, 2016

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>-</u> | \$ <u>79,334,078</u> |
| Unavailable revenue - grants receivable | 2,200,332 | - |
| Unavailable revenue - other receivables | <u>1,912,681</u> | - |
| Total unavailable revenue | <u>4,113,013</u> | - |
| Total deferred inflows of resources | <u>\$ 4,113,013</u> | <u>\$ 79,334,078</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 5 – Capital Assets

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

| | Balance December 1 | Additions | Deletions | Balance November 30 |
|---|-----------------------|----------------------|-----------------------|------------------------|
| Governmental Activities | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 63,596,984 | \$ 2,304,100 | \$ - | \$ 65,901,084 |
| Construction in progress | 73,923,235 | 12,251,810 | (9,111,811) | 77,063,234 |
| Total Capital Assets Not Being Depreciated | <u>137,520,219</u> | <u>14,555,910</u> | <u>(9,111,811)</u> | <u>142,964,318</u> |
| Other Capital Assets | | | | |
| Roads, bridges, and related infrastructure | 150,266,043 | 7,600,675 | - | 157,866,718 |
| Buildings and improvements | 103,611,675 | 33,677 | - | 103,645,352 |
| Land improvements | 181,544 | - | - | 181,544 |
| Furniture and fixtures | 3,566,734 | 20,291 | - | 3,587,025 |
| Machinery and equipment | 37,136,965 | 6,307,925 | (1,698,538) | 41,746,352 |
| Computer software | 11,684,682 | 1,015,974 | - | 12,700,656 |
| Transportation equipment | 5,940,682 | 581,862 | (446,807) | 6,075,737 |
| Total Other Capital Assets | <u>312,388,325</u> | <u>15,560,404</u> | <u>(2,145,345)</u> | <u>325,803,384</u> |
| Less Accumulated Depreciation/Amortization for: | | | | |
| Roads, bridges, and related infrastructure | (43,766,288) | (3,946,357) | - | (47,712,645) |
| Buildings and improvements | (44,135,981) | (2,631,789) | - | (46,767,770) |
| Land improvements | (23,892) | (5,973) | - | (29,865) |
| Furniture and fixtures | (2,860,339) | (121,252) | - | (2,981,591) |
| Machinery and equipment | (26,717,325) | (2,858,205) | 1,660,714 | (27,914,816) |
| Computer software | (7,084,769) | (915,015) | - | (7,999,784) |
| Transportation equipment | (4,406,325) | (454,728) | 446,807 | (4,414,246) |
| Total Accumulated Depreciation/Amortization | <u>(128,994,919)</u> | <u>(10,933,319)</u> | <u>2,107,521</u> | <u>(137,820,717)</u> |
| Other Capital Assets, Net | <u>183,393,406</u> | <u>4,627,085</u> | <u>(37,824)</u> | <u>187,982,667</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 320,913,625</u> | <u>\$ 19,182,995</u> | <u>\$ (9,149,635)</u> | <u>\$ 330,946,985</u> |

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

| | |
|---|----------------------|
| General and administrative | \$ 4,253,795 |
| Community development | - |
| Transportation | 3,401,059 |
| Public safety | 2,066,611 |
| Judiciary and court related | 647,150 |
| Public health and welfare | 564,704 |
| Total Depreciation/Amortization Expense – Governmental Activities | <u>\$ 10,933,319</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 5 – Capital Assets (Continued)

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

| | Balance December 1 | Additions | Deletions | Balance November 30 |
|---|-----------------------|---------------------|---------------------|------------------------|
| Business-Type Activities | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 6,000 | \$ - | \$ - | \$ 6,000 |
| Construction in progress | 156,608 | 151,931 | (182,199) | 126,340 |
| Total Capital Assets Not Being Depreciated | <u>162,608</u> | <u>151,931</u> | <u>(182,199)</u> | <u>132,340</u> |
| Other Capital Assets | | | | |
| Buildings and improvements | 14,739,633 | 182,198 | - | 14,921,831 |
| Land improvements | 302,971 | - | - | 302,971 |
| Furniture and fixtures | 488,189 | - | (97,619) | 390,570 |
| Machinery and equipment | 2,416,935 | 25,931 | (87,138) | 2,355,728 |
| Computer software | 4,629,242 | - | - | 4,629,242 |
| Transportation equipment | 90,217 | - | - | 90,217 |
| Total Other Capital Assets | <u>22,667,187</u> | <u>208,129</u> | <u>(184,757)</u> | <u>22,690,559</u> |
| Less Accumulated Depreciation/Amortization for: | | | | |
| Buildings and improvements | (4,189,394) | (367,134) | - | (4,556,528) |
| Land improvements | (128,660) | (15,149) | - | (143,809) |
| Furniture and fixtures | (437,427) | (38,479) | 87,858 | (388,048) |
| Machinery and equipment | (2,053,957) | (147,018) | 85,472 | (2,115,503) |
| Computer software | (2,613,066) | (352,453) | - | (2,965,519) |
| Transportation equipment | (90,217) | - | - | (90,217) |
| Total Accumulated Depreciation/Amortization | <u>(9,512,721)</u> | <u>(920,233)</u> | <u>173,330</u> | <u>(10,259,624)</u> |
| Other Capital Assets, Net | <u>13,154,466</u> | <u>(712,104)</u> | <u>(11,427)</u> | <u>12,430,935</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 13,317,074</u> | <u>\$ (560,173)</u> | <u>\$ (193,626)</u> | <u>\$ 12,563,275</u> |

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

| | |
|--|-------------------|
| Public safety | \$ 442,165 |
| Public health and welfare | <u>478,068</u> |
| Total Depreciation/Amortization Expense – Business-Type Activities | <u>\$ 920,233</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | \$ 4,882,063 | \$ 1,437,873 | \$ 1,627,354 | \$ 4,692,582 | \$ 1,564,194 |
| Capital leases | 1,684,515 | 3,868,647 | 1,799,552 | 3,753,610 | 1,691,833 |
| Debt certificates | 27,205,000 | - | 8,960,000 | 18,245,000 | 8,760,000 |
| Debt certificate issuance premiums | 969,427 | - | 174,996 | 794,431 | 171,863 |
| Claims and judgments - health claims | 3,197,870 | 16,694,177 | 17,655,364 | 2,236,683 | 2,236,683 |
| Claims and judgments - all other claims | 1,674,033 | 1,736,132 | 583,620 | 2,826,545 | 1,437,280 |
| Net pension liability | 30,723,059 | 24,248,291 | - | 54,971,350 | - |
| Other post-employment benefit obligation | 8,003,911 | 2,411,420 | 46,859 | 10,368,472 | - |
| | <u>\$ 78,339,878</u> | <u>\$ 50,396,540</u> | <u>\$ 30,847,745</u> | <u>\$ 97,888,673</u> | <u>\$ 15,861,853</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 | \$ 229,049 | \$ 74,452 | \$ 76,350 | \$ 227,151 | \$ 75,717 |
| Capital leases | 546 | - | 546 | - | - |
| Net pension liability | 1,203,165 | 1,537,205 | - | 2,740,370 | - |
| Other post-employment benefit obligation | 343,972 | 112,036 | 2,177 | 453,831 | - |
| | <u>\$ 1,776,732</u> | <u>\$ 1,723,693</u> | <u>\$ 79,073</u> | <u>\$ 3,421,352</u> | <u>\$ 75,717</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, 2016

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. | \$ 2,490 | \$ - | \$ 2,490 | - |
| 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. | 29,919 | - | 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. | 21,503 | - | 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. | 46,050 | - | 46,050 | - |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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. | \$ 240,097 | \$ - | \$ 74,776 | \$ 165,321 |
| 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. | 1,344,456 | - | 326,743 | 1,017,713 |
| PC & Laptop Lease 15-20 | | | | |
| \$2,152,848 capital lease, due in annual installments of \$440,172; interest at 3.02% through June 2020. Proceeds were used for the purchase of two storage area networks. The capital lease will be repaid by the General Fund. | - | 2,152,848 | 440,172 | 1,712,676 |
| Radio Dispatch Consoles | | | | |
| \$1,715,799 capital lease, due in varying annual installments; interest at 2.87% through June 2017. Proceeds were used for the purchase of radio equipment. The capital lease will be repaid by the General Fund. | - | 1,715,799 | 857,899 | 857,900 |
| Total Capital Leases - Governmental Activities | \$ 1,684,515 | \$ 3,868,647 | \$ 1,799,552 | \$ 3,753,610 |

Capital leases have resulted in the acquisition of \$8,318,582 of capital assets (equipment), which have accumulated depreciation of \$2,952,954.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 6 – Long-Term Obligations (Continued)

| Description | Balance December 1 | Issuances | Retirements | Balance November 30 |
|---|-----------------------|-----------|-------------|------------------------|
| Debt Certificates – Governmental Activities | | | | |
| 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. | \$ 1,130,000 | \$ - | \$ 555,000 | \$ 575,000 |
| 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. | 1,995,000 | - | 475,000 | 1,520,000 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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. | \$ 2,920,000 | \$ - | \$ 1,125,000 | \$ 1,795,000 |
| 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. | 3,065,000 | - | 270,000 | 2,795,000 |
| 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. | 2,340,000 | - | 310,000 | 2,030,000 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | \$ - | \$ 6,225,000 | \$ 9,530,000 |
| Total Debt Certificates - Governmental Activities | <u>\$ 27,205,000</u> | <u>\$ -</u> | <u>\$ 8,960,000</u> | <u>\$ 18,245,000</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>546</u> | \$ | <u>-</u> | \$ | <u>546</u> | \$ | <u>-</u> |
|----|------------|----|----------|----|------------|----|----------|

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 |
| 2017 | \$ 1,691,833 | \$ 71,223 | \$ 1,763,056 |
| 2018 | 850,343 | 30,315 | 880,658 |
| 2019 | 776,117 | 16,113 | 792,230 |
| 2020 | 435,317 | 4,854 | 440,171 |
| | <u>\$ 3,753,610</u> | <u>\$ 122,505</u> | <u>\$ 3,876,115</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 6 – Long-Term Obligations (Continued)

Debt Service Requirements to Maturity (Continued)

| <u>Fiscal Year</u> | Governmental Activities | |
|------------------------|-------------------------|--------------|
| | Debt Certificates | |
| | Principal | Interest |
| 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 | 1,300,000 | 154,676 |
| 2022-2025 | 3,040,000 | 178,777 |
| | \$ 18,245,000 | \$ 1,617,974 |

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.

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, 2016, the balance of conduit debt outstanding is approximately \$6.8M.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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, 2016

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, 2015, the following employees were covered by the benefit terms:

| | Regular Plan | SLEP Plan |
|--|-----------------|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 610 | 132 |
| Inactive employees entitled to but not yet receiving benefits | 828 | 27 |
| Active employees | 999 | 119 |
| | 2,437 | 278 |

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 2015 was 10.16% for the Regular Plan and 24.60% for the SLEP Plan. For the fiscal year ended November 30, 2016, the County contributed \$5,545,419 for the Regular Plan and \$2,778,732 for the SLEP Plan, for a total of \$8,324,151. 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, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The December 31, 2015 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) price inflation rate of 3.0%, (b) salary increases of 4.40% to 16.00%, 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 2011 valuation pursuant to an experience study of the period 2008-2010.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 7 – Defined Benefit Pension Plans (Continued)

E. Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

For non 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 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 an asset allocation study in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long term expected rate 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 for IMRF was 7.48% for the Regular Plan and 7.47% for the SLEP Plan. The projection of cash flows used to determine the discount rate assumed that member 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. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20 year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at discount rates used to determine the total pension liability. The years ending December 31, 2087 and 2083 are for the Regular Plan and SLEP Plan, respectively, the last years in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|---|--------------------------------|-----------------------------------|------------------------------|
| | (a) | (b) | (a) - (b) |
| Regular Plan | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Pension</u> | <u>Net Pension Liability</u> |
| Balances at December 31, 2014 | \$ 202,513,094 | \$ 189,834,723 | \$ 12,678,371 |
| Changes for the year: | | | |
| Service cost | 5,710,930 | - | 5,710,930 |
| Interest | 15,082,827 | - | 15,082,827 |
| Differences between expected and actual experience | 4,327,710 | - | 4,327,710 |
| Changes of assumptions | 289,913 | - | 289,913 |
| Contributions - County | - | 5,524,710 | (5,524,710) |
| Contributions - Employees | - | 2,500,370 | (2,500,370) |
| Net investment income | - | 947,915 | (947,915) |
| Benefit payments, including refunds of employee contributions | (8,528,394) | (8,528,394) | - |
| Other changes | - | (1,192,773) | 1,192,773 |
| Net changes | <u>16,882,986</u> | <u>(748,172)</u> | <u>17,631,158</u> |
| Balances at December 31, 2015 | <u>\$ 219,396,080</u> | <u>\$ 189,086,551</u> | <u>\$ 30,309,529</u> |
| SLEP Plan | | | |
| Balances at December 31, 2014 | \$ 117,712,446 | \$ 98,464,593 | \$ 19,247,853 |
| Changes for the year: | | | |
| Service cost | 2,283,772 | - | 2,283,772 |
| Interest | 8,674,006 | - | 8,674,006 |
| Differences between expected and actual experience | 1,567,553 | - | 1,567,553 |
| Changes of assumptions | 325,026 | - | 325,026 |
| Contributions - County | - | 2,909,076 | (2,909,076) |
| Contributions - Employees | - | 915,077 | (915,077) |
| Net investment income | - | 487,425 | (487,425) |
| Benefit payments, including refunds of employee contributions | (5,783,383) | (5,783,383) | - |
| Other changes | - | 384,441 | (384,441) |
| Net changes | <u>7,066,974</u> | <u>(1,087,364)</u> | <u>8,154,338</u> |
| Balances at December 31, 2015 | <u>\$ 124,779,420</u> | <u>\$ 97,377,229</u> | <u>\$ 27,402,191</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | \$ 27,569,159 | \$ 27,402,191 | \$ 54,971,350 |
| Proprietary funds/business-type activities | | | |
| Valley Hi Fund | 2,602,509 | - | 2,602,509 |
| E911 Fund | 137,861 | - | 137,861 |
| Total proprietary funds/business-type activities | <u>2,740,370</u> | <u>-</u> | <u>2,740,370</u> |
| Total | <u>\$ 30,309,529</u> | <u>\$ 27,402,191</u> | <u>\$ 57,711,720</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 (6.49%)</u> | <u>Current Discount Rate (7.49%)</u> | <u>1% Increase (8.49%)</u> |
|-------------------------------|------------------------------------|--|------------------------------------|
| Regular Plan | | | |
| Net pension liability (asset) | <u>\$ 61,884,322</u> | <u>\$ 30,309,529</u> | <u>\$ 4,765,937</u> |
| SLEP Plan | | | |
| Net pension liability | <u>\$ 45,172,387</u> | <u>\$ 27,402,191</u> | <u>\$ 12,910,770</u> |

G. Pension Expense

For the fiscal year ended November 30, 2016, the County recognized pension expense of \$11,347,371 for the Regular Plan and \$4,285,035, for the SLEP Plan, for a total of \$15,632,406.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 7 – Defined Benefit Pension Plans (Continued)

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

As of November 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
|---|--------------------------------------|-------------------------------------|---------------|
| Regular Plan | | | |
| Differences between expected and actual experience | \$ 4,488,462 | \$ - | |
| Changes of assumptions | 4,236,263 | - | |
| Net difference between projected and actual investment earnings | 12,083,425 | - | |
| Changes in proportion | - | - | |
| Contributions subsequent to the measurement date | 4,908,517 | - | |
| Total | \$ 25,716,667 | \$ - | |
| SLEP Plan | | | |
| Differences between expected and actual experience | \$ 1,247,886 | \$ 1,448,656 | |
| Changes of assumptions | 1,524,730 | - | |
| Net difference between projected and actual investment earnings | 6,245,518 | - | |
| Contributions subsequent to the measurement date | 2,453,538 | - | |
| Total | \$ 11,471,672 | \$ 1,448,656 | |
| Reconciliation of Deferred Outflows of Resources to the Financial Statements | | | |
| | Regular Plan | SLEP Plan | Total |
| Governmental Activities | \$ 23,396,671 | \$ 11,471,672 | \$ 34,868,343 |
| Proprietary funds/Business-type activities | | | |
| Valley Hi Fund | 2,202,672 | - | 2,202,672 |
| E911 Fund | 117,324 | - | 117,324 |
| Total proprietary funds/Business-type activities | 2,319,996 | - | 2,319,996 |
| Total | \$ 25,716,667 | \$ 11,471,672 | \$ 37,188,339 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | \$ - | \$ 1,448,656 | \$ 1,448,656 |
| Total | <u>\$ -</u> | <u>\$ 1,448,656</u> | <u>\$ 1,448,656</u> |

Amounts reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date (\$4,908,517 for the Regular Plan and \$2,453,538 for the SLEP Plan, for a total of \$7,362,055) will be recognized as a reduction of the net pension liability in the fiscal year ending November 30, 2017. 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> |
|------------------------|-------------------------|----------------------|----------------------|
| 2017 | \$ 6,035,212 | \$ 1,952,565 | \$ 7,987,777 |
| 2018 | 6,035,212 | 1,952,565 | 7,987,777 |
| 2019 | 5,494,229 | 1,952,563 | 7,446,792 |
| 2020 | <u>3,243,497</u> | <u>1,711,785</u> | <u>4,955,282</u> |
| | <u>\$ 20,808,150</u> | <u>\$ 7,569,478</u> | <u>\$ 28,377,628</u> |

I. Payables to the Pension Plan

As of November 30, 2016, the County reported a payable of \$617,797, for outstanding required contributions to IMRF for the month of November 2016.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 2016, plan members contributed \$1,239,325 and, on an age-adjusted basis, the County contributed \$49,036.

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 | 333,915 |
| Adjustment to annual required contribution | <u>(369,097)</u> |
| Annual OPEB cost (expense) | 2,523,456 |
| Contributions made | <u>(49,036)</u> |
| Increase in net OPEB obligation | 2,474,420 |
| Net OPEB obligation - beginning of year | <u>8,347,883</u> |
| Net OPEB obligation - end of year | <u>\$ <u>10,822,303</u></u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 |
|----------------------|---------------------|---------------------------|---|------------------------|
| 11/30/16 | \$ 2,523,456 | \$ 49,036 | 1.94% | \$ 10,822,303 |
| 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 |

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, 2016

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 \$5,063,228 at November 30, 2016 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 2016 and 2015 were as follows:

| | Balance December 1 | Incurred Claims and Changes in Estimates | Claim Payments | Balance November 30 |
|-------------|-----------------------|---|-------------------|------------------------|
| 2015 - 2016 | \$ 4,871,903 | \$ 18,430,309 | \$ 18,238,984 | \$ 5,063,228 |
| 2014 - 2015 | \$ 5,157,078 | \$ 19,840,355 | \$ 20,125,530 | \$ 4,871,903 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | \$ 63,870,537 | \$ 21,708,724 |
| Building projects | 2,387,058 | 586,048 |
| Information technology projects | 1,921,495 | 1,799,695 |
| Other projects | 3,803,658 | 1,937,389 |
| | \$ 71,982,748 | \$ 26,031,856 |

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

| | | |
|-----------------------------|---------------|---------------|
| General Fund | \$ 3,681,148 | \$ 1,199,124 |
| Nonmajor Governmental Funds | 66,354,790 | 23,051,174 |
| Valley Hi Fund | 57,915 | 22,748 |
| 911 Fund | 1,888,895 | 1,758,810 |
| | \$ 71,982,748 | \$ 26,031,856 |

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, 2016

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 is 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, 2016:

| <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 | \$ 5,399,394 | \$ 3,033,524 | \$ 2,365,870 | \$ - | \$ - |

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 AAA by Standard and Poor's.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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, 2016, 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 | \$ 202,984,097 | \$ 142,982 | \$ - | \$ 203,127,079 |
| Construction in progress | 2,300,223 | 2,129,373 | (570,054) | 3,859,542 |
| | <u>205,284,320</u> | <u>2,272,355</u> | <u>(570,054)</u> | <u>206,986,621</u> |
| Other Capital Assets | | | | |
| Land improvements and roads | 31,447,857 | 372,442 | - | 31,820,299 |
| Buildings and improvements | 14,696,497 | 354,804 | - | 15,051,301 |
| Furniture and equipment | 2,451,628 | 124,445 | (33,551) | 2,542,522 |
| Office equipment | 495,129 | 20,500 | - | 515,629 |
| Vehicles | 2,173,526 | 164,449 | (85,525) | 2,252,450 |
| | <u>51,264,637</u> | <u>1,036,640</u> | <u>(119,076)</u> | <u>52,182,201</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements and roads | (12,927,670) | (967,740) | - | (13,895,410) |
| Buildings and improvements | (5,425,904) | (510,706) | - | (5,936,610) |
| Furniture and equipment | (1,525,054) | (176,713) | 32,696 | (1,669,071) |
| Office equipment | (261,010) | (25,081) | - | (286,091) |
| Vehicles | (1,465,572) | (260,740) | 85,525 | (1,640,787) |
| | <u>(21,605,210)</u> | <u>(1,940,980)</u> | <u>118,221</u> | <u>(23,427,969)</u> |
| Other Capital Assets, Net | <u>29,659,427</u> | <u>(904,340)</u> | <u>(855)</u> | <u>28,754,232</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 234,943,747</u> | <u>\$ 1,368,015</u> | <u>\$ (570,909)</u> | <u>\$ 235,740,853</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | \$ 727,399 | \$ 327,724 | \$ 295,005 | \$ 760,118 | \$ 333,630 |
| General obligation bonds | 111,220,000 | - | 6,640,000 | 104,580,000 | 6,695,000 |
| Bond issuance premiums | 18,282,692 | - | 1,523,558 | 16,759,134 | - |
| Installment contract | 4,800,000 | - | - | 4,800,000 | 4,800,000 |
| Net pension liability - IMRF | 2,894,485 | 749,090 | - | 3,643,575 | - |
| Other post-employment benefit obligation | 55,092 | 3,355 | - | 58,447 | - |
| | <u>\$ 137,979,668</u> | <u>\$ 1,080,169</u> | <u>\$ 8,458,563</u> | <u>\$ 130,601,274</u> | <u>\$ 11,828,630</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 |
|-------------|-----------------------|-----------|-------------|------------------------|
|-------------|-----------------------|-----------|-------------|------------------------|

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.

| | | | | | | | |
|----|-----------|----|---|----|-----------|----|-----------|
| \$ | 5,090,000 | \$ | - | \$ | 1,610,000 | \$ | 3,480,000 |
|----|-----------|----|---|----|-----------|----|-----------|

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.

| | | | |
|---------|---|---------|---|
| 150,000 | - | 150,000 | - |
|---------|---|---------|---|

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | | | | |
| \$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. | 105,980,000 | - | 4,880,000 | 101,100,000 |
| Total General Obligation Bonds - Governmental Activities (District) | \$ <u>111,220,000</u> | \$ <u>-</u> | \$ <u>6,640,000</u> | \$ <u>104,580,000</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 | | | | |
| <p>\$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.</p> | | | | |
| | \$ <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 |
| 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 | 8,475,000 | 3,799,250 | - | - |
| 2022-2026 | 54,040,000 | 11,888,500 | - | - |
| 2027 | 13,470,000 | 673,500 | - | - |
| | \$ <u>104,580,000</u> | \$ <u>35,190,413</u> | \$ <u>4,800,000</u> | \$ <u>70,356</u> |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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

Defined Benefit Pension Plan

The District contributes to one defined benefit pension plan: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF does not issue a separate report. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, IMRF membership consisted of:

| | |
|--|-----------------------|
| Inactive employees or their beneficiaries currently receiving benefits | 28 |
| Inactive employees entitled to but not yet receiving benefits | 47 |
| Active employees | <u>74</u> |
| TOTAL | <u><u>149</u></u> |

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. These benefit provisions and all other requirements are established by state statute.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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

Defined Benefit Pension Plan (Continued)
Illinois Municipal Retirement Fund (Continued)

Contributions

These benefit provisions and all other requirements are established by state statute.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2015 was 12.17% of covered payroll.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

| | |
|----------------------------|-------------------|
| Actuarial valuation date | December 31, 2015 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.75% |
| Salary increases | 3.75% to 14.50% |
| Interest rate | 7.50% |
| Cost of living adjustments | 3.00% |
| Asset valuation method | Market value |

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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

Defined Benefit Pension Plan (Continued)
Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|---|-----------------------------------|--|---------------------------------------|
| BALANCES AT JANUARY 1, 2015 | \$ 14,960,429 | \$ 12,065,944 | \$ 2,894,485 |
| Changes for the period | | | |
| Service cost | 479,128 | - | 479,128 |
| Interest | 1,122,783 | - | 1,122,783 |
| Difference between expected and actual experience | (333,895) | - | (333,895) |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 519,108 | (519,108) |
| Employee contributions | - | 191,946 | (191,946) |
| Net investment income | - | 61,160 | (61,160) |
| Benefit payments and refunds | (379,037) | (379,037) | - |
| Administrative expense | - | (253,288) | 253,288 |
| Net changes | 888,979 | 139,889 | 749,090 |
| BALANCES AT DECEMBER 31, 2015 | \$ 15,849,408 | \$ 12,205,833 | \$ 3,643,575 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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

Defined Benefit Pension Plan (Continued)
Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended March 31, 2016, the District recognized pension expense of \$874,576. At March 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ - | \$ 280,116 |
| Changes in assumption | - | - |
| Net difference between projected and actual earnings on pension plan investments | 677,390 | - |
| Contributions made subsequent to the measurement date | 120,194 | - |
| | <u>\$ 797,584</u> | <u>\$ 280,116</u> |
| TOTAL | <u>\$ 797,584</u> | <u>\$ 280,116</u> |

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

| Year ending March 31, | | | | |
|--------------------------|--|----|--|-------------------|
| 2017 | | \$ | | 235,763 |
| 2018 | | | | 115,569 |
| 2019 | | | | 115,569 |
| 2020 | | | | 115,569 |
| 2021 | | | | (53,779) |
| Thereafter | | | | (11,223) |
| TOTAL | | | | <u>\$ 517,468</u> |

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.48% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

| | 1% Decrease (6.48%) | Current Discount Rate (7.48%) | 1% Increase (8.48%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability | \$ 6,289,843 | \$ 3,643,575 | \$ 1,514,452 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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

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, 2016

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 | | 2,204 |
| Adjustment to annual required contribution | | <u>(1,836)</u> |
| | | |
| Annual OPEB cost (expense) | | 18,087 |
| Contributions made | | <u>(14,732)</u> |
| | | |
| Increase in net OPEB obligation | | 3,355 |
| | | |
| Net OPEB obligation - beginning of year | | <u>55,092</u> |
| | | |
| Net OPEB obligation - end of year | \$ | <u><u>58,447</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> |
|------------------------------------|-----------------------------------|---|---|--------------------------------------|
| 3/31/16 | \$ 18,087 | \$ 14,732 | 81.45% | \$ 58,447 |
| 3/31/15 | 18,064 | 14,732 | 81.55 | 55,092 |
| 3/31/14 | 15,310 | 9,346 | 61.05 | 51,760 |

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, 2016

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, 2015 actuarial valuation (measurement date of March 31, 2014), 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, 2015, the total equity of PDRMA was \$40,708,211. For the year ended December 31, 2015, the increase in net position of PDRMA was \$914,948. The District made \$230,927 of payments to PDRMA during the year ended March 31, 2016.

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.

Change in Accounting Principle

With the implementation of GASB Statement No. 68 and No. 71, the District is required to retroactively record the net pension liability for IMRF and the related deferred outflows of resources for contributions made subsequent to the measurement date. This change in accounting principle resulted in a decrease to governmental activities of \$2,774,145 as of April 1, 2015.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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, 2016 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 | \$ 2,084 | \$ - |
| General Fund | Nonmajor Governmental Funds | 75,546 | - |
| General Fund | Valley Hi Fund | 477 | - |
| General Fund | 911 Fund | 100 | - |
| General Fund | Internal Service Fund | 6,360 | - |
| Nonmajor Governmental Funds | General Fund | 485 | - |
| Nonmajor Governmental Funds | Valley Hi Fund | 203,631 | - |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 253,530 | - |
| Internal Service Fund | General Fund | 1,906,699 | - |
| Internal Service Fund | County Mental Health Fund | 11,189 | - |
| Internal Service Fund | Nonmajor Governmental Funds | 142,378 | - |
| Internal Service Fund | Valley Hi Fund | 115,826 | - |
| Internal Service Fund | 911 Fund | <u>6,520</u> | <u>-</u> |
| Subtotal - Fund Financial Statements | | 2,724,825 | <u>\$ -</u> |
| Less: Fund eliminations | | (5,571,111) | |
| Add: Internal service fund activities related to enterprise funds | | 1,167,405 | |
| Add: Advance from general fund to IMRF fund | | <u>3,172,840</u> | |
| Total Internal Balances - Government-Wide Statement of Net Position | | <u>\$ 1,493,959</u> | |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

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 2017 and end by 2020. The amount of the advance outstanding as of November 30, 2016 is \$3,172,840.

B. Transfers

Interfund transfers for the year ended November 30, 2016 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 | \$ 5,200 | Administrative expenditures |
| General Fund | Nonmajor Governmental Funds | 9,000 | Administrative expenditures |
| General Fund | Nonmajor Governmental Funds | 400 | Working Cash transfers |
| Nonmajor Governmental Funds | General Fund | 3,382,792 | Debt service payments |
| Nonmajor Governmental Funds | General Fund | 11,458 | Administrative expenditures |
| Nonmajor Governmental Funds | County Mental Health Fund | 411,057 | Debt service payments |
| Nonmajor Governmental Funds | Other Nonmajor Governmental Funds | 5,945,934 | Debt service payments |
| Nonmajor Governmental Funds | Other Nonmajor Governmental Funds | 53,954 | Administrative expenditures |
| Nonmajor Governmental Funds | Other Nonmajor Governmental Funds | <u>6,843,216</u> | Use of restricted sales taxes |
| Subtotal - Governmental Fund Financial Statements | | 16,663,011 | |
| Less: Fund eliminations | | <u>(16,663,011)</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, 2016

Note 16 – Net Position/Fund Balance

Net position reported on the government-wide statement of net position as of November 30, 2016 includes the following:

| | Governmental Activities | Business- Type Activities | Total Primary Government |
|--|----------------------------|---------------------------------|--------------------------------|
| Net investment in capital assets | | | |
| Land | \$ 65,901,084 | \$ 6,000 | \$ 65,907,084 |
| Construction in progress | 77,063,234 | 126,340 | 77,189,574 |
| Other capital assets, net of accumulated depreciation/amortization | 187,982,667 | 12,430,935 | 200,413,602 |
| Less: related long-term debt outstanding | (22,793,041) | - | (22,793,041) |
| Total net investment in capital assets | 308,153,944 | 12,563,275 | 320,717,219 |
| Restricted | | | |
| Recorder's Office | 2,280,726 | - | 2,280,726 |
| Treasurer's Office | 653,547 | - | 653,547 |
| Liability insurance | 13,367,638 | - | 13,367,638 |
| Geographic information systems | 1,489,554 | - | 1,489,554 |
| County Clerk's Office | 87,377 | - | 87,377 |
| Transportation | 55,391,136 | - | 55,391,136 |
| Public safety | 1,102,115 | - | 1,102,115 |
| Judiciary and court related | 1,405,315 | - | 1,405,315 |
| Public health and welfare | 15,730,060 | - | 15,730,060 |
| Employee benefits | 3,189,452 | - | 3,189,452 |
| Public Building Commission | 23,758 | - | 23,758 |
| Other | 57,494 | - | 57,494 |
| Working cash - permanently restricted (nonexpendable) | 801,749 | - | 801,749 |
| Total restricted | 95,579,921 | - | 95,579,921 |
| Unrestricted | 18,329,848 | 46,039,111 | 64,368,959 |
| Total net position | \$ 422,063,713 | \$ 58,602,386 | \$ 480,666,099 |

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2016 includes the following:

| | General Fund | County Mental Health Fund | Illinois Municipal Retirement Fund | Total Nonmajor Governmental Funds | Total |
|---|------------------|------------------------------------|---|--|-------------------|
| Nonspendable | | | | | |
| Inventory | \$ 198,133 | \$ 1,790 | \$ - | \$ 563,757 | \$ 763,680 |
| Long-term portion - advances to other funds/loans receivable | 3,172,840 | - | - | - | 3,172,840 |
| Working cash principal | - | - | - | 801,749 | 801,749 |
| | <u>3,370,973</u> | <u>1,790</u> | <u>-</u> | <u>1,365,506</u> | <u>4,738,269</u> |
| Restricted | | | | | |
| Recorder's Office | 44,335 | - | - | 2,235,069 | 2,279,404 |
| Regional Office of Education | 30,510 | - | - | - | 30,510 |
| Treasurer's Office | - | - | - | 653,547 | 653,547 |
| Liability insurance | - | - | - | 13,367,638 | 13,367,638 |
| Geographic information systems | - | - | - | 1,489,554 | 1,489,554 |
| County Clerk's Office | - | - | - | 87,377 | 87,377 |
| Retirement contributions | - | - | 562,065 | - | 562,065 |
| Transportation programs | - | - | - | 53,757,966 | 53,757,966 |
| Sheriff's Office | 382,886 | - | - | 657,502 | 1,040,388 |
| Coroner's Office | - | - | - | 90,418 | 90,418 |
| Court Services/Probation programs | - | - | - | 401,965 | 401,965 |
| Special Court programs | - | - | - | 350,472 | 350,472 |
| Circuit Clerk automation | - | - | - | 276,701 | 276,701 |
| Other Circuit Clerk programs | - | - | - | 331,477 | 331,477 |
| Law library | - | - | - | 2,064 | 2,064 |
| Other judiciary & court programs | 11,184 | - | - | 14,288 | 25,472 |
| Mental health programs | - | 10,345,222 | - | - | 10,345,222 |
| Senior service programs | - | - | - | 1,817,339 | 1,817,339 |
| Veterans' assistance programs | - | - | - | 490,415 | 490,415 |
| Tuberculosis care and treatment | - | - | - | 449,591 | 449,591 |
| Workforce network programs | - | - | - | 316,419 | 316,419 |
| Dental care clinic | - | - | - | 62,958 | 62,958 |
| Other public health programs | - | - | - | 33,048 | 33,048 |
| Social security contributions | - | - | - | 3,189,452 | 3,189,452 |
| Public Building Commission | - | - | - | 23,758 | 23,758 |
| | <u>468,915</u> | <u>10,345,222</u> | <u>562,065</u> | <u>80,099,018</u> | <u>91,475,220</u> |

(Continued)

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2016 includes the following (Continued):

| | General Fund | County Mental Health Fund | Illinois Municipal Retirement Fund | Total Nonmajor Governmental Funds | Total |
|------------------------|-----------------|------------------------------------|---|--|----------------|
| Committed | | | | | |
| Treasurer's Office | \$ - | \$ - | \$ - | \$ 354,085 | \$ 354,085 |
| Revolving Loan Program | - | - | - | 1,880,256 | 1,880,256 |
| | - | - | - | 2,234,341 | 2,234,341 |
| Assigned | | | | | |
| Carryforwards | 1,228,812 | - | - | - | 1,228,812 |
| | 1,228,812 | - | - | - | 1,228,812 |
| Unassigned (deficit) | 43,374,299 | - | - | (9,081) | 43,365,218 |
| Total fund balance | \$ 48,442,999 | \$ 10,347,012 | \$ 562,065 | \$ 83,689,784 | \$ 143,041,860 |

Note 17 - Fund Deficit

The following fund reported a deficit as of November 30, 2016:

| Fund | Fund Type | Deficit Amount |
|-------------------------------|--------------------------------|-------------------|
| Maintenance and Child Support | | |
| Collection Fund | Non-major Special Revenue Fund | \$ 6,223 |
| Expedited Permit Fund | Non-major Special Revenue Fund | 469 |
| HUD Grants Fund | Non-major Special Revenue Fund | 2,389 |

The deficits are the result of revenues not sufficient to cover expenditures. It is anticipated that future grants, charges for services, or transfers from other funds will provide sufficient funding to eliminate these deficits.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2016

Note 18 – New Governmental Accounting Standards

Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Statement No. 80, Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14

Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73

Statement No. 83, Certain Asset Retirement Obligations

Statement No. 84, Fiduciary Activities

Statement No. 85, Omnibus 2017

Statement No. 86, Certain Debt Extinguishment Issues

Statement No. 87, Leases

When they become effective, application of these standards may restate portions of these financial statements.

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:

| | <u>Construction Cost Share</u> |
|---------------------------------------|------------------------------------|
| 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 | <u>2.57</u> |
| | <u>100.00 %</u> |

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, 2016

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, 2016, the County reported investment in joint venture of \$732,170 under governmental activities and \$101,979 under business-type activities/proprietary funds statement of net position, for a total of \$834,149.

The Fiber Consortium has a December 31 year-end and is required to have an annual audit completed. Financial statements for the Fiber Consortium are available from McHenry County Administration, 2200 N Seminary Ave, Woodstock, IL 60098.

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, 2016

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|-----------------------|-----------------------|----------------------|-------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 17,199,771 | \$ 17,199,771 | \$ 18,560,373 | \$ 1,360,602 |
| Licenses and permits | 1,047,000 | 1,047,000 | 1,076,425 | 29,425 |
| Fines and forfeitures | 1,003,200 | 1,003,200 | 987,974 | (15,226) |
| Grants, contributions, and intergovernmental | 3,381,762 | 3,574,306 | 3,408,955 | (165,351) |
| Property taxes | 41,600,303 | 41,600,303 | 41,504,683 | (95,620) |
| Sales taxes | 10,536,470 | 10,536,470 | 9,718,236 | (818,234) |
| State income taxes | 6,800,000 | 6,800,000 | 6,369,804 | (430,196) |
| Tax transfer stamps | 1,725,000 | 2,425,000 | 2,632,513 | 207,513 |
| Other taxes | 2,396,286 | 2,396,286 | 2,491,659 | 95,373 |
| Investment income | 95,500 | 95,500 | 191,676 | 96,176 |
| Miscellaneous | 175,500 | 175,500 | 160,142 | (15,358) |
| Total Revenues | 85,960,792 | 86,853,336 | 87,102,440 | 249,104 |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 30,190,232 | 31,045,318 | 27,169,600 | 3,875,718 |
| Community development | 1,416,895 | 1,517,016 | 1,413,664 | 103,352 |
| Public safety | 34,526,861 | 34,699,673 | 33,368,802 | 1,330,871 |
| Judiciary and court related | 10,115,475 | 10,370,051 | 10,290,263 | 79,788 |
| Public health and welfare | 6,107,757 | 6,125,689 | 5,796,084 | 329,605 |
| Capital outlay | 1,807,604 | 7,719,946 | 7,061,392 | 658,554 |
| Debt service | | | | |
| Principal retirement | 920,726 | 1,147,589 | 1,760,714 | (613,125) |
| Interest and fiscal charges | 88,958 | 88,958 | 53,924 | 35,034 |
| Total Expenditures | 85,174,508 | 92,714,240 | 86,914,443 | 5,799,797 |
| Excess (deficiency) of revenues over expenditures | 786,284 | (5,860,904) | 187,997 | 6,048,901 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 14,600 | 14,600 | 14,600 | - |
| Transfers out | (3,444,312) | (3,544,006) | (3,394,250) | 149,756 |
| Capital leases issued | - | 2,271,758 | 3,868,647 | 1,596,889 |
| Total Other Financing Sources (Uses) | (3,429,712) | (1,257,648) | 488,997 | 1,746,645 |
| Net Change in Fund Balance | \$ (2,643,428) | \$ (7,118,552) | 676,994 | \$ 7,795,546 |
| Fund Balance - Beginning of Year | | | <u>47,766,005</u> | |
| Fund Balance - End of Year | | | <u>\$ 48,442,999</u> | |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|----------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ 58,066 | \$ 58,066 | \$ 58,823 | \$ 757 |
| Property taxes | 10,900,000 | 10,900,000 | 10,589,326 | (310,674) |
| Investment income | 10,150 | 10,150 | 35,643 | 25,493 |
| Miscellaneous | <u>40,425</u> | <u>40,425</u> | <u>55,878</u> | <u>15,453</u> |
| Total Revenues | <u>11,008,641</u> | <u>11,008,641</u> | <u>10,739,670</u> | <u>(268,971)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Personnel services | 897,667 | 897,667 | 880,714 | 16,953 |
| Contractual services | 12,113,914 | 12,113,914 | 9,108,895 | 3,005,019 |
| Commodities | 50,800 | 90,415 | 69,988 | 20,427 |
| Capital outlay | <u>30,000</u> | <u>30,000</u> | <u>-</u> | <u>30,000</u> |
| Total Expenditures | <u>13,092,381</u> | <u>13,131,996</u> | <u>10,059,597</u> | <u>3,072,399</u> |
| Excess (deficiency) of revenues over expenditures | (2,083,740) | (2,123,355) | 680,073 | 2,803,428 |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(416,260)</u> | <u>(416,260)</u> | <u>(416,257)</u> | <u>3</u> |
| Net Change in Fund Balance | <u>\$ (2,500,000)</u> | <u>\$ (2,539,615)</u> | 263,816 | <u>\$ 2,803,431</u> |
| Fund Balance - Beginning of Year | | | <u>10,083,196</u> | |
| Fund Balance - End of Year | | | <u>\$ 10,347,012</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, 2016

| | <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 | \$ 7,782,100 | \$ (17,900) |
| Other taxes | | | | |
| Personal property replacement tax | 116,000 | 116,000 | 122,888 | 6,888 |
| Investment income | <u>3,000</u> | <u>3,000</u> | <u>12,890</u> | <u>9,890</u> |
| Total Revenues | <u>7,919,000</u> | <u>7,919,000</u> | <u>7,917,878</u> | <u>(1,122)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Personnel services | | | | |
| General and administrative | 860,037 | 860,037 | 840,840 | 19,197 |
| Community development | 129,831 | 129,831 | 126,933 | 2,898 |
| Public safety | 4,585,912 | 4,585,912 | 4,483,552 | 102,360 |
| Judiciary and court related | 1,041,013 | 1,041,013 | 1,017,777 | 23,236 |
| Public health and welfare | <u>448,060</u> | <u>448,060</u> | <u>438,059</u> | <u>10,001</u> |
| Total Expenditures | <u>7,064,853</u> | <u>7,064,853</u> | <u>6,907,161</u> | <u>157,692</u> |
| Net Change in Fund Balance | <u>\$ 854,147</u> | <u>\$ 854,147</u> | 1,010,717 | <u>\$ 156,570</u> |
| Fund Deficit - Beginning of Year | | | <u>(448,652)</u> | |
| Fund Deficit - End of Year | | | <u>\$ 562,065</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, 2016

| Regular Plan | Calendar Year 2014 | Calendar Year 2015 |
|--|--------------------------|--------------------------|
| Total pension liability | | |
| Service cost | \$ 6,019,721 | 5,710,930 |
| Interest | 13,546,874 | 15,082,827 |
| Differences between expected and actual experience | 1,915,282 | 4,327,710 |
| Changes of assumptions | 6,965,270 | 289,913 |
| Benefit payments, including refunds of employee contributions | <u>(7,098,367)</u> | <u>(8,528,394)</u> |
| Net change in total pension liability | <u>21,348,780</u> | <u>16,882,986</u> |
| Total pension liability - beginning | <u>181,164,314</u> | <u>202,513,094</u> |
| Total pension liability - ending | <u>\$ 202,513,094</u> | <u>219,396,080</u> |
| Plan fiduciary net position | | |
| Contributions - County | \$ 5,380,268 | 5,524,710 |
| Contributions - Employees | 2,455,548 | 2,500,370 |
| Net investment income | 10,882,932 | 947,915 |
| Benefit payments, including refunds of employee contributions | (7,098,367) | (8,528,394) |
| Other changes | <u>174,347</u> | <u>(1,192,773)</u> |
| Net change in plan fiduciary net position | <u>11,794,728</u> | <u>(748,172)</u> |
| Total plan fiduciary net position - beginning | <u>178,039,995</u> | <u>189,834,723</u> |
| Total plan fiduciary net position - ending | <u>\$ 189,834,723</u> | <u>189,086,551</u> |
| Net pension liability - ending | <u>\$ 12,678,371</u> | <u>30,309,529</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>93.74</u> % | <u>86.19</u> % |
| Covered-employee payroll | <u>\$ 52,665,702</u> | <u>54,373,126</u> |
| Net pension liability as a percentage of covered-employee payroll | <u>24.07</u> % | <u>55.74</u> % |

Note to Schedule:

The County implemented GASB Statement No. 68 in 2015. Information prior to 2015 is not available.

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, 2016

| SLEP Plan | Calendar Year 2014 | Calendar Year 2015 |
|--|--------------------------|--------------------------|
| Total pension liability | | |
| Service cost | \$ 2,498,881 | 2,283,772 |
| Interest | 8,297,342 | 8,674,006 |
| Differences between expected and actual experience | (2,389,738) | 1,567,553 |
| Changes of assumptions | 2,088,402 | 325,026 |
| Benefit payments, including refunds of employee contributions | <u>(4,623,875)</u> | <u>(5,783,383)</u> |
| Net change in total pension liability | <u>5,871,012</u> | <u>7,066,974</u> |
| Total pension liability - beginning | <u>111,841,434</u> | <u>117,712,446</u> |
| Total pension liability - ending | <u>\$ 117,712,446</u> | <u>124,779,420</u> |
| Plan fiduciary net position | | |
| Contributions - County | \$ 2,930,257 | 2,909,076 |
| Contributions - Employees | 953,167 | 915,077 |
| Net investment income | 5,712,480 | 487,425 |
| Benefit payments, including refunds of employee contributions | (4,623,875) | (5,783,383) |
| Other changes | <u>(524,873)</u> | <u>384,441</u> |
| Net change in plan fiduciary net position | <u>4,447,156</u> | <u>(1,087,364)</u> |
| Total plan fiduciary net position - beginning | <u>94,017,437</u> | <u>98,464,593</u> |
| Total plan fiduciary net position - ending | <u>\$ 98,464,593</u> | <u>97,377,229</u> |
| Net pension liability - ending | <u>\$ 19,247,853</u> | <u>27,402,191</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>83.65 %</u> | <u>78.04 %</u> |
| Covered-employee payroll | <u>\$ 11,935,877</u> | <u>11,821,856</u> |
| Net pension liability as a percentage of covered-employee payroll | <u>161.26 %</u> | <u>231.79 %</u> |

Note to Schedule:

The County implemented GASB Statement No. 68 in 2015. Information prior to 2015 is not available.

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, 2016

| | <u>Calendar Year 2015</u> |
|---|-----------------------------------|
| Regular Plan | |
| Actuarially determined contribution | \$ 5,524,310 |
| Actual contribution | <u>5,524,710</u> |
| Contribution deficiency (excess) | \$ <u>(400)</u> |
| Covered-employee payroll | \$ <u>54,373,126</u> |
| Actual contribution as a percentage of covered-employee payroll | <u>10.16 %</u> |
| SLEP Plan | |
| Actuarially determined contribution | \$ 2,908,177 |
| Actual contribution | <u>2,909,076</u> |
| Contribution deficiency (excess) | \$ <u>(899)</u> |
| Covered-employee payroll | \$ <u>11,821,856</u> |
| Actual contribution as a percentage of covered-employee payroll | <u>24.61 %</u> |

Notes to schedule:

Valuation Date: December 31, 2013. Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates

Actuarial Cost Method: Aggregate entry age normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 28-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, 2016

| County Plan | | (1) | (2) | (2)-(1) | (1)/(2) | (3) | UAAAL as a |
|--------------------|-----------|-----------------|---------------|---------|-----------------|---------------|------------|
| Actuarial | Actuarial | Actuarial | Unfunded | Funded | Covered | Percentage of | |
| Valuation | Value of | Liability (AAL) | AAL | Ratio | Payroll | Covered | |
| Date | Assets | Entry Age | (UAAL) | | | 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, 2016

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, 2016.

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, 2016

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|------------|-------------------------------|
| CHARGES FOR SERVICES | | | | |
| General and Administrative | | | | |
| County clerk fees | \$ 165,000 | \$ 165,000 | \$ 152,125 | \$ (12,875) |
| Tax redemption fees | 160,000 | 160,000 | 121,044 | (38,956) |
| Recording fees | 920,500 | 920,500 | 1,079,028 | 158,528 |
| Penalties/fees on delinquent taxes | 1,600,000 | 1,600,000 | 1,185,169 | (414,831) |
| Cable television franchise fees | 581,500 | 581,500 | 623,760 | 42,260 |
| Assessor's salary reimbursement | 58,409 | 58,409 | 51,500 | (6,909) |
| Other fees and charges | 48,900 | 48,900 | 73,263 | 24,363 |
| Community Development | | | | |
| Subdivision review fees | 5,000 | 5,000 | 8,243 | 3,243 |
| Flood plain investigation fees | 95,000 | 95,000 | 84,825 | (10,175) |
| Maps and publications fees | 1,000 | 1,000 | 849 | (151) |
| Solid waste tipping fees | 21,000 | 21,000 | 21,000 | - |
| Other fees and charges | 11,750 | 11,750 | 139,711 | 127,961 |
| Public Safety | | | | |
| Sheriff fees - circuit court | 365,000 | 365,000 | 357,661 | (7,339) |
| Sheriff fees - photocopies | 6,000 | 6,000 | 10,113 | 4,113 |
| Sheriff fees - foreign courts | 30,000 | 30,000 | 32,250 | 2,250 |
| Foreclosures | 30,000 | 30,000 | 14,847 | (15,153) |
| Court security fees | 600,000 | 600,000 | 504,059 | (95,941) |
| Jail space rental | 5,690,458 | 5,690,458 | 8,007,422 | 2,316,964 |
| Payphones | 90,000 | 90,000 | 70,556 | (19,444) |
| Dispatching fee | 269,764 | 269,764 | 262,624 | (7,140) |
| Squad car replacement fee | 25,000 | 25,000 | 24,762 | (238) |
| Sheriff salary reimbursement | - | - | 52,651 | 52,651 |
| Off duty detail | 5,000 | 5,000 | 38,300 | 33,300 |
| Other fees and charges | 61,600 | 61,600 | 104,466 | 42,866 |
| Judiciary and Court Related | | | | |
| 10% bond earnings | 275,000 | 275,000 | 291,256 | 16,256 |
| Circuit clerk fees | 2,980,000 | 2,980,000 | 2,652,262 | (327,738) |
| County court fees | 170,000 | 170,000 | 163,281 | (6,719) |
| Court services salary reimbursements | 1,275,802 | 1,275,802 | 964,713 | (311,089) |
| State's attorney salary reimbursements | 166,508 | 166,508 | 144,677 | (21,831) |
| State's attorney fees | 76,500 | 76,500 | 73,083 | (3,417) |
| Public aid | 5,000 | 5,000 | 16,424 | 11,424 |
| Periodic imprisonment fees | 4,500 | 4,500 | 6,725 | 2,225 |
| Public defender salary reimbursement | 99,955 | 99,955 | 99,895 | (60) |
| Public defenders fees | 45,000 | 45,000 | 34,595 | (10,405) |
| Other fees and charges | 17,000 | 17,000 | 13,994 | (3,006) |

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <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 | \$ 661,500 | \$ 661,500 | \$ 682,602 | \$ 21,102 |
| Veterinary fees | 57,500 | 57,500 | 38,776 | (18,724) |
| Nursing fees | 76,500 | 76,500 | 34,795 | (41,705) |
| Health review fees | 5,000 | 5,000 | 4,200 | (800) |
| Health promotion | 13,000 | 13,000 | 5,405 | (7,595) |
| Vital record fees | 58,000 | 58,000 | 52,248 | (5,752) |
| Subdivision review fees | 4,000 | 4,000 | 6,104 | 2,104 |
| Medicare | 6,000 | 6,000 | 4,457 | (1,543) |
| Public aid | 200,000 | 200,000 | 96,841 | (103,159) |
| Vision and hearing fees | 50,000 | 50,000 | 42,127 | (7,873) |
| Other fees and charges | 112,125 | 112,125 | 111,685 | (440) |
| Total Charges for Services | <u>17,199,771</u> | <u>17,199,771</u> | <u>18,560,373</u> | <u>1,360,602</u> |
| LICENSES AND PERMITS | | | | |
| General and Administrative | | | | |
| Liquor licenses | 114,000 | 114,000 | 113,450 | (550) |
| Amusement licenses | 10,000 | 10,000 | 5,635 | (4,365) |
| Community Development | | | | |
| Building permits | 305,000 | 305,000 | 311,755 | 6,755 |
| Zoning permits | 70,000 | 70,000 | 81,596 | 11,596 |
| Public Health and Welfare | | | | |
| Septic and well permits | 88,000 | 88,000 | 100,398 | 12,398 |
| Health licenses | 450,000 | 450,000 | 453,928 | 3,928 |
| Hauler license fees | 10,000 | 10,000 | 9,663 | (337) |
| Total Licenses and Permits | <u>1,047,000</u> | <u>1,047,000</u> | <u>1,076,425</u> | <u>29,425</u> |
| FINES AND FORFEITURES | | | | |
| Community Development | | | | |
| Planning fines | 20,000 | 20,000 | 31,211 | 11,211 |
| Judiciary and Court Related | | | | |
| Fines and bond forfeitures | 871,700 | 871,700 | 826,418 | (45,282) |
| County drug fines | 84,000 | 84,000 | 81,765 | (2,235) |
| Public Health and Welfare | | | | |
| Veterinary fines | 27,500 | 27,500 | 48,580 | 21,080 |
| Total Fines and Forfeitures | <u>1,003,200</u> | <u>1,003,200</u> | <u>987,974</u> | <u>(15,226)</u> |

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <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 | \$ 55,000 | \$ 102,700 | \$ 93,150 | \$ (9,550) |
| Regional Office of Education grants | 126,000 | 126,000 | 106,719 | (19,281) |
| Energy efficiency grants | - | - | 11,037 | 11,037 |
| Community Development | | | | |
| Community Development grants | - | - | 15,400 | 15,400 |
| Public Safety | | | | |
| Sheriff's Office - grants | 155,301 | 203,151 | 185,721 | (17,430) |
| Emergency Management - grants | 92,413 | 189,407 | 165,672 | (23,735) |
| Judiciary and Court Related | | | | |
| Dependent children/parent reimbursements | 36,000 | 36,000 | 38,884 | 2,884 |
| State's Attorney - grants | 32,800 | 32,800 | 32,800 | - |
| Court Administration - grants | 4,000 | 4,000 | - | (4,000) |
| Public Health and Welfare | | | | |
| Health department grants - | | | | |
| Nursing | 2,379,460 | 2,379,460 | 2,241,685 | (137,775) |
| Environmental Administration | 145,788 | 145,788 | 174,009 | 28,221 |
| Administration | 55,000 | 55,000 | 55,233 | 233 |
| IDPH vaccines | 300,000 | 300,000 | 288,645 | (11,355) |
| Total Grants, Contributions, and Intergovernmental | <u>3,381,762</u> | <u>3,574,306</u> | <u>3,408,955</u> | <u>(165,351)</u> |
| PROPERTY TAXES | <u>41,600,303</u> | <u>41,600,303</u> | <u>41,504,683</u> | <u>(95,620)</u> |
| SALES TAXES | <u>10,536,470</u> | <u>10,536,470</u> | <u>9,718,236</u> | <u>(818,234)</u> |
| STATE INCOME TAXES | <u>6,800,000</u> | <u>6,800,000</u> | <u>6,369,804</u> | <u>(430,196)</u> |
| TAX TRANSFER STAMPS | <u>1,725,000</u> | <u>2,425,000</u> | <u>2,632,513</u> | <u>207,513</u> |
| OTHER TAXES | | | | |
| Local use tax | 1,370,000 | 1,370,000 | 1,561,599 | 191,599 |
| Personal property replacement tax | 773,246 | 773,246 | 677,665 | (95,581) |
| Gambling taxes | 253,040 | 253,040 | 252,395 | (645) |
| Total Other Taxes | <u>2,396,286</u> | <u>2,396,286</u> | <u>2,491,659</u> | <u>95,373</u> |
| INVESTMENT INCOME | | | | |
| Interest | 95,500 | 95,500 | 230,866 | 135,366 |
| Investment income (loss) | - | - | (39,190) | (39,190) |
| Total Investment Income | <u>95,500</u> | <u>95,500</u> | <u>191,676</u> | <u>96,176</u> |

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <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 | \$ 140,000 | 140,000 | 97,000 | \$ (43,000) |
| Proceeds from sale of capital assets | 25,000 | 25,000 | 40,870 | 15,870 |
| Other income | <u>10,500</u> | <u>10,500</u> | <u>22,272</u> | <u>11,772</u> |
| Total Miscellaneous | <u>175,500</u> | <u>175,500</u> | <u>160,142</u> | <u>(15,358)</u> |
| TOTAL REVENUES | <u>\$ 85,960,792</u> | <u>\$ 86,853,336</u> | <u>\$ 87,102,440</u> | <u>\$ 249,104</u> |

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|------------------|---------------------------------------|
| GENERAL AND ADMINISTRATIVE | | | | |
| Administration | | | | |
| Personnel services | \$ 593,362 | \$ 623,611 | \$ 623,606 | \$ 5 |
| Contractual services | 319,718 | 175,200 | 146,735 | 28,465 |
| Commodities | 17,950 | 17,950 | 12,084 | 5,866 |
| Total Administration | <u>931,030</u> | <u>816,761</u> | <u>782,425</u> | <u>34,336</u> |
| Auditor | | | | |
| Personnel services | 386,810 | 386,810 | 376,439 | 10,371 |
| Contractual services | 6,250 | 9,250 | 8,921 | 329 |
| Commodities | 11,699 | 8,699 | 6,352 | 2,347 |
| Total Auditor | <u>404,759</u> | <u>404,759</u> | <u>391,712</u> | <u>13,047</u> |
| County Board and Liquor Commission | | | | |
| Personnel services | 615,164 | 616,338 | 616,334 | 4 |
| Contractual services | 69,200 | 69,200 | 48,716 | 20,484 |
| Commodities | 32,000 | 32,000 | 23,051 | 8,949 |
| Total County Board and Liquor Commission | <u>716,364</u> | <u>717,538</u> | <u>688,101</u> | <u>29,437</u> |
| County Clerk | | | | |
| Personnel services | 421,510 | 425,524 | 425,519 | 5 |
| Contractual services | 6,450 | 6,450 | 6,119 | 331 |
| Commodities | 9,700 | 9,700 | 9,599 | 101 |
| Total County Clerk | <u>437,660</u> | <u>441,674</u> | <u>441,237</u> | <u>437</u> |
| County Clerk - Elections | | | | |
| Personnel services | 307,053 | 307,053 | 300,024 | 7,029 |
| Contractual services | 747,060 | 1,109,579 | 1,108,351 | 1,228 |
| Commodities | 397,500 | 348,101 | 342,017 | 6,084 |
| Total County Clerk - Elections | <u>1,451,613</u> | <u>1,764,733</u> | <u>1,750,392</u> | <u>14,341</u> |
| Educational Service Region | | | | |
| Personnel services | 225,887 | 228,679 | 228,675 | 4 |
| Contractual services | 37,325 | 37,325 | 35,279 | 2,046 |
| Commodities | 23,079 | 23,079 | 20,843 | 2,236 |
| Total Educational Service Region | <u>286,291</u> | <u>289,083</u> | <u>284,797</u> | <u>4,286</u> |

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <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 | \$ 1,173,603 | \$ 1,173,603 | \$ 1,148,790 | \$ 24,813 |
| Contractual services | 1,668,040 | 1,674,815 | 1,590,953 | 83,862 |
| Commodities | <u>120,738</u> | <u>120,738</u> | <u>109,953</u> | <u>10,785</u> |
| Total Facilities Management | <u>2,962,381</u> | <u>2,969,156</u> | <u>2,849,696</u> | <u>119,460</u> |
| Human Resources | | | | |
| Personnel services | 270,411 | 270,411 | 259,765 | 10,646 |
| Contractual services | 194,130 | 294,130 | 263,787 | 30,343 |
| Commodities | <u>5,250</u> | <u>5,250</u> | <u>3,515</u> | <u>1,735</u> |
| Total Human Resources | <u>469,791</u> | <u>569,791</u> | <u>527,067</u> | <u>42,724</u> |
| Information Technology | | | | |
| Personnel services | 1,845,274 | 1,845,274 | 1,844,763 | 511 |
| Contractual services | 1,221,779 | 1,331,636 | 1,218,241 | 113,395 |
| Commodities | <u>76,477</u> | <u>46,477</u> | <u>39,335</u> | <u>7,142</u> |
| Total Information Technology | <u>3,143,530</u> | <u>3,223,387</u> | <u>3,102,339</u> | <u>121,048</u> |
| Merit Commission | | | | |
| Personnel services | 5,096 | 5,096 | 2,710 | 2,386 |
| Contractual services | 54,000 | 64,408 | 51,684 | 12,724 |
| Commodities | <u>900</u> | <u>900</u> | <u>288</u> | <u>612</u> |
| Total Merit Commission | <u>59,996</u> | <u>70,404</u> | <u>54,682</u> | <u>15,722</u> |
| Purchasing | | | | |
| Personnel services | 249,282 | 260,041 | 260,036 | 5 |
| Contractual services | 22,278 | 22,278 | 14,337 | 7,941 |
| Commodities | <u>421,735</u> | <u>422,482</u> | <u>407,582</u> | <u>14,900</u> |
| Total Purchasing | <u>693,295</u> | <u>704,801</u> | <u>681,955</u> | <u>22,846</u> |
| Recorder | | | | |
| Personnel services | 733,917 | 733,917 | 696,915 | 37,002 |
| Contractual services | 40,250 | 46,950 | 34,948 | 12,002 |
| Commodities | <u>1,138,710</u> | <u>1,832,010</u> | <u>1,782,226</u> | <u>49,784</u> |
| Total Recorder | <u>1,912,877</u> | <u>2,612,877</u> | <u>2,514,089</u> | <u>98,788</u> |
| Supervisor of Assessments | | | | |
| Personnel services | 882,103 | 894,639 | 894,634 | 5 |
| Contractual services | 59,350 | 59,350 | 52,678 | 6,672 |
| Commodities | <u>10,600</u> | <u>10,600</u> | <u>9,024</u> | <u>1,576</u> |
| Total Supervisor of Assessments | <u>952,053</u> | <u>964,589</u> | <u>956,336</u> | <u>8,253</u> |

County of McHenry, Illinois
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|-------------------|---------------------------------------|
| GENERAL AND ADMINISTRATIVE (Continued) | | | | |
| Treasurer | | | | |
| Personnel services | \$ 558,091 | \$ 558,116 | \$ 558,115 | \$ 1 |
| Contractual services | 63,245 | 63,245 | 19,513 | 43,732 |
| Commodities | <u>6,850</u> | <u>6,850</u> | <u>6,850</u> | <u>-</u> |
| Total Treasurer | <u>628,186</u> | <u>628,211</u> | <u>584,478</u> | <u>43,733</u> |
| Non-Departmental | | | | |
| Personnel services | 1,018,129 | 717,867 | - | 717,867 |
| Contractual services | 14,110,927 | 14,138,337 | 11,560,294 | 2,578,043 |
| Commodities | <u>11,350</u> | <u>11,350</u> | <u>-</u> | <u>11,350</u> |
| Total Non-Departmental | <u>15,140,406</u> | <u>14,867,554</u> | <u>11,560,294</u> | <u>3,307,260</u> |
| Total General and Administrative | <u>30,190,232</u> | <u>31,045,318</u> | <u>27,169,600</u> | <u>3,875,718</u> |
| COMMUNITY DEVELOPMENT | | | | |
| Planning and Development | | | | |
| Personnel services | 1,191,962 | 1,231,348 | 1,231,311 | 37 |
| Contractual services | 171,135 | 231,870 | 155,507 | 76,363 |
| Commodities | <u>53,798</u> | <u>53,798</u> | <u>26,846</u> | <u>26,952</u> |
| Total Planning and Development | <u>1,416,895</u> | <u>1,517,016</u> | <u>1,413,664</u> | <u>103,352</u> |
| Total Community Development | <u>1,416,895</u> | <u>1,517,016</u> | <u>1,413,664</u> | <u>103,352</u> |
| PUBLIC SAFETY | | | | |
| County Sheriff | | | | |
| Personnel services | 29,614,960 | 29,667,079 | 28,838,208 | 828,871 |
| Contractual services | 3,025,264 | 3,180,594 | 2,951,763 | 228,831 |
| Commodities | <u>1,079,792</u> | <u>966,731</u> | <u>746,600</u> | <u>220,131</u> |
| Total County Sheriff | <u>33,720,016</u> | <u>33,814,404</u> | <u>32,536,571</u> | <u>1,277,833</u> |
| Emergency Management | | | | |
| Personnel services | 224,237 | 236,479 | 236,474 | 5 |
| Contractual services | 31,350 | 66,670 | 62,244 | 4,426 |
| Commodities | <u>16,130</u> | <u>46,992</u> | <u>39,218</u> | <u>7,774</u> |
| Total Emergency Management | <u>271,717</u> | <u>350,141</u> | <u>337,936</u> | <u>12,205</u> |

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| PUBLIC SAFETY (Continued) | | | | |
| County Coroner | | | | |
| Personnel services | \$ 396,046 | \$ 396,046 | \$ 362,669 | \$ 33,377 |
| Contractual services | 129,050 | 129,050 | 125,943 | 3,107 |
| Commodities | <u>10,032</u> | <u>10,032</u> | <u>5,683</u> | <u>4,349</u> |
| Total County Coroner | <u>535,128</u> | <u>535,128</u> | <u>494,295</u> | <u>40,833</u> |
| Total Public Safety | <u>34,526,861</u> | <u>34,699,673</u> | <u>33,368,802</u> | <u>1,330,871</u> |
| JUDICIARY AND COURT RELATED | | | | |
| Clerk of the Circuit Court | | | | |
| Personnel services | 1,861,565 | 1,863,284 | 1,863,279 | 5 |
| Contractual services | 24,670 | 24,670 | 20,783 | 3,887 |
| Commodities | <u>25,550</u> | <u>25,550</u> | <u>24,458</u> | <u>1,092</u> |
| Total Clerk of the Circuit Court | <u>1,911,785</u> | <u>1,913,504</u> | <u>1,908,520</u> | <u>4,984</u> |
| Court Administration | | | | |
| Personnel services | 543,997 | 571,154 | 571,149 | 5 |
| Contractual services | 643,930 | 761,101 | 722,501 | 38,600 |
| Commodities | <u>72,500</u> | <u>58,967</u> | <u>55,925</u> | <u>3,042</u> |
| Total Court Administration | <u>1,260,427</u> | <u>1,391,222</u> | <u>1,349,575</u> | <u>41,647</u> |
| Court Services | | | | |
| Personnel services | 2,458,943 | 2,495,630 | 2,495,625 | 5 |
| Contractual services | 476,000 | 451,000 | 446,423 | 4,577 |
| Commodities | <u>20,436</u> | <u>18,936</u> | <u>17,977</u> | <u>959</u> |
| Total Court Services | <u>2,955,379</u> | <u>2,965,566</u> | <u>2,960,025</u> | <u>5,541</u> |
| Public Defender | | | | |
| Personnel services | 969,042 | 1,006,067 | 1,006,062 | 5 |
| Contractual services | 10,550 | 10,550 | 6,343 | 4,207 |
| Commodities | <u>9,929</u> | <u>9,929</u> | <u>6,584</u> | <u>3,345</u> |
| Total Public Defender | <u>989,521</u> | <u>1,026,546</u> | <u>1,018,989</u> | <u>7,557</u> |
| State's Attorney | | | | |
| Personnel services | 2,765,181 | 2,840,031 | 2,839,637 | 394 |
| Contractual services | 178,000 | 178,000 | 171,275 | 6,725 |
| Commodities | <u>55,182</u> | <u>55,182</u> | <u>42,242</u> | <u>12,940</u> |
| Total State's Attorney | <u>2,998,363</u> | <u>3,073,213</u> | <u>3,053,154</u> | <u>20,059</u> |
| Total Judiciary and Court Related | <u>10,115,475</u> | <u>10,370,051</u> | <u>10,290,263</u> | <u>79,788</u> |

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2016

| | <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 | \$ 4,828,460 | \$ 4,844,919 | \$ 4,844,912 | \$ 7 |
| Contractual services | 540,631 | 540,631 | 383,415 | 157,216 |
| Commodities | <u>738,666</u> | <u>740,139</u> | <u>567,757</u> | <u>172,382</u> |
| Total Health Department | <u>6,107,757</u> | <u>6,125,689</u> | <u>5,796,084</u> | <u>329,605</u> |
| Total Public Health and Welfare | <u>6,107,757</u> | <u>6,125,689</u> | <u>5,796,084</u> | <u>329,605</u> |
| Total Expenditures - Current | <u>82,357,220</u> | <u>83,757,747</u> | <u>78,038,413</u> | <u>5,719,334</u> |
| CAPITAL OUTLAY | <u>1,807,604</u> | <u>7,719,946</u> | <u>7,061,392</u> | <u>658,554</u> |
| DEBT SERVICE | | | | |
| Principal retirement | 920,726 | 1,147,589 | 1,760,714 | (613,125) |
| Interest and fiscal charges | <u>88,958</u> | <u>88,958</u> | <u>53,924</u> | <u>35,034</u> |
| Total Debt Service | <u>1,009,684</u> | <u>1,236,547</u> | <u>1,814,638</u> | <u>(578,091)</u> |
| TOTAL EXPENDITURES | <u>\$ 85,174,508</u> | <u>\$ 92,714,240</u> | <u>\$ 86,914,443</u> | <u>\$ 5,799,797</u> |

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2016

| | Special Revenue | Debt Service | Permanent | Total Nonmajor Governmental Funds |
|--|--------------------|-----------------|------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 79,163,059 | \$ - | \$ 802,149 | \$ 79,965,208 |
| Property taxes receivable | 16,282,775 | - | - | 16,282,775 |
| Other receivables | 976,812 | - | - | 976,812 |
| Due from other governments | 7,555,496 | - | - | 7,555,496 |
| Due from other funds | 457,646 | - | - | 457,646 |
| Inventory | 563,757 | - | - | 563,757 |
| Total Assets | \$ 104,999,545 | \$ - | \$ 802,149 | \$ 105,801,694 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 2,129,270 | \$ - | \$ - | \$ 2,129,270 |
| Accrued payroll | 627,213 | - | - | 627,213 |
| Due to other funds | 471,054 | - | 400 | 471,454 |
| Other liabilities | 2,406 | - | - | 2,406 |
| Total Liabilities | 3,229,943 | - | 400 | 3,230,343 |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for future period | 16,282,775 | - | - | 16,282,775 |
| Unavailable revenue | 2,598,792 | - | - | 2,598,792 |
| Total Deferred Inflows of Resources | 18,881,567 | - | - | 18,881,567 |
| Fund Balances | | | | |
| Nonspendable | 563,757 | - | 801,749 | 1,365,506 |
| Restricted | 80,099,018 | - | - | 80,099,018 |
| Committed | 2,234,341 | - | - | 2,234,341 |
| Unassigned (deficit) | (9,081) | - | - | (9,081) |
| Total Fund Balances | 82,888,035 | - | 801,749 | 83,689,784 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 104,999,545 | \$ - | \$ 802,149 | \$ 105,801,694 |

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2016

| | Special Revenue | Debt Service | Permanent | Total Nonmajor Governmental Funds |
|--|--------------------|------------------|--------------|--|
| REVENUES | | | | |
| Charges for services | \$ 4,229,681 | \$ - | \$ - | \$ 4,229,681 |
| Licenses and permits | 105,241 | - | - | 105,241 |
| Fines and forfeitures | 35,016 | - | - | 35,016 |
| Grants, contributions, and intergovernmental | 16,057,565 | - | - | 16,057,565 |
| Property taxes | 16,237,500 | - | - | 16,237,500 |
| Sales taxes | 10,134,537 | - | - | 10,134,537 |
| Investment income | 249,803 | - | 1,206 | 251,009 |
| Miscellaneous | 218,898 | - | - | 218,898 |
| Total Revenues | 47,268,241 | - | 1,206 | 47,269,447 |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 4,502,624 | - | - | 4,502,624 |
| Community development | 2,439,980 | - | - | 2,439,980 |
| Transportation | 16,752,462 | - | - | 16,752,462 |
| Public safety | 2,314,019 | - | - | 2,314,019 |
| Judiciary and court related | 3,034,246 | - | - | 3,034,246 |
| Public health and welfare | 5,588,845 | - | - | 5,588,845 |
| Capital outlay | 6,904,397 | - | - | 6,904,397 |
| Debt service | | | | |
| Principal retirement | 38,838 | 8,960,000 | - | 8,998,838 |
| Interest and fiscal charges | 712 | 779,785 | - | 780,497 |
| Total Expenditures | 41,576,123 | 9,739,785 | - | 51,315,908 |
| Excess (deficiency) of revenues over expenditures | 5,692,118 | (9,739,785) | 1,206 | (4,046,461) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 6,908,626 | 9,739,785 | - | 16,648,411 |
| Transfers out | (12,852,104) | - | (400) | (12,852,504) |
| Total Other Financing Sources (Uses) | (5,943,478) | 9,739,785 | (400) | 3,795,907 |
| Net Change in Fund Balances | (251,360) | - | 806 | (250,554) |
| Fund Balances - Beginning of Year | 83,139,395 | - | 800,943 | 83,940,338 |
| Fund Balances - End of Year | \$ 82,888,035 | \$ - | \$ 801,749 | \$ 83,689,784 |

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, 2016

| | Veterans' Assistance Commission Bus Fund | Veterans' Assistance Commission Fund | County Highway Fund | Social Security Fund |
|--|---|---|---------------------------|----------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 8,692 | \$ 503,324 | \$ 6,136,267 | \$ 3,387,385 |
| Property taxes receivable | - | 400,000 | 6,455,268 | 3,975,000 |
| Other receivables | - | - | 88,065 | - |
| Due from other governments | - | - | 250,597 | - |
| Due from other funds | - | - | 485 | - |
| Inventory | - | - | 27,326 | - |
| | - | - | 27,326 | - |
| Total Assets | \$ 8,692 | \$ 903,324 | \$ 12,958,008 | \$ 7,362,385 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 2,516 | \$ 378,038 | \$ - |
| Accrued payroll | - | 13,426 | 189,374 | 197,933 |
| Due to other funds | - | 5,659 | 309,206 | - |
| Other liabilities | - | - | - | - |
| | - | - | - | - |
| Total Liabilities | - | 21,601 | 876,618 | 197,933 |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for future period | - | 400,000 | 6,455,268 | 3,975,000 |
| Unavailable revenue | - | - | 227,587 | - |
| | - | - | 227,587 | - |
| Total Deferred Inflows of Resources | - | 400,000 | 6,682,855 | 3,975,000 |
| Fund Balances | | | | |
| Nonspendable | - | - | 27,326 | - |
| Restricted | 8,692 | 481,723 | 5,371,209 | 3,189,452 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| | - | - | - | - |
| Total Fund Balances | 8,692 | 481,723 | 5,398,535 | 3,189,452 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 8,692 | \$ 903,324 | \$ 12,958,008 | \$ 7,362,385 |

| 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 |
|-------------------|----------------------|---------------------|-----------------------------------|--------------------------------------|---|
| \$ 104,777 | \$ 13,223,249 | \$ 2,462,577 | \$ 10,463,007 | \$ 470,557 | \$ 6,092 |
| - | 1,807,507 | 500,000 | - | 250,000 | - |
| - | 3,255 | - | - | - | - |
| - | 81,397 | 631,519 | 1,391,002 | - | - |
| - | - | - | - | - | - |
| - | - | - | 441,110 | - | - |
| <u>\$ 104,777</u> | <u>\$ 15,115,408</u> | <u>\$ 3,594,096</u> | <u>\$ 12,295,119</u> | <u>\$ 720,557</u> | <u>\$ 6,092</u> |
| \$ 14,359 | \$ 85,405 | \$ 57,209 | \$ 212,643 | \$ 1,714 | \$ - |
| - | - | - | - | 11,605 | 12,315 |
| - | - | - | - | 7,647 | - |
| - | - | - | - | - | - |
| <u>14,359</u> | <u>85,405</u> | <u>57,209</u> | <u>212,643</u> | <u>20,966</u> | <u>12,315</u> |
| - | 1,807,507 | 500,000 | - | 250,000 | - |
| - | 44,471 | 631,520 | 38,974 | - | - |
| - | 1,851,978 | 1,131,520 | 38,974 | 250,000 | - |
| - | - | - | 441,110 | - | - |
| 90,418 | 13,178,025 | 2,405,367 | 11,602,392 | 449,591 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | (6,223) |
| <u>90,418</u> | <u>13,178,025</u> | <u>2,405,367</u> | <u>12,043,502</u> | <u>449,591</u> | <u>(6,223)</u> |
| <u>\$ 104,777</u> | <u>\$ 15,115,408</u> | <u>\$ 3,594,096</u> | <u>\$ 12,295,119</u> | <u>\$ 720,557</u> | <u>\$ 6,092</u> |

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2016

| | County Clerk Automation Fund | Recorder Automation Fund | Animal Shelter Fund | County Treasurer Automation Fund |
|--|---------------------------------------|--------------------------------|---------------------------|---|
| ASSETS | | | | |
| Cash and equivalents | \$ 90,931 | \$ 2,262,141 | \$ 27,414 | \$ 653,647 |
| Property taxes receivable | - | - | - | - |
| Other receivables | - | 1,864 | - | - |
| Due from other governments | - | - | - | - |
| Due from other funds | - | - | - | - |
| Inventory | - | - | - | - |
| | - | - | - | - |
| Total Assets | \$ 90,931 | \$ 2,264,005 | \$ 27,414 | \$ 653,647 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 12,458 | \$ - | \$ 100 |
| Accrued payroll | 3,554 | 9,478 | - | - |
| Due to other funds | - | 5,678 | - | - |
| Other liabilities | - | - | - | - |
| | - | - | - | - |
| Total Liabilities | 3,554 | 27,614 | - | 100 |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for future period | - | - | - | - |
| Unavailable revenue | - | 1,322 | - | - |
| | - | 1,322 | - | - |
| Total Deferred Inflows of Resources | - | 1,322 | - | - |
| Fund Balances | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 87,377 | 2,235,069 | 27,414 | 653,547 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| | - | - | - | - |
| Total Fund Balances | 87,377 | 2,235,069 | 27,414 | 653,547 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 90,931 | \$ 2,264,005 | \$ 27,414 | \$ 653,647 |

| Workforce Network Fund | Law Library Fund | Special Courts Fund | Expedited Permit Fund | Circuit Court Document Storage Fund | Probation Service Fee Fund |
|------------------------------|------------------------|---------------------------|-----------------------------|---|-------------------------------------|
| \$ 134,180 | \$ 15,585 | \$ 355,315 | \$ 475 | \$ 156,852 | \$ 456,388 |
| - | - | - | - | - | - |
| - | - | 14,644 | - | - | - |
| 1,848,856 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 1,983,036</u> | <u>\$ 15,585</u> | <u>\$ 369,959</u> | <u>\$ 475</u> | <u>\$ 156,852</u> | <u>\$ 456,388</u> |
| \$ 71,664 | \$ 6,191 | \$ 2,164 | \$ 938 | \$ - | \$ 30,406 |
| 45,964 | 4,267 | 17,323 | - | 1,390 | - |
| 20,933 | 3,063 | - | 6 | 2,271 | 24,017 |
| - | - | - | - | - | - |
| <u>138,561</u> | <u>13,521</u> | <u>19,487</u> | <u>944</u> | <u>3,661</u> | <u>54,423</u> |
| - | - | - | - | - | - |
| <u>1,528,056</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>1,528,056</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - |
| 316,419 | 2,064 | 350,472 | - | 153,191 | 401,965 |
| - | - | - | - | - | - |
| - | - | - | (469) | - | - |
| <u>316,419</u> | <u>2,064</u> | <u>350,472</u> | <u>(469)</u> | <u>153,191</u> | <u>401,965</u> |
| <u>\$ 1,983,036</u> | <u>\$ 15,585</u> | <u>\$ 369,959</u> | <u>\$ 475</u> | <u>\$ 156,852</u> | <u>\$ 456,388</u> |

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2016

| | HUD Grants Fund | Dental Care Clinic Fund | Circuit Court Automation Fund | Illinois Criminal Justice Authority Fund |
|--|-----------------------|----------------------------------|--|--|
| ASSETS | | | | |
| Cash and equivalents | \$ 17 | \$ 62,958 | \$ 286,321 | \$ 1,319 |
| Property taxes receivable | - | - | - | - |
| Other receivables | - | - | - | - |
| Due from other governments | 351,463 | - | - | - |
| Due from other funds | - | - | - | - |
| Inventory | - | - | - | - |
| Total Assets | \$ 351,480 | \$ 62,958 | \$ 286,321 | \$ 1,319 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 338,410 | \$ - | \$ 68 | \$ - |
| Accrued payroll | 9,699 | - | 7,796 | - |
| Due to other funds | 3,354 | - | 1,756 | - |
| Other liabilities | 2,406 | - | - | - |
| Total Liabilities | 353,869 | - | 9,620 | - |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for future period | - | - | - | - |
| Unavailable revenue | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balances | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | 62,958 | 276,701 | 1,319 |
| Committed | - | - | - | - |
| Unassigned (deficit) | (2,389) | - | - | - |
| Total Fund Balances | (2,389) | 62,958 | 276,701 | 1,319 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 351,480 | \$ 62,958 | \$ 286,321 | \$ 1,319 |

| Circuit Court Admin Fund | EMDT Fund | Treasurer's Passport Services Fund | State's Attorney Automation Fund | DUI Conviction Fund | Geographic Information Systems Fund |
|--------------------------|------------------|------------------------------------|----------------------------------|---------------------|-------------------------------------|
| \$ 113,977 | \$ - | \$ 357,082 | \$ 62,969 | \$ 132,779 | \$ 1,565,042 |
| - | - | - | - | - | - |
| - | - | - | - | - | 125,000 |
| - | - | - | - | - | - |
| - | 23,669 | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 113,977</u> | <u>\$ 23,669</u> | <u>\$ 357,082</u> | <u>\$ 62,969</u> | <u>\$ 132,779</u> | <u>\$ 1,690,042</u> |
| \$ 268 | \$ 8,276 | \$ 314 | \$ - | \$ - | \$ 168,535 |
| - | - | 2,683 | - | - | 22,833 |
| - | 15,393 | - | 50,000 | - | 9,120 |
| - | - | - | - | - | - |
| <u>268</u> | <u>23,669</u> | <u>2,997</u> | <u>50,000</u> | <u>-</u> | <u>200,488</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 113,709 | - | - | 12,969 | 132,779 | 1,489,554 |
| - | - | 354,085 | - | - | - |
| - | - | - | - | - | - |
| <u>113,709</u> | <u>-</u> | <u>354,085</u> | <u>12,969</u> | <u>132,779</u> | <u>1,489,554</u> |
| <u>\$ 113,977</u> | <u>\$ 23,669</u> | <u>\$ 357,082</u> | <u>\$ 62,969</u> | <u>\$ 132,779</u> | <u>\$ 1,690,042</u> |

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2016

| | Revolving Loan Fund | Health Scholarship Fund | Senior Services Fund | RTA Sales Tax Fund |
|--|---------------------------|-------------------------------|----------------------------|--------------------------|
| ASSETS | | | | |
| Cash and equivalents | \$ 1,187,831 | \$ 6,134 | \$ 2,121,627 | \$ 11,078,636 |
| Property taxes receivable | - | - | 1,645,000 | - |
| Other receivables | 692,425 | - | - | - |
| Due from other governments | - | - | - | 2,535,582 |
| Due from other funds | - | - | - | 84,300 |
| Inventory | - | - | - | - |
| Total Assets | \$ 1,880,256 | \$ 6,134 | \$ 3,766,627 | \$ 13,698,518 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 500 | \$ 304,244 | \$ - |
| Accrued payroll | - | - | 42 | - |
| Due to other funds | - | - | 2 | - |
| Other liabilities | - | - | - | - |
| Total Liabilities | - | 500 | 304,288 | - |
| 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 | - | 5,634 | 1,817,339 | 13,698,518 |
| Committed | 1,880,256 | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total Fund Balances | 1,880,256 | 5,634 | 1,817,339 | 13,698,518 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,880,256 | \$ 6,134 | \$ 3,766,627 | \$ 13,698,518 |

| Public Building Commission Fund | Insurance Loss Fund | Circuit Clerk Electronic Citation Fund | Motor Fuel Tax Fund | Inmate Welfare Fund | Totals |
|---------------------------------|----------------------|--|---------------------|----------------------|-----------------------|
| \$ 24,320 | \$ 13,170,788 | \$ 64,577 | \$ 7,469,173 | \$ 538,654.00 | \$ 79,163,059 |
| - | 1,250,000 | - | - | - | 16,282,775 |
| 288 | - | - | 51,271 | - | 976,812 |
| - | - | - | 465,080 | - | 7,555,496 |
| - | 349,192 | - | - | - | 457,646 |
| - | - | - | 95,321 | - | 563,757 |
| <u>\$ 24,608</u> | <u>\$ 14,769,980</u> | <u>\$ 64,577</u> | <u>\$ 8,080,845</u> | <u>\$ 538,654.00</u> | <u>\$ 104,999,545</u> |
| \$ 850 | \$ 63,497 | \$ - | \$ 354,572 | \$ 13,931.00 | \$ 2,129,270 |
| - | 75,896 | - | 1,635 | - | 627,213 |
| - | 12,949 | - | - | - | 471,054 |
| - | - | - | - | - | 2,406 |
| <u>850</u> | <u>152,342</u> | <u>-</u> | <u>356,207</u> | <u>13,931.00</u> | <u>3,229,943</u> |
| - | 1,250,000 | - | - | - | 16,282,775 |
| - | - | - | 126,862 | - | 2,598,792 |
| - | 1,250,000 | - | 126,862 | - | 18,881,567 |
| - | - | - | 95,321 | - | 563,757 |
| 23,758 | 13,367,638 | 64,577 | 7,502,455 | 524,723.00 | 80,099,018 |
| - | - | - | - | - | 2,234,341 |
| - | - | - | - | - | (9,081) |
| <u>23,758</u> | <u>13,367,638</u> | <u>64,577</u> | <u>7,597,776</u> | <u>524,723.00</u> | <u>82,888,035</u> |
| <u>\$ 24,608</u> | <u>\$ 14,769,980</u> | <u>\$ 64,577</u> | <u>\$ 8,080,845</u> | <u>\$ 538,654</u> | <u>\$ 104,999,545</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, 2016

| | Veterans' Assistance Commission Bus Fund | Veterans' Assistance Commission Fund | County Highway Fund | Social Security Fund |
|--|---|---|---------------------------|----------------------------|
| REVENUES | | | | |
| Charges for services | \$ - | \$ - | \$ 3,903 | \$ - |
| Licenses and permits | - | - | 105,241 | - |
| Fines and forfeitures | - | - | - | - |
| Grants, contributions, and intergovernmental | - | - | 1,010,364 | - |
| Property taxes | - | 399,064 | 6,440,442 | 3,957,687 |
| Sales taxes | - | - | - | - |
| Investment income | 33 | - | 19,019 | 9,584 |
| Miscellaneous | 700 | - | 191,680 | - |
| | <u>733</u> | <u>399,064</u> | <u>7,770,649</u> | <u>3,967,271</u> |
| Total Revenues | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | - | - | - | 552,588 |
| Community development | - | - | - | 83,000 |
| Transportation | - | - | 7,985,153 | - |
| Public safety | - | - | - | 2,030,295 |
| Judiciary and court related | - | - | - | 667,072 |
| Public health and welfare | - | 449,294 | - | 302,335 |
| Capital outlay | - | - | 1,120,693 | - |
| Debt service | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| | <u>-</u> | <u>449,294</u> | <u>9,105,846</u> | <u>3,635,290</u> |
| Total Expenditures | | | | |
| Excess (deficiency) of revenues over expenditures | <u>733</u> | <u>(50,230)</u> | <u>(1,335,197)</u> | <u>331,981</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 6,843,214 | - |
| Transfers out | - | - | (5,945,934) | - |
| | <u>-</u> | <u>-</u> | <u>897,280</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | | | | |
| Net Change in Fund Balances | <u>733</u> | <u>(50,230)</u> | <u>(437,917)</u> | <u>331,981</u> |
| Fund Balances - Beginning of Year | 7,959 | 531,953 | 5,836,452 | 2,857,471 |
| Fund Balances - End of Year (deficit) | <u>\$ 8,692</u> | <u>\$ 481,723</u> | <u>\$ 5,398,535</u> | <u>\$ 3,189,452</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 |
|----|-------------------|-------------------|--------------------------|--|---|---|
| \$ | 50,826 | \$ - | \$ - | \$ - | \$ 4,310 | \$ 93,947 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | 120,000 | 184,941 | 4,833,543 | - | - |
| | - | 1,821,783 | 480,582 | - | 249,501 | - |
| | - | - | - | - | - | - |
| | 379 | 50,065 | 11,732 | 41,296 | 1,744 | 61 |
| | - | - | - | - | - | - |
| | <u>51,205</u> | <u>1,991,848</u> | <u>677,255</u> | <u>4,874,839</u> | <u>255,555</u> | <u>94,008</u> |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | 105,119 | 580,856 | 3,594,763 | - | - |
| | 28,355 | - | - | - | - | - |
| | - | - | - | - | - | 132,784 |
| | - | - | - | - | 308,053 | - |
| | - | 1,073,352 | 1,094,234 | 1,662,335 | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | <u>28,355</u> | <u>1,178,471</u> | <u>1,675,090</u> | <u>5,257,098</u> | <u>308,053</u> | <u>132,784</u> |
| | <u>22,850</u> | <u>813,377</u> | <u>(997,835)</u> | <u>(382,259)</u> | <u>(52,498)</u> | <u>(38,776)</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>13,850</u> | <u>813,377</u> | <u>(997,835)</u> | <u>(382,259)</u> | <u>(52,498)</u> | <u>(38,776)</u> |
| | 76,568 | 12,364,648 | 3,403,202 | 12,425,761 | 502,089 | 32,553 |
| \$ | <u>90,418</u> | <u>13,178,025</u> | <u>2,405,367</u> | <u>12,043,502</u> | <u>449,591</u> | <u>(6,223)</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, 2016

| | County Clerk Automation Fund | Recorder Automation Fund | Animal Shelter Fund | County Treasurer Automation Fund |
|--|---------------------------------------|--------------------------------|---------------------------|---|
| REVENUES | | | | |
| Charges for services | \$ 13,048 | \$ 737,537 | \$ 2,291 | \$ 104,795 |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants, contributions, and intergovernmental | - | - | - | - |
| Property taxes | - | - | - | - |
| Sales taxes | - | - | - | - |
| Investment income | 335 | 8,304 | 112 | 2,237 |
| Miscellaneous | - | - | - | - |
| | <u>13,383</u> | <u>745,841</u> | <u>2,403</u> | <u>107,032</u> |
| Total Revenues | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 11,413 | 523,208 | - | 16,161 |
| Community development | - | - | - | - |
| Transportation | - | - | - | - |
| Public safety | - | - | - | - |
| Judiciary and court related | - | - | - | - |
| Public health and welfare | - | - | 3,000 | - |
| Capital outlay | - | 9,550 | - | - |
| Debt service | | | | |
| Principal retirement | - | 29,919 | - | - |
| Interest and fiscal charges | - | 712 | - | - |
| | <u>11,413</u> | <u>563,389</u> | <u>3,000</u> | <u>16,161</u> |
| Total Expenditures | | | | |
| Excess (deficiency) of revenues over expenditures | <u>1,970</u> | <u>182,452</u> | <u>(597)</u> | <u>90,871</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | | | | |
| Net Change in Fund Balances | <u>1,970</u> | <u>182,452</u> | <u>(597)</u> | <u>90,871</u> |
| Fund Balances - Beginning of Year | 85,407 | 2,052,617 | 28,011 | 562,676 |
| Fund Balances - End of Year | <u>\$ 87,377</u> | <u>\$ 2,235,069</u> | <u>\$ 27,414</u> | <u>\$ 653,547</u> |

| Workforce Network Fund | Law Library Fund | Special Courts Fund | Expedited Permit Fund | Circuit Court Document Storage Fund | Probation Service Fee Fund |
|------------------------------|------------------------|---------------------------|-----------------------------|---|-------------------------------------|
| \$ - | \$ 171,196 | \$ 188,072 | \$ 5,969 | \$ 503,427 | \$ 362,610 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,091,406 | - | 161,086 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 559 | 163 | - | - | 478 | 1,822 |
| 9,135 | - | - | - | - | 3,815 |
| <u>2,101,100</u> | <u>171,359</u> | <u>349,158</u> | <u>5,969</u> | <u>503,905</u> | <u>368,247</u> |
| - | - | - | - | - | - |
| - | - | - | 6,438 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 238,890 | 469,897 | - | 379,144 | 399,377 |
| 2,110,826 | - | - | - | - | - |
| 10,615 | - | - | - | 61,840 | 2,522 |
| 8,919 | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>2,130,360</u> | <u>238,890</u> | <u>469,897</u> | <u>6,438</u> | <u>440,984</u> | <u>401,899</u> |
| <u>(29,260)</u> | <u>(67,531)</u> | <u>(120,739)</u> | <u>(469)</u> | <u>62,921</u> | <u>(33,652)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | (53,954) |
| - | - | - | - | - | (53,954) |
| <u>(29,260)</u> | <u>(67,531)</u> | <u>(120,739)</u> | <u>(469)</u> | <u>62,921</u> | <u>(87,606)</u> |
| 345,679 | 69,595 | 471,211 | - | 90,270 | 489,571 |
| <u>\$ 316,419</u> | <u>\$ 2,064</u> | <u>\$ 350,472</u> | <u>\$ (469)</u> | <u>\$ 153,191</u> | <u>\$ 401,965</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, 2016

| | HUD Grants Fund | Dental Care Clinic Fund | Circuit Court Automation Fund | Illinois Criminal Justice Authority Fund |
|--|-------------------------|----------------------------------|--|--|
| REVENUES | | | | |
| Charges for services | \$ - | \$ 20,184 | \$ 528,192 | \$ - |
| Licenses and permits | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Grants, contributions, and intergovernmental | 2,348,153 | 184,911 | - | 66,715 |
| Property taxes | - | - | - | - |
| Sales taxes | - | - | - | - |
| Investment income | - | 396 | 1,174 | 103 |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>2,348,153</u> | <u>205,491</u> | <u>529,366</u> | <u>66,818</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | - | - | - | - |
| Community development | 2,350,542 | - | - | - |
| Transportation | - | - | - | - |
| Public safety | - | - | - | - |
| Judiciary and court related | - | - | 481,715 | 66,715 |
| Public health and welfare | - | 284,726 | - | - |
| Capital outlay | - | - | 40,124 | - |
| Debt service | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | <u>2,350,542</u> | <u>284,726</u> | <u>521,839</u> | <u>66,715</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,389)</u> | <u>(79,235)</u> | <u>7,527</u> | <u>103</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>(2,389)</u> | <u>(79,235)</u> | <u>7,527</u> | <u>103</u> |
| Fund Balances - Beginning of Year | - | 142,193 | 269,174 | 1,216 |
| Fund Balances - End of Year | <u>\$ (2,389)</u> | <u>\$ 62,958</u> | <u>\$ 276,701</u> | <u>\$ 1,319</u> |

| Circuit Court Admin Fund | EMDT Fund | Treasurer's Passport Services Fund | State's Attorney Automation Fund | DUI Conviction Fund | Geographic Information Systems Fund |
|--------------------------|-----------------|------------------------------------|----------------------------------|---------------------|-------------------------------------|
| \$ 101,391 | \$ 15,450 | \$ 152,577 | \$ 24,187 | \$ - | \$ 735,180 |
| - | - | - | - | - | - |
| - | - | - | - | 35,016 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 645 | 14 | 1,282 | 199 | - | 6,012 |
| - | - | - | - | - | - |
| <u>102,036</u> | <u>15,464</u> | <u>153,859</u> | <u>24,386</u> | <u>35,016</u> | <u>741,192</u> |
| - | - | 72,480 | - | - | 797,897 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 16,031 | - |
| 69,234 | 69,418 | - | 50,000 | - | - |
| - | - | - | - | - | - |
| 107,580 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>176,814</u> | <u>69,418</u> | <u>72,480</u> | <u>50,000</u> | <u>16,031</u> | <u>797,897</u> |
| <u>(74,778)</u> | <u>(53,954)</u> | <u>81,379</u> | <u>(25,614)</u> | <u>18,985</u> | <u>(56,705)</u> |
| - | 53,954 | - | - | - | - |
| - | - | - | - | - | - |
| - | 53,954 | - | - | - | - |
| <u>(74,778)</u> | <u>-</u> | <u>81,379</u> | <u>(25,614)</u> | <u>18,985</u> | <u>(56,705)</u> |
| 188,487 | - | 272,706 | 38,583 | 113,794 | 1,546,259 |
| <u>\$ 113,709</u> | <u>\$ -</u> | <u>\$ 354,085</u> | <u>\$ 12,969</u> | <u>\$ 132,779</u> | <u>\$ 1,489,554</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, 2016

| | 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 | - | - | 1,641,241 | - |
| Sales taxes | - | - | - | 10,134,537 |
| Investment income | 32,680 | 10 | 3,301 | 26,981 |
| Miscellaneous | - | - | - | - |
| Total Revenues | 32,680 | 10 | 1,644,542 | 10,161,518 |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | - | - | - | - |
| Community development | - | - | - | - |
| Transportation | - | - | - | - |
| Public safety | - | - | - | - |
| Judiciary and court related | - | - | - | - |
| Public health and welfare | - | 700 | 2,129,911 | - |
| Capital outlay | - | - | - | - |
| Debt service | - | - | - | - |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | - | 700 | 2,129,911 | - |
| Excess (deficiency) of revenues over expenditures | 32,680 | (690) | (485,369) | 10,161,518 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 11,458 | - |
| Transfers out | - | - | - | (6,843,216) |
| Total Other Financing Sources (Uses) | - | - | 11,458 | (6,843,216) |
| Net Change in Fund Balances | 32,680 | (690) | (473,911) | 3,318,302 |
| Fund Balances - Beginning of Year | 1,847,576 | 6,324 | 2,291,250 | 10,380,216 |
| Fund Balances - End of Year | <u>\$ 1,880,256</u> | <u>\$ 5,634</u> | <u>\$ 1,817,339</u> | <u>\$ 13,698,518</u> |

| Public Building Commission Fund | Insurance Loss Fund | Circuit Clerk Electronic Citation Fund | Motor Fuel Tax Fund | Inmate Welfare Fund | Totals |
|--|---------------------------|--|---------------------------|---------------------------|----------------------|
| \$ - | \$ - | \$ 34,633 | \$ - | \$ 375,956 | \$ 4,229,681 |
| - | - | - | - | - | 105,241 |
| - | - | - | - | - | 35,016 |
| - | - | - | 5,056,446 | - | 16,057,565 |
| - | 1,247,200 | - | - | - | 16,237,500 |
| - | - | - | - | - | 10,134,537 |
| 997 | 41 | 214 | 25,986 | 1,845 | 249,803 |
| - | 13,568 | - | - | - | 218,898 |
| <u>997</u> | <u>1,260,809</u> | <u>34,847</u> | <u>5,082,432</u> | <u>377,801</u> | <u>47,268,241</u> |
| 8,418 | 2,520,459 | - | - | - | 4,502,624 |
| - | - | - | - | - | 2,439,980 |
| - | - | - | 4,486,571 | - | 16,752,462 |
| - | - | - | - | 239,338 | 2,314,019 |
| - | - | 10,000 | - | - | 3,034,246 |
| - | - | - | - | - | 5,588,845 |
| - | - | - | 1,701,863 | 19,689 | 6,904,397 |
| - | - | - | - | - | 38,838 |
| - | - | - | - | - | 712 |
| <u>8,418</u> | <u>2,520,459</u> | <u>10,000</u> | <u>6,188,434</u> | <u>259,027</u> | <u>41,576,123</u> |
| <u>(7,421)</u> | <u>(1,259,650)</u> | <u>24,847</u> | <u>(1,106,002)</u> | <u>118,774</u> | <u>5,692,118</u> |
| - | - | - | - | - | 6,908,626 |
| - | - | - | - | - | (12,852,104) |
| - | - | - | - | - | (5,943,478) |
| <u>(7,421)</u> | <u>(1,259,650)</u> | <u>24,847</u> | <u>(1,106,002)</u> | <u>118,774</u> | <u>(251,360)</u> |
| 31,179 | 14,627,288 | 39,730 | 8,703,778 | 405,949 | 83,139,395 |
| <u>\$ 23,758</u> | <u>\$ 13,367,638</u> | <u>\$ 64,577</u> | <u>\$ 7,597,776</u> | <u>\$ 524,723</u> | <u>\$ 82,888,035</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-----------------|---------------------------------------|
| REVENUES | | | | |
| Investment income | \$ 12 | \$ 12 | \$ 33 | \$ 21 |
| Miscellaneous | <u>500</u> | <u>500</u> | <u>700</u> | <u>200</u> |
| Total Revenues | <u>512</u> | <u>512</u> | <u>733</u> | <u>221</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> | 733 | <u>\$ 1,771</u> |
| Fund Balance - Beginning of Year | | | <u>7,959</u> | |
| Fund Balance - End of Year | | | <u>\$ 8,692</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 400,000 | \$ 400,000 | \$ 399,064 | \$ (936) |
| Miscellaneous | <u>600</u> | <u>600</u> | <u>-</u> | <u>(600)</u> |
| Total Revenues | <u>400,600</u> | <u>400,600</u> | <u>399,064</u> | <u>(1,536)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Personnel services | 364,538 | 364,538 | 358,205 | 6,333 |
| Contractual services | 256,600 | 256,600 | 75,817 | 180,783 |
| Commodities | <u>25,600</u> | <u>25,600</u> | <u>15,272</u> | <u>10,328</u> |
| Total Expenditures | <u>646,738</u> | <u>646,738</u> | <u>449,294</u> | <u>197,444</u> |
| Net Change in Fund Balance | <u>\$ (246,138)</u> | <u>\$ (246,138)</u> | (50,230) | <u>\$ 195,908</u> |
| Fund Balance - Beginning of Year | | | <u>531,953</u> | |
| Fund Balance - End of Year | | | <u>\$ 481,723</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ - | \$ - | \$ 3,903 | \$ 3,903 |
| Licenses and permits | 86,000 | 86,000 | 105,241 | 19,241 |
| Grants, contributions, and intergovernmental | 1,295,676 | 1,295,676 | 1,010,364 | (285,312) |
| Property taxes | 6,455,268 | 6,455,268 | 6,440,442 | (14,826) |
| Investment income | 7,050 | 7,050 | 19,019 | 11,969 |
| Miscellaneous | <u>70,000</u> | <u>70,000</u> | <u>191,680</u> | <u>121,680</u> |
| Total Revenues | <u>7,913,994</u> | <u>7,913,994</u> | <u>7,770,649</u> | <u>(143,345)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Transportation | | | | |
| Personnel services | 5,564,966 | 5,564,966 | 5,019,802 | 545,164 |
| Contractual services | 5,275,670 | 6,149,659 | 2,364,892 | 3,784,767 |
| Commodities | 752,310 | 755,570 | 600,459 | 155,111 |
| Capital outlay | <u>1,500,000</u> | <u>2,109,308</u> | <u>1,120,693</u> | <u>988,615</u> |
| Total Expenditures | <u>13,092,946</u> | <u>14,579,503</u> | <u>9,105,846</u> | <u>5,473,657</u> |
| Deficiency of revenues over expenditures | <u>(5,178,952)</u> | <u>(6,665,509)</u> | <u>(1,335,197)</u> | <u>5,330,312</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 10,134,295 | 10,134,295 | 6,843,214 | (3,291,081) |
| Transfers out | <u>(5,945,975)</u> | <u>(5,945,975)</u> | <u>(5,945,934)</u> | <u>41</u> |
| Total Other Financing Sources (Uses) | <u>4,188,320</u> | <u>4,188,320</u> | <u>897,280</u> | <u>(3,291,040)</u> |
| Net Change in Fund Balance | <u>\$ (990,632)</u> | <u>\$ (2,477,189)</u> | <u>(437,917)</u> | <u>\$ 2,039,272</u> |
| Fund Balance - Beginning of Year | | | <u>5,836,452</u> | |
| Fund Balance - End of Year | | | <u>\$ 5,398,535</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 3,966,697 | \$ 3,966,697 | \$ 3,957,687 | \$ (9,010) |
| Investment income | 3,000 | 3,000 | 9,584 | 6,584 |
| Total Revenues | <u>3,969,697</u> | <u>3,969,697</u> | <u>3,967,271</u> | <u>(2,426)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Personnel services | | | | |
| General and administrative | 618,876 | 618,876 | 552,588 | 66,288 |
| Community development | 92,957 | 92,957 | 83,000 | 9,957 |
| Public safety | 2,273,847 | 2,273,847 | 2,030,295 | 243,552 |
| Judiciary and court related | 747,094 | 747,094 | 667,072 | 80,022 |
| Public health and welfare | <u>338,603</u> | <u>338,603</u> | <u>302,335</u> | <u>36,268</u> |
| Total Expenditures | <u>4,071,377</u> | <u>4,071,377</u> | <u>3,635,290</u> | <u>436,087</u> |
| Net Change in Fund Balance | <u>\$ (101,680)</u> | <u>\$ (101,680)</u> | 331,981 | <u>\$ 433,661</u> |
| Fund Balance - Beginning of Year | | | <u>2,857,471</u> | |
| Fund Balance - End of Year | | | <u>\$ 3,189,452</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 55,000 | \$ 55,000 | \$ 50,826 | \$ (4,174) |
| Grants, contributions, and intergovernmental | 4,334 | 4,334 | - | (4,334) |
| Investment income | <u>90</u> | <u>90</u> | <u>379</u> | <u>289</u> |
| Total Revenues | <u>59,424</u> | <u>59,424</u> | <u>51,205</u> | <u>(8,219)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | | | | |
| Contractual services | 26,500 | 26,500 | 24,270 | 2,230 |
| Commodities | <u>7,400</u> | <u>7,400</u> | <u>4,085</u> | <u>3,315</u> |
| Total Expenditures | <u>33,900</u> | <u>33,900</u> | <u>28,355</u> | <u>5,545</u> |
| Excess (deficiency) of revenues over expenditures | 25,524 | 25,524 | 22,850 | (2,674) |
| 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>\$ 16,524</u> | <u>\$ 16,524</u> | 13,850 | <u>\$ (2,674)</u> |
| Fund Balance - Beginning of Year | | | <u>76,568</u> | |
| Fund Balance - End of Year | | | <u>\$ 90,418</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|----------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ - | \$ - | \$ 120,000 | \$ 120,000 |
| Property taxes | 1,825,878 | 1,825,878 | 1,821,783 | (4,095) |
| Investment income | <u>21,000</u> | <u>21,000</u> | <u>50,065</u> | <u>29,065</u> |
| Total Revenues | <u>1,846,878</u> | <u>1,846,878</u> | <u>1,991,848</u> | <u>144,970</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Transportation | | | | |
| Contractual services | 1,000,000 | 1,268,410 | 105,119 | 1,163,291 |
| Capital outlay | <u>8,780,000</u> | <u>15,755,006</u> | <u>1,073,352</u> | <u>14,681,654</u> |
| Total Expenditures | <u>9,780,000</u> | <u>17,023,416</u> | <u>1,178,471</u> | <u>15,844,945</u> |
| Net Change in Fund Balance | <u>\$ (7,933,122)</u> | <u>\$ (15,176,538)</u> | 813,377 | <u>\$ 15,989,915</u> |
| Fund Balance - Beginning of Year | | | <u>12,364,648</u> | |
| Fund Balance - End of Year | | | <u>\$ 13,178,025</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ 680,000 | \$ 680,000 | \$ 184,941 | \$ (495,059) |
| Property taxes | 481,629 | 481,629 | 480,582 | (1,047) |
| Investment income | <u>8,000</u> | <u>8,000</u> | <u>11,732</u> | <u>3,732</u> |
| Total Revenues | <u>1,169,629</u> | <u>1,169,629</u> | <u>677,255</u> | <u>(492,374)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Transportation | | | | |
| Contractual services | 1,245,000 | 1,700,127 | 580,856 | 1,119,271 |
| Capital outlay | <u>480,000</u> | <u>1,971,745</u> | <u>1,094,234</u> | <u>877,511</u> |
| Total Expenditures | <u>1,725,000</u> | <u>3,671,872</u> | <u>1,675,090</u> | <u>1,996,782</u> |
| Net Change in Fund Balance | <u>\$ (555,371)</u> | <u>\$ (2,502,243)</u> | (997,835) | <u>\$ 1,504,408</u> |
| Fund Balance - Beginning of Year | | | <u>3,403,202</u> | |
| Fund Balance - End of Year | | | <u>\$ 2,405,367</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|------------------------------|-------------------------------|-----------------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ 4,500,000 | \$ 4,500,000 | \$ 4,833,543 | \$ 333,543 |
| Investment income | <u>20,000</u> | <u>20,000</u> | <u>41,296</u> | <u>21,296</u> |
| Total Revenues | <u>4,520,000</u> | <u>4,520,000</u> | <u>4,874,839</u> | <u>354,839</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Transportation | | | | |
| Contractual services | 1,957,000 | 6,106,107 | 2,635,174 | 3,470,933 |
| Commodities | 1,450,000 | 1,543,383 | 959,589 | 583,794 |
| Capital outlay | <u>4,400,000</u> | <u>9,612,666</u> | <u>1,662,335</u> | <u>7,950,331</u> |
| Total Expenditures | <u>7,807,000</u> | <u>17,262,156</u> | <u>5,257,098</u> | <u>12,005,058</u> |
| Net Change in Fund Balance | \$ <u><u>(3,287,000)</u></u> | \$ <u><u>(12,742,156)</u></u> | (382,259) | \$ <u><u>12,359,897</u></u> |
| Fund Balance - Beginning of Year | | | <u>12,425,761</u> | |
| Fund Balance - End of Year | | | \$ <u><u>12,043,502</u></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, 2016

| | <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 | \$ 4,310 | \$ (6,190) |
| Property taxes | 250,000 | 250,000 | 249,501 | (499) |
| Investment income | <u>600</u> | <u>600</u> | <u>1,744</u> | <u>1,144</u> |
| Total Revenues | <u>261,100</u> | <u>261,100</u> | <u>255,555</u> | <u>(5,545)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Personnel services | 262,986 | 262,986 | 266,424 | (3,438) |
| Contractual services | 67,112 | 71,594 | 34,961 | 36,633 |
| Commodities | <u>30,000</u> | <u>30,000</u> | <u>6,668</u> | <u>23,332</u> |
| Total Expenditures | <u>360,098</u> | <u>364,580</u> | <u>308,053</u> | <u>56,527</u> |
| Net Change in Fund Balance | \$ <u>(98,998)</u> | \$ <u>(103,480)</u> | (52,498) | \$ <u>50,982</u> |
| Fund Balance - Beginning of Year | | | <u>502,089</u> | |
| Fund Balance - End of Year | | | \$ <u>449,591</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 145,000 | \$ 145,000 | \$ 93,947 | \$ (51,053) |
| Investment income | <u>100</u> | <u>100</u> | <u>61</u> | <u>(39)</u> |
| Total Revenues | 145,100 | 145,100 | 94,008 | (51,092) |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | <u>165,678</u> | <u>165,678</u> | <u>132,784</u> | <u>32,894</u> |
| Net Change in Fund Balance | <u>\$ (20,578)</u> | <u>\$ (20,578)</u> | (38,776) | <u>\$ (18,198)</u> |
| Fund Balance - Beginning of Year | | | <u>32,553</u> | |
| Fund Balance - End of Year | | | <u>\$ (6,223)</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, 2016

| | <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 | \$ 13,048 | \$ 48 |
| Investment income | <u>100</u> | <u>100</u> | <u>335</u> | <u>235</u> |
| Total Revenues | <u>13,100</u> | <u>13,100</u> | <u>13,383</u> | <u>283</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | | | | |
| Contractual services | 35,000 | 35,000 | 11,345 | 23,655 |
| Commodities | 2,500 | 2,500 | 68 | 2,432 |
| Total Expenditures | <u>37,500</u> | <u>37,500</u> | <u>11,413</u> | <u>26,087</u> |
| Net Change in Fund Balance | \$ <u><u>(24,400)</u></u> | \$ <u><u>(24,400)</u></u> | 1,970 | \$ <u><u>26,370</u></u> |
| Fund Balance - Beginning of Year | | | <u>85,407</u> | |
| Fund Balance - End of Year | | | \$ <u><u>87,377</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--------------------------------------|----------------------------|-------------------------|-------------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 739,000 | \$ 739,000 | \$ 737,537 | \$ (1,463) |
| Investment income | <u>3,600</u> | <u>3,600</u> | <u>8,304</u> | <u>4,704</u> |
| Total Revenues | <u>742,600</u> | <u>742,600</u> | <u>745,841</u> | <u>3,241</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | | | | |
| Personnel services | 370,190 | 370,190 | 300,050 | 70,140 |
| Contractual services | 256,000 | 265,710 | 218,142 | 47,568 |
| Commodities | 78,000 | 76,118 | 5,016 | 71,102 |
| Capital outlay | 62,500 | 62,500 | 9,550 | 52,950 |
| Debt service | | | | |
| Principal retirement | 30,631 | 29,919 | 29,919 | - |
| Interest and fiscal charges | <u>712</u> | <u>712</u> | <u>712</u> | <u>-</u> |
| Total Expenditures | <u>798,033</u> | <u>805,149</u> | <u>563,389</u> | <u>241,760</u> |
| Net Change in Fund Balance | <u>\$ (55,433)</u> | <u>\$ (62,549)</u> | 182,452 | <u>\$ 245,001</u> |
| Fund Balance - Beginning of Year | | | <u>2,052,617</u> | |
| Fund Balance - End of Year | | | <u>\$ 2,235,069</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, 2016

| | <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 | \$ 2,291 | \$ (209) |
| Investment income | <u>100</u> | <u>100</u> | <u>112</u> | <u>12</u> |
| Total Revenues | <u>2,600</u> | <u>2,600</u> | <u>2,403</u> | <u>(197)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Contractual services | 2,000 | 2,000 | 935 | 1,065 |
| Commodities | <u>10,000</u> | <u>10,000</u> | <u>2,065</u> | <u>7,935</u> |
| Total Expenditures | <u>12,000</u> | <u>12,000</u> | <u>3,000</u> | <u>9,000</u> |
| Net Change in Fund Balance | \$ <u>(9,400)</u> | \$ <u>(9,400)</u> | (597) | \$ <u>8,803</u> |
| Fund Balance - Beginning of Year | | | <u>28,011</u> | |
| Fund Balance - End of Year | | | \$ <u>27,414</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, 2016

| | <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 | \$ 104,795 | \$ (25,205) |
| Investment income | <u>700</u> | <u>700</u> | <u>2,237</u> | <u>1,537</u> |
| Total Revenues | <u>130,700</u> | <u>130,700</u> | <u>107,032</u> | <u>(23,668)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | | | | |
| Contractual services | 39,500 | 39,500 | 14,933 | 24,567 |
| Commodities | 12,500 | 12,500 | 1,228 | 11,272 |
| Total Expenditures | <u>52,000</u> | <u>52,000</u> | <u>16,161</u> | <u>35,839</u> |
| Net Change in Fund Balance | <u>\$ 78,700</u> | <u>\$ 78,700</u> | 90,871 | <u>\$ 12,171</u> |
| Fund Balance - Beginning of Year | | | <u>562,676</u> | |
| Fund Balance - End of Year | | | <u>\$ 653,547</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ 2,285,312 | \$ 2,326,981 | \$ 2,091,406 | \$ (235,575) |
| Investment income | 216 | 216 | 559 | 343 |
| Miscellaneous | <u>28,561</u> | <u>29,261</u> | <u>9,135</u> | <u>(20,126)</u> |
| Total Revenues | <u>2,314,089</u> | <u>2,356,458</u> | <u>2,101,100</u> | <u>(255,358)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Personnel services | 1,352,299 | 1,391,488 | 1,236,506 | 154,982 |
| Contractual services | 872,236 | 872,986 | 809,395 | 63,591 |
| Commodities | 96,869 | 98,319 | 64,925 | 33,394 |
| Capital outlay | | 16,017 | 10,615 | 5,402 |
| Debt service | | | | |
| Principal retirement | <u>8,130</u> | <u>8,919</u> | <u>8,919</u> | <u>-</u> |
| Total Expenditures | <u>2,329,534</u> | <u>2,387,729</u> | <u>2,130,360</u> | <u>257,369</u> |
| Net Change in Fund Balance | \$ <u>(15,445)</u> | \$ <u>(31,271)</u> | (29,260) | \$ <u>2,011</u> |
| Fund Balance - Beginning of Year | | | <u>345,679</u> | |
| Fund Balance - End of Year | | | \$ <u>316,419</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|---------------------------|------------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 185,000 | \$ 185,000 | \$ 171,196 | \$ (13,804) |
| Investment income | <u>300</u> | <u>300</u> | <u>163</u> | <u>(137)</u> |
| Total Revenues | <u>185,300</u> | <u>185,300</u> | <u>171,359</u> | <u>(13,941)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | 101,834 | 101,834 | 104,705 | (2,871) |
| Contractual services | 400 | 700 | 451 | 249 |
| Commodities | <u>155,800</u> | <u>155,500</u> | <u>133,734</u> | <u>21,766</u> |
| Total Expenditures | <u>258,034</u> | <u>258,034</u> | <u>238,890</u> | <u>19,144</u> |
| Net Change in Fund Balance | \$ <u><u>(72,734)</u></u> | \$ <u><u>(72,734)</u></u> | (67,531) | \$ <u><u>5,203</u></u> |
| Fund Balance - Beginning of Year | | | <u>69,595</u> | |
| Fund Balance - End of Year | | | \$ <u><u>2,064</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 190,000 | \$ 190,000 | \$ 188,072 | \$ (1,928) |
| Grants, contributions, and intergovernmental | <u>176,730</u> | <u>176,730</u> | <u>161,086</u> | <u>(15,644)</u> |
| Total Revenues | <u>366,730</u> | <u>366,730</u> | <u>349,158</u> | <u>(17,572)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | 423,989 | 423,989 | 447,513 | (23,524) |
| Contractual services | 22,200 | 22,200 | 14,026 | 8,174 |
| Commodities | <u>24,250</u> | <u>24,250</u> | <u>8,358</u> | <u>15,892</u> |
| Total Expenditures | <u>470,439</u> | <u>470,439</u> | <u>469,897</u> | <u>542</u> |
| Net Change in Fund Balance | \$ <u>(103,709)</u> | \$ <u>(103,709)</u> | (120,739) | \$ <u>(17,030)</u> |
| Fund Balance - Beginning of Year | | | <u>471,211</u> | |
| Fund Balance - End of Year | | | \$ <u>350,472</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--------------------------------------|----------------------------|-------------------------|-----------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 20,000 | \$ 20,000 | \$ 5,969 | \$ (14,031) |
| EXPENDITURES | | | | |
| Current | | | | |
| Community development | | | | |
| Contractual services | <u>20,000</u> | <u>36,310</u> | <u>6,438</u> | <u>29,872</u> |
| Net Change in Fund Balance | \$ <u>-</u> | \$ <u>(16,310)</u> | (469) | \$ <u>15,841</u> |
| Fund Balance - Beginning of Year | | | <u>-</u> | |
| Fund Balance - End of Year (deficit) | | | <u>\$ (469)</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 550,000 | \$ 550,000 | \$ 503,427 | \$ (46,573) |
| Investment income | <u>200</u> | <u>200</u> | <u>478</u> | <u>278</u> |
| Total Revenues | <u>550,200</u> | <u>550,200</u> | <u>503,905</u> | <u>(46,295)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | 177,672 | 177,672 | 177,667 | 5 |
| Contractual services | 353,984 | 469,827 | 201,477 | 268,350 |
| Capital outlay | <u>20,000</u> | <u>81,840</u> | <u>61,840</u> | <u>20,000</u> |
| Total Expenditures | <u>551,656</u> | <u>729,339</u> | <u>440,984</u> | <u>288,355</u> |
| Net Change in Fund Balance | \$ <u>(1,456)</u> | \$ <u>(179,139)</u> | 62,921 | \$ <u>242,060</u> |
| Fund Balance - Beginning of Year | | | <u>90,270</u> | |
| Fund Balance - End of Year | | | \$ <u>153,191</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, 2016

| | <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 | \$ 362,610 | \$ 24,610 |
| Investment income | 1,000 | 1,000 | 1,822 | 822 |
| Miscellaneous | - | - | 3,815 | 3,815 |
| Total Revenues | <u>339,000</u> | <u>339,000</u> | <u>368,247</u> | <u>29,247</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | 65,248 | 65,248 | 65,247 | 1 |
| Contractual services | 361,000 | 361,000 | 284,378 | 76,622 |
| Commodities | 61,500 | 57,774 | 49,752 | 8,022 |
| Capital outlay | - | 2,567 | 2,522 | 45 |
| Total Expenditures | <u>487,748</u> | <u>486,589</u> | <u>401,899</u> | <u>84,690</u> |
| Deficiency of revenues over expenditures | (148,748) | (147,589) | (33,652) | 113,937 |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(7,241)</u> | <u>(44,052)</u> | <u>(53,954)</u> | <u>(9,902)</u> |
| Net Change in Fund Balance | <u>\$ (155,989)</u> | <u>\$ (191,641)</u> | (87,606) | <u>\$ 104,035</u> |
| Fund Balance - Beginning of Year | | | <u>489,571</u> | |
| Fund Balance - End of Year | | | <u>\$ 401,965</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ 1,777,500 | \$ 3,902,420 | \$ 2,348,153 | \$ (1,554,267) |
| EXPENDITURES | | | | |
| Current | | | | |
| Community development | | | | |
| Personnel services | 311,200 | 454,809 | 208,835 | 245,974 |
| Contractual services | 1,461,800 | 3,421,784 | 2,132,279 | 1,289,505 |
| Commodities | <u>4,500</u> | <u>25,827</u> | <u>9,428</u> | <u>16,399</u> |
| Total Expenditures | <u>1,777,500</u> | <u>3,902,420</u> | <u>2,350,542</u> | <u>1,551,878</u> |
| Net Change in Fund Balance | \$ <u>-</u> | \$ <u>-</u> | (2,389) | \$ <u>(2,389)</u> |
| Fund Balance - Beginning of Year | | | <u>-</u> | |
| Fund Balance - End of Year | | | <u>\$ (2,389)</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|---------------------------|-------------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 53,000 | \$ 53,000 | \$ 20,184 | \$ (32,816) |
| Grants, contributions, and intergovernmental | 442,200 | 442,200 | 184,911 | (257,289) |
| Investment income | <u>500</u> | <u>500</u> | <u>396</u> | <u>(104)</u> |
| Total Revenues | <u>495,700</u> | <u>495,700</u> | <u>205,491</u> | <u>(290,209)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Personnel services | 449,647 | 449,647 | 237,475 | 212,172 |
| Contractual services | 105,100 | 105,100 | 42,667 | 62,433 |
| Commodities | <u>18,600</u> | <u>18,600</u> | <u>4,584</u> | <u>14,016</u> |
| Total Expenditures | <u>573,347</u> | <u>573,347</u> | <u>284,726</u> | <u>288,621</u> |
| Net Change in Fund Balance | \$ <u><u>(77,647)</u></u> | \$ <u><u>(77,647)</u></u> | (79,235) | \$ <u><u>(1,588)</u></u> |
| Fund Balance - Beginning of Year | | | <u>142,193</u> | |
| Fund Balance - End of Year | | | \$ <u><u>62,958</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 580,000 | \$ 580,000 | \$ 528,192 | \$ (51,808) |
| Investment income | <u>400</u> | <u>400</u> | <u>1,174</u> | <u>774</u> |
| Total Revenues | <u>580,400</u> | <u>580,400</u> | <u>529,366</u> | <u>(51,034)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | 174,972 | 174,972 | 171,620 | 3,352 |
| Contractual services | 381,660 | 382,216 | 310,095 | 72,121 |
| Capital outlay | <u>10,000</u> | <u>50,124</u> | <u>40,124</u> | <u>10,000</u> |
| Total Expenditures | <u>566,632</u> | <u>607,312</u> | <u>521,839</u> | <u>85,473</u> |
| Net Change in Fund Balance | <u>\$ 13,768</u> | <u>\$ (26,912)</u> | 7,527 | <u>\$ 34,439</u> |
| Fund Balance - Beginning of Year | | | <u>269,174</u> | |
| Fund Balance - End of Year | | | <u>\$ 276,701</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, 2016

| | <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>103</u> | <u>103</u> |
| Total Revenues | 66,715 | 66,715 | 66,818 | 103 |
| 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> | 103 | \$ <u>103</u> |
| Fund Balance - Beginning of Year | | | <u>1,216</u> | |
| Fund Balance - End of Year | | | \$ <u>1,319</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 96,000 | \$ 96,000 | \$ 101,391 | \$ 5,391 |
| Investment income | <u>200</u> | <u>200</u> | <u>645</u> | <u>445</u> |
| Total Revenues | <u>96,200</u> | <u>96,200</u> | <u>102,036</u> | <u>5,836</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Personnel services | 21,246 | 21,246 | 21,242 | 4 |
| Contractual services | 33,505 | 56,833 | 24,007 | 32,826 |
| Commodities | 40,000 | 40,000 | 23,985 | 16,015 |
| Capital outlay | <u>5,000</u> | <u>121,611</u> | <u>107,580</u> | <u>14,031</u> |
| Total Expenditures | <u>99,751</u> | <u>239,690</u> | <u>176,814</u> | <u>62,876</u> |
| Net Change in Fund Balance | \$ <u>(3,551)</u> | \$ <u>(143,490)</u> | (74,778) | \$ <u>68,712</u> |
| Fund Balance - Beginning of Year | | | <u>188,487</u> | |
| Fund Balance - End of Year | | | \$ <u>113,709</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 23,000 | \$ 23,000 | \$ 15,450 | \$ (7,550) |
| Investment income | - | - | 14 | 14 |
| Total Revenues | <u>23,000</u> | <u>23,000</u> | <u>15,464</u> | <u>(7,536)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Contractual services | 37,000 | 41,900 | 41,633 | 267 |
| Commodities | <u>8,000</u> | <u>28,900</u> | <u>27,785</u> | <u>1,115</u> |
| Total Expenditures | <u>45,000</u> | <u>70,800</u> | <u>69,418</u> | <u>1,382</u> |
| Deficiency of revenues over expenditures | (22,000) | (47,800) | (53,954) | (8,918) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>7,241</u> | <u>33,041</u> | <u>53,954</u> | <u>20,913</u> |
| Net Change in Fund Balance | <u>\$ (14,759)</u> | <u>\$ (14,759)</u> | - | <u>\$ 11,995</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
TREASURER'S PASSPORT SERVICES FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|--------------------------|--------------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 100,000 | \$ 100,000 | \$ 152,577 | \$ 52,577 |
| Investment income | <u>300</u> | <u>300</u> | <u>1,282</u> | <u>982</u> |
| Total Revenues | <u>100,300</u> | <u>100,300</u> | <u>153,859</u> | <u>53,559</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | | | | |
| Personnel services | 63,256 | 63,256 | 63,256 | - |
| Contractual services | 19,100 | 19,100 | - | 19,100 |
| Commodities | <u>20,000</u> | <u>20,000</u> | <u>9,224</u> | <u>10,776</u> |
| Total Expenditures | <u>102,356</u> | <u>102,356</u> | <u>72,480</u> | <u>29,876</u> |
| Net Change in Fund Balance | \$ <u><u>(2,056)</u></u> | \$ <u><u>(2,056)</u></u> | 81,379 | \$ <u><u>83,435</u></u> |
| Fund Balance - Beginning of Year | | | <u>272,706</u> | |
| Fund Balance - End of Year | | | \$ <u><u>354,085</u></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, 2016

| | <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 | \$ 24,187 | \$ (5,813) |
| Investment income | <u>50</u> | <u>50</u> | <u>199</u> | <u>149</u> |
| Total Revenues | 30,050 | 30,050 | 24,386 | (5,664) |
| 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> | (25,614) | \$ <u>(5,664)</u> |
| Fund Balance - Beginning of Year | | | <u>38,583</u> | |
| Fund Balance - End of Year | | | \$ <u>12,969</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, 2016

| | <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 | \$ 35,016 | \$ 10,016 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | | | | |
| Commodities | <u>25,000</u> | <u>25,000</u> | <u>16,031</u> | <u>8,969</u> |
| Net Change in Fund Balance | \$ <u>-</u> | \$ <u>-</u> | 18,985 | \$ <u>18,985</u> |
| Fund Balance - Beginning of Year | | | <u>113,794</u> | |
| Fund Balance - End of Year | | | \$ <u><u>132,779</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 698,905 | \$ 698,905 | \$ 735,180 | \$ 36,275 |
| Investment income | <u>2,500</u> | <u>2,500</u> | <u>6,012</u> | <u>3,512</u> |
| Total Revenues | <u>701,405</u> | <u>701,405</u> | <u>741,192</u> | <u>39,787</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | | | | |
| Personnel services | 561,280 | 561,280 | 571,013 | (9,733) |
| Contractual services | 325,250 | 691,737 | 197,721 | 494,016 |
| Commodities | <u>38,750</u> | <u>38,750</u> | <u>29,163</u> | <u>9,587</u> |
| Total Expenditures | <u>925,280</u> | <u>1,291,767</u> | <u>797,897</u> | <u>493,870</u> |
| Net Change in Fund Balance | \$ <u>(223,875)</u> | \$ <u>(590,362)</u> | (56,705) | \$ <u>533,657</u> |
| Fund Balance - Beginning of Year | | | <u>1,546,259</u> | |
| Fund Balance - End of Year | | | \$ <u>1,489,554</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 1,000 | \$ 1,000 | \$ - | \$ (1,000) |
| Investment income | <u>24,650</u> | <u>24,650</u> | <u>32,680</u> | <u>\$ 8,030</u> |
| Total Revenues | <u>25,650</u> | <u>25,650</u> | <u>32,680</u> | <u>7,030</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Community development | | | | |
| Contractual services | <u>105,000</u> | <u>105,000</u> | <u>-</u> | <u>105,000</u> |
| Net Change in Fund Balance | <u>\$ (79,350)</u> | <u>\$ (79,350)</u> | 32,680 | <u>\$ 112,030</u> |
| Fund Balance - Beginning of Year | | | <u>1,847,576</u> | |
| Fund Balance - End of Year | | | <u>\$ 1,880,256</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-----------------|---------------------------------------|
| REVENUES | | | | |
| Investment income | \$ 100 | \$ 100 | \$ 10 | \$ (90) |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Contractual services | <u>3,100</u> | <u>3,100</u> | <u>700</u> | <u>2,400</u> |
| Net Change in Fund Balance | <u>\$ (3,000)</u> | <u>\$ (3,000)</u> | (690) | <u>\$ 2,310</u> |
| Fund Balance - Beginning of Year | | | <u>6,324</u> | |
| Fund Balance - End of Year | | | <u>\$ 5,634</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,645,000 | \$ 1,645,000 | \$ 1,641,241 | \$ (3,759) |
| Investment income | <u>4,000</u> | <u>4,000</u> | <u>3,301</u> | <u>(699)</u> |
| Total Revenues | <u>1,649,000</u> | <u>1,649,000</u> | <u>1,644,542</u> | <u>(4,458)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Personnel services | 10,958 | 10,958 | 10,958 | - |
| Contractual services | 1,645,000 | 2,154,937 | 2,118,953 | 35,984 |
| Commodities | <u>500</u> | <u>500</u> | <u>-</u> | <u>500</u> |
| Total Expenditures | <u>1,656,458</u> | <u>2,166,395</u> | <u>2,129,911</u> | <u>36,484</u> |
| Deficiency of revenues over expenditures | (7,458) | (517,395) | (485,369) | 32,026 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>11,458</u> | <u>11,458</u> | <u>11,458</u> | <u>-</u> |
| Net Change in Fund Balance | \$ <u>4,000</u> | \$ <u>(505,937)</u> | (473,911) | \$ <u>32,026</u> |
| Fund Balance - Beginning of Year | | | <u>2,291,250</u> | |
| Fund Balance - End of Year | | | \$ <u>1,817,339</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|----------------------------|-----------------------------|---------------------------------------|
| REVENUES | | | | |
| Sales taxes | \$ 10,000,000 | \$ 10,000,000 | \$ 10,134,537 | \$ 134,537 |
| Investment income | <u>11,000</u> | <u>11,000</u> | <u>26,981</u> | <u>15,981</u> |
| Total Revenues | 10,011,000 | 10,011,000 | 10,161,518 | 150,518 |
| EXPENDITURES | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | 10,011,000 | 10,011,000 | 10,161,518 | 150,518 |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(10,134,295)</u> | <u>(10,134,295)</u> | <u>(6,843,216)</u> | <u>3,291,079</u> |
| Net Change in Fund Balance | \$ <u><u>(123,295)</u></u> | \$ <u><u>(123,295)</u></u> | 3,318,302 | \$ <u><u>3,441,597</u></u> |
| Fund Balance - Beginning of Year | | | <u>10,380,216</u> | |
| Fund Balance - End of Year | | | \$ <u><u>13,698,518</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|------------------------------|------------------------------|-----------------------------|---------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,250,000 | \$ 1,250,000 | \$ 1,247,200 | \$ (2,800) |
| Investment income | 100 | 100 | 41 | (59) |
| Miscellaneous | <u>30,000</u> | <u>30,000</u> | <u>13,568</u> | <u>(16,432)</u> |
| Total Revenues | <u>1,280,100</u> | <u>1,280,100</u> | <u>1,260,809</u> | <u>(19,291)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | | | | |
| Personnel services | 1,162,548 | 1,162,548 | 1,130,588 | 31,960 |
| Contractual services | 2,884,379 | 2,537,434 | 1,388,370 | 1,149,064 |
| Commodities | <u>19,500</u> | <u>19,500</u> | <u>1,501</u> | <u>17,999</u> |
| Total Expenditures | <u>4,066,427</u> | <u>3,719,482</u> | <u>2,520,459</u> | <u>1,199,023</u> |
| Net Change in Fund Balance | \$ <u><u>(2,786,327)</u></u> | \$ <u><u>(2,439,382)</u></u> | (1,259,650) | \$ <u><u>1,179,732</u></u> |
| Fund Balance - Beginning of Year | | | <u>14,627,288</u> | |
| Fund Balance - End of Year | | | \$ <u><u>13,367,638</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 38,000 | \$ 38,000 | \$ 34,633 | \$ (3,367) |
| Investment income | <u>100</u> | <u>100</u> | <u>214</u> | <u>114</u> |
| Total Revenues | <u>38,100</u> | <u>38,100</u> | <u>34,847</u> | <u>(3,253)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judiciary and court related | | | | |
| Contractual services | <u>38,100</u> | <u>48,100</u> | <u>10,000</u> | <u>38,100</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (10,000)</u> | 24,847 | <u>\$ 34,847</u> |
| Fund Balance - Beginning of Year | | | <u>39,730</u> | |
| Fund Balance - End of Year | | | <u>\$ 64,577</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Grants, contributions, and intergovernmental | \$ 4,075,222 | \$ 4,075,222 | \$ 5,056,446 | \$ 981,224 |
| Investment income | <u>24,000</u> | <u>24,000</u> | <u>25,986</u> | <u>1,986</u> |
| Total Revenues | <u>4,099,222</u> | <u>4,099,222</u> | <u>5,082,432</u> | <u>983,210</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Transportation | | | | |
| Personnel services | 151,182 | 151,182 | 150,952 | 230 |
| Contractual services | 5,100,000 | 7,553,434 | 4,208,899 | 3,344,535 |
| Commodities | 200,000 | 200,000 | 126,720 | 73,280 |
| Capital outlay | <u>4,255,000</u> | <u>9,255,805</u> | <u>1,701,863</u> | <u>7,553,942</u> |
| Total Expenditures | <u>9,706,182</u> | <u>17,160,421</u> | <u>6,188,434</u> | <u>10,971,987</u> |
| Net Change in Fund Balance | \$ <u>(5,606,960)</u> | \$ <u>(13,061,199)</u> | (1,106,002) | \$ <u>11,955,197</u> |
| Fund Balance - Beginning of Year | | | <u>8,703,778</u> | |
| Fund Balance - End of Year | | | \$ <u>7,597,776</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 371,000 | \$ 371,000 | \$ 375,956 | \$ 4,956 |
| Investment income | - | - | 1,845 | 1,845 |
| Total Revenues | <u>371,000</u> | <u>371,000</u> | <u>377,801</u> | <u>6,801</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | | | | |
| Contractual services | 111,000 | 111,000 | 105,764 | 5,236 |
| Commodities | 260,000 | 198,000 | 133,574 | 64,426 |
| Capital outlay | - | 62,000 | 19,689 | 42,311 |
| Total Expenditures | <u>371,000</u> | <u>371,000</u> | <u>259,027</u> | <u>111,973</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>118,774</u> | <u>\$ 118,774</u> |
| Fund Balance - Beginning of Year | | | 405,949 | |
| Fund Balance - End of Year | | | <u>\$ 524,723</u> | |

NONMAJOR DEBT SERVICE FUNDS

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 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, 2016

| | <u>Series 2007 A Certificate Fund</u> | <u>Series 2008 Certificate Fund</u> | <u>Series 2010 A Certificate Fund</u> |
|---|---|---|---|
| REVENUES | \$ <u> -</u> | \$ <u> -</u> | \$ <u> -</u> |
| EXPENDITURES | | | |
| Debt service | | | |
| Principal retirement | 555,000 | 475,000 | 1,125,000 |
| Interest and fiscal charges | <u>34,179</u> | <u>71,103</u> | <u>90,715</u> |
| Total Expenditures | <u>589,179</u> | <u>546,103</u> | <u>1,215,715</u> |
| Deficiency of revenues over expenditures | (589,179) | (546,103) | (1,215,715) |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>589,179</u> | <u>546,103</u> | <u>1,215,715</u> |
| Total Other Financing Sources | <u>589,179</u> | <u>546,103</u> | <u>1,215,715</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balances - Beginning of Year | <u> -</u> | <u> -</u> | <u> -</u> |
| Fund Balances - End of Year | <u><u> -</u></u> | <u><u> -</u></u> | <u><u> -</u></u> |



| <u>Series 2010 B Certificate Fund</u> | <u>Series 2012 B Certificate Fund</u> | <u>Series 2015 Certificate Fund</u> | <u>Totals</u> |
|---|---|---|--------------------|
| \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| 270,000 | 310,000 | 6,225,000 | 8,960,000 |
| <u>141,058</u> | <u>55,837</u> | <u>386,893</u> | <u>779,785</u> |
| <u>411,058</u> | <u>365,837</u> | <u>6,611,893</u> | <u>9,739,785</u> |
| (411,058) | (365,837) | (6,611,893) | (9,739,785) |
| <u>411,058</u> | <u>365,837</u> | <u>6,611,893</u> | <u>9,739,785</u> |
| <u>411,058</u> | <u>365,837</u> | <u>6,611,893</u> | <u>9,739,785</u> |
| - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| \$ <u><u>-</u></u> | \$ <u><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 2007 A CERTIFICATE FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|----------------|---------------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 555,002 | 555,002 | 555,000 | 2 |
| Interest and fiscal charges | <u>34,179</u> | <u>34,179</u> | <u>34,179</u> | <u>-</u> |
| Total Expenditures | <u>589,181</u> | <u>589,181</u> | <u>589,179</u> | <u>2</u> |
| Deficiency of revenues over expenditures | (589,181) | (589,181) | (589,179) | 2 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>589,181</u> | <u>589,181</u> | <u>589,179</u> | <u>(2)</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 2008 CERTIFICATE FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|----------------|---------------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 475,000 | 475,000 | 475,000 | - |
| Interest and fiscal charges | <u>71,105</u> | <u>71,105</u> | <u>71,103</u> | <u>2</u> |
| Total Expenditures | <u>546,105</u> | <u>546,105</u> | <u>546,103</u> | <u>2</u> |
| Deficiency of revenues over expenditures | (546,105) | (546,105) | (546,103) | 2 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>546,105</u> | <u>546,105</u> | <u>546,103</u> | <u>(2)</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 A CERTIFICATE FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|------------------|---------------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 1,125,000 | 1,125,000 | 1,125,000 | - |
| Interest and fiscal charges | <u>90,718</u> | <u>90,718</u> | <u>90,715</u> | <u>3</u> |
| Total Expenditures | <u>1,215,718</u> | <u>1,215,718</u> | <u>1,215,715</u> | <u>3</u> |
| Deficiency of revenues over expenditures | (1,215,718) | (1,215,718) | (1,215,715) | 3 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>1,215,718</u> | <u>1,215,718</u> | <u>1,215,715</u> | <u>(3)</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|----------------|---------------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 270,000 | 270,000 | 270,000 | - |
| Interest and fiscal charges | <u>141,060</u> | <u>141,060</u> | <u>141,058</u> | <u>2</u> |
| Total Expenditures | <u>411,060</u> | <u>411,060</u> | <u>411,058</u> | <u>2</u> |
| Deficiency of revenues over expenditures | (411,060) | (411,060) | (411,058) | 2 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>411,060</u> | <u>411,060</u> | <u>411,058</u> | <u>(2)</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 2012 B CERTIFICATE FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|----------------|---------------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 309,900 | 310,013 | 310,000 | 13 |
| Interest and fiscal charges | <u>55,950</u> | <u>55,837</u> | <u>55,837</u> | <u>-</u> |
| Total Expenditures | <u>365,850</u> | <u>365,850</u> | <u>365,837</u> | <u>13</u> |
| Deficiency of revenues over expenditures | (365,850) | (365,850) | (365,837) | 13 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>365,850</u> | <u>365,850</u> | <u>365,837</u> | <u>(13)</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 2015 CERTIFICATE FUND
For the Year Ended November 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|--------------------|---------------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 6,225,000 | 6,225,000 | 6,225,000 | - |
| Interest and fiscal charges | <u>386,975</u> | <u>386,975</u> | <u>386,893</u> | <u>82</u> |
| Total Expenditures | <u>6,611,975</u> | <u>6,611,975</u> | <u>6,611,893</u> | <u>82</u> |
| Deficiency of revenues over expenditures | <u>(6,611,975)</u> | <u>(6,611,975)</u> | <u>(6,611,893)</u> | <u>82</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>6,611,975</u> | <u>6,611,975</u> | <u>6,611,893</u> | (82) |
| Total Other Financing Sources | <u>6,611,975</u> | <u>6,611,975</u> | <u>6,611,893</u> | <u>(82)</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> | |

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, 2016

| | <u>Working Cash No. 1 Fund</u> | <u>Working Cash No. 2 Fund</u> | <u>Totals</u> |
|--------------------------------------|--|--|-------------------|
| ASSETS | | | |
| Cash and investments | \$ <u>332,001</u> | \$ <u>470,148</u> | \$ <u>802,149</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Due to other funds | \$ 100 | \$ 300 | \$ 400 |
| Fund Balances | | | |
| Nonspendable | <u>331,901</u> | <u>469,848</u> | <u>801,749</u> |
| Total Liabilities and Fund Balances | \$ <u>332,001</u> | \$ <u>470,148</u> | \$ <u>802,149</u> |

County of McHenry, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2016

| | Working Cash No. 1 Fund | Working Cash No. 2 Fund | Totals |
|--------------------------------------|----------------------------------|----------------------------------|------------|
| REVENUES | | | |
| Investment income | \$ 499 | \$ 707 | \$ 1,206 |
| EXPENDITURES | - | - | - |
| Excess of revenues over expenditures | 499 | 707 | 1,206 |
| OTHER FINANCING USES | | | |
| Transfers out | (100) | (300) | (400) |
| Net Change in Fund Balances | 399 | 407 | 806 |
| Fund Balances - Beginning of Year | 331,502 | 469,441 | 800,943 |
| Fund Balances - End of Year | \$ 331,901 | \$ 469,848 | \$ 801,749 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Investment income | \$ 100 | \$ 100 | \$ 499 | \$ 399 |
| EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | 100 | 100 | 499 | 399 |
| 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> | 399 | <u>\$ 399</u> |
| Fund Balance - Beginning of Year | | | <u>331,502</u> | |
| Fund Balance - End of Year | | | <u>\$ 331,901</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| REVENUES | | | | |
| Investment income | \$ 300 | \$ 300 | \$ 707 | \$ 407 |
| EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over expenditures | 300 | 300 | 707 | 407 |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(300)</u> | <u>(300)</u> | <u>(300)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | 407 | <u>\$ 407</u> |
| Fund Balance - Beginning of Year | | | <u>469,441</u> | |
| Fund Balance - End of Year | | | <u>\$ 469,848</u> | |

ENTERPRISE FUNDS

Major Fund:

Valley Hi Fund - 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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|----------------------|---------------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 10,370,000 | \$ 10,370,000 | \$ 10,235,061 | \$ (134,939) |
| Other | <u>13,000</u> | <u>13,000</u> | <u>22,351</u> | <u>9,351</u> |
| Total Operating Revenues | <u>\$ 10,383,000</u> | <u>\$ 10,383,000</u> | <u>\$ 10,257,412</u> | <u>\$ (125,588)</u> |
| OPERATING EXPENSES | | | | |
| Personnel services | \$ 8,095,058 | \$ 8,095,058 | \$ 8,352,243 | \$ (257,185) |
| Contractual services | 2,005,338 | 2,015,883 | 1,872,733 | 143,150 |
| Commodities | <u>1,056,310</u> | <u>1,123,449</u> | <u>1,046,448</u> | <u>77,001</u> |
| Total operating expenses before capital outlay | <u>11,156,706</u> | <u>11,234,390</u> | <u>11,271,424</u> | <u>(37,034)</u> |
| Capital outlay | - | 397,532 | 353,641 | 43,891 |
| Less: assets capitalized | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Adjusted capital outlay | <u>-</u> | <u>397,532</u> | <u>353,641</u> | <u>43,891</u> |
| Total Operating Expenses (excluding depreciation) | <u>\$ 11,156,706</u> | <u>\$ 11,631,922</u> | <u>\$ 11,625,065</u> | <u>\$ 6,857</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | <u>\$ 80,000</u> | <u>\$ 80,000</u> | <u>\$ 29,149</u> | <u>\$ (50,851)</u> |
| Total Nonoperating Revenues | <u>\$ 80,000</u> | <u>\$ 80,000</u> | <u>\$ 29,149</u> | <u>\$ (50,851)</u> |
| NONOPERATING EXPENSES | | | | |
| Interest expense | <u>\$ 15,174</u> | <u>\$ 15,174</u> | <u>\$ -</u> | <u>\$ 15,174</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|---------------------|---------------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 2,385,071 | \$ 2,385,071 | \$ 2,629,521 | \$ 244,450 |
| Total Operating Revenues | <u>\$ 2,385,071</u> | <u>\$ 2,385,071</u> | <u>\$ 2,629,521</u> | <u>\$ 244,450</u> |
| OPERATING EXPENSES | | | | |
| Personnel services | \$ 461,879 | \$ 461,879 | \$ 417,148 | \$ 44,731 |
| Contractual services | 1,836,725 | 1,929,312 | 1,380,838 | 548,474 |
| Commodities | <u>90,000</u> | <u>214,640</u> | <u>107,125</u> | <u>107,515</u> |
| Total operating expenses before capital outlay | <u>2,388,604</u> | <u>2,605,831</u> | <u>1,905,111</u> | <u>700,720</u> |
| Capital outlay | 507,500 | 2,146,293 | 41,349 | 2,104,944 |
| Less: assets capitalized | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Adjusted capital outlay | <u>507,500</u> | <u>2,146,293</u> | <u>41,349</u> | <u>2,104,944</u> |
| Total Operating Expenses (excluding depreciation and amortization) | <u>\$ 2,896,104</u> | <u>\$ 4,752,124</u> | <u>\$ 1,946,460</u> | <u>\$ 2,805,664</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | <u>\$ 4,200</u> | <u>\$ 4,200</u> | <u>\$ 15,457</u> | <u>\$ 11,257</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, 2016

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|------------------------------|--------------------|-----------------|---------------|-------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 19,118,782 | \$ 19,118,782 | \$ 17,920,566 | \$ (1,198,216) |
| OPERATING EXPENSES | | | | |
| Personnel Services | \$ 70,812 | \$ 70,812 | \$ 56,765 | \$ 14,047 |
| Contractual services | 19,369,505 | 19,369,505 | 17,573,936 | 1,795,569 |
| Commodities | 6,225 | 6,225 | 1,655 | 4,570 |
| Total Operating Expenses | \$ 19,446,542 | \$ 19,446,542 | \$ 17,632,356 | \$ 1,814,186 |
| NONOPERATING REVENUES | | | | |
| Investment income | \$ 7,800 | \$ 7,800 | \$ 19,165 | \$ 11,365 |

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, 2016

| | <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 investments | \$ 1,085,437 | \$ 4,050,088 | \$ 1,273,114 | \$ 36,492 | \$ 529,066 |
| Due from other governments | - | - | - | - | - |
| Total Assets | <u>\$ 1,085,437</u> | <u>\$ 4,050,088</u> | <u>\$ 1,273,114</u> | <u>\$ 36,492</u> | <u>\$ 529,066</u> |
| LIABILITIES | | | | | |
| Accounts payable | - | - | \$ 331,940 | - | - |
| Due to residents | - | - | - | 36,492 | - |
| Bond escrow | - | 2,906,738 | - | - | - |
| Due to other governments | 1,085,437 | 594,088 | 941,174 | - | - |
| Other liabilities | - | 549,262 | - | - | 529,066 |
| Total Liabilities | <u>\$ 1,085,437</u> | <u>\$ 4,050,088</u> | <u>\$ 1,273,114</u> | <u>\$ 36,492</u> | <u>\$ 529,066</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> |
|-----------------------|--|--|----------------------------|------------------------------|---------------------|
| \$ 6,484 | \$ 34,164 | \$ 566,721 | \$ 29,128 | \$ 192,604 | \$ 7,803,298 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,445</u> | <u>25,445</u> |
| <u>\$ 6,484</u> | <u>\$ 34,164</u> | <u>\$ 566,721</u> | <u>\$ 29,128</u> | <u>\$ 218,049</u> | <u>\$ 7,828,743</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 114,419 | \$ 446,359 |
| - | - | - | - | - | 36,492 |
| - | - | - | - | - | 2,906,738 |
| 6,484 | 34,164 | - | - | 103,630 | 2,764,977 |
| <u>-</u> | <u>-</u> | <u>566,721</u> | <u>29,128</u> | <u>-</u> | <u>1,674,177</u> |
| <u>\$ 6,484</u> | <u>\$ 34,164</u> | <u>\$ 566,721</u> | <u>\$ 29,128</u> | <u>\$ 218,049</u> | <u>\$ 7,828,743</u> |

County of McHenry, Illinois
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended November 30, 2016

| | Balance November 30, 2015 | Additions | Deductions | Balance November 30, 2016 |
|--|---------------------------------|---------------|---------------|---------------------------------|
| Treasurer Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 1,419,219 | \$ 2,113,074 | \$ 2,446,856 | \$ 1,085,437 |
| LIABILITIES | | | | |
| Due to other governments | \$ 1,419,219 | \$ 2,113,074 | \$ 2,446,856 | \$ 1,085,437 |
| Clerk of the Circuit Court Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 4,137,105 | \$ 59,637,938 | \$ 59,724,955 | \$ 4,050,088 |
| LIABILITIES | | | | |
| Bond escrow | \$ 2,905,376 | \$ 4,604,461 | \$ 4,603,099 | \$ 2,906,738 |
| Due to other governments | 517,839 | 13,768,509 | 13,692,260 | 594,088 |
| Other liabilities | 713,890 | 5,228,136 | 5,392,764 | 549,262 |
| Total Liabilities | \$ 4,137,105 | \$ 23,601,106 | \$ 23,688,123 | \$ 4,050,088 |
| Highway Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 684,849 | \$ 1,427,239 | \$ 838,974 | \$ 1,273,114 |
| LIABILITIES | | | | |
| Accounts payable | \$ 155,056 | \$ 1,015,859 | \$ 838,975 | \$ 331,940 |
| Due to other governments | 529,793 | 1,427,239 | 1,015,858 | 941,174 |
| Total Liabilities | \$ 684,849 | \$ 2,443,098 | \$ 1,854,833 | \$ 1,273,114 |
| Valley Hi Resident Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 47,507 | \$ 27,358 | \$ 38,373 | \$ 36,492 |
| LIABILITIES | | | | |
| Due to residents | \$ 47,507 | \$ 27,358 | \$ 38,373 | \$ 36,492 |

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2016

| | Balance November 30, 2015 | Additions | Deductions | Balance November 30, 2016 |
|--|---------------------------------|----------------|----------------|---------------------------------|
| County Clerk Redemption Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 1,135,427 | \$ 11,315,502 | \$ 11,921,863 | \$ 529,066 |
| LIABILITIES | | | | |
| Other liabilities | \$ 1,135,427 | \$ 11,315,502 | \$ 11,921,863 | \$ 529,066 |
| Collector Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 1,645,181 | \$ 827,855,042 | \$ 829,493,739 | \$ 6,484 |
| LIABILITIES | | | | |
| Due to other governments | \$ 1,645,181 | \$ 827,855,042 | \$ 829,493,739 | \$ 6,484 |
| Illinois Housing Surcharge Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 28,629 | \$ 404,307 | \$ 398,772 | \$ 34,164 |
| LIABILITIES | | | | |
| Due to other governments | \$ 28,629 | \$ 404,307 | \$ 398,772 | \$ 34,164 |
| Regional Office of Education Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 529,954 | \$ 1,739,125 | \$ 1,702,358 | \$ 566,721 |
| LIABILITIES | | | | |
| Other liabilities | \$ 529,954 | \$ 1,739,125 | \$ 1,702,358 | \$ 566,721 |
| Payroll Agency Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 33,719 | \$ 209,406 | \$ 213,997 | \$ 29,128 |
| LIABILITIES | | | | |
| Other liabilities | \$ 33,719 | \$ 209,406 | \$ 213,997 | \$ 29,128 |

(Continued)

County of McHenry, Illinois
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended November 30, 2016

| | Balance December 1, 2015 | Additions | Deductions | Balance November 30, 2016 |
|------------------------------|--------------------------------|-----------------------|-----------------------|---------------------------------|
| Fiber Consortium Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 328,972 | \$ 1,566,140 | \$ 1,702,508 | \$ 192,604 |
| Due from other governments | 537,260 | 91,636 | 603,451 | 25,445 |
| Total Assets | <u>\$ 866,232</u> | <u>\$ 1,657,776</u> | <u>\$ 2,305,959</u> | <u>\$ 218,049</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 866,232 | \$ 1,554,146 | \$ 2,305,959 | \$ 114,419 |
| Due to other governments | - | 103,630 | - | 103,630 |
| Total Liabilities | <u>\$ 866,232</u> | <u>\$ 1,657,776</u> | <u>\$ 2,305,959</u> | <u>\$ 218,049</u> |
| Totals | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 9,990,562 | \$ 906,295,131 | \$ 908,482,395 | \$ 7,803,298 |
| Due from other governments | 537,260 | 91,636 | 603,451 | 25,445 |
| Total Assets | <u>\$ 10,527,822</u> | <u>\$ 906,386,767</u> | <u>\$ 909,085,846</u> | <u>\$ 7,828,743</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,021,288 | \$ 2,570,005 | \$ 3,144,934 | \$ 446,359 |
| Due to residents | 47,507 | 27,358 | 38,373 | 36,492 |
| Bond escrow | 2,905,376 | 4,604,461 | 4,603,099 | 2,906,738 |
| Due to other governments | 4,140,661 | 845,671,801 | 847,047,485 | 2,764,977 |
| Other liabilities | 2,412,990 | 18,492,169 | 19,230,982 | 1,674,177 |
| Total Liabilities | <u>\$ 10,527,822</u> | <u>\$ 871,365,794</u> | <u>\$ 874,064,873</u> | <u>\$ 7,828,743</u> |

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2016

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.

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| 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. | 164 - 171 |
| 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. | 172 - 176 |
| 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. | 177 - 181 |
| 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. | 182 - 183 |
| 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. | 184 - 186 |

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>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 168,077,235 | \$ 186,108,100 | \$ 193,667,253 | \$ 209,424,352 |
| Restricted | 83,884,874 | 94,814,206 | 110,628,189 | 107,121,300 |
| Unrestricted | <u>50,060,006</u> | <u>43,594,428</u> | <u>44,841,564</u> | <u>48,003,693</u> |
| Total Governmental Activities | <u>\$ 302,022,115</u> | <u>\$ 324,516,734</u> | <u>\$ 349,137,006</u> | <u>\$ 364,549,345</u> |
| Business-Type Activities | | | | |
| Net investment in capital assets | \$ 4,531,583 | \$ 4,568,317 | \$ 7,291,886 | \$ 7,709,277 |
| Restricted | 411,176 | 41,191 | 492,746 | 693,237 |
| Unrestricted | <u>16,996,918</u> | <u>22,272,580</u> | <u>23,773,241</u> | <u>27,700,590</u> |
| Total Business-Type Activities | <u>\$ 21,939,677</u> | <u>\$ 26,882,088</u> | <u>\$ 31,557,873</u> | <u>\$ 36,103,104</u> |
| Primary Government | | | | |
| Net investment in capital assets | \$ 172,608,818 | \$ 190,676,417 | \$ 200,959,139 | \$ 217,133,629 |
| Restricted | 84,296,050 | 94,855,397 | 111,120,935 | 107,814,537 |
| Unrestricted | <u>67,056,924</u> | <u>65,867,008</u> | <u>68,614,805</u> | <u>75,704,283</u> |
| Total Primary Government | <u>\$ 323,961,792</u> | <u>\$ 351,398,822</u> | <u>\$ 380,694,879</u> | <u>\$ 400,652,449</u> |

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|----|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$ | 223,693,448 | \$ 238,349,986 | \$ 254,679,031 | \$ 270,863,664 | \$ 291,054,683 | \$ 308,153,944 |
| | 116,754,427 | 111,049,850 | 109,592,257 | 107,428,692 | 95,857,810 | 95,579,921 |
| | <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>18,329,848</u> |
| \$ | <u><u>380,316,003</u></u> | <u><u>388,469,143</u></u> | <u><u>398,285,601</u></u> | <u><u>410,434,704</u></u> | <u><u>412,687,680</u></u> | <u><u>422,063,713</u></u> |
| \$ | 7,685,488 | \$ 15,518,830 | \$ 14,473,854 | \$ 13,804,011 | \$ 13,316,528 | \$ 12,563,275 |
| | 707,422 | - | - | - | - | - |
| | <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>46,039,111</u> |
| \$ | <u><u>42,355,593</u></u> | <u><u>48,390,004</u></u> | <u><u>53,320,752</u></u> | <u><u>57,679,024</u></u> | <u><u>60,121,302</u></u> | <u><u>58,602,386</u></u> |
| \$ | 231,378,936 | \$ 253,868,816 | \$ 269,152,885 | \$ 284,667,675 | \$ 304,371,211 | \$ 320,717,219 |
| | 117,461,849 | 111,049,850 | 109,592,257 | 107,428,692 | 95,857,810 | 95,579,921 |
| | <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>64,368,959</u> |
| \$ | <u><u>422,671,596</u></u> | <u><u>436,859,147</u></u> | <u><u>451,606,353</u></u> | <u><u>468,113,728</u></u> | <u><u>472,808,982</u></u> | <u><u>480,666,099</u></u> |

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General and administrative | \$ 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 | \$ 38,877,497 |
| Community development | 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 | 4,169,341 |
| Transportation | 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 | 18,287,903 |
| Public safety | 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 | 47,068,773 |
| Judiciary and court related | 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 | 16,271,942 |
| Public health and welfare | 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 | 22,780,073 |
| Interest and fiscal charges | 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 | 559,444 |
| Total Governmental Activities | 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 | 148,014,973 |
| Business-Type Activities | | | | | | | | | | |
| Public health and welfare | 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 | 12,074,605 |
| Public safety | 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 | 2,375,850 |
| Total Business-Type Activities | 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 | 14,450,455 |
| Total Primary Government | \$ 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 | \$ 162,465,428 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General and administrative | \$ 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 | \$ 5,137,090 |
| Community development | 1,075,295 | 804,410 | 526,487 | 541,192 | 474,634 | 428,441 | 458,793 | 534,174 | 613,406 | 685,159 |
| Transportation | 135,169 | 96,965 | 86,869 | 69,027 | 63,040 | 95,369 | 88,320 | 91,029 | 155,327 | 103,452 |
| Public safety | 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 | 9,936,049 |
| Judiciary and court related | 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 | 7,850,886 |
| Public health and welfare | 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 | 1,718,594 |
| Operating grants and contributions | 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 | 18,759,232 |
| Capital grants and contributions | 3,800,048 | 5,141,148 | 5,778,791 | 1,206,453 | - | 255,707 | 1,588,971 | 2,882,321 | 7,573,150 | 4,670,717 |
| Total Governmental Activities | 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 | 48,861,179 |
| Business-Type Activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Public health and welfare | \$ 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 | \$ 10,257,412 |
| Public safety | 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 | 2,629,521 |
| Total Business-Type Activities | 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 | 12,886,933 |
| Total Primary Government | \$ 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 | \$ 61,748,112 |

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| NET (EXPENSE)/REVENUE | | | | | | | | | | |
| Governmental Activities | \$ (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) | \$ (99,153,794) |
| Business-Type Activities | (2,805,609) | (1,538,497) | (1,500,847) | (1,495,128) | 244,460 | 11,192 | (377,570) | (203,153) | (848,147) | (1,563,522) |
| Total Primary Government | \$ (61,032,215) | \$ (72,735,025) | \$ (70,517,612) | \$ (80,268,019) | \$ (81,462,437) | \$ (91,913,554) | \$ (92,974,225) | \$ (92,843,058) | \$ (94,056,389) | \$ (100,717,316) |
| GENERAL REVENUES AND TRANSFERS | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Property taxes | \$ 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 | \$ 76,113,609 |
| Sales taxes | 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 | 19,852,773 |
| State income taxes | 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 | 6,369,804 |
| Tax transfer stamps | 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 | 2,632,513 |
| Other taxes | 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 | 2,614,547 |
| Investment income | 6,713,449 | 4,577,645 | 584,228 | 423,535 | 342,007 | 309,709 | 275,817 | 263,632 | 259,070 | 511,663 |
| Miscellaneous | 610,444 | 357,931 | 565,895 | 837,572 | 675,704 | 469,454 | 404,762 | 457,065 | 505,127 | 434,918 |
| Gain on sale of capital assets | 71,889 | - | 44,558 | - | - | 40,690 | 26,164 | 91,722 | 45,671 | - |
| Transfers | 831,233 | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 88,880,796 | 93,691,147 | 93,637,037 | 94,185,230 | 97,473,555 | 100,077,886 | 102,675,672 | 104,789,008 | 108,280,566 | 108,529,827 |
| Business-Type Activities | | | | | | | | | | |
| Property taxes | 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 | 745,846 | 547,973 | 182,350 | 121,309 | 95,932 | 72,908 | 70,630 | 68,095 | 85,068 | 44,606 |
| Transfers | (831,233) | - | - | - | - | - | - | - | - | - |
| Total Business-Type Activities | 5,913,489 | 6,480,908 | 6,176,632 | 6,040,359 | 6,008,029 | 6,023,219 | 5,308,318 | 4,561,425 | 3,078,449 | 44,606 |
| Total Primary Government | \$ 94,794,285 | \$ 100,172,055 | \$ 99,813,669 | \$ 100,225,589 | \$ 103,481,584 | \$ 106,101,105 | \$ 107,983,990 | \$ 109,350,433 | \$ 111,359,015 | \$ 108,574,433 |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental Activities | \$ 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 | \$ 9,376,033 |
| Business-Type Activities | 3,107,880 | 4,942,411 | 4,675,785 | 4,545,231 | 6,252,489 | 6,034,411 | 4,930,748 | 4,358,272 | 2,230,302 | (1,518,916) |
| Total Primary Government | \$ 33,762,070 | \$ 27,437,030 | \$ 29,296,057 | \$ 19,957,570 | \$ 22,019,147 | \$ 14,187,551 | \$ 15,009,765 | \$ 16,507,375 | \$ 17,302,626 | \$ 7,857,117 |

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

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|---|------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|
| General Fund | | | | | |
| Reserved | \$ 3,367,690 | \$ 4,896,687 | \$ 3,890,055 | \$ 4,543,345 | \$ - |
| Unreserved | 42,525,921 | 38,848,139 | 44,881,550 | 47,525,814 | - |
| Nonspendable | - | - | - | - | 1,440,951 |
| Restricted | - | - | - | - | 929,636 |
| Assigned | - | - | - | - | 2,957,458 |
| Unassigned | - | - | - | - | 48,567,345 |
| Total General Fund | \$ <u>45,893,611</u> | \$ <u>43,744,826</u> | \$ <u>48,771,605</u> | \$ <u>52,069,159</u> | \$ <u>53,895,390</u> |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 17,104,118 | \$ 21,158,012 | \$ 21,152,055 | \$ 36,357,884 | - |
| Unreserved | | | | | |
| Special revenue funds | 64,119,701 | 66,212,656 | 77,525,162 | 68,443,969 | - |
| Capital projects funds | 32,098,411 | 13,341,272 | 260,818 | 14,036 | - |
| Nonspendable | - | - | - | - | 1,423,664 |
| Restricted | - | - | - | - | 110,227,554 |
| Committed | - | - | - | - | 1,892,753 |
| Unassigned (deficit) | - | - | - | - | (841,118) |
| Total All Other Governmental Funds | \$ <u>113,322,230</u> | \$ <u>100,711,940</u> | \$ <u>98,938,035</u> | \$ <u>104,815,889</u> | \$ <u>112,702,853</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.

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|------|--------------------|--------------------|--------------------|-------------------|-------------------|
| \$ | - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | - | - |
| | 979,132 | 1,310,108 | 3,228,443 | 3,563,966 | 3,370,973 |
| | 366,748 | 534,121 | 691,306 | 431,959 | 468,915 |
| | 3,832,006 | 3,497,757 | 4,932,913 | 4,035,922 | 1,228,812 |
| | <u>48,046,334</u> | <u>46,556,929</u> | <u>39,848,586</u> | <u>39,734,158</u> | <u>43,374,299</u> |
| \$ | <u>53,224,220</u> | <u>51,898,915</u> | <u>48,701,248</u> | <u>47,766,005</u> | <u>48,442,999</u> |
| | | | | | |
| \$ | - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 1,348,569 | 1,225,166 | 1,244,143 | 1,600,997 | 1,367,296 |
| | 105,282,972 | 102,894,199 | 102,933,948 | 90,302,255 | 91,006,305 |
| | 1,883,704 | 1,902,877 | 2,073,251 | 2,120,282 | 2,234,341 |
| | <u>(604,437)</u> | <u>(1,372,726)</u> | <u>(1,541,451)</u> | <u>(448,652)</u> | <u>(9,081)</u> |
| \$ | <u>107,910,808</u> | <u>104,649,516</u> | <u>104,709,891</u> | <u>93,574,882</u> | <u>94,598,861</u> |

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

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|----------------------|------------------------|---------------------|---------------------|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 26,105,579 | \$ 24,538,491 | \$ 30,460,458 | \$ 28,813,360 | \$ 28,602,757 |
| Licenses and permits | 1,762,656 | 1,422,286 | 1,147,302 | 1,166,773 | 1,068,367 |
| Fines and forfeitures | 1,629,982 | 1,534,686 | 1,328,070 | 1,260,451 | 1,159,054 |
| Grants, contributions, and intergovernmental | 23,172,332 | 22,599,354 | 27,441,735 | 35,501,450 | 28,679,928 |
| Property taxes | 54,626,949 | 58,945,966 | 63,863,503 | 64,562,786 | 70,755,868 |
| Sales taxes | 9,533,202 | 14,392,386 | 16,052,268 | 18,048,187 | 17,481,700 |
| State income taxes | 5,875,908 | 6,214,390 | 4,703,268 | 5,780,880 | 5,139,609 |
| Tax transfer stamps | 3,264,738 | 1,968,253 | 1,232,451 | 1,203,780 | 1,123,002 |
| Other taxes | 2,143,030 | 2,173,857 | 1,779,703 | 1,804,807 | 1,955,665 |
| Investment income | 6,407,385 | 4,650,860 | 733,638 | 424,921 | 340,280 |
| Miscellaneous | 650,032 | 364,393 | 610,453 | 837,572 | 719,739 |
| Total Revenues | <u>135,171,793</u> | <u>138,804,922</u> | <u>149,352,849</u> | <u>159,404,967</u> | <u>157,025,969</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General and administrative | 26,984,381 | 26,373,070 | 27,059,336 | 28,389,135 | 30,860,975 |
| Community development | 3,428,328 | 2,163,939 | 3,029,167 | 7,340,586 | 4,739,417 |
| Transportation | 12,599,577 | 13,937,579 | 18,708,657 | 18,675,266 | 18,835,196 |
| Public safety | 29,912,573 | 31,495,112 | 36,479,080 | 36,125,726 | 36,235,507 |
| Judiciary and court related | 13,497,931 | 15,791,493 | 13,901,681 | 13,890,625 | 13,745,080 |
| Public health and welfare | 24,679,407 | 27,189,292 | 28,632,690 | 28,974,311 | 27,586,500 |
| Capital outlay | 32,474,800 | 27,344,905 | 11,154,580 | 13,805,171 | 18,429,974 |
| Debt service | | | | | |
| Principal retirement | 3,220,206 | 7,798,926 | 8,548,252 | 8,597,661 | 9,468,785 |
| Interest and fiscal charges | 1,090,312 | 3,507,908 | 3,264,626 | 2,901,750 | 3,009,679 |
| Total Expenditures | <u>147,887,515</u> | <u>155,602,224</u> | <u>150,778,069</u> | <u>158,700,231</u> | <u>162,911,113</u> |
| Excess (deficiency) of revenues over expenditures | <u>(12,715,722)</u> | <u>(16,797,302)</u> | <u>(1,425,220)</u> | <u>704,736</u> | <u>(5,885,144)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 24,521,463 | 31,671,737 | 30,615,292 | 13,644,072 | 24,073,795 |
| Transfers out | (24,521,463) | (31,671,737) | (30,615,292) | (13,644,072) | (24,073,795) |
| Debt certificates issued | 54,885,000 | - | 4,480,000 | 8,147,000 | - |
| Refunding debt certificates issued | - | - | - | 3,448,000 | - |
| Premium on debt issuance | 137,921 | - | 28,416 | 459,447 | - |
| Payment to bond escrow agent | - | - | - | (3,583,775) | - |
| Insurance recoveries | - | - | - | - | - |
| Capital leases issued | 1,546,358 | 2,038,227 | 169,678 | - | 2,924,043 |
| Total Other Financing Sources (Uses) | <u>56,569,279</u> | <u>2,038,227</u> | <u>4,678,094</u> | <u>8,470,672</u> | <u>2,924,043</u> |
| Net Change in Fund Balances | <u>\$ 43,853,557</u> | <u>\$ (14,759,075)</u> | <u>\$ 3,252,874</u> | <u>\$ 9,175,408</u> | <u>\$ (2,961,101)</u> |
| Debt service as a percentage of noncapital expenditures | <u>3.9 %</u> | <u>9.2 %</u> | <u>8.8 %</u> | <u>8.2 %</u> | <u>8.9 %</u> |

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|---------------------|--------------------|--------------------|---------------------|--------------------|
| \$ | 26,671,499 | \$ 24,072,857 | \$ 21,568,291 | \$ 21,776,162 | \$ 22,790,054 |
| | 1,057,632 | 1,164,101 | 1,225,016 | 1,301,505 | 1,181,666 |
| | 1,095,605 | 958,208 | 1,039,648 | 962,505 | 1,022,990 |
| | 23,297,655 | 21,233,366 | 22,172,722 | 18,087,756 | 19,525,343 |
| | 72,206,475 | 73,113,284 | 74,017,467 | 75,798,457 | 76,113,609 |
| | 18,036,621 | 18,718,620 | 19,577,205 | 19,987,380 | 19,852,773 |
| | 5,749,691 | 6,234,765 | 6,265,092 | 6,962,600 | 6,369,804 |
| | 1,258,599 | 1,896,811 | 1,833,392 | 2,133,728 | 2,632,513 |
| | 2,006,647 | 2,005,449 | 2,283,433 | 2,588,533 | 2,614,547 |
| | 305,078 | 268,731 | 255,945 | 250,965 | 491,218 |
| | 510,144 | 430,926 | 583,265 | 550,798 | 434,918 |
| | <u>152,195,646</u> | <u>150,097,118</u> | <u>150,821,476</u> | <u>150,400,389</u> | <u>153,029,435</u> |
| | 31,904,248 | 32,517,099 | 32,892,250 | 34,947,227 | 32,513,064 |
| | 4,234,982 | 3,961,571 | 3,426,098 | 3,730,152 | 3,980,577 |
| | 18,672,852 | 17,126,943 | 17,660,855 | 18,495,568 | 16,752,462 |
| | 37,041,770 | 38,189,737 | 38,936,843 | 39,856,936 | 40,166,373 |
| | 13,835,337 | 13,432,634 | 13,581,970 | 14,378,987 | 14,342,286 |
| | 28,276,597 | 24,915,835 | 23,476,267 | 22,114,409 | 21,882,585 |
| | 12,236,735 | 12,892,983 | 13,194,968 | 19,754,893 | 13,965,789 |
| | 13,731,719 | 9,687,878 | 10,120,439 | 26,412,715 | 10,759,552 |
| | 2,545,139 | 2,140,219 | 1,755,268 | 1,261,106 | 834,421 |
| | <u>162,479,379</u> | <u>154,864,899</u> | <u>155,044,958</u> | <u>180,951,993</u> | <u>155,197,109</u> |
| | <u>(10,283,733)</u> | <u>(4,767,781)</u> | <u>(4,223,482)</u> | <u>(30,551,604)</u> | <u>(2,167,674)</u> |
| | 24,415,247 | 24,459,350 | 20,911,710 | 21,144,694 | 16,663,011 |
| | (24,415,247) | (24,459,350) | (20,911,710) | (21,144,694) | (16,663,011) |
| | - | - | - | - | - |
| | 5,465,000 | - | - | 15,755,000 | - |
| | 166,455 | - | - | 741,576 | - |
| | (1,073,000) | - | - | - | - |
| | - | - | 710,657 | - | - |
| | 262,063 | 181,184 | 375,533 | 1,691,154 | 3,868,647 |
| | <u>4,820,518</u> | <u>181,184</u> | <u>1,086,190</u> | <u>18,187,730</u> | <u>3,868,647</u> |
| \$ | <u>(5,463,215)</u> | <u>(4,586,597)</u> | <u>(3,137,292)</u> | <u>(12,363,874)</u> | <u>1,700,973</u> |
| | <u>11.1 %</u> | <u>8.4 %</u> | <u>8.4 %</u> | <u>17.5 %</u> | <u>8.4 %</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 | | | | | |
| 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 |
| 2016 | 239,662,222 | 5,715,346,078 | 830,119,932 | 282,798,978 | 10,507,731 | 14,628,932 | 7,093,063,873 | 21,279,191,619 | 1.078 | 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 | | | | |
|---------------------------------|--------------------|---------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| DIRECT RATES - COUNTY | | | | | |
| General | 0.250 | 0.285 | 0.300 | 0.326 | 0.370 |
| Highway | 0.064 | 0.060 | 0.060 | 0.060 | 0.065 |
| County Bridge | 0.004 | 0.010 | 0.009 | 0.010 | 0.010 |
| Matching | 0.028 | 0.034 | 0.033 | 0.010 | 0.011 |
| Mental Health | 0.118 | 0.114 | 0.116 | 0.118 | 0.129 |
| Tuberculosis Care and Treatment | 0.002 | 0.003 | 0.004 | 0.004 | 0.005 |
| Illinois Municipal Retirement | 0.056 | 0.037 | 0.038 | 0.043 | 0.046 |
| Veterans' Assistance | 0.006 | 0.006 | 0.005 | 0.003 | 0.004 |
| Loss Prevention and Protection | 0.059 | 0.044 | 0.038 | 0.037 | 0.040 |
| Social Security | 0.036 | 0.017 | 0.024 | 0.031 | 0.033 |
| Senior Services | 0.019 | 0.018 | 0.017 | 0.017 | 0.018 |
| Nursing Home | 0.064 | 0.059 | 0.057 | 0.057 | 0.061 |
| Total County | 0.706 | 0.687 | 0.701 | 0.716 | 0.792 |
| OVERLAPPING RATES | | | | | |
| Municipalities | 0.180 - 1.426 | 0.175 - 1.409 | 0.178 - 1.447 | 0.180 - 1.487 | 0.192 - 1.707 |
| Unit School Districts | 3.446 - 4.677 | 3.378 - 4.609 | 3.172 - 4.693 | 3.274 - 4.791 | 3.503 - 5.226 |
| Elementary School Districts | 1.919 - 3.754 | 1.869 - 3.714 | 1.891 - 3.794 | 1.956 - 3.933 | 2.154 - 4.229 |
| High School Districts | 1.599 - 2.154 | 1.552 - 2.149 | 1.559 - 2.241 | 1.625 - 2.279 | 1.780 - 2.510 |
| Community College Districts | 0.274 - 0.491 | 0.263 - 0.478 | 0.258 - 0.436 | 0.274 - 0.467 | 0.278 - 0.454 |
| Conservation District | 0.143 | 0.174 | 0.173 | 0.178 | 0.196 |
| Township and Road Districts | 0.102 - 0.644 | 0.098 - 0.629 | 0.099 - 0.647 | 0.101 - 0.658 | 0.123 - 0.708 |
| Park Districts | 0.031 - 0.524 | 0.032 - 0.508 | 0.029 - 0.528 | 0.032 - 0.535 | 0.034 - 0.575 |
| Fire Protection Districts | 0.189 - 0.623 | 0.184 - 0.612 | 0.188 - 0.638 | 0.193 - 0.637 | 0.213 - 0.718 |
| Library Districts | 0.071 - 0.395 | 0.069 - 0.383 | 0.071 - 0.392 | 0.072 - 0.391 | 0.078 - 0.419 |
| Sanitary Districts | 0.044 - 0.056 | 0.049 - 0.054 | 0.056 - 0.057 | 0.057 | 0.062 - 0.066 |
| Cemetery Districts | 0.001 - 0.008 | 0.001 - 0.008 | 0.001 - 0.008 | 0.001 - 0.008 | 0.001 - 0.009 |
| Rescue Squad District | 0.2 | 0.195 | 0.199 | 0.200 | 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 2015 levy (payable in 2016), the increase was limited to the CPI increase of 0.8%.

Year Taxes Payable

| 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|---------------|---------------|---------------|---------------|
| 0.417 | 0.480 | 0.541 | 0.584 | 0.588 |
| 0.072 | 0.084 | 0.089 | 0.093 | 0.110 |
| 0.012 | 0.016 | 0.015 | 0.007 | 0.091 |
| 0.013 | 0.016 | 0.016 | 0.026 | 0.007 |
| 0.144 | 0.150 | 0.150 | 0.150 | 0.150 |
| 0.004 | 0.003 | 0.003 | 0.004 | 0.004 |
| 0.053 | 0.067 | 0.095 | 0.113 | 0.026 |
| 0.004 | 0.005 | 0.006 | 0.006 | 0.018 |
| 0.044 | 0.038 | 0.038 | 0.032 | 0.056 |
| 0.037 | 0.048 | 0.056 | 0.058 | 0.005 |
| 0.020 | 0.023 | 0.024 | 0.025 | - |
| 0.068 | 0.066 | 0.063 | 0.043 | 0.023 |
| <u>0.888</u> | <u>0.996</u> | <u>1.096</u> | <u>1.141</u> | <u>1.078</u> |
| 0.207 - 1.943 | 0.232 - 2.210 | 0.264 - 2.356 | 0.278 - 2.545 | 0.289 - 2.553 |
| 3.638 - 5.894 | 3.593 - 6.900 | 4.014 - 7.742 | 5.068 - 8.215 | 4.749 - 8.174 |
| 2.487 - 5.250 | 2.962 - 5.927 | 3.311 - 6.894 | 3.532 - 7.659 | 3.434 - 6.221 |
| 2.093 - 2.926 | 2.407 - 3.123 | 2.704 - 3.486 | 2.887 - 3.891 | 2.943 - 3.792 |
| 0.290 - 0.465 | 0.338 - 0.505 | 0.359 - 0.547 | 0.445 - 0.668 | 0.424 - 0.566 |
| 0.219 | 0.248 | 0.275 | 0.284 | 0.277 |
| 0.123 - 0.586 | 0.142 - 0.819 | 0.152 - 0.851 | 0.157 - 0.837 | 0.083 - 0.268 |
| 0.035 - 0.659 | 0.038 - 0.758 | 0.042 - 0.836 | 0.052 - 0.903 | 0.049 - 0.882 |
| 0.243 - 0.722 | 0.288 - 0.827 | 0.325 - 0.936 | 0.345 - 0.999 | 0.338 - 0.991 |
| 0.089 - 0.467 | 0.104 - 0.532 | 0.119 - 0.595 | 0.127 - 0.638 | 0.129 - 0.622 |
| 0.070 - 0.071 | 0.071 - 0.083 | 0.078 - 0.091 | 0.071 - 0.131 | 0.064 - 0.094 |
| 0.002 - 0.011 | 0.002 - 0.012 | 0.002 - 0.013 | 0.002 - 0.014 | 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 | | |
|----------------------------------|----------------------|------|------------------------------------|-----------------------|------|------------------------------------|
| | 2016 | | | 2007 | | |
| | Assessed Value | Rank | Percentage of Total Assessed Value | Assessed Value | Rank | Percentage of Total Assessed Value |
| Wal-Mart Stores, Inc. | \$ 18,888,534 | 1 | 0.24 % | \$ 14,190,235 | 3 | 0.14 % |
| Nimed Corp. | 18,518,164 | 2 | 0.24 | - | - | - |
| DDR McHenry SQ LLC | 11,518,495 | 3 | 0.15 | - | - | - |
| Skyridge Prtns | 7,615,549 | 4 | 0.10 | 9,595,828 | 8 | 0.10 |
| Meijer Stores | 7,544,826 | 5 | 0.10 | 12,050,783 | 4 | 0.12 |
| Fed Natl Mortgage Assoc | 7,182,818 | 6 | 0.09 | - | - | - |
| Inland Crystal Point LLC | 6,812,945 | 7 | 0.09 | 21,255,498 | 1 | 0.21 |
| Rubloff | 6,768,083 | 8 | 0.09 | 8,696,613 | 9 | 0.09 |
| Menard Inc. | 6,758,902 | 9 | 0.09 | - | - | - |
| Terra Cotta Realty Co | 6,466,478 | 10 | 0.08 | - | - | - |
| Wolf Investments, Inc. | - | - | - | 15,916,540 | 2 | 0.16 |
| Centro Bradley/Centro Saturn LLC | - | - | - | 10,220,486 | 5 | 0.10 |
| Cunat Bros. Inc. | - | - | - | 9,969,637 | 6 | 0.10 |
| Target Corp | - | - | - | 9,859,398 | 7 | 0.10 |
| Sunrise Senior Living | - | - | - | 8,563,466 | 10 | 0.09 |
| | <u>\$ 98,074,794</u> | | <u>1.27 %</u> | <u>\$ 120,318,484</u> | | <u>1.21 %</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 |
| 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 | 13,130 | 73,442,878 | 99.80 |
| 2010 | 74,443,780 | 74,299,194 | 99.81 | (11,204) | 74,287,990 | 99.79 |
| 2011 | 76,846,500 | 76,659,934 | 99.76 | 12,357 | 76,672,291 | 99.77 |
| 2012 | 78,285,064 | 78,153,090 | 99.83 | (5,325) | 78,147,765 | 99.82 |
| 2013 | 78,535,191 | 78,356,747 | 99.77 | 9,007 | 78,365,754 | 99.78 |
| 2014 | 78,627,451 | 78,505,603 | 99.85 | (7,718) | 78,497,885 | 99.84 |
| 2015 | 78,966,290 | 78,804,983 | 99.80 | 29,243 | 78,834,226 | 99.83 |
| 2016 | 76,289,016 | 76,098,099 | 99.75 | 2,380 | 76,100,479 | 99.75 |

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 Certificate Issuance Premiums | Capital Leases | Debt Certificates | Revenue Bonds | Capital Leases | | | |
| | | | | | | | | | |
| 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 | 0.19 | 97.26 |
| 2016 | 18,245,000 | 794,431 | 3,753,610 | - | - | - | 22,793,041 | 0.15 | 74.24 |

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. See Demographic and Economic Statistics at page 182 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 | | | Net General Bonded Debt | Percentage of Estimated Actual Value of Property | Per Capita |
|-------------|---------------------|------------------------------------|--|-------------------------|--|------------|
| | Debt Certificates | Debt Certificate Issuance Premiums | Less: Amounts Restricted to Repaying Principal | | | |
| 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 | 91.77 |
| 2016 | 18,245,000 | 794,431 | - | 19,039,431 | 0.09 | 62.02 |

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 172 for property value data.
See Demographic and Economic Statistics at page 182 for population data.

County of McHenry, Illinois
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2016

| | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|-----------------------------------|-----------------------------|--|---|
| Direct | | | |
| County of McHenry | \$ 22,793,000 | 100.0 % | \$ 22,793,000 |
| Overlapping | | | |
| Municipalities | 101,154,000 | 6.6 - 100.0 | 82,194,000 |
| Unit School Districts | 786,229,000 | 0.1 - 100.0 | 352,563,000 |
| Elementary School Districts | 75,594,000 | 93.1 - 100.0 | 73,492,000 |
| High School Districts | 55,780,000 | 98.5 - 100.0 | 55,302,000 |
| Community College Districts | 444,939,000 | 0.1 - 96.1 | 20,224,000 |
| Conservation District | 126,139,000 | 100.0 | 126,139,000 |
| Township and Road Districts | 3,674,000 | 100.0 | 3,674,000 |
| Park Districts | 22,053,000 | 31.6 - 100.0 | 20,389,000 |
| Fire Protection Districts | 11,196,000 | 0.7 - 100.0 | 9,607,000 |
| Library Districts | 17,378,000 | 2.5 - 100.0 | 3,388,000 |
| Total Overlapping | | | <u>746,972,000</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 769,765,000</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>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> | <u>2016</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 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 | \$ 203,925,586 |
| Less: total debt applicable to limit | <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> | <u>(5,900,948)</u> |
| Legal debt margin | <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> | <u>\$ 198,024,638</u> |
| Total debt applicable to limit as a % of debt limit | <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> | <u>% 2.89</u> |

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|--|-------------------------|
| Assessed valuation (2015 tax year) | \$ <u>7,093,063,873</u> |
| Debt limitation (2.875% of assessed valuation) | <u>203,925,586</u> |
| Debt outstanding | |
| Debt Certificates | 18,245,000 |
| Capital Leases | <u>3,753,610</u> |
| Subtotal | 21,998,610 |
| Less: debt not subject to limitation | <u>(16,097,662)</u> |
| Total debt applicable to limit | <u>5,900,948</u> |
| Debt limit margin | \$ <u>198,024,638</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 | |
| 2007 | 2,209,926 | 135,558 | 1,517,913 | 827,571 | 165,000 | 300 | 5.01 |
| 2008 | - | - | - | - | - | - | - |
| 2009 | - | - | - | - | - | - | - |
| 2010 | - | - | - | - | - | - | - |
| 2011 | - | - | - | - | - | - | - |
| 2012 | - | - | - | - | - | - | - |
| 2013 | - | - | - | - | - | - | - |
| 2014 | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - |

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 | |
|------|-------------------|---------------------------|-------------------------------------|-----------------------------|------------------------------|-----------------------------|---|
| 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 | 15,200,285,000 | 48,182 | 49,973 | 3,607 | 5.3 | |
| 2016 | 307,004 | 15,671,668,000 | 51,047 | 49,449 | 3,634 | 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 | 2016 | | | 2007 | | |
|-------------------------------|---------------|------|---------------------------------------|---------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Centegra Health System | 3,650 | 1 | 2.32 % | 3,254 | 1 | 1.90 % |
| District 158 | 1,500 | 2 | 0.95 | - | - | - |
| County of McHenry | 1,400 | 3 | 0.89 | 1,400 | 2 | 0.82 |
| Follett Library Resources | 1,378 | 4 | 0.87 | 1,378 | 3 | 0.81 |
| Catalent Pharma Solutions Inc | 830 | 5 | 0.53 | 800 | 4 | 0.47 |
| Mercy Health System | 732 | 6 | 0.46 | - | - | - |
| Snap-On Tools, Inc. | 590 | 7 | 0.37 | - | - | - |
| Sage Products, Inc. | 583 | 8 | 0.37 | - | - | - |
| Medela | 540 | 9 | 0.34 | - | - | - |
| McHenry County College | 500 | 10 | 0.32 | 642 | 7 | 0.38 |
| Intermatic, Inc. | - | - | - | 750 | 5 | 0.44 |
| Brown Printing | - | - | - | 727 | 6 | 0.43 |
| Snap-On Tools, Inc. | - | - | - | 525 | 8 | 0.31 |
| Knaack LLC | - | - | - | 500 | 9 | 0.29 |
| Sage Products, Inc. | - | - | - | 494 | 10 | 0.29 |
| | <u>11,703</u> | | <u>7.43 %</u> | <u>10,470</u> | | <u>6.13 %</u> |

Source: Principal employers and total County employment obtained from the McHenry County Economic Development Corporation (does not include employers that are not headquartered in the County).

Note: In prior years, major corporate employers not headquartered in McHenry County were included.

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>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> | <u>2016</u> |
| General and administrative | 203.9 | 213.3 | 208.2 | 207.3 | 205.4 | 206.1 | 207.0 | 206.3 | 194.6 | 185.6 |
| Community development | 25.1 | 23.5 | 27.0 | 28.0 | 26.9 | 26.9 | 30.0 | 24.8 | 24.7 | 23.9 |
| Transportation | 56.5 | 59.5 | 57.4 | 56.4 | 60.0 | 60.0 | 57.0 | 56.0 | 63.2 | 62.2 |
| Public safety | 394.2 | 404.9 | 400.1 | 401.0 | 402.7 | 402.8 | 400.2 | 395.7 | 393.7 | 385.0 |
| Judiciary and court related | 211.5 | 212.1 | 208.4 | 214.9 | 207.0 | 208.3 | 209.2 | 208.2 | 212.2 | 201.5 |
| Public health and welfare | 302.6 | 312.2 | 359.6 | 358.3 | 333.1 | 329.2 | 308.4 | 306.1 | 276.9 | 272.8 |
| | <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> | <u>1,131.1</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

| FUNCTION/PROGRAM | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General and administrative | | | | | | | | | | |
| Documents recorded | 86,224 | 65,141 | 63,309 | 59,651 | 54,381 | 62,098 | 62,056 | 44,148 | 48,547 | 50,470 |
| Real estate transfer declarations | 6,811 | 4,661 | 3,847 | 3,809 | 3,723 | 4,721 | 6,620 | 6,090 | 6,490 | 7,261 |
| Birth certificates issued | 2,058 | 2,047 | 2,076 | 1,900 | 1,807 | 1,804 | 1,659 | 1,690 | 1,722 | 1,644 |
| Registered deaths | 1,503 | 1,700 | 1,500 | 1,642 | 1,635 | 1,661 | 1,651 | 1,640 | 1,772 | 1,760 |
| Parcels assessed | 142,521 | 147,007 | 148,679 | 149,278 | 149,348 | 149,353 | 149,251 | 149,189 | 149,461 | 149,372 |
| Registered voters | 189,386 | 199,378 | 200,205 | 202,033 | 202,494 | 203,225 | 204,129 | 206,197 | 205,178 | 227,452 |
| Tax bills mailed | 137,723 | 136,597 | 137,746 | 137,857 | 138,522 | 138,134 | 138,154 | 138,343 | 138,250 | 134,928 |
| Passports applications processed | 2,528 | 1,603 | 1,359 | 1,067 | 1,124 | 1,545 | 2,258 | 3,300 | 4,003 | 4,493 |
| Teachers certified | 3,523 | 3,742 | 3,648 | 3,456 | 3,438 | 3,369 | 3,634 | 3,695 | 3,607 | 3,634 |
| Community development | | | | | | | | | | |
| Building permit applications | 1,430 | 1,387 | 1,246 | 1,086 | 886 | 899 | 904 | 1,002 | 1,010 | 996 |
| Zoning petitions filed | 100 | 79 | 58 | 51 | 51 | 52 | 48 | 52 | 40 | 49 |
| Transportation | | | | | | | | | | |
| Permits (access, facility, & utility) | 159 | 108 | 90 | 76 | 105 | 86 | 64 | 76 | 91 | 93 |
| Lane miles resurfaced | 15.9 | 27.3 | 21.3 | 28.3 | 17.6 | 18.2 | 28.6 | 27.0 | 25.0 | 31.0 |
| Public safety | | | | | | | | | | |
| Incoming 911 calls | 36,148 | 35,215 | 34,597 | 36,722 | 39,393 | 42,186 | 40,177 | 29,793 | 29,440 | 27,505 |
| Citations issued | 14,085 | 13,294 | 14,527 | 13,558 | 12,322 | 14,679 | 10,709 | 10,127 | 9,524 | 10,278 |
| Inmates processed | 9,796 | 10,378 | 10,216 | 8,765 | 8,396 | 7,615 | 6,655 | 6,639 | 6,368 | 6,624 |
| Hazardous material and other emergency responses | 50 | 55 | 50 | 39 | 26 | 30 | 60 | 48 | 36 | 34 |
| Judiciary and court related | | | | | | | | | | |
| Judges | 15 | 16 | 16 | 16 | 19 | 19 | 19 | 19 | 19 | 19 |
| Total cases filed | 105,502 | 103,207 | 93,849 | 90,367 | 81,058 | 77,258 | 72,330 | 64,110 | 59,378 | 57,535 |
| Jury trials | 60 | 81 | 84 | 80 | 77 | 47 | 62 | 92 | 66 | 82 |
| Defendants appointed to public defender | 4,306 | 4,979 | 5,124 | 4,406 | 4,179 | 3,888 | 4,281 | 4,126 | 4,114 | 4,088 |
| Charges disposed by public defender | 8,750 | 9,914 | 10,128 | 9,195 | 8,912 | 8,144 | 8,095 | 8,533 | 8,303 | 8,123 |
| Public health and welfare | | | | | | | | | | |
| Food establishment inspections | 5,680 | 5,765 | 4,205 | 5,612 | 4,899 | 4,612 | 4,811 | 4,746 | 5,446 | 4,352 |
| Vision screenings | 11,114 | 9,629 | 9,028 | 7,966 | 9,135 | 8,275 | 7,699 | 7,926 | 8,880 | 8,067 |
| Hearing screenings | 13,272 | 13,126 | 13,063 | 11,999 | 12,381 | 12,222 | 11,202 | 12,954 | 12,888 | 11,366 |
| Nursing home - resident days | 43,406 | 44,450 | 45,186 | 44,945 | 44,731 | 44,239 | 44,201 | 44,819 | 44,262 | 44,151 |
| Veterans assistance - new claims awarded | 45 | 76 | 97 | 146 | 191 | 162 | 143 | 151 | 163 | 168 |

Sources: County Departments.

County of McHenry, Illinois
CAPITAL ASSET STATISTICS - BY FUNCTION
Last Ten Fiscal Years

| <u>FUNCTION/PROGRAM</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> | <u>2016</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General and administrative | | | | | | | | | | |
| Primary buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Transportation | | | | | | | | | | |
| Lane miles | 502 | 490 | 495 | 497 | 497 | 518 | 518 | 522 | 524 | 525 |
| Street lights | 267 | 363 | 363 | 379 | 393 | 351 | 506 | 541 | 559 | 579 |
| Traffic signals | 29 | 31 | 32 | 32 | 35 | 35 | 36 | 40 | 40 | 42 |
| Bridges | 37 | 38 | 38 | 41 | 42 | 42 | 43 | 43 | 43 | 44 |
| Vehicles | 75 | 79 | 76 | 76 | 76 | 77 | 79 | 79 | 78 | 78 |
| Public safety | | | | | | | | | | |
| Jail inmate capacity | 632 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 |
| Sheriff vehicles | 173 | 172 | 186 | 192 | 164 | 162 | 159 | 148 | 152 | 152 |
| Sheriff boats | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Judiciary and court related | | | | | | | | | | |
| Courtrooms | 16 | 16 | 16 | 16 | 18 | 18 | 18 | 18 | 18 | 18 |
| Public health and welfare | | | | | | | | | | |
| Nursing home capacity | 127 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 |
| Vehicles - veterans assistance | 4 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 |

Sources: County Departments.