



# PROMOTING A CULTURE OF SERVICE TO THE COMMUNITY

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### County of McHenry, IL

FOR THE FISCAL YEAR ENDED  
NOVEMBER 30, 2017



Emergency Management Agency Volunteer Program—  
Received the President's Volunteer Service Award  
(Combined 4,500 hours of service in 2017)



Court Services Garden Program—Donated Vegetables to the  
Woodstock Food Pantry



Day of Caring —Assisted Elderly/Physically Challenged Citizens



Human Race 5K—Raised Funds for United Way

# McHenry County Board



The McHenry County Board acknowledges the commitment to service of the County employees both on and off the job by unanimously issuing the proclamation declaring May 7-13, 2017 as Public Service Recognition Week.

## **P R O C L A M A T I O N**

### **PROCLAMATION ACKNOWLEDGING MAY 7-13, 2017 AS PUBLIC SERVICE RECOGNITION WEEK AND HONORING OUR PUBLIC SERVANTS AND CONNECTING CITIZENS WITH THEIR GOVERNMENT**

**WHEREAS**, Americans are served every single day by public servants at the federal, state, county, township and city levels; and

**WHEREAS**, these unsung heroes do the work that keeps our nation working; and

**WHEREAS**, many public employees take not only jobs, but oaths; and

**WHEREAS**, many public servants, including military personnel, police officers, firefighters, border patrol officers, embassy employees, health care professionals and others, risk their lives each day in service to the people of the United States; and

**WHEREAS**, public servants include teachers, doctors, scientists, train conductors, astronauts, nurses, safety inspectors, laborers, computer technicians, social workers and countless other occupations; and

**WHEREAS**, day in and day out they provide the diverse services demanded by the American people of their government with efficiency and integrity, and

**WHEREAS**, without these public servants at every level, continuity would be impossible in a democracy that regularly changes its leaders and elected officials.

**NOW, THEREFORE BE IT PROCLAIMED**, that we, the McHenry County Board, do hereby acknowledge and proclaim to all residents of McHenry County, Illinois that May 7-13, 2017 is Public Service Recognition Week, and all citizens are encouraged to recognize the accomplishments and contributions of government employees at all levels - federal, state, county and city, and

**BE IT FURTHER PROCLAIMED**, that the County Clerk is hereby authorized to distribute a certified copy of this Proclamation to the County Administrator, the County Board Chairman, and the Human Resources Director

**DATED** at Woodstock, Illinois, this 16th day of May, A.D., 2017

# **County of McHenry, Illinois**

Comprehensive Annual Financial Report

For the Year Ended November 30, 2017

Prepared by the County Auditor's Office:  
Shannon Teresi, MAS, CPA, CIA, CRMA, CFE, County Auditor  
Dodi Vainisi, Accountant III

# **INTRODUCTORY**

# County of McHenry, Illinois

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# County of McHenry, Illinois

## OFFICERS AND OFFICIALS

November 30, 2017

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### COUNTY BOARD MEMBERS

Michele Aavang  
Yvonne Barnes  
Kay R. Bates  
Chris Christensen  
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  
Christopher Spoerl  
Jeffrey Thorsen  
Michael J. Walkup  
Charles Wheeler  
Thomas Wilbeck  
Craig Wilcox  
Paula Yensen

### ELECTED OFFICIALS

Pamela Palmer (Shannon L. Teresi 4/17/18)  
Katherine M. Keefe  
Anne L. Majewski M.D.  
Jack D. Franks  
Mary E. McClellan  
Joseph J. Tirio  
Bill Prim  
Patrick D. Kenneally  
Leslie Schermerhorn  
Glenda L. Miller

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

### ADMINISTRATIVE

Peter Austin  
Scott Hartman  
Ralph Sarbaugh  
Adam Letendre

County Administrator  
Deputy County Administrator  
Associate County Administrator  
Director of Purchasing



**Letter  
of  
Transmittal**

SHANNON L. TERESI, MAS, CPA,  
CIA, CRMA, CFE  
COUNTY AUDITOR



PHONE: 815 334-4203  
FAX: 815 334-4621

July 24, 2018

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, 2017, 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 2017. 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.

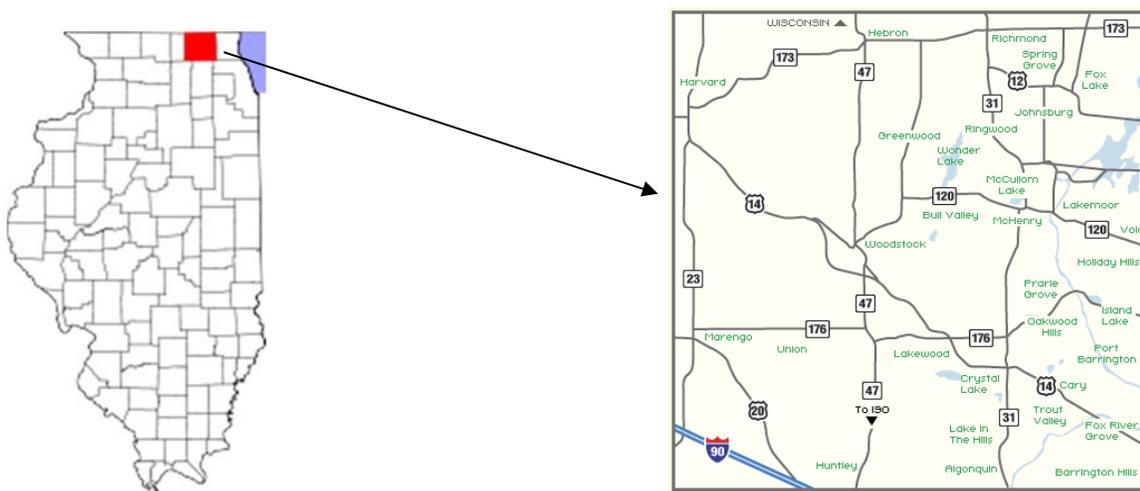
The Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their 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.mchenrycountyil.gov/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 2017.

## **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 2017 estimated population by the U.S. Census Bureau is 309,122 and is discussed in more detail later in this letter. Over 30 communities cover the county with residential growth covering the eastern half and rolling countryside to the west. The County is approximately 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the County. Several state highway routes transect the County (U.S. Highways 12, 14 and 20 and Illinois Routes 23, 31, 47, 62, 120, 173, and 176), making it accessible to areas in northern Illinois or southern Wisconsin. McHenry County government is based primarily out of Woodstock and County offices and the judicial facilities are located along Illinois Route 47. The Mental Health office and a joint Animal Control/Health facility are located in Crystal Lake. There are also several state agencies with local offices in Woodstock.

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

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



Oct 2011

Map of Townships and Districts

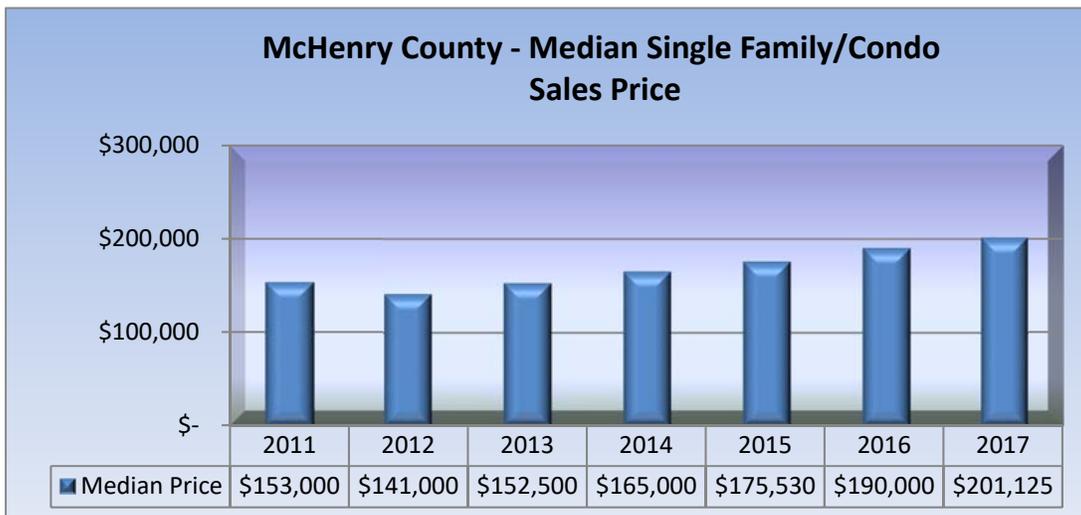
Besides the 17 townships that McHenry County is organized under, the County is divided into 6 County Board districts with 4 representatives elected from each district. In the March 2014 Primary Election, voters approved a referendum making the County Board Chairman popularly elected to four-year terms 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 2017 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 continuing to reflect an increase in the median price in 2017 as follows:



Source: Illinois Association of Realtors

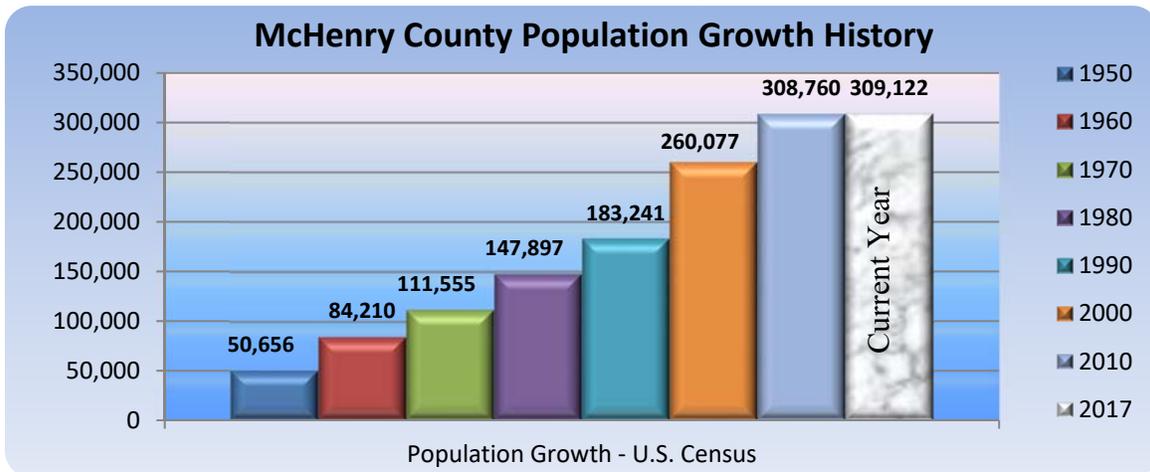
A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. This year the sales tax revenue declined \$0.1 million from the highest year experienced in FY2015 (\$10.0 million), with \$9.9 million in sales tax receipts for FY2017. 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 \$81,570 for 2016, as compared to the State of Illinois' median household income of \$60,977. In comparison, the County's median household income was \$80,513 for 2015, with the State of Illinois at \$59,590. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 6.3% for families as of 2016, as compared to 9.5% for the State.

### **Population Change**

The U.S. Census Bureau's 2017 annual estimate of the County's population was 309,122, which continues to place McHenry County as the sixth largest county in Illinois out of 102 total counties and shows a net change of 2,118 residents from the 2016 estimate of 307,004. The entire State of Illinois' population decreased by 33,703 residents, or less than 0.3%, since the 2016 census estimate. Statewide, eighty-three (83) of the counties experienced a population decrease of 42,954 residents, with nineteen (19) counties gaining 9,251 residents over

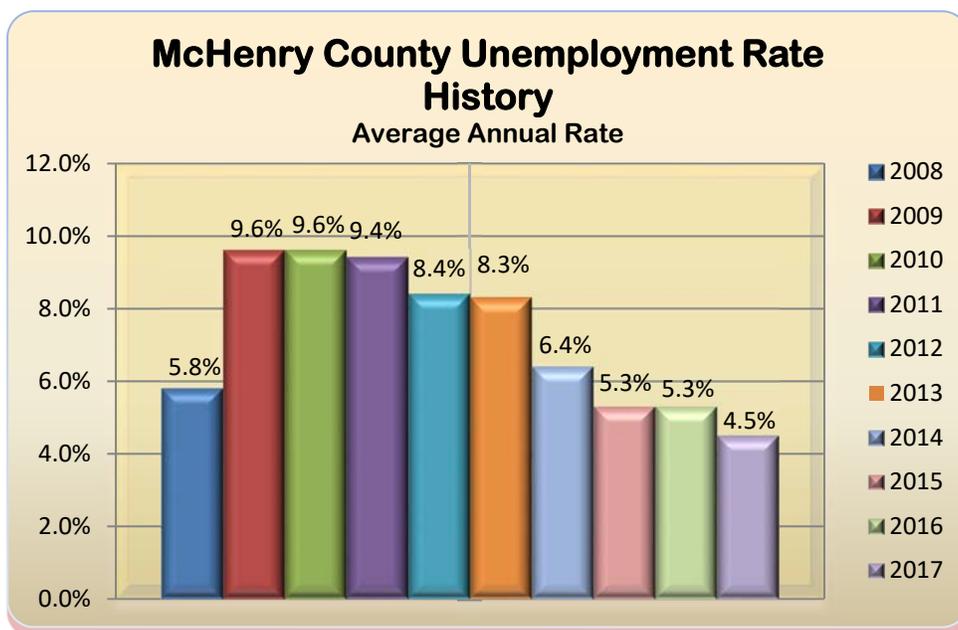
the 2016 census estimate. The following chart depicts the County’s population growth in 10-year intervals starting with 1950 and includes the data for the current calendar year 2017:



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: 4.5% (2017), 5.3% (2016), 5.3% (2015), 6.4% (2014), and 8.3% (2013). For the State of Illinois, the average annual unemployment rates have been 5.0% (2017), 5.9% (2016), 5.9% (2015), 7.1% (2014), and 9.2% (2013). The U.S. unemployment rate for 2017 was 4.4%. In 2017, the total County annual average labor force was 167,389, consisting of 159,780 employed and 7,609 unemployed. The comparable statistics for 2016 relate to a slightly lower total labor force of 167,068 with 158,153 employed and a higher number, 8,915, 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 '2017 McHenry County Labor Report', which is available on their website at the following address: <https://www.mchenrycountyil.gov/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 2016 and also for development of the 2017 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, 2017, the County had an unrestricted general fund balance of \$47,636,731 as compared to \$86,546,524 in operating expenditures (FY 2018 budgeted), or a reserve of 6.6 months.

### ***Budgetary Controls***

McHenry County has operated on a "no growth" or maintenance budget for the past several years including 2017 budget, 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 2017-2020 was established from a contract with the Northern Illinois University (NIU) Center for Governmental Studies and adopted by the County Board on August 15, 2017. During this strategic planning process, the McHenry County Board identified five key strategic issues: 1) Leadership and Governance; 2) Stable Environment and Sustainability; 3) Economic and Workforce Development; 4) Quality Infrastructure; and 5) Organizational Advancement and Services. 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. The Strategic Plan has a “report card” which is intended to provide regular updates on the implementation of the Plan through the accomplishment of various tasks and actions. The updates are available on the County website to promote transparency and accountability.

## **Major Initiatives**

### **General and Administrative**

- The County Auditor’s Office was notified of the 19<sup>th</sup> consecutive year of receiving an award from the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Another report, the Popular Annual Financial Report (PAFR), received a ninth consecutive GFOA Award for Outstanding Achievement for the FY2016 report.
- County Administration has received, for a fourth year, the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award for its budget for FY2017. 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. The present system has been in use since 1996. A core team of County staff worked to analyze the proposals and listen to demonstrations from software vendors after proposals for services were submitted to the Purchasing Department by January 12, 2017. Microsoft Dynamics 365 was selected to replace the current financial software system. The official project kickoff took place on October 16, 2017. New processes will be instituted as well to gain efficiencies in financial transactions.
- The County Board, being a supporter of transparency, continually looks at ways to ensure citizens have the ability through technology to stay abreast of the business being conducted by the County. In fiscal year 2017, two additions to the Agenda Management Software were implemented: 1) live video streaming of the County Board and Committee of the Whole meetings; and 2) electronic voting for board members. The Agenda Management Software is now robust in offering reporting and recordkeeping on agendas, minutes, board member voting and all other actions at meetings.
- The Board of Review heard a total of 3,240 taxpayer-generated assessment appeals for the Tax Year 2017. This was considerably less than the 4,118 assessment appeals from the Tax Year 2016. Tax Years 2015 and 2014 experienced assessment appeals of 4,550 and 4,308, 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 2017 assessment year presented an overall increase in the assessment base for the third year in a row since 2010.

## **Transportation**

- The Illinois Department of Transportation (IDOT) has approved approximately 23 miles of Non-dedicated Subdivision Roads (NSR) to be part of the County Highway system. The County has begun efforts to improve some of these NSR/County highways so their jurisdiction can be transferred to the appropriate local agency, mainly townships, as the County is not equipped to maintain these unique roadways. The Transportation Committee took a daylong tour in April 2017 of several subdivisions throughout the County to get a first-hand look at many of the NSR issues. The Committee continues to evaluate the program to determine funding for future years.
- The Geographic Information Systems (GIS) Department worked with the McHenry County Division of Transportation (McDOT) to launch the Non-dedicated Subdivision Road (NSR) Viewer. This application will be used to track all non-dedicated subdivision roads throughout the County. In collaboration with McDOT, GIS also completed the Historic Viewer, which displays original drainage districts and historic road information. This application also assists in both drainage and roadway analysis.

## **Community Development**

- The 2017 Community Development Block Grant (CDBG) funding application hearings were held in January 2017. The Commission received 17 applications from 16 agencies and municipalities totaling requests of approximately \$2.0 million by all applicants after the presentations were made in applying for funding. In April 2017, the County Board approved allocations of approximately \$1,272,000 to twelve different agencies and municipalities for use in various construction and service projects throughout the County.
- On November 8, 2017, the Water Resources Division organized a McHenry County Water Forum, “Where Does Our Water Come From” at the McHenry County College Auditorium. Approximately 180 persons representing 22 communities and 15 organizations attended the Forum. Featured speakers from the United States Geologic Survey, the Alliance for Water Efficiency, and the Metropolitan Planning agency shared information about what can be done to ensure healthy water supplies are available into the future. The Forum was a free event funded by financial and in-kind donations.

## **Public Safety**

- The McHenry County Sheriff’s Office held their third annual open house on Saturday, September 9, 2017. This event gives the community the opportunity to observe the day-to-day operations of the Sheriff’s Office and meet many of the officers who serve the community each day. The public was able to have hands on experience with the vehicles and equipment that was on display, along with tours of the department, and crime prevention information.
- On January 9, 2017, new technology was implemented to streamline the authorization of search warrants in McHenry County. Law enforcement officers in McHenry County will soon be able to use an integrated platform to request search warrants. The officer will be able to create search warrant affidavits, send electronically to a judge, interact via video conferencing, and ultimately have the judge sign and authorize the warrant and send the necessary order back to the originating officer. No longer will officers have to travel to the McHenry County Government Center or meet a judge after normal business hours to obtain a search warrant. Search warrants will be issued electronically 24 hours a day.
- The McHenry County Emergency Management department coordinated flood response in 2017 beginning with the storms of July 11-13. Damage assessment found 556 homes affected by floodwaters. At the height of the severe weather, 9,200 residences and businesses were without power. The County distributed nearly 300,000 sandbags, coordinated a survivor respite center, arranged and participated in a Multi-Agency Resource Center, coordinated damage assessment, provided guidance and support to the provided liaison to the affected communities with the Illinois Emergency Management Agency.

## **Transportation**

- The Illinois Department of Transportation (IDOT) has approved approximately 23 miles of Non-dedicated Subdivision Roads (NSR) to be part of the County Highway system. The County has begun efforts to improve some of these NSR/County highways so their jurisdiction can be transferred to the appropriate local agency, mainly townships, as the County is not equipped to maintain these unique roadways. The Transportation Committee took a daylong tour in April 2017 of several subdivisions throughout the County to get a first-hand look at many of the NSR issues. The Committee continues to evaluate the program to determine funding for future years.
- The Geographic Information Systems (GIS) Department worked with the McHenry County Division of Transportation (McDOT) to launch the Non-dedicated Subdivision Road (NSR) Viewer. This application will be used to track all non-dedicated subdivision roads throughout the County. In collaboration with McDOT, GIS also completed the Historic Viewer, which displays original drainage districts and historic road information. This application also assists in both drainage and roadway analysis.

## **Community Development**

- The 2017 Community Development Block Grant (CDBG) funding application hearings were held in January 2017. The Commission received 17 applications from 16 agencies and municipalities totaling requests of approximately \$2.0 million by all applicants after the presentations were made in applying for funding. In April 2017, the County Board approved allocations of approximately \$1,272,000 to twelve different agencies and municipalities for use in various construction and service projects throughout the County.
- On November 8, 2017, the Water Resources Division organized a McHenry County Water Forum, “Where Does Our Water Come From” at the McHenry County College Auditorium. Approximately 180 persons representing 22 communities and 15 organizations attended the Forum. Featured speakers from the United States Geologic Survey, the Alliance for Water Efficiency, and the Metropolitan Planning agency shared information about what can be done to ensure healthy water supplies are available into the future. The Forum was a free event funded by financial and in-kind donations.

## **Public Safety**

- The McHenry County Sheriff’s Office held their third annual open house on Saturday, September 9, 2017. This event gives the community the opportunity to observe the day-to-day operations of the Sheriff’s Office and meet many of the officers who serve the community each day. The public was able to have hands on experience with the vehicles and equipment that was on display, along with tours of the department, and crime prevention information.
- On January 9, 2017, new technology was implemented to streamline the authorization of search warrants in McHenry County. Law enforcement officers in McHenry County will soon be able to use an integrated platform to request search warrants. The officer will be able to create search warrant affidavits, send electronically to a judge, interact via video conferencing, and ultimately have the judge sign and authorize the warrant and send the necessary order back to the originating officer. No longer will officers have to travel to the McHenry County Government Center or meet a judge after normal business hours to obtain a search warrant. Search warrants will be issued electronically 24 hours a day.
- The McHenry County Emergency Management department coordinated flood response in 2017 beginning with the storms of July 11-13. Damage assessment found 556 homes affected by floodwaters. At the height of the severe weather, 9,200 residences and businesses were without power. The County distributed nearly 300,000 sandbags, coordinated a survivor respite center, arranged and participated in a Multi-Agency Resource Center, coordinated damage assessment, provided guidance and support to the provided liaison to the affected communities with the Illinois Emergency Management Agency.

## **Judiciary and Court Related**

- The McHenry County Mental Health Court celebrated ten years of operation in 2017. The program has evolved from the beginning stages of staff and process development to a consistent process involving many team members and community agencies. The client treatment protocol has become challenging and ever changing, with treatment ranging from mental illness to co-occurring disorder and drug dependency. The Mental Health Court process has improved, including evidence-based screening assessments to determine clinical and risk/need levels.
- The McHenry County State's Attorney's Office has partnered with Masonic Association of Service and Therapy Dogs (M.A.S.T.) to provide therapy dogs as needed to victims and witnesses that are facing the stressful ordeal of testifying in court. It has been documented that therapy animals decrease feelings of stress and anxiety, making it much easier for people to communicate and tell their story. M.A.S.T is providing these therapy dogs free of charge.
- The Circuit Court of the 22<sup>nd</sup> Judicial Circuit for McHenry County assisted by various other departments, including the Circuit Clerk, the Public Defender's Office, Facilities, and Emergency Management became the first Circuit Court in Illinois to test a continuity of operations (COOP) plan. The Illinois Supreme Court mandates COOP plans for Circuit Courts. The changing threat environment and local experience with recent emergencies have shifted awareness to the need to develop COOP capabilities in order to continue essential functions across a broad spectrum of emergencies. These plans help ensure the continuity of operations of critical functions in times of an emergency by providing direction and control of personnel and resources. The exercise identified both strengths and weaknesses and will allow for additional planning to take place to further strengthen the plan.

## **Public Health and Welfare**

- The Senior Service Grant Commission met in September of 2017 to review applications and requests for proposals for the FY2018 program year. The County Board approved the allocations for 19 different programs by 15 agencies for a total of \$1,645,000, to be distributed during FY2018. 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.
- As of the Fall 2017 McHenry County Labor Report, the McHenry County Workforce Network had over 3,300 people attend department programs such as job club, job fairs, seminars, mock interviews, and resume critiques. Participation by 241 individuals in services funded by the Workforce Innovation and Opportunity Act (WIOA) grant included career advising, training, and work experience. This was a decrease from 2016 due to a drop in unemployment rates. Of the individuals who completed services so far this program year, 89% are employed.
- The McHenry County Department of Health (MCDH) has received a grant each year since 2006 called the Illinois Breast and Cervical Cancer program (IBCCP) from the Center for Disease Control (CDC). From 2016 to 2017, there was a 150% increase in breast cancer diagnoses and a 300% increase in cervical diagnoses. One of the goals for the program is to provide support to insured women to prevent them from skipping their screenings. Confusion over insurance coverage, difficulty navigating the healthcare system, and fear of high deductibles continue to be a barrier reported by women enrolling in the program.
- Valley Hi Nursing and Rehab has implemented the final phase of the electronic medical record (EMR) and clinical software system to improve upon resident health and care outcomes. The installation of kiosks for charting, tablets on the medication and treatment carts, and expanding the utilization to outside health care providers and physicians allow for a more comprehensive EMR. All the staff have completed the training and the transition to an electronic medical record is complete.

## ***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 2017, there were no new debt issuances for governmental activities, but there was one new capital lease in the amount of \$119,000, for the acquisition of computer equipment. There were no debt issuances for business-type activities during fiscal year 2017. 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 2017, 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.mchenrycountyil.gov/county-government/departments-j-z/transportation/transportation-plans/long-range-transportation-plan>.

## ***Legislative Programs***

The Law & Government committee had four primary projects, which are outlined below.

- Law enforcement training facility and firing range project that would be available for multiple governmental agencies across the County including state and federal governments.
- Randall Road Expansion project (northern segment) that requires obtaining federal contributions in addition to local funds. The project connects the Rakow Road Expansion project completed several years ago with the Randall Road (Southern Segment) project that is currently underway. The project's planned completion is expected by 2020.
- Two additional communities, Huntley and Marengo received the extension of the publicly owned broadband fiber network. This expansion will encourage economic development for these communities and provide world class broadband connectivity to public and private organizations.
- Pursuit of federal grant monies to offset the purchase of \$2.2 million of election equipment and services to ensure the integrity of the voting process and compliance with the Illinois State Board of Elections requirements. New election equipment will be received in the summer of 2018.

## **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, 2016. This was the 19<sup>th</sup> 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 2017 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 Accountant, Dodi Vainisi, who works diligently and efficiently to assist on year-end financial reports and related accounting procedures to ensure accuracy, as well as assisting in 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.

It has been my professional honor to prepare and oversee the work of the Comprehensive Annual Report (CAFR) and the Popular Annual Financial Report (PAFR) during my tenure here in the Auditors' office and this year as the newly appointed County Auditor. As the County has grown, the complexity of financial reporting and auditing duties has increased significantly. In response, the County Board has approved the transition of accounting and financial reporting duties from the Auditors' Office to the County Finance and Administration department. Therefore, beginning with fiscal year 2018, Finance and Administration will be responsible for the preparation and submission of the CAFR and the (PAFR). While we have enjoyed these responsibilities, the transition of these duties will allow the Auditor's Office to focus more intently on auditing to better serve and protect the interests of the taxpayers of McHenry County.

Sincerely,

*Shannon Teresi*

Shannon Teresi, MAS, CPA, CIA, CRMA, 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, 2016**

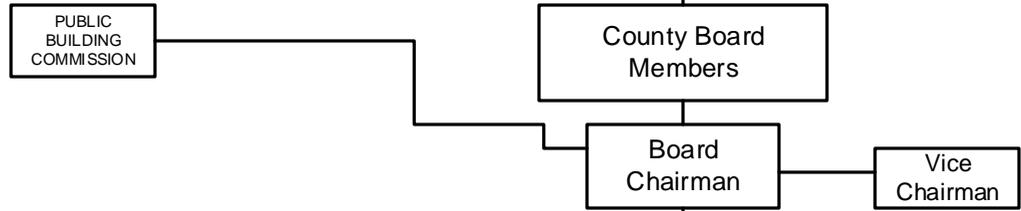
*Christopher P. Morill*

Executive Director/CEO

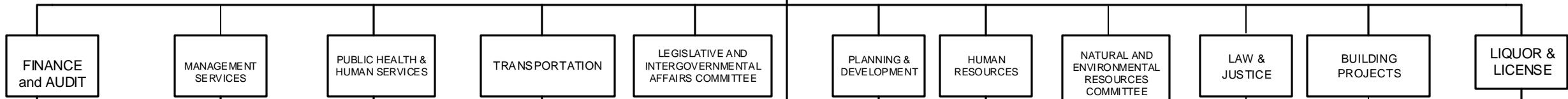


**VOTERS of McHENRY COUNTY**

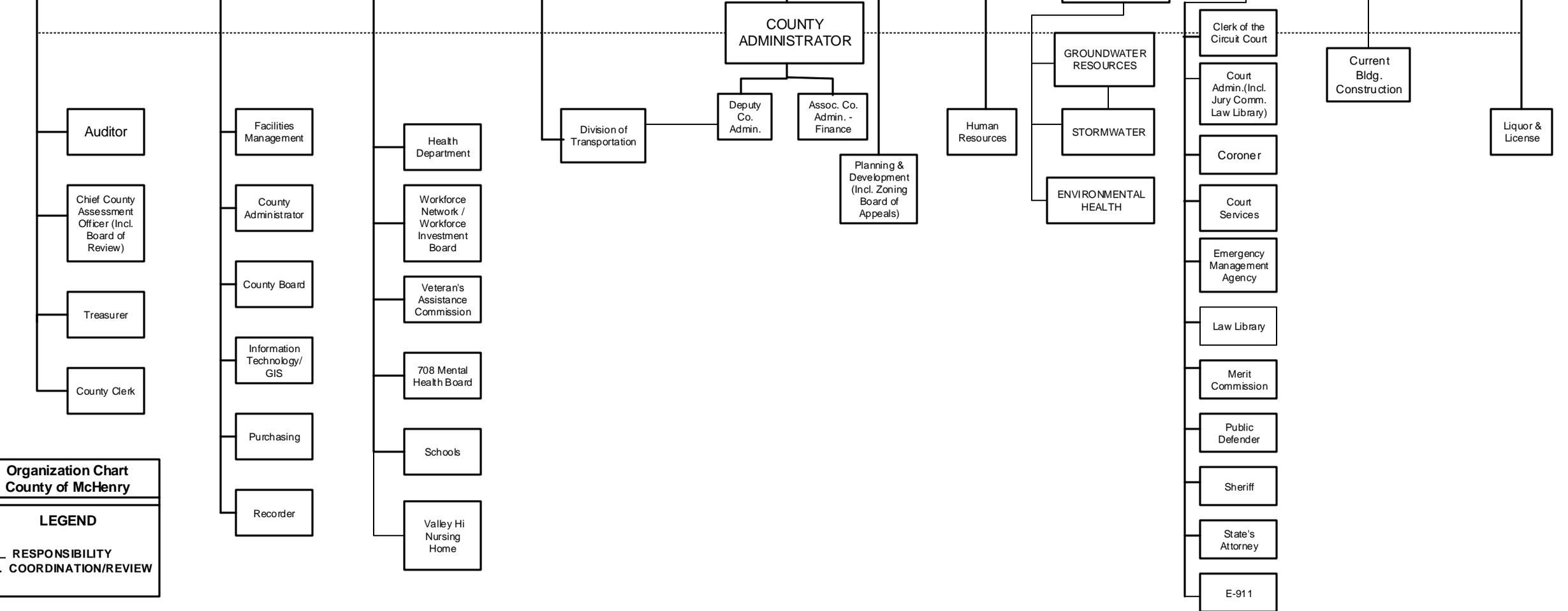
- ELECTED OFFICIALS**
- Auditor
  - Circuit Court Clerk
  - Coroner
  - County Board Chairman
  - County Clerk
  - Judges, 22nd Judicial Circuit
  - Recorder
  - Regional Supt. of Schools
  - Sheriff
  - State's Attorney
  - Treasurer



**Standing Committees**



XVIII



**Organization Chart  
County of McHenry**

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**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, 2017, 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 .01 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, .00 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*.

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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.

### *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' 2016 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 July 25, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2016, 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 24, 2018



**Management's  
Discussion and  
Analysis**

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2017

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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, 2017. 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 \$489.6 million, as of November 30, 2017. Of this amount, \$340.4 million represents net investment in capital assets, \$90.6 million represents net position restricted for specific activities, and \$58.7 million represents unrestricted net position. \$432.5 million represents net position for governmental activities and \$57.1 million represents net position for business-type activities.
- Net position increased by \$10.5 million for governmental activities and decreased by \$1.5 million for business-type activities, for the fiscal year ended November 30, 2017.
- The County's governmental funds reported combined ending fund balances of \$141.2 million, as of November 30, 2017, compared to \$143.0 million at November 30, 2016, which represents a decrease of \$1.8 million or 1.3%.
- The General Fund reported ending fund balance of \$51.6 million, as of November 30, 2017, compared to \$48.4 million as of November 30, 2016, which represents an increase of \$3.2 million or 6.6%.
- 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 \$11.6 million, as of November 30, 2017, compared to \$22.0 million as of November 30, 2016, which represents a net decrease of \$10.4 million or 47.3%. During the year, there was no new debt issuances. However, there was one new capital lease that was issued for \$0.1 million for the purchase of Panasonic Toughbook laptop computers. Business-type activities long-term obligations (excluding compensated absences, net pension liability, and other post-employment benefit obligation) were zero as of November 30, 2017, unchanged from zero as of November 30, 2016. There were no issuances for business-type activities during fiscal year 2017.
- The County's debt limit for November 30, 2017 is \$217.3 million. \$2.3 million is applicable to the limit. The County is \$215.0 million below its authorized debt limit as of November 30, 2017.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

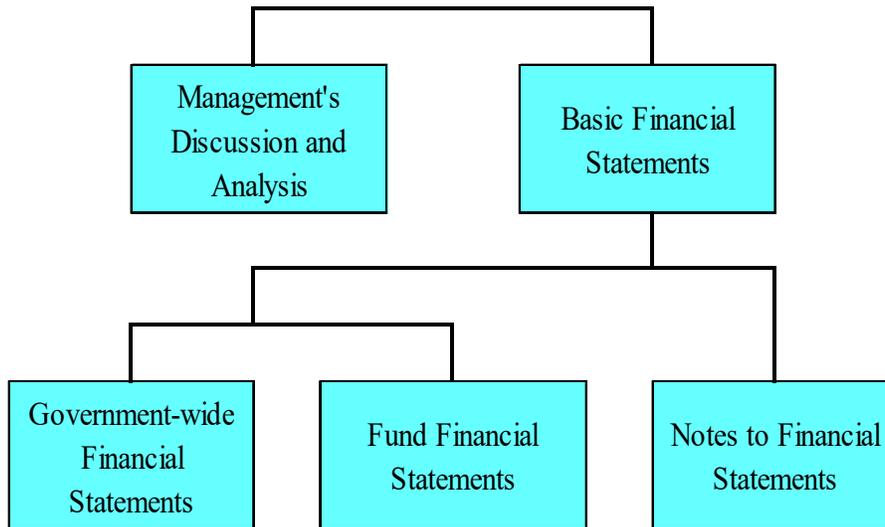
This section of MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements (see diagram 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, 2017

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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, 2017

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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, 2017

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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 2017 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 2017 is the Valley Hi Fund. Data for the other enterprise fund, the 911 Fund, is considered to be non-major. 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, 2017

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**Notes to Financial Statements**

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

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

**Other information**

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

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

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

The RSI and supplementary information section can be found on pages 66 - 159 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 \$489.6 million, as of November 30, 2017, as compared to net position of \$480.7 million as of November 30, 2016; an increase of \$9.0 million or 1.9%. Of this amount, \$340.4 million represents net investment in capital assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. \$90.6 million represents restricted net position, which are resources that are subject to external restrictions on how they may be used. Finally, \$58.7 million represents unrestricted net position. \$432.5 million represents net position for governmental activities and \$57.1 million represents net position for business-type activities.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2017

The following table reflects the condensed Statement of Net Position as of November 30, 2017:

**Statement of Net Position**  
**November 30, 2017**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current assets	\$ 247,588,279	\$ 244,110,294	\$ 49,156,058	\$ 47,792,865	\$ 296,744,337	\$ 291,903,159
Capital assets	339,910,733	330,946,985	12,722,561	12,563,275	352,633,294	343,510,260
Investment in joint venture	732,170	732,170	101,979	101,979	834,149	834,149
Total assets	<u>588,231,182</u>	<u>575,789,449</u>	<u>61,980,598</u>	<u>60,458,119</u>	<u>650,211,780</u>	<u>636,247,568</u>
<b>Deferred Outflows of Resources</b>						
Pension-related items	27,885,863	34,868,343	2,058,337	2,319,996	29,944,200	37,188,339
<b>Liabilities</b>						
Current liabilities	22,167,788	25,784,525	3,193,791	820,094	25,361,579	26,604,619
Noncurrent liabilities	75,540,981	82,026,820	3,346,734	3,345,635	78,887,715	85,372,455
Total liabilities	<u>97,708,769</u>	<u>107,811,345</u>	<u>6,540,525</u>	<u>4,165,729</u>	<u>104,249,294</u>	<u>111,977,074</u>
<b>Deferred Inflows of Resources</b>						
Pension-related items	6,036,819	1,448,656	375,275	-	6,412,094	1,448,656
Property taxes levied for future period	79,839,078	79,334,078	10,000	10,000	79,849,078	79,344,078
Total deferred inflows of resources	<u>85,875,897</u>	<u>80,782,734</u>	<u>385,275</u>	<u>10,000</u>	<u>86,261,172</u>	<u>80,792,734</u>
<b>Net Position</b>						
Net investment in capital assets	327,647,479	308,153,944	12,722,561	12,563,275	340,370,040	320,717,219
Restricted	90,565,250	95,579,921	-	-	90,565,250	95,579,921
Unrestricted	14,319,650	18,329,848	44,390,574	46,039,111	58,710,224	64,368,959
Total net position	<u>\$ 432,532,379</u>	<u>\$ 422,063,713</u>	<u>\$ 57,113,135</u>	<u>\$ 58,602,386</u>	<u>\$ 489,645,514</u>	<u>\$ 480,666,099</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, 2017**

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2017:

**Changes in Net Position**  
**For the Fiscal Year Ended November 30, 2017**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 25,663,951	\$ 25,431,230	\$ 12,532,544	\$ 12,886,933	\$ 38,196,495	\$ 38,318,163
Operating grants and contributions	17,829,987	18,759,232	2,342,473	-	20,172,460	18,759,232
Capital grants and contributions	52,342	4,670,717	-	-	52,342	4,670,717
General Revenues						
Property taxes	79,204,833	76,113,609	-	-	79,204,833	76,113,609
Sales taxes	20,111,544	19,852,773	-	-	20,111,544	19,852,773
State income taxes	6,010,242	6,369,804	-	-	6,010,242	6,369,804
Tax transfer stamps	2,575,080	2,632,513	-	-	2,575,080	2,632,513
Other taxes	2,813,220	2,614,547	-	-	2,813,220	2,614,547
Investment income	1,278,965	511,663	586,804	44,606	1,865,769	556,269
Miscellaneous	1,348,568	434,918	-	-	1,348,568	434,918
Transfers	377,855	-	(377,855)	-	-	-
<b>Total Revenues</b>	<b>157,266,587</b>	<b>157,391,006</b>	<b>15,083,966</b>	<b>12,931,539</b>	<b>172,350,553</b>	<b>170,322,545</b>
<b>Expenses</b>						
General and administrative	38,577,137	38,877,497	-	-	38,577,137	38,877,497
Community development	3,741,368	4,169,341	-	-	3,741,368	4,169,341
Transportation	20,307,973	18,287,903	-	-	20,307,973	18,287,903
Public safety	45,496,267	47,068,773	4,740,919	2,375,850	50,237,186	49,444,623
Judiciary and court related	15,974,311	16,271,942	-	-	15,974,311	16,271,942
Public health and welfare	22,429,015	22,780,073	11,832,298	12,074,605	34,261,313	34,854,678
Interest and fiscal charges	271,850	559,444	-	-	271,850	559,444
<b>Total expenses</b>	<b>146,797,921</b>	<b>148,014,973</b>	<b>16,573,217</b>	<b>14,450,455</b>	<b>163,371,138</b>	<b>162,465,428</b>
Changes in net position	10,468,666	9,376,033	(1,489,251)	(1,518,916)	8,979,415	7,857,117
Net position - beginning of year	422,063,713	412,687,680	58,602,386	60,121,302	480,666,099	472,808,982
Net position - end of year	<u>\$ 432,532,379</u>	<u>\$ 422,063,713</u>	<u>\$ 57,113,135</u>	<u>\$ 58,602,386</u>	<u>\$ 489,645,514</u>	<u>\$ 480,666,099</u>

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, 2017

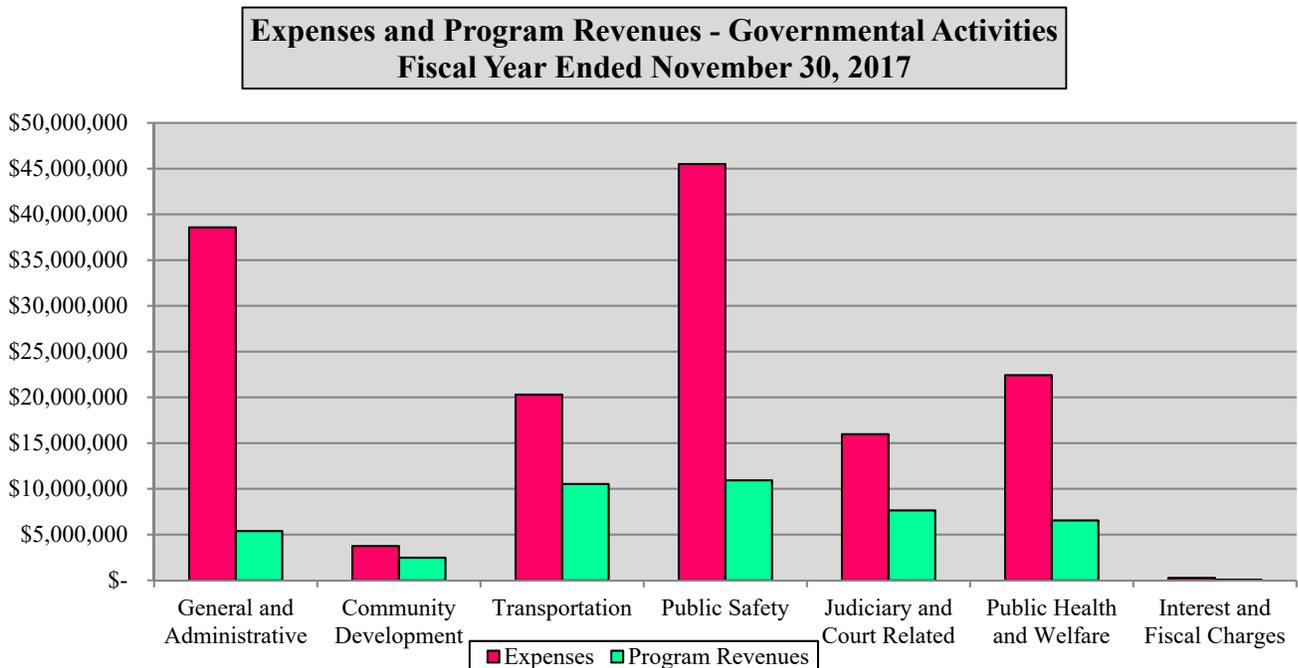
**Governmental Activities**

Net position for governmental activities increased by \$10.5 million during fiscal year 2017. In total, revenues decreased \$0.1 million or 0.1%, from \$157.4 million for fiscal year 2016 to \$157.3 million for fiscal year 2017. Noteworthy changes related to revenues were as follows: 1) Capital grants and contributions decreased by \$4.6 million or 97.9%, 2) Property tax revenue increased \$3.1 million or 4.1% 3) State income taxes decreased by \$0.4 million or 6.3%, and 3) investment income increased by \$0.8 million or 160.0%.

The reasons for these noteworthy changes are as follows:

- Capital grants and contributions decreased from \$4.7 million for fiscal year 2016 to \$0.1 million for fiscal year 2017; a decrease of \$4.6 million or 97.9%. The decrease in this category is due to an overall reduction in the availability of grant funding at both the federal and state levels for capital projects.
- Property taxes increased from \$76.1 million for fiscal year 2016 to \$79.2 million for fiscal year 2017: an increase of \$3.1 million or 4.1%. The property tax levy increased by \$3.0 million in 2017 versus 2016 due to a \$2.8 million increase in the general fund property tax levy.
- State income taxes decreased from \$6.4 million for fiscal year 2016 to \$6.0 million for fiscal year 2017; a decrease of \$0.4 million or 6.3%. 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 \$0.5 million for fiscal year 2016 to \$1.3 million for fiscal year 2017; an increase of \$0.8 million or 160.0%. 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, 2017:



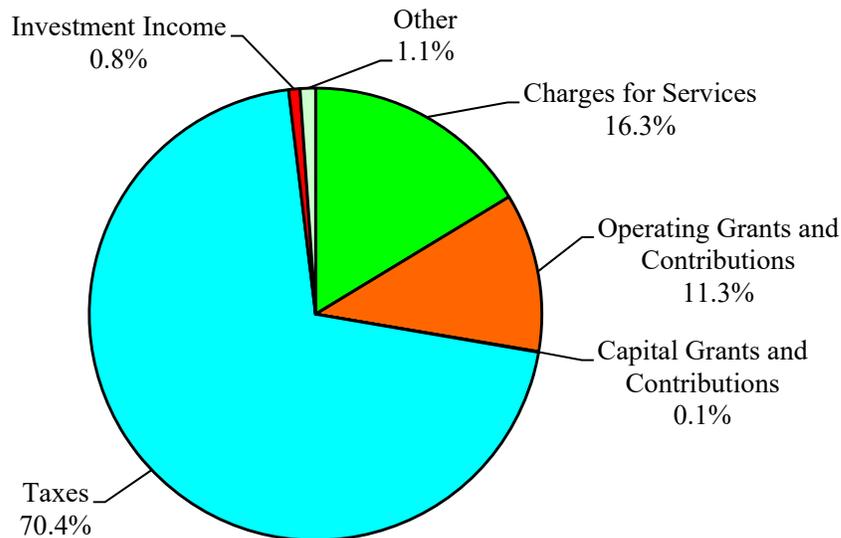
**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2017

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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, 2017:

**Revenues by Source - Governmental Activities**  
**Fiscal Year Ended November 30, 2017**



Revenues from governmental activities totaled \$157.3 million for the fiscal year ended November 30, 2017. Taxes (\$110.7 million, or 70.4%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$79.2 million or 71.5% of taxes and sales taxes totaled \$20.1 million or 18.2% of taxes, for a combined total of \$99.3 million or 89.7% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

Charges for services (\$25.7 million, or 16.3%) 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.

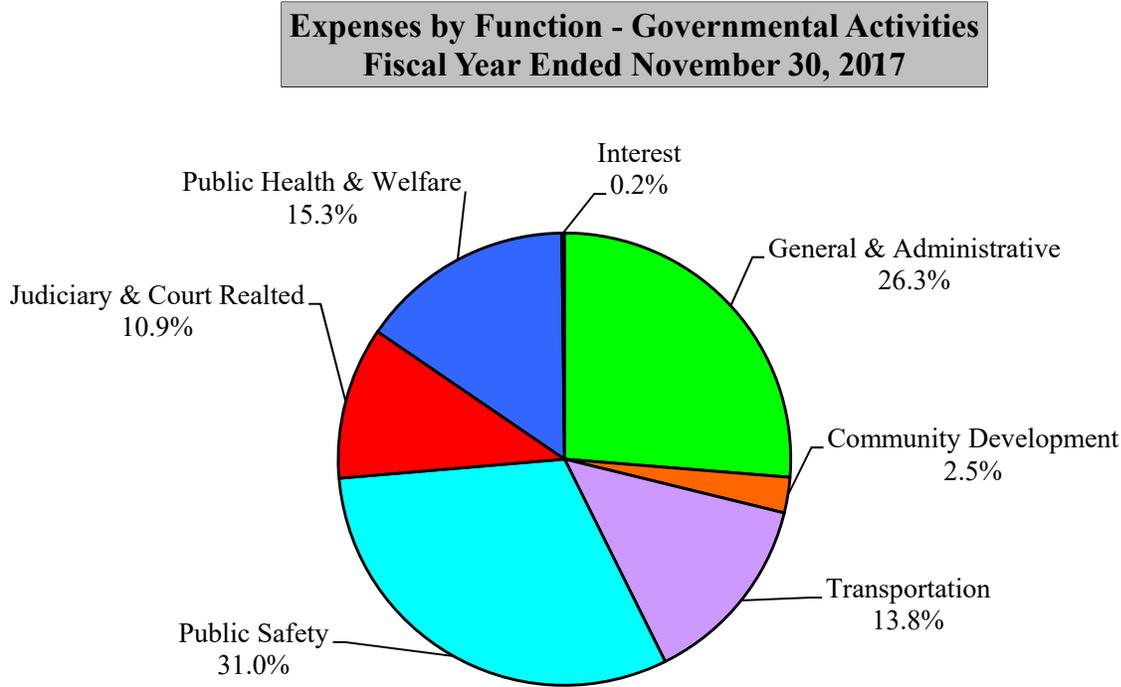
Operating grants and contributions (\$17.8 million, or 11.3%) represents the third largest revenue source. Operating grants and contributions consist of grants obtained by the following departments: Health Department, Workforce Network, Planning and Development, Facilities Management, and the Sheriff's 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.

Other revenue (\$1.7 million, or 1.1%) represents the fourth largest revenue source. The revenue generated was primarily due to the result of loss recoveries in the insurance loss fund (\$0.9 million) and reimbursements for prior year expenses in the highway fund (\$0.2 million). In addition, a \$0.4 million transfer from the 911 fund to the General fund for the Russell Court Renovation project.

**County of McHenry, Illinois**  
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The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2017:



Expenses for governmental activities totaled \$146.8 million for the fiscal year ended November 30, 2017. The largest component of governmental activities expenses is public safety, which totaled \$45.5 million, or 31.0% 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 \$38.6 million, or 26.3% of total governmental activities expenses. Expenses in this category include the following activities: County Board and administration, finance, accounting, treasury, purchasing, human resources, information technology, facility operations, elections, vital records, document recording and retrieval, assessments of real estate, and monitoring and administration of schools throughout the County.

The third largest component of governmental activities expenses is public health and welfare, which totaled \$22.4 million, or 15.3% of total governmental activities expenses. The Health Department and the Mental Health Department represent the largest components of the public health and welfare activity. Also included in this activity are the operations of Workforce Network, Veteran's Assistance, and Senior Services.

The fourth largest component of governmental activities expenses is transportation, which totaled \$20.3 million, or 13.8% 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 \$16.0 million, or 10.9% 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.

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Management's Discussion and Analysis (MD&A) (Unaudited)  
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The sixth largest component of governmental activities expenses is community development, which totaled \$3.7 million, or 2.5% 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 \$0.3 million, or 0.2% 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, 2017, net position for business-type activities decreased by \$1.5 million, from \$58.6 million at November 30, 2016 to \$57.1 million at November 30, 2017. Total revenues for business-type activities increased from \$12.9 million for fiscal year 2016 to \$14.9 million for fiscal year 2017; an increase of \$2.0 million or 15.5%. The increase in total revenue is primarily due to a consolidation grant for the E911 fund of \$2.3 million. This was offset by declining service revenue for both the 911 and Valley Hi fund. The resident days of Valley Hi Nursing home declined from 44,151 resident days in 2016 to 41,278 in 2017: a decrease of 2,873 resident days or 6.5%. 911 Fund service revenue decreased from \$2.6 million in 2016 to \$2.5 million in 2017: a decrease of \$0.1 million or 3.8% due to a declining trend of incoming 911 phone calls.

Total expenses for business-type activities increased from \$14.5 million for fiscal year 2016 to \$16.6 million for fiscal year 2017; an increase of \$2.1 million or 14.5%. The increase in level of expenses from fiscal year 2016 to fiscal year 2017 reflects significant increases in 911 contractual services expenses from \$1.4 million in 2016 to \$3.7 million in 2017. This represents an increase of \$2.3 million from 2016 to 2017; an increase of 164.3%. The entire increase in expenditures was for the 911 Fund to distribute grant proceeds to related municipalities to update and coordinate 911 technology and services amongst these municipal entities.

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 \$3.2 million for fiscal year 2017. 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 6.0 months at November 30, 2016 to 6.6 months at November 30, 2017.

Total revenues increased \$3.3 million or 3.8%, from \$87.1 million for fiscal year 2016 to \$90.4 million for fiscal year 2017. The revenue category that experienced the largest increase is property taxes, which increased \$2.8 million or 6.7%, from \$41.5 million for fiscal year 2016 to \$44.3 million for fiscal year 2017. 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 \$41.6 million for fiscal year 2016 to \$44.3 million for fiscal year 2017, an increase of \$2.7 million or 6.5%. 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 2017, the County experienced a collection rate of 99.7% of the current year levy. The revenue category that experienced the largest decrease was state income tax, which decreased from \$6.4 million for fiscal year 2016 to \$6.0 million for fiscal year 2017; a decrease of \$0.4 million or 6.3%. The decline is attributed to a reduction in population in the state and businesses. According to the U.S. census data in 2017, Illinois lost 28,609 people, since 2010, 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, 2017

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Total General Fund expenditures decreased \$2.0 million or 2.3%, from \$86.9 million for fiscal year 2016 to \$84.9 million for fiscal year 2017. The expenditure category with the largest decrease was capital outlay, which decreased from \$7.1 million for fiscal year 2016 to \$4.0 million for fiscal year 2017; a decrease of \$3.1 million or 43.7%. The decrease in capital outlay expenditures is mainly due to the reduction of acquiring assets through capital leases compared to the prior year. In 2016 a lease was executed for HP storage area network (SAN) for additional electronic storage space. That lease was \$2.2 million. Also in 2016 a lease was executed for 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 2017. Total revenues increased \$0.4 million or 3.7%, from \$10.7 million for fiscal year 2016 to \$11.1 million for fiscal year 2017. The increase in revenues is due to an increase in the amount of the property taxes collected; an increase of \$0.3 million or 2.8%. Total expenditures increased \$0.4 million or 4.0%, from \$10.1 million for fiscal year 2016 to \$10.5 million for fiscal year 2017. The overall increase in expenditures is mostly due to an increase in expenditures for client services, which increased from \$8.7 million for fiscal year 2016 to \$9.1 million for fiscal year 2017; an increase of \$0.4 million or 4.6%. 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 \$1.2 million for fiscal year 2017. Total revenues had a minimal difference, and stayed at \$7.9 million for fiscal year 2016 and 2017. 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 2016 and 2017. The property tax levy has stayed the same because it maintained a surplus fund balance in the IMRF Fund. Total expenditures decreased \$0.2 million or 2.9%, from \$6.9 million for fiscal year 2016 to \$6.7 million for fiscal year 2017. The IMRF Fund has a surplus fund balance of \$1.8 million as of November 30, 2017. 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, 2017 is \$3.2 million. The advance is non-interest bearing, with repayments scheduled to begin in 2018 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 \$1.4 million for fiscal year 2017. However, when considering only the operating revenues and expenses of the fund, the fund experienced an operating loss of \$1.9 million for fiscal year 2017, compared to an operating loss of \$1.8 million for fiscal year 2016. The biggest reason for the overall decrease in net position is non-operating revenues, specifically property taxes. The lack of property tax revenue contributes to the overall operating loss. The property tax levy was decreased from \$3.0 million for fiscal year 2015 to zero in fiscal year 2016 and fiscal year 2017 due to the surplus in net position.

**County of McHenry, Illinois**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2017

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**GENERAL FUND BUDGETARY VARIANCES**

**Revenue Budget:** The revenue budget for the General Fund was increased by \$0.7 million or 0.8% during fiscal year 2017, through budget amendments approved by the County Board, from the original budget of \$90.0 million to the final budget of \$90.7 million. The category with the largest increase was tax transfer stamps, which had an original budget of \$1.9 million and a final budget of \$2.3 million; an increase of \$0.4 million or 21.1%. The revenue budget for this category was increased by \$0.4 million. Budget adjustments were planned via resolution based on the volume of Real Estate Transfer Declarations forms processed.

**Appropriation Budget:** The appropriation budget for expenditures for the General Fund was increased by \$10.6 million or 12.3% during fiscal year 2017, through emergency appropriations approved by the County Board, from the original budget of \$85.9 million to the final budget of \$96.5 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$8.7 million or 483.3%, from the original budget of \$1.8 million to the final budget of \$10.5 million. Increases for the capital outlay budget were mostly attributable to the ERP system upgrade: \$5.6 million and the Government Center parking lot replacement; \$2.3 million.

**Budget to Actual – Revenue:** Actual revenues for the General Fund totaled \$90.4 million, while the final budget totaled \$90.7 million, which is a variance of \$0.3 million. One significant revenue source that had actual revenue in excess of budgeted revenues was charges for services. Budgeted revenues for charges for services were \$18.8 million, compared to actual revenues of \$19.1 million, which is a variance of \$0.3 million. The largest individual variance within this category is jail space rental. Budgeted revenues for jail space rental was \$7.5 million, compared to actual revenues of \$8.8 million, which is a variance of \$1.3 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, to \$8.0 million in fiscal year 2016 and in fiscal year 2017 increased to \$8.8 million. Two other categories that had actual revenues in excess of budgeted revenues were tax transfer stamps and investment income. Actual revenues for tax transfer stamps were \$2.6 million which exceeded budgeted revenues of \$2.3 million; a variance of \$0.3 million. Higher than anticipated real estate sales in the county contributed to excess actual tax transfer stamp revenue as compared to budget. Investment income actual revenues were \$0.5 million which exceeded budget revenues of \$0.2 million; a variance of \$0.3 million. Investments that now include certain mortgage backed securities provide an increased return.

**Budget to Actual – Expenditures:** Actual expenditures for the General Fund totaled \$84.9 million, while the final budget totaled \$96.5 million, which is a variance of \$11.6 million. The activity that had the largest variance was capital outlay, which had expenditures of \$4.0 million, compared to a final budget of \$10.5 million, which is a variance of \$6.5 million. The largest individual item related to this variance was for an ERP system upgrade with the actual expenditures at \$0.6 million compared to \$5.6 million in budget. This \$5.0 million variance was the result of delayed ERP implementation phases which did not occur until fiscal year 2018. The activity that had the second largest variance was for general and administrative, which had expenditures of \$28.5 million compared to a final budget of \$31.3 million; a variance of \$2.8 million. Personnel service items within the non-departmental category had budgets totaling \$1.1 million with zero in actual expenditures. Normally these budgets dollars are released to specific departments as needed for merit increases, open positions to be filled, and contingent salaries. These activities were less than anticipated, therefore excess budget remained and was not released as actual expenses were not incurred in specific departments.

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**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

**Capital Assets** – As of November 30, 2017, capital assets, net of accumulated depreciation/amortization, totaled \$339.9 million for governmental activities and \$12.7 million for business-type activities, for a total of \$352.6 million for the County.

**Capital Assets**  
**(net of accumulated depreciation/amortization)**  
**November 30, 2017**

	Government Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 68,928,129	\$ 65,901,084	\$ 6,000	\$ 6,000	\$ 68,934,129	\$ 65,907,084
Construction in Progress	87,348,591	77,063,234	655,023	126,340	88,003,614	77,189,574
Infrastructure	106,207,717	110,154,074	-	-	106,207,717	110,154,074
Buildings and Improvements	56,826,755	56,877,582	9,998,169	10,365,303	66,824,924	67,242,885
Land Improvements	182,656	151,679	149,632	159,162	332,288	310,841
Furniture and Fixtures	545,976	605,434	14,345	2,522	560,321	607,956
Machinery and Equipmnet	14,160,080	13,831,536	527,758	240,225	14,687,838	14,071,761
Computer Software	3,847,518	4,700,872	1,351,270	1,663,723	5,198,788	6,364,595
Transportation Equipment	1,863,311	1,661,490	20,364	-	1,883,675	1,661,490
<b>Total capital assets</b>	<b>\$ 339,910,733</b>	<b>\$ 330,946,985</b>	<b>\$ 12,722,561</b>	<b>\$ 12,563,275</b>	<b>\$ 352,633,294</b>	<b>\$ 343,510,260</b>

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$330.9 million at November 30, 2016 to \$339.9 million at November 30, 2017; a net increase of \$9.0 million, or 2.7%. Capital asset additions totaled \$20.3 million and depreciation/amortization expense was \$11.3 million. Significant additions include \$9.1 million for road and bridge construction projects, of which \$2.9 million was for Indian Ridge Subdivision Road Construction, \$2.2 million was for Charles Rd / Raffel Rd Intersection, \$1.8 million was for Randal Rd – Ackman Rd to County Line Rd, and \$0.9 million was for Walkup Rd – Rt. 176 to Bull Valley Rd. Other significant additions include \$3.0 million for right of way acquisitions for future road and bridge projects, \$1.9 million for equipment, \$1.7 million computer equipment, \$0.7 million for vehicles, and \$0.4 million for building improvements. During fiscal year 2017, various projects were placed in service and taken out of construction in progress. Projects placed in service included \$2.3 million for the Government Center roof project and the Russell Ct. renovation project.

Capital assets, net of accumulated depreciation/amortization, for business-type activities increased from \$12.6 million at November 30, 2016 to \$12.7 million at November 30, 2017; a net increase of \$0.1 million, or 0.8%. Capital asset additions totaled \$1.1 million and depreciation/amortization expense was \$0.9 million. A significant capital asset addition includes \$0.5 million in dispatch upgrades in progress for the 911 enterprise fund and an additional \$.5 million in updated computer equipment, software and consoles.

For more detailed information on the County's capital assets, see Note 5 in the Notes to Financial Statements on page 31 - 32.

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**Long-term Obligations** – As of November 30, 2017, Long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, net pension liability, and other post-employment benefit obligation) totaled \$11.6 million for governmental activities and zero for business-type activities, for a total of \$11.6 million.

**Long-term Obligations**  
**November 30, 2017**

	Government Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Capital Leases	\$2,155,686	\$3,753,610	\$0	\$0	\$2,155,686	\$3,753,610
Debt Certificates	9,485,000	18,245,000	0	0	9,485,000	18,245,000
<b>Total Long-term Obligations</b>	<b>\$11,640,686</b>	<b>\$21,998,610</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,640,686</b>	<b>\$21,998,610</b>

Current year issuances for governmental activities were as follows: One new capital leases in the amount of \$0.1 million was issued for the acquisition of Panasonic Toughbook laptops. There were no new debt certificate issuances completed in fiscal year 2017.

There were no issuances for business-type activities during fiscal year 2017 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, 2017, the County's debt limit was \$217.3 million, while actual outstanding debt subject to the limit was \$2.3 million, leaving the County \$215.0 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**  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Year Ended November 30, 2017

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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 growth rate has been minimal. Population increased to 309,122 in 2017; an increase of 362 in seven years. Another important economic indicator is the local unemployment rate. The County's unemployment rate was 4.5% in 2017, 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 5.3% in 2015 and in 2016, 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 160 – 182.

**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, 2017

(With Comparative Totals - Primary Government for November 30, 2016)

	Primary Government				Component Unit
	Governmental Activities	Business-Type Activities	Totals		
			2017	2016	
<b>ASSETS</b>					
Current					
Cash and investments	\$ 148,886,540	\$ 43,954,163	\$ 192,840,703	\$ 190,707,447	\$ 11,438,281
Receivables					
Property taxes	79,839,078	10,000	79,849,078	79,344,078	19,312,796
Accounts	-	3,503,988	3,503,988	3,113,654	-
Other	1,752,326	3,180,266	4,932,592	2,604,321	42,337
Due from other governments	13,362,921	-	13,362,921	15,276,696	22,059
Internal balances	1,633,779	(1,633,779)	-	-	-
Prepaid expenses	1,354,758	141,420	1,496,178	93,283	109,507
Inventory	758,877	-	758,877	763,680	-
Total current assets	<u>247,588,279</u>	<u>49,156,058</u>	<u>296,744,337</u>	<u>291,903,159</u>	<u>30,924,980</u>
Noncurrent					
Capital Assets					
Land	68,928,129	6,000	68,934,129	65,907,084	205,088,897
Construction in progress	87,348,591	655,023	88,003,614	77,189,574	4,836,987
Capital assets, net of depreciation/amortization	<u>183,634,013</u>	<u>12,061,538</u>	<u>195,695,551</u>	<u>200,413,602</u>	<u>27,664,595</u>
Net capital assets	<u>339,910,733</u>	<u>12,722,561</u>	<u>352,633,294</u>	<u>343,510,260</u>	<u>237,590,479</u>
Other noncurrent assets					
Investment in joint venture	<u>732,170</u>	<u>101,979</u>	<u>834,149</u>	<u>834,149</u>	<u>-</u>
Total noncurrent assets	<u>340,642,903</u>	<u>12,824,540</u>	<u>353,467,443</u>	<u>344,344,409</u>	<u>237,590,479</u>
Total Assets	<u>588,231,182</u>	<u>61,980,598</u>	<u>650,211,780</u>	<u>636,247,568</u>	<u>268,515,459</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related items	27,885,863	2,058,337	29,944,200	37,188,339	894,675
Deferred charge on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,389,403</u>
Total Deferred Outflows of Resources	<u>27,885,863</u>	<u>2,058,337</u>	<u>29,944,200</u>	<u>37,188,339</u>	<u>7,284,078</u>

	Primary Government				
	Governmental Activities	Business- Type Activities	Totals		Component Unit
			2017	2016	
<b>LIABILITIES</b>					
Current					
Accounts payable	\$ 9,298,685	\$ 2,584,059	\$ 11,882,744	\$ 4,798,352	\$ 174,262
Accrued expenses	5,083,293	392,678	5,475,971	5,241,056	1,251,215
Unearned revenue	-	-	-	-	334,426
Other liabilities	999,351	142,796	1,142,147	627,641	-
Current portion of long-term obligations	<u>6,786,459</u>	<u>74,258</u>	<u>6,860,717</u>	<u>15,937,570</u>	<u>7,112,885</u>
Total current liabilities	22,167,788	3,193,791	25,361,579	26,604,619	8,872,788
Noncurrent					
Noncurrent portion of long-term obligations	<u>75,540,981</u>	<u>3,346,734</u>	<u>78,887,715</u>	<u>85,372,455</u>	<u>114,814,375</u>
Total Liabilities	<u>97,708,769</u>	<u>6,540,525</u>	<u>104,249,294</u>	<u>111,977,074</u>	<u>123,687,163</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension-related items	6,036,819	375,275	6,412,094	1,448,656	269,866
Property taxes levied for future period	<u>79,839,078</u>	<u>10,000</u>	<u>79,849,078</u>	<u>79,344,078</u>	<u>19,312,796</u>
Total Deferred Inflows of Resources	<u>85,875,897</u>	<u>385,275</u>	<u>86,261,172</u>	<u>80,792,734</u>	<u>19,582,662</u>
<b>NET POSITION</b>					
Net investment in capital assets	327,647,479	12,722,561	340,370,040	320,717,219	126,559,305
Restricted for:					
Recorder's Office	2,440,010	-	2,440,010	2,280,726	-
Treasurer's Office	757,266	-	757,266	653,547	-
Social security	-	-	-	-	157,250
Community Development	128,250	-	128,250	-	-
Liability insurance	12,796,478	-	12,796,478	13,367,638	196,391
Geographic information systems	1,179,457	-	1,179,457	1,489,554	-
County Clerk's Office	45,794	-	45,794	87,377	-
Transportation	48,558,663	-	48,558,663	55,391,136	-
Public safety	1,181,120	-	1,181,120	1,102,115	-
Judiciary and court related	1,997,788	-	1,997,788	1,405,315	-
Public health and welfare	15,070,826	-	15,070,826	15,730,060	-
Employee benefits	5,366,116	-	5,366,116	3,189,452	-
Public Building Commission	17,233	-	17,233	23,758	-
Debt service	-	-	-	-	294,094
Land acquisition and site improvement	-	-	-	-	666,861
Other	223,154	-	223,154	57,494	5,509
Working cash - permanently restricted (nonexpendable)	803,095	-	803,095	801,749	-
Unrestricted	<u>14,319,650</u>	<u>44,390,574</u>	<u>58,710,224</u>	<u>64,368,959</u>	<u>4,650,302</u>
Total Net Position	<u>\$ 432,532,379</u>	<u>\$ 57,113,135</u>	<u>\$ 489,645,514</u>	<u>\$ 480,666,099</u>	<u>\$ 132,529,712</u>

See accompanying notes to financial statements.

**County of McHenry, Illinois**

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2017

(With Comparative Totals - Primary Government for the Year Ended November 30, 2016)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General and administrative	\$ 38,577,137	\$ 4,936,745	\$ 446,004	\$ -
Community development	3,741,368	556,382	1,918,242	-
Transportation	20,307,973	25,597	10,496,013	-
Public safety	45,496,267	10,830,815	97,324	-
Judiciary and court related	15,974,311	7,374,055	262,711	-
Public health and welfare	22,429,015	1,940,357	4,609,692	-
Interest and fiscal charges	271,850	-	-	52,342
Total Governmental Activities	<u>146,797,921</u>	<u>25,663,951</u>	<u>17,829,986</u>	<u>52,342</u>
Business-Type Activities				
Public health and welfare	11,832,298	9,982,967	-	-
Public safety	4,740,919	2,549,577	2,342,473	-
Total Business-Type Activities	<u>16,573,217</u>	<u>12,532,544</u>	<u>2,342,473</u>	<u>-</u>
Total Primary Government	<u>\$ 163,371,138</u>	<u>\$ 38,196,495</u>	<u>\$ 20,172,459</u>	<u>\$ 52,342</u>
<b>Component Unit</b>				
Conservation District	<u>\$ 14,576,752</u>	<u>\$ 1,184,058</u>	<u>\$ 21,954</u>	<u>\$ 2,672,321</u>
<b>General Revenues</b>				
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				
Transfers				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

See accompanying notes to financial statements.

For the Year Ended November 30, 2017

Net (Expenses) Revenues and Changes in Net Position Primary Government				
Governmental Activities	Business-Type Activities	Totals		Component Unit
		2017	2016	
\$ (33,194,388)	\$ -	\$ (33,194,388)	\$ (33,510,194)	\$ -
(1,266,744)	-	(1,266,744)	(1,136,029)	-
(9,786,363)	-	(9,786,363)	(2,830,745)	-
(34,568,128)	-	(34,568,128)	(36,781,898)	-
(8,337,545)	-	(8,337,545)	(8,302,801)	-
(15,878,966)	-	(15,878,966)	(16,089,522)	-
(219,508)	-	(219,508)	(502,605)	-
<u>(103,251,642)</u>	<u>-</u>	<u>(103,251,642)</u>	<u>(99,153,794)</u>	<u>-</u>
-	(1,849,331)	(1,849,331)	(1,817,193)	-
<u>-</u>	<u>151,131</u>	<u>151,131</u>	<u>253,671</u>	<u>-</u>
-	(1,698,200)	(1,698,200)	(1,563,522)	-
<u>(103,251,642)</u>	<u>(1,698,200)</u>	<u>(104,949,842)</u>	<u>(100,717,316)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,698,419)</u>
79,204,833	-	79,204,833	76,113,609	19,527,420
20,111,544	-	20,111,544	19,852,773	-
2,575,080	-	2,575,080	2,632,513	-
2,813,221	-	2,813,221	2,614,547	192,033
6,010,242	-	6,010,242	6,369,804	-
1,278,965	586,804	1,865,769	556,269	90,132
1,348,568	-	1,348,568	434,918	70,669
-	-	-	-	25,091
<u>377,855</u>	<u>(377,855)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>113,720,308</u>	<u>208,949</u>	<u>113,929,257</u>	<u>108,574,433</u>	<u>19,905,345</u>
10,468,666	(1,489,251)	8,979,415	7,857,117	9,206,926
<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>
<u>\$ 432,532,379</u>	<u>\$ 57,113,135</u>	<u>\$ 489,645,514</u>	<u>\$ 480,666,099</u>	<u>\$ 132,529,712</u>

**County of McHenry, Illinois**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
November 30, 2017

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and investments	\$ 49,352,503	\$ 11,587,133	\$ 6,267,086	\$ 76,650,225	\$ 143,856,947
Property taxes receivable	44,831,303	10,900,000	7,800,000	16,307,775	79,839,078
Other receivables	300,938	403,295	-	1,038,093	1,742,326
Due from other governments	6,327,810	-	-	7,035,111	13,362,921
Due from other funds	404,295	39,218	-	361,236	804,749
Inventory	210,682	4,650	-	543,545	758,877
Advance to other funds	3,172,840	-	-	-	3,172,840
<b>Total Assets</b>	<b>\$ 104,600,371</b>	<b>\$ 22,934,296</b>	<b>\$ 14,067,086</b>	<b>\$ 101,935,985</b>	<b>\$ 243,537,738</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,535,791	\$ 1,442,672	\$ -	\$ 5,282,659	\$ 9,261,122
Accrued payroll	2,902,838	36,524	1,306,409	663,183	4,908,954
Due to other funds	15,851	4,289	-	238,803	258,943
Advance from other funds	-	-	3,172,840	-	3,172,840
Other liabilities	994,114	-	-	5,237	999,351
<b>Total Liabilities</b>	<b>6,448,594</b>	<b>1,483,485</b>	<b>4,479,249</b>	<b>6,189,882</b>	<b>18,601,210</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for future period	44,831,303	10,900,000	7,800,000	16,307,775	79,839,078
Unavailable revenue	1,767,426	26,213	-	2,145,572	3,939,211
<b>Total Deferred Inflows of Resources</b>	<b>46,598,729</b>	<b>10,926,213</b>	<b>7,800,000</b>	<b>18,453,347</b>	<b>83,778,289</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	3,383,522	4,650	-	1,346,640	4,734,812
Restricted	532,795	10,519,948	1,787,837	73,602,922	86,443,502
Committed	-	-	-	2,343,305	2,343,305
Assigned	5,004,472	-	-	-	5,004,472
Unassigned (deficit)	42,632,259	-	-	(111)	42,632,148
<b>Total Fund Balances</b>	<b>51,553,048</b>	<b>10,524,598</b>	<b>1,787,837</b>	<b>77,292,756</b>	<b>141,158,239</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 104,600,371</b>	<b>\$ 22,934,296</b>	<b>\$ 14,067,086</b>	<b>\$ 101,935,985</b>	<b>\$ 243,537,738</b>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
November 30, 2017

Total Fund Balances - Governmental Funds	\$	141,158,239
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.		339,910,733
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.		3,939,211
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.		(622,568)
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.		6,519,555
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		(170,894)
Compensated absences		(4,749,226)
Capital leases		(2,155,686)
Debt certificates		(9,485,000)
Claims and judgments - all other claims		(3,234,847)
Net pension liability		(48,422,319)
Other post-employment benefit obligation		(12,736,033)
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		27,885,863
Deferred inflows of resources - pension-related items		<u>(6,036,819)</u>
Total Net Position - Governmental Activities	\$	<u><u>432,532,379</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, 2017

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Charges for services	\$ 19,142,089	\$ -	\$ -	\$ 4,062,707	\$ 23,204,796
Licenses and permits	1,120,786	-	-	95,173	1,215,959
Fines and forfeitures	929,140	-	-	43,434	972,574
Grants, contributions, and intergovernmental	3,106,654	54,533	-	15,635,066	18,796,253
Property taxes	44,313,958	10,871,267	7,779,439	16,240,169	79,204,833
Sales taxes	9,881,741	-	-	10,229,803	20,111,544
State income taxes	6,010,242	-	-	-	6,010,242
Tax transfer stamps	2,575,080	-	-	-	2,575,080
Other taxes	2,681,980	-	131,241	-	2,813,221
Investment income	526,937	91,722	44,466	578,943	1,242,068
Miscellaneous	141,015	82,401	-	1,125,152	1,348,568
<b>Total Revenues</b>	<b>90,429,622</b>	<b>11,099,923</b>	<b>7,955,146</b>	<b>48,010,447</b>	<b>157,495,138</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General and administrative	28,541,194	-	757,260	4,909,553	34,208,007
Community development	1,415,990	-	123,443	1,982,181	3,521,614
Transportation	-	-	-	17,234,421	17,234,421
Public safety	33,209,783	-	4,435,770	2,319,014	39,964,567
Judiciary and court related	10,113,377	-	976,291	2,869,761	13,959,429
Public health and welfare	5,825,927	10,502,384	436,610	5,087,441	21,852,362
Capital outlay	4,036,301	-	-	14,048,347	18,084,648
Debt service					
Principal retirement	1,708,184	-	-	8,768,648	10,476,832
Interest and fiscal charges	74,018	-	-	499,624	573,642
<b>Total Expenditures</b>	<b>84,924,774</b>	<b>10,502,384</b>	<b>6,729,374</b>	<b>57,718,990</b>	<b>159,875,522</b>
Excess (deficiency) of revenues over expenditures	5,504,848	597,539	1,225,772	(9,708,543)	(2,380,384)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	402,039	-	-	17,364,722	17,766,761
Transfers out	(2,915,746)	(419,953)	-	(14,053,207)	(17,388,906)
Capital leases issued	118,908	-	-	-	118,908
<b>Total Other Financing Sources (Uses)</b>	<b>(2,394,799)</b>	<b>(419,953)</b>	<b>-</b>	<b>3,311,515</b>	<b>496,763</b>
Net Change in Fund Balances	3,110,049	177,586	1,225,772	(6,397,028)	(1,883,621)
Fund Balance - Beginning of Year	48,442,999	10,347,012	562,065	83,689,784	143,041,860
Fund Balance - End of Year	\$ 51,553,048	\$ 10,524,598	\$ 1,787,837	\$ 77,292,756	\$ 141,158,239

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, 2017

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Net Change in Fund Balances - Governmental Funds \$ (1,883,621)

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.	18,084,648
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(443,961)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	2,696,915
Loss on disposal of capital assets	(71,869)
Depreciation/amortization are reported in the government-wide financial statements.	(11,301,985)

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	285,636
Operating grants and contributions	(454,749)
Capital grants and contributions	(2,191)
Investment income	(2,498)

Internal service funds are used by management to charge insurance costs to individual funds. 756,744

Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position. 10,476,832

Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position. (118,908)

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. 171,863

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:

Increase in compensated absences	(56,644)
Decrease in accrued interest	129,929
Increase in claims and judgments - all other claims	(408,302)
Decrease in net pension liability	6,549,031
Increase in other post-employment benefit obligation	(2,367,561)
Decrease in deferred outflows of resources - pension-related items	(6,982,480)
Increase in deferred inflows of resources - pension-related items	(4,588,163)

Change in Net Position - Governmental Activities \$ 10,468,666

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
November 30, 2017

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>        </u>
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 39,819,865	\$ 4,134,298	\$ 43,954,163	\$ 5,029,593
Property taxes receivable	10,000	-	10,000	-
Accounts receivable	3,503,988	-	3,503,988	10,000
Other receivables	111,777	3,068,489	3,180,266	-
Prepaid expenses	<u>23,942</u>	<u>117,478</u>	<u>141,420</u>	<u>1,354,758</u>
Total Current Assets	<u>43,469,572</u>	<u>7,320,265</u>	<u>50,789,837</u>	<u>6,394,351</u>
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
Construction in progress	-	655,023	655,023	-
Buildings and improvements	14,921,831	-	14,921,831	-
Land improvements	308,885	-	308,885	-
Furniture and fixtures	374,713	33,797	408,510	-
Machinery and equipment	527,617	2,231,517	2,759,134	-
Transportation equipment	71,164	44,508	115,672	-
Computer software	38,253	4,640,989	4,679,242	-
Less: accumulated depreciation/ amortization	<u>(5,896,915)</u>	<u>(5,234,821)</u>	<u>(11,131,736)</u>	<u>-</u>
Net Capital Assets	<u>10,351,548</u>	<u>2,371,013</u>	<u>12,722,561</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>10,351,548</u>	<u>2,472,992</u>	<u>12,824,540</u>	<u>-</u>
Total Assets	<u>53,821,120</u>	<u>9,793,257</u>	<u>63,614,377</u>	<u>6,394,351</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension-related items	<u>1,941,844</u>	<u>116,493</u>	<u>2,058,337</u>	<u>-</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>Fund</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 194,237	\$ 2,389,822	\$ 2,584,059	\$ 37,563
Accrued payroll	374,254	18,424	392,678	3,445
Due to other funds	161,385	377,961	539,346	6,460
Other liabilities	142,796	-	142,796	-
Compensated absences	66,346	7,912	74,258	-
Claims and judgments	-	-	-	921,761
	<u>939,018</u>	<u>2,794,119</u>	<u>3,733,137</u>	<u>969,229</u>
Total Current Liabilities				
Noncurrent Liabilities				
Compensated absences	132,691	15,824	148,515	-
Net pension liability	2,482,027	148,796	2,630,823	-
Other post-employment benefit obligation	<u>534,023</u>	<u>33,373</u>	<u>567,396</u>	<u>-</u>
	<u>3,148,741</u>	<u>197,993</u>	<u>3,346,734</u>	<u>-</u>
Total Noncurrent Liabilities				
	<u>4,087,759</u>	<u>2,992,112</u>	<u>7,079,871</u>	<u>969,229</u>
Total Liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future period	10,000	-	10,000	-
Pension related items	<u>354,050</u>	<u>21,225</u>	<u>375,275</u>	<u>-</u>
Total Deferred Inflows of Resources	364,050	21,225	385,275	-
<b>NET POSITION</b>				
Net investment in capital assets	10,351,548	2,371,013	12,722,561	-
Unrestricted	<u>40,959,607</u>	<u>4,525,400</u>	<u>45,485,007</u>	<u>5,425,122</u>
	<u>\$ 51,311,155</u>	<u>\$ 6,896,413</u>	58,207,568	<u>\$ 5,425,122</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(1,094,433)</u>	
Net Position of Business-Type Activities			<u>\$ 57,113,135</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, 2017**

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund <u>Fund</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 9,966,692	\$ 2,549,577	\$ 12,516,269	\$ 20,216,378
Other	<u>16,275</u>	<u>-</u>	<u>16,275</u>	<u>-</u>
Total Operating Revenues	<u>9,982,967</u>	<u>2,549,577</u>	<u>12,532,544</u>	<u>20,216,378</u>
<b>OPERATING EXPENSES</b>				
Personnel services	8,398,017	470,161	8,868,178	68,323
Contractual services	1,975,335	3,725,552	5,700,887	19,356,259
Commodities	1,097,209	91,530	1,188,739	1,475
Depreciation	431,097	74,264	505,361	-
Amortization	<u>-</u>	<u>383,024</u>	<u>383,024</u>	<u>-</u>
Total Operating Expenses	<u>11,901,658</u>	<u>4,744,531</u>	<u>16,646,189</u>	<u>19,426,057</u>
Operating Income (Loss)	<u>(1,918,691)</u>	<u>(2,194,954)</u>	<u>(4,113,645)</u>	<u>790,321</u>
<b>NONOPERATING REVENUES</b>				
Intergovernmental grants	-	2,342,473	2,342,473	-
Investment income	<u>549,236</u>	<u>37,568</u>	<u>586,804</u>	<u>39,395</u>
Total Nonoperating Revenues	<u>549,236</u>	<u>2,380,041</u>	<u>2,929,277</u>	<u>39,395</u>
Income (Loss) Before Transfers	(1,369,455)	185,087	(1,184,368)	829,716
Transfer out	<u>-</u>	<u>(377,855)</u>	<u>(377,855)</u>	<u>-</u>
Change in Net Position	(1,369,455)	(192,768)	(1,562,223)	829,716
Net Position - Beginning of Year	<u>52,680,610</u>	<u>7,089,181</u>		<u>4,595,406</u>
Net Position - End of Year	<u>\$ 51,311,155</u>	<u>\$ 6,896,413</u>		<u>\$ 5,425,122</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>72,972</u>	
Change in Net Position of Business-Type Activities			<u>\$ (1,489,251)</u>	

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended November 30, 2017

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 9,623,562	\$ 411,472	\$ 10,035,034	\$ 22,398,990
Payments to employees	(7,779,585)	(422,254)	(8,201,839)	(67,876)
Payments to third party administrator	-	-	-	(17,811,040)
Payments to suppliers	<u>(3,107,513)</u>	<u>(1,515,605)</u>	<u>(4,623,118)</u>	<u>(4,180,086)</u>
Net Cash Flows From Operating Activities	<u>(1,263,536)</u>	<u>(1,526,387)</u>	<u>(2,789,923)</u>	<u>339,988</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental grants	-	2,342,290	2,342,290	-
Transfers out	-	(377,855)	(377,855)	-
Interfund payments	<u>(158,549)</u>	<u>366,524</u>	<u>207,975</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>(158,549)</u>	<u>2,330,959</u>	<u>2,172,410</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	<u>(33,030)</u>	<u>(1,014,645)</u>	<u>(1,047,675)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(33,030)</u>	<u>(1,014,645)</u>	<u>(1,047,675)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Marketable securities purchased	(12,994,038)	-	(12,994,038)	-
Cash receipts from investment income	<u>714,233</u>	<u>37,568</u>	<u>751,801</u>	<u>39,395</u>
Net Cash Flows From Investing Activities	<u>(12,279,805)</u>	<u>37,568</u>	<u>(12,242,237)</u>	<u>39,395</u>
Net Change in Cash and Equivalents	(13,734,920)	(172,505)	(13,907,425)	379,383
Cash and Equivalents - Beginning of Year	<u>29,236,380</u>	<u>4,306,803</u>	<u>33,543,183</u>	<u>4,650,210</u>
Cash and Equivalents - End of Year	<u>\$ 15,501,460</u>	<u>\$ 4,134,298</u>	<u>\$ 19,635,758</u>	<u>\$ 5,029,593</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (1,918,691)	\$ (2,194,954)	\$ (4,113,645)	\$ 790,321
Adjustments to reconcile operating loss to net cash flows from operating activities				
Depreciation	431,097	74,264	505,361	-
Amortization	-	383,024	383,024	-
Changes in assets, liabilities, and deferred inflows and outflows of resources				
Accounts receivable	(390,334)	(2,138,105)	(2,528,439)	-
Due from other funds	-	-	-	2,182,612
Prepaid expenses	(862)	(47,275)	(48,137)	(1,354,758)
Deferred outflows of resources - pension-related items	260,828	22,056	282,884	-
Accounts payable	(34,107)	2,348,751	2,314,644	36,188
Accrued payroll	26,941	2,641	29,582	447
Due to other funds	-	-	-	100
Other liabilities	30,929	-	30,929	-
Compensated absences	(8,190)	3,814	(4,376)	-
Claims and judgments	-	-	-	(1,314,922)
Net pension liability	(120,482)	11,117	(109,365)	-
Other post-employment benefit obligation	105,285	8,280	113,565	-
Deferred inflows of resources - pension-related items	354,050	-	354,050	-
Net Cash Flows From Operating Activities	<u>\$ (1,263,536)</u>	<u>\$ (1,526,387)</u>	<u>\$ (2,789,923)</u>	<u>\$ 339,988</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position - Proprietary Funds				
Cash and investments	\$ 39,819,865	\$ 4,134,298	\$ 43,954,163	\$ 5,029,593
Less: Noncash Equivalents	<u>(24,318,405)</u>	<u>-</u>	<u>(24,318,405)</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ 15,501,460</u>	<u>\$ 4,134,298</u>	<u>\$ 19,635,758</u>	<u>\$ 5,029,593</u>
<b>NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES</b>				
Unrealized loss on investments	<u>\$ (203,118)</u>	<u>\$ -</u>	<u>\$ (203,118)</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
November 30, 2017

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ASSETS	
Cash and investments	\$ <u>8,279,414</u>
Total Assets	\$ <u><u>8,279,414</u></u>
LIABILITIES	
Accounts payable	\$ 136,006
Due to residents	36,888
Bond escrow	3,214,821
Due to other governments	3,069,167
Other liabilities	<u>1,822,532</u>
Total Liabilities	\$ <u><u>8,279,414</u></u>

See accompanying notes to financial statements.

**County of McHenry, Illinois**  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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**County of McHenry, Illinois**  
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November 30, 2017

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**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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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, 2017

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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, 2017. 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, 2017

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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, 2017

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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.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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Note 1 – Summary of Significant Accounting Policies (Continued)

D. 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.

E. Investments

Investments are reported at fair value. Fair value is based on methods and inputs as outlined in Note 3.

F. 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.

G. 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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 2017.

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, 2017

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Note 1 – Summary of Significant Accounting Policies (Continued)

G. Capital Assets (Continued)

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

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

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

H. 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).

I. 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.

J. 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, 2017

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Note 1 – Summary of Significant Accounting Policies (Continued)

J. 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.

K. 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.

L. 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.

M. 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, 2017

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Note 1 – Summary of Significant Accounting Policies (Continued)

N. 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.

O. 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.

P. 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.

Q. 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, 2017

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Note 1 – Summary of Significant Accounting Policies (Continued)

R. 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, 2017

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Note 1 – Summary of Significant Accounting Policies (Continued)

R. 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, 2017, the general fund reserve was 6.6 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.

S. 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, 2016. 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, 2017

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, 2017 other than the Dental Care Clinic Fund which had \$63,171 in expenditures and \$0 budgeted.

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, 2017.

As of November 30, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	
	<u>Primary Government</u>	<u>Fiduciary Funds</u>
U.S. agencies - implicitly guaranteed	\$ 25,863,711	\$ -
State and local bonds	1,823,434	-
Certificates of deposit - negotiable	5,968,517	-
Illinois Funds	<u>6,627</u>	<u>33,811</u>
	<u>\$ 33,662,289</u>	<u>\$ 33,811</u>

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

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

<u>Investment Type</u>	<u>November 30, 2017</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agencies - implicitly guaranteed	\$ -	\$ 25,863,711	\$ -
State and local bonds	-	1,823,434	-
Certificates of deposit - negotiable	-	5,968,517	-
	<u>\$ -</u>	<u>\$ 33,655,662</u>	<u>\$ -</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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, 2017, 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 - implicitly guaranteed	\$ 25,863,711	\$ 1,250,000	\$ 10,860,659	\$ 13,753,052
State and local bonds	1,823,434	-	646,570	1,176,864
Certificates of deposit - negotiable	5,968,517	1,997,117	3,971,400	-
	<u>\$ 33,655,662</u>	<u>\$ 3,247,117</u>	<u>\$ 15,478,629</u>	<u>\$ 14,929,916</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 &amp; Poors</u>	<u>Moody's Investor Service</u>
Illinois Funds	AAAm	not available
U.S. agencies - implicitly guaranteed	N.R.	Aaa, N.R.
State and local bonds	AAA, AA+, N.R.	Aa1, Aa2, Aa3, N.R.
Certificates of deposit - negotiable	not available	not available

**Custodial credit risk.** As of November 30, 2017, 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, 2017, the County (primary government) had deposits with a book balance of \$159,174,929 and a bank balance of \$159,743,728 and the fiduciary funds had deposits with a book balance of \$8,279,414 and a bank balance of \$8,279,414. As of November 30, 2017, 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.

**Concentration of Credit Risk.** Concentration of credit risk is the risk that the County has a high percentage of its investments invested in one type of investment. At November 30, 2017, of the County's total portfolio, 51% was invested in FNMA, 6% was invested in FHLMC's, and 9% in FHMS.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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

	Primary Government	Fiduciary Funds
Cash on hand	\$ 3,485	\$ 1,700
Carrying amount of deposits	159,174,929	8,243,903
Carrying amount of investments	33,662,289	33,811
Total cash and investments	\$ 192,840,703	\$ 8,279,414

Cash and investments, as reported in the financial statements:

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 2017 property tax is levied to finance the operations of fiscal year 2018, the calendar year 2017 property tax levy is recorded as a receivable and a deferred inflow of resources as of November 30, 2017. The calendar year 2016 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2017. 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 2016 property tax levy became due and payable in two installments in June 2017 and September 2017. 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, 2017

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>425,000</u>
		<u>\$ 675,000</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>
<b>Liabilities</b>		
Unearned revenue - resources with unmet eligibility requirements	\$ <u>          -</u>	\$ <u>          -</u>
<b>Deferred Inflows of Resources</b>		
Property taxes levied for future period	\$ <u>79,839,078</u>	\$ <u>79,839,078</u>
Unavailable revenue - grants receivable	2,174,249	-
Unavailable revenue - other receivables	<u>1,764,962</u>	<u>          -</u>
Total unavailable revenue	<u>3,939,211</u>	<u>          -</u>
Total deferred inflows of resources	<u>\$ 83,778,289</u>	<u>\$ 79,839,078</u>

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2017

Note 5 – Capital Assets

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

Governmental Activities	Balance December 1	Additions	Deletions	Balance November 30
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 65,901,084	\$ 3,027,045	\$ -	\$ 68,928,129
Construction in progress	77,063,234	12,565,655	(2,280,298)	87,348,591
<b>Total Capital Assets Not Being Depreciated</b>	<b>142,964,318</b>	<b>15,592,700</b>	<b>(2,280,298)</b>	<b>156,276,720</b>
<b>Other Capital Assets</b>				
Roads, bridges, and related infrastructure	157,866,718	-	-	157,866,718
Buildings and improvements	103,645,352	2,646,688	-	106,292,040
Land improvements	181,544	36,950	-	218,494
Furniture and fixtures	3,587,025	10,036	-	3,597,061
Machinery and equipment	41,746,352	3,522,422	(490,040)	44,778,734
Computer software	12,700,656	84,500	-	12,785,156
Transportation equipment	6,075,737	724,605	(458,364)	6,341,978
<b>Total Other Capital Assets</b>	<b>325,803,384</b>	<b>7,025,201</b>	<b>(948,404)</b>	<b>331,880,181</b>
<b>Less Accumulated Depreciation/Amortization for:</b>				
Roads, bridges, and related infrastructure	(47,712,645)	(3,946,356)	-	(51,659,001)
Buildings and improvements	(46,767,770)	(2,697,515)	-	(49,465,285)
Land improvements	(29,865)	(5,973)	-	(35,838)
Furniture and fixtures	(2,981,591)	(69,494)	-	(3,051,085)
Machinery and equipment	(27,914,816)	(3,122,008)	418,170	(30,618,654)
Computer software	(7,999,784)	(937,854)	-	(8,937,638)
Transportation equipment	(4,414,246)	(522,785)	458,364	(4,478,667)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(137,820,717)</b>	<b>(11,301,985)</b>	<b>876,534</b>	<b>(148,246,168)</b>
<b>Other Capital Assets, Net</b>	<b>187,982,667</b>	<b>(4,276,784)</b>	<b>(71,870)</b>	<b>183,634,013</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 330,946,985</b>	<b>\$ 11,315,916</b>	<b>\$ (2,352,168)</b>	<b>\$ 339,910,733</b>

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

General and administrative	\$ 3,802,510
Community development	50,987
Transportation	4,810,174
Public safety	1,332,884
Judiciary and court related	923,594
Public health and welfare	381,836
<b>Total Depreciation/Amortization Expense – Governmental Activities</b>	<b>\$ 11,301,985</b>

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2017

Note 5 – Capital Assets (Continued)

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

Business-Type Activities	Balance December 1	Additions	Deletions	Balance November 30
Capital Assets Not Being Depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	126,340	546,623	(17,940)	655,023
Total Capital Assets Not Being Depreciated	<u>132,340</u>	<u>546,623</u>	<u>(17,940)</u>	<u>661,023</u>
Other Capital Assets				
Buildings and improvements	14,921,831	-	-	14,921,831
Land improvements	302,971	5,914	-	308,885
Furniture and fixtures	390,570	17,940	(19,588)	388,922
Machinery and equipment	2,355,728	422,994	-	2,778,722
Computer software	4,629,242	50,000	-	4,679,242
Transportation equipment	90,217	25,455	-	115,672
Total Other Capital Assets	<u>22,690,559</u>	<u>522,303</u>	<u>(19,588)</u>	<u>23,193,274</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(4,556,528)	(367,134)	-	(4,923,662)
Land improvements	(143,809)	(15,444)	-	(159,253)
Furniture and fixtures	(388,048)	(2,802)	16,273	(374,577)
Machinery and equipment	(2,115,503)	(135,461)	-	(2,250,964)
Computer software	(2,965,519)	(362,453)	-	(3,327,972)
Transportation equipment	(90,217)	(5,091)	-	(95,308)
Total Accumulated Depreciation/Amortization	<u>(10,259,624)</u>	<u>(888,385)</u>	<u>16,273</u>	<u>(11,131,736)</u>
Other Capital Assets, Net	<u>12,430,935</u>	<u>(366,082)</u>	<u>(3,315)</u>	<u>12,061,538</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,563,275</u>	<u>\$ 180,541</u>	<u>\$ (21,255)</u>	<u>\$ 12,722,561</u>

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

Public safety	\$ 457,288
Public health and welfare	<u>431,097</u>
Total Depreciation/Amortization Expense – Business-Type Activities	<u>\$ 888,385</u>

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2017

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	\$ 4,692,582	\$ 1,620,838	\$ 1,564,194	\$ 4,749,226	\$ 1,583,075
Capital leases	3,753,610	118,908	1,716,832	2,155,686	873,024
Debt certificates	18,245,000	-	8,760,000	9,485,000	1,815,000
Debt certificate issuance premiums	794,431	-	171,863	622,568	171,180
Claims and judgments - health claims	2,236,683	16,471,440	17,786,362	921,761	921,761
Claims and judgments - all other claims	2,826,545	939,401	531,099	3,234,847	1,422,419
Net pension liability	54,971,350	-	6,549,031	48,422,319	-
Other post-employment benefit obligation	<u>10,368,472</u>	<u>2,367,561</u>	<u>-</u>	<u>12,736,033</u>	<u>-</u>
	<u>\$ 97,888,673</u>	<u>\$ 21,518,148</u>	<u>\$ 37,079,381</u>	<u>\$ 82,327,440</u>	<u>\$ 6,786,459</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	\$ 227,151	\$ 71,339	\$ 75,717	\$ 222,773	\$ 74,258
Net pension liability	2,740,370	-	109,547	2,630,823	-
Other post-employment benefit obligation	<u>453,831</u>	<u>113,565</u>	<u>-</u>	<u>567,396</u>	<u>-</u>
	<u>\$ 3,421,352</u>	<u>\$ 184,904</u>	<u>\$ 185,264</u>	<u>\$ 3,420,992</u>	<u>\$ 74,258</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, 2017

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
<b>Capital Leases – Governmental Activities</b>				
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.	\$ 165,321	\$ -	\$ 79,915	\$ 85,406
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.	1,017,713	-	333,036	684,677
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.	1,712,676	-	421,073	1,291,603
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.	857,900	-	857,900	-
Panasonic Toughbook Laptop				
\$118,908 capital lease, due in varying annual installments; interest at 2.37% through August 2021. Proceeds were used for the purchase of public safety equipment. The capital lease will be repaid by the General Fund.	-	118,908	24,908	94,000
Total Capital Leases - Governmental Activities	<u>\$ 3,753,610</u>	<u>\$ 118,908</u>	<u>\$ 1,716,832</u>	<u>\$ 2,155,686</u>

Capital leases have resulted in the acquisition of \$8,437,490 of capital assets (equipment), which have accumulated depreciation of \$4,445,622.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Debt Certificates – Governmental Activities</b>				
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.	\$ 575,000	\$ -	\$ 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.	1,520,000	-	490,000	1,030,000
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.	1,795,000	-	700,000	1,095,000

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Debt Certificates – Governmental Activities (Continued)</b>				
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.	\$ 2,795,000	\$ -	\$ 275,000	\$ 2,520,000
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.	2,030,000	-	310,000	1,720,000
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.	9,530,000	-	6,410,000	3,120,000
Total Debt Certificates - Governmental Activities	<u>\$ 18,245,000</u>	<u>\$ -</u>	<u>\$ 8,760,000</u>	<u>\$ 9,485,000</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 6 – Long-Term Obligations (Continued)

**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
2018	\$ 873,024	\$ 73,450	\$ 946,474
2019	799,245	32,005	831,250
2020	459,086	17,253	476,339
2021	24,331	5,430	29,761
	<u>\$ 2,155,686</u>	<u>\$ 128,138</u>	<u>\$ 2,283,824</u>

Fiscal Year	Governmental Activities	
	Debt Certificates	
	Principal	Interest
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	2,020,000	94,095
2023-2025	1,020,000	84,682
	<u>\$ 9,485,000</u>	<u>\$ 1,121,289</u>

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, 2017, the balance of conduit debt outstanding is approximately \$5.6M.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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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](http://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, 2017

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, 2016, the following employees were covered by the benefit terms:

	Regular Plan	SLEP Plan
Inactive employees or beneficiaries currently receiving benefits	640	141
Inactive employees entitled to but not yet receiving benefits	767	27
Active employees	961	111
	2,368	279

**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 2016 was 10.24% for the Regular Plan and 26.96% for the SLEP Plan. For the fiscal year ended November 30, 2017, the County contributed \$5,328,928 for the Regular Plan and \$2,2,749,861 for the SLEP Plan, for a total of \$8,078,789. 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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The December 31, 2016 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 2.75%, (b) salary increases of 3.75% to 14.50%, including inflation, and (c) investment rate of 7.5%.

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

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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 2012). The IMRF specific rates were developed from the RP 2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP 2014 (base year 2012). The IMRF specific rates were developed from the RP 2014 Disabled Retirees Mortality Table applying the same adjustment that 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 %	7.39 %
International equity	17	7.59
Fixed income	27	3.00
Real estate	8	6.00
Alternative investments	9	2.75-8.15
Cash equivalents	1	2.25
	100 %	

**Discount Rate**

The discount rates used to measure the total pension liabilities for the Regular and SLEP plans were 7.50% and 7.50% respectively. The discount rates calculated using the December 31, 2015 measurement date were 7.49% and 7.46%. The projection of cash flows used to determine the discount rates assumed that member contributions will be made at the current contribution rates and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the fiduciary net positions were 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, 2016 to arrive at discount rates of 7.50% and 7.50%, respectively for the Regular and SLEP plans used to determine the total pension liabilities. The years ending December 31, 2115 and 2116 are the last years in the 2017 to 2116 projection periods for which projected benefit payments are fully funded for the Regular and SLEP plans, respectively.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability

	Increase (Decrease)		
	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<b>Regular Plan</b>			
Balances at December 31, 2015	\$ 219,396,080	\$ 189,086,551	\$ 30,309,529
Changes for the year:			
Service cost	5,876,244	-	5,876,244
Interest	16,314,404	-	16,314,404
Differences between expected and actual experience	(4,501,014)	-	(4,501,014)
Changes of assumptions	(293,464)	-	(293,464)
Contributions - County	-	5,337,095	(5,337,095)
Contributions - Employees	-	2,438,820	(2,438,820)
Net investment income	-	13,006,580	(13,006,580)
Benefit payments, including refunds of employee contributions	(9,036,791)	(9,036,791)	-
Other changes	-	814,242	(814,242)
Net changes	<u>8,359,379</u>	<u>12,559,946</u>	<u>(4,200,567)</u>
Balances at December 31, 2016	<u>\$ 227,755,459</u>	<u>\$ 201,646,497</u>	<u>\$ 26,108,962</u>
<b>SLEP Plan</b>			
Balances at December 31, 2015	\$ 124,779,420	\$ 97,377,229	\$ 27,402,191
Changes for the year:			
Service cost	2,257,658	-	2,257,658
Interest	9,173,987	-	9,173,987
Differences between expected and actual experience	(1,513,060)	-	(1,513,060)
Changes of assumptions	(655,333)	-	(655,333)
Contributions - County	-	2,938,206	(2,938,206)
Contributions - Employees	-	819,691	(819,691)
Net investment income	-	6,665,299	(6,665,299)
Benefit payments, including refunds of employee contributions	(5,865,100)	(5,865,100)	-
Other changes	-	1,298,067	(1,298,067)
Net changes	<u>3,398,152</u>	<u>5,856,163</u>	<u>(2,458,011)</u>
Balances at December 31, 2016	<u>\$ 128,177,572</u>	<u>\$ 103,233,392</u>	<u>\$ 24,944,180</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability (Continued)

<b>Reconciliation of Net Pension Liability to the Financial Statements</b>	<u>Regular Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
Governmental Activities	\$ 23,478,139	\$ 24,944,180	\$ 48,422,319
Proprietary funds/business-type activities			
Valley Hi Fund	2,482,027	-	2,482,027
E911 Fund	148,796	-	148,796
Total proprietary funds/business-type activities	<u>2,630,823</u>	<u>-</u>	<u>2,630,823</u>
Total	<u>\$ 26,108,962</u>	<u>\$ 24,944,180</u>	<u>\$ 51,053,142</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 would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
<b>Regular Plan</b>			
Net pension liability	\$ <u>57,975,763</u>	\$ <u>26,108,962</u>	\$ <u>301,006</u>
<b>SLEP Plan</b>			
Net pension liability	\$ <u>42,693,801</u>	\$ <u>24,944,180</u>	\$ <u>10,439,175</u>

G. Pension Expense

For the fiscal year ended November 30, 2017, the County recognized pension expense of \$9,969,540 for the Regular Plan and \$3,656,288, for the SLEP Plan, for a total of \$13,625,828.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 7 – Defined Benefit Pension Plans (Continued)

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

As of November 30, 2017, 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	
<b>Regular Plan</b>			
Differences between expected and actual experience	\$ 3,140,323	\$ 3,496,368	
Changes of assumptions	2,695,259	227,962	
Net difference between projected and actual investment earnings	9,863,887	-	
Changes in proportion	-	-	
Contributions subsequent to the measurement date	4,718,441	-	
Total	\$ 20,417,910	\$ 3,724,330	
<b>SLEP Plan</b>			
Differences between expected and actual experience	\$ 928,219	\$ 2,171,073	
Changes of assumptions	1,047,240	516,691	
Net difference between projected and actual investment earnings	5,105,690	-	
Contributions subsequent to the measurement date	2,445,141	-	
Total	\$ 9,526,290	\$ 2,687,764	
<b>Reconciliation of Deferred Outflows of Resources to the Financial Statements</b>			
	Regular Plan	SLEP Plan	Total
Governmental Activities	\$ 18,359,573	\$ 9,526,290	\$ 27,885,863
Proprietary funds/Business-type activities			
Valley Hi Fund	1,941,844	-	1,941,844
E911 Fund	116,493	-	116,493
Total proprietary funds/Business-type activities	2,058,337	-	2,058,337
Total	\$ 20,417,910	\$ 9,526,290	\$ 29,944,200

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 7 – Defined Benefit Pension Plans (Continued)

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

<b>Reconciliation of Deferred Inflows of Resources to the Financial Statements</b>	Regular Plan	SLEP Plan	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Governmental Activities	\$ 3,349,055	\$ 2,687,764	\$ 6,036,819
Proprietary funds/Business-type activities			
Valley Hi Fund	354,050	-	354,050
E911 Fund	21,225	-	21,225
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total proprietary funds/Business-type activities	375,275	-	375,275
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	\$ <u>3,724,330</u>	\$ <u>2,687,764</u>	\$ <u>6,412,094</u>

Amounts reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date (\$4,718,441 for the Regular Plan and \$2,445,141 for the SLEP Plan, for a total of \$7,163,582) will be recognized as a reduction of the net pension liability in the fiscal year ending November 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Regular Plan	SLEP Plan	Total
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
2018	\$ 5,196,697	\$ 1,615,351	\$ 6,812,048
2019	4,655,714	1,615,349	6,271,063
2020	2,404,982	1,374,571	3,779,553
2021	(282,254)	(211,886)	(494,140)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	\$ <u>11,975,139</u>	\$ <u>4,393,385</u>	\$ <u>16,368,524</u>

I. Payables to the Pension Plan

As of November 30, 2017, the County reported a payable of \$289,348, for outstanding required contributions to IMRF for the month of November 2017.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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 2017, plan members contributed \$914,657 and, on an age-adjusted basis, the County contributed \$0.

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)	\$	2,577,825
Interest on net OPEB obligation		308,436
Adjustment to annual required contribution		<u>(526,490)</u>
Annual OPEB cost (expense)		2,359,771
Contributions made		<u>121,355</u>
Increase in net OPEB obligation		2,481,126
Net OPEB obligation - beginning of year		<u>10,822,303</u>
Net OPEB obligation - end of year	\$	<u><u>13,303,429</u></u>

**County of McHenry, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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
11/30/17	\$ 2,359,771	\$ (121,355)	-5.14%	\$ 13,303,429
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

D. Funded Status and Funding Progress

As of August 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$28,130,204 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,130,204. The covered payroll (annual payroll of active employees covered by the plan) was \$67,269,858, and the ratio of the UAAL to the covered payroll

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, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 2.85% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate between 2.42% - 6.00% initially, graded to 4.50% over six years, projected salary increases of 2.5% a year, and annual inflation of 2.50%. 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  
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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, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County purchases commercial insurance to cover itself for property and casualty loss. The County is self-insured for workers' compensation and general liability.

The Insurance Loss Fund provides coverage for up to a maximum of \$750,000 for law enforcement personnel and \$650,000 for all other personnel 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 participates in a public entity risk pool, the Intergovernmental Personnel Benefit Cooperative (IPBC), to provide coverage for employee healthcare. The County accounts for its risk financing in the Health Insurance Fund (internal service fund) and Insurance Loss Fund (nonmajor special revenue fund). The County has \$195,000 stop-loss coverage for individual health claims with an aggregate stop-loss of 135% of total expected annual claims. The County utilizes a third-party administrator to process the claims. The County reimburses the third-party administrator for the claims plus a processing fee. The Health Insurance Fund is supported by payments from other County funds, those that account for personnel costs, based on estimated premium-equivalent amounts.

The claims and judgments liability of \$4,156,608 (related to the Insurance Loss Fund and Health Insurance Fund) at November 30, 2017 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 was one significant reduction in insurance coverage from the previous year, the County eliminated the inmate medical plan.

Changes in claims and judgments liability in fiscal years 2017 and 2016 were as follows:

	Balance December 1		Incurred Claims and Changes in Estimates		Claim Payments		Balance November 30
2016 - 2017	\$ 5,063,228	\$	17,410,841	\$	18,317,461	\$	4,156,608
2015 - 2016	\$ 4,871,903	\$	18,430,309	\$	18,238,984	\$	5,063,228

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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	\$ 49,386,716	\$ 22,126,814
Building projects	811,010	563,829
Information technology projects	5,932,280	4,639,940
Other projects	3,435,751	2,180,253
	\$ 59,565,757	\$ 29,510,836

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

General Fund	\$ 1,351,616	\$ 885,238
County Mental Health Fund	7,700	4,700
Nonmajor Governmental Funds	56,109,416	27,334,287
Valley Hi Fund	84,674	63,566
911 Fund	2,012,351	1,223,045
	\$ 59,565,757	\$ 29,510,836

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, 2017

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. Investment in Illinois Funds are valued at Illinois Funds' 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, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater Than 10</u>
Negotiable Certificates of Deposit	\$ <u>5,878,445</u>	\$ <u>3,824,287</u>	\$ <u>2,054,158</u>	\$ <u>-</u>	\$ <u>-</u>

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

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in Illinois Funds. Illinois Funds are rated AAA.

**County of McHenry, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
November 30, 2017

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 investments 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, 2017, 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 <u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>March 31</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 203,127,079	\$ 1,961,818	\$ -	\$ 205,088,897
Construction in progress	<u>3,859,542</u>	<u>1,506,226</u>	<u>(528,781)</u>	<u>4,836,987</u>
Total Capital Assets Not Being Depreciated	<u>206,986,621</u>	<u>3,468,044</u>	<u>(528,781)</u>	<u>209,925,884</u>
Other Capital Assets				
Land improvements and roads	31,820,299	493,532	-	32,313,831
Buildings and improvements	15,051,301	70,043	-	15,121,344
Furniture and equipment	2,542,522	56,923	(56,614)	2,542,831
Office equipment	515,629	-	(5,971)	509,658
Vehicles	<u>2,252,450</u>	<u>160,072</u>	<u>(172,020)</u>	<u>2,240,502</u>
Total Other Capital Assets	<u>52,182,201</u>	<u>780,570</u>	<u>(234,605)</u>	<u>52,728,166</u>
Less accumulated depreciation for:				
Land improvements and roads	(13,895,410)	(948,442)	-	(14,843,852)
Buildings and improvements	(5,936,610)	(517,183)	-	(6,453,793)
Furniture and equipment	(1,669,071)	(130,526)	53,481	(1,746,116)
Office equipment	(286,091)	(24,282)	5,971	(304,402)
Vehicles	<u>(1,640,787)</u>	<u>(246,640)</u>	<u>172,019</u>	<u>(1,715,408)</u>
Total Accumulated Depreciation	<u>(23,427,969)</u>	<u>(1,867,073)</u>	<u>231,471</u>	<u>(25,063,571)</u>
Other Capital Assets, Net	<u>28,754,232</u>	<u>(1,086,503)</u>	<u>(3,134)</u>	<u>27,664,595</u>
Governmental Activities Capital Assets, Net	<u>\$ 235,740,853</u>	<u>\$ 2,381,541</u>	<u>\$ (531,915)</u>	<u>\$ 237,590,479</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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	\$ 760,118	\$ 337,998	\$ 333,630	\$ 764,486	\$ 297,885
General obligation bonds	104,580,000	-	6,695,000	97,885,000	6,815,000
Bond issuance premiums	16,759,134	-	1,523,557	15,235,577	-
Installment contract	4,800,000	-	500,000	4,300,000	-
Net pension liability - IMRF	3,643,575	41,466	-	3,685,041	-
Other post-employment benefit obligation	58,447	-	1,291	57,156	-
	<u>\$ 130,601,274</u>	<u>\$ 379,464</u>	<u>\$ 9,053,478</u>	<u>\$ 121,927,260</u>	<u>\$ 7,112,885</u>

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

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>General Obligation Bonds – (District)</b>				
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.	\$ 3,480,000	\$ -	\$ 1,695,000	\$ 1,785,000
McHenry County Conservation District				
\$108,215,000 General Obligation Refunding Bonds Series 2014, due in periodic installments of \$2,235,000 to \$13,470,000; interest at 3.0% to 5.0% through February 1, 2027. The proceeds were used to refund prior general obligation bonds. Principal and interest payments will be reported in the District Debt Service Fund.	101,100,000	-	5,000,000	96,100,000
Total General Obligation Bonds - (District)	<u>\$ 104,580,000</u>	<u>\$ -</u>	<u>\$ 6,695,000</u>	<u>\$ 97,885,000</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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

**Long-Term Obligations (Continued)**

Description	Balance December 1	Issuances	Retirements	Balance November 30
<b>Installment Contract – (District)</b>				
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, 2021. 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>500,000</u>	\$ <u>4,300,000</u>

**Debt Service Requirements to Maturity**

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

Fiscal Year	General Obligation Bonds		Installment Contract	
	Principal	Interest	Principal	Interest
2018	\$ 6,815,000	\$ 4,898,713	\$ -	\$ 107,500
2019	7,285,000	4,553,500	-	107,500
2020	7,800,000	4,189,250	-	107,500
2021	8,475,000	3,799,250	-	107,500
2022	9,195,000	3,375,500	4,300,000	107,500
2023-2027	<u>58,315,000</u>	<u>9,186,500</u>	<u>-</u>	<u>-</u>
	<u>\$ 97,885,000</u>	<u>\$ 30,002,713</u>	<u>\$ 4,300,000</u>	<u>\$ 537,500</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	41
Active employees	78
 TOTAL	 150

*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, 2017

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 fiscal year ended 2017 was 11.77% of covered payroll.

*Net Pension Liability*

The District's net pension liability was measured as of December 31, 2016 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, 2016
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 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). 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, 2017

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 7.50% (7.48% in 2015). 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 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 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	15,849,408	12,205,833	3,643,575
Changes for the period			
Service cost	466,255	-	466,255
Interest	1,187,496	-	1,187,496
Difference between expected and actual experience	212,331	-	212,331
Changes in assumptions	(52,119)	-	(52,119)
Employer contributions	-	535,797	(535,797)
Employee contributions	-	197,145	(197,145)
Net investment income	-	846,673	(846,673)
Benefit payments and refunds	(413,846)	(413,846)	-
Administrative expense	-	192,882	(192,882)
	1,400,117	1,358,651	41,466
Net changes			
BALANCES AT DECEMBER 31, 2016	17,249,525	13,564,484	3,685,041

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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, 2017, the District recognized pension expense of \$470,513. At March 31, 2017, 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	\$ 177,337	\$ 226,337
Changes in assumption	-	43,529
Net difference between projected and actual earnings on pension plan investments	578,413	-
Contributions made subsequent to the measurement date	138,925	-
TOTAL	\$ 894,675	\$ 269,866

\$138,925 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending March 31, 2018. Other amounts reported as deferred

Year ending March 31,		
2018	\$	159,566
2019		159,566
2020		159,564
2021		(9,783)
2022		15,183
Thereafter		1,788
TOTAL	\$	485,884

*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 7.50% 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 6,518,883	\$ 3,685,041	\$ 1,402,566

**County of McHenry, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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

**Other Post Employment Benefits (OPEB)**

A. Plan Description

In addition to providing the pension benefits described above, the District provides post employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the 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.

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		2,338
Adjustment to annual required contribution		<u>(1,948)</u>
Annual OPEB cost (expense)		18,109
Contributions made		<u>19,400</u>
Decrease in net OPEB obligation		(1,291)
Net OPEB obligation - beginning of year		<u>58,447</u>
Net OPEB obligation - end of year	\$	<u><u>57,156</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:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
03/31/17	\$ 18,109	\$ 19,400	93.35%	\$ 57,156
03/31/16	18,087	14,732	81.45	58,447
03/31/15	18,064	14,732	81.55	55,092

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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

**Other Post Employment Benefits (OPEB) (Continued)**

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.

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 Risk 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.

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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

**Risk Management (Continued)**

At December 31, 2016, the total equity of PDRMA's Property/Casualty Program's balance sheet was \$39,712,139. For the year ended December 31, 2016, the decrease in net position of PDRMA was \$996,072. The District made \$240,755 of payments to PDRMA during the year ended March 31, 2017.

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.

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, 2017 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	\$ 4,289	\$ -
General Fund	Nonmajor Governmental Funds	15,255	-
General Fund	Valley Hi Fund	330	-
General Fund	911 Fund	377,961	-
General Fund	Internal Service Fund	6,460	-
County Mental Health Fund	General Fund	15,045	-
County Mental Health Fund	Nonmajor Governmental Funds	24,173	-
Nonmajor Governmental Funds	General Fund	806	-
Nonmajor Governmental Funds	Valley Hi Fund	161,055	-
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>199,375</u>	<u>-</u>
Subtotal - Fund Financial Statements		804,749	<u><u>\$ -</u></u>
Less: Fund eliminations		(3,438,243)	
Add: Internal service fund activities related to enterprise funds		1,094,433	
Add: Advance from general fund to IMRF fund		<u>3,172,840</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 1,633,779</u></u>	

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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 2018 and end by 2020. The amount of the advance outstanding as of November 30, 2017 is \$3,172,840.

B. Transfers

Interfund transfers for the year ended November 30, 2017 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	County Mental Health Fund	8,784	Maintenance expenditures
General Fund	Nonmajor Governmental Funds	9,000	Administrative expenditures
General Fund	Nonmajor Enterprise Fund	377,855	Reimbursement of costs
General Fund	Nonmajor Governmental Funds	1,200	Working Cash transfers
Nonmajor Governmental Funds	General Fund	2,915,746	Debt service payments
Nonmajor Governmental Funds	Nonmajor Governmental Funds	5,937,909	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	405,969	Debt service payments
Nonmajor Governmental Funds	Nonmajor Governmental Funds	16,217	Administrative expenditures
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>8,088,881</u>	Use of restricted sales taxes
Total - Fund Financial Statements		17,766,761	
Less: Fund eliminations		<u>(17,388,906)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 377,855</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, 2017

Note 16 – Net Position/Fund Balance

Net position reported on the government-wide statement of net position as of November 30, 2017 includes the following:

	<u>Activities</u>	Business- <u>Activities</u>	Total <u>Government</u>
Net investment in capital assets			
Land	\$ 68,928,129	\$ 6,000	\$ 68,934,129
Construction in progress	87,348,591	655,023	88,003,614
Other capital assets, net of accumulated depreciation/amortization	183,634,013	12,061,538	195,695,551
Less: related long-term debt outstanding	<u>(12,263,254)</u>	<u>-</u>	<u>(12,263,254)</u>
Total net investment in capital assets	<u>327,647,479</u>	<u>12,722,561</u>	<u>340,370,040</u>
Restricted			
Recorder's Office	2,440,010	-	2,440,010
Treasurer's Office	757,266	-	757,266
Community Development	128,250	-	128,250
Liability insurance	12,796,478	-	12,796,478
Geographic information systems	1,179,457	-	1,179,457
County Clerk's Office	45,794	-	45,794
Transportation	48,558,663	-	48,558,663
Public safety	1,181,120	-	1,181,120
Judiciary and court related	1,997,788	-	1,997,788
Public health and welfare	15,070,826	-	15,070,826
Employee benefits	5,366,116	-	5,366,116
Public Building Commission	17,233	-	17,233
Other	223,154	-	223,154
Working cash - permanently restricted (nonexpendable)	<u>803,095</u>	<u>-</u>	<u>803,095</u>
Total restricted	<u>90,565,250</u>	<u>-</u>	<u>90,565,250</u>
Unrestricted	<u>14,319,650</u>	<u>44,390,574</u>	<u>58,710,224</u>
Total net position	<u>\$ 432,532,379</u>	<u>\$ 57,113,135</u>	<u>\$ 489,645,514</u>

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2017 includes the following:

	County		Illinois	Total	
	General Fund	Health Fund	Retirement Fund	Governmental Funds	Total
<b>Nonspendable</b>					
Inventory	\$ 210,682	\$ 4,650	\$ -	\$ 543,545	\$ 758,877
Long-term portion - advances to other funds/loans receivable	3,172,840	-	-	-	3,172,840
Working cash principal	-	-	-	803,095	803,095
	<u>3,383,522</u>	<u>4,650</u>	<u>-</u>	<u>1,346,640</u>	<u>4,734,812</u>
<b>Restricted</b>					
Recorder's Office	44,335	-	-	2,395,675	2,440,010
Regional Office of Education	34,253	-	-	-	34,253
Planning and Development	128,250	-	-	757,266	885,516
Liability insurance	-	-	-	12,796,478	12,796,478
Geographic information systems	-	-	-	1,179,457	1,179,457
County Clerk's Office	-	-	-	45,794	45,794
Retirement contributions	-	-	1,787,837	-	1,787,837
Transportation programs	-	-	-	47,445,122	47,445,122
Sheriff's Office	291,632	-	-	808,618	1,100,250
Coroner's Office	-	-	-	106,580	106,580
Court Services/Probation programs	-	-	-	343,531	343,531
Special Court programs	-	-	-	295,825	295,825
Circuit Clerk automation	-	-	-	404,155	404,155
Other Circuit Clerk programs	-	-	-	432,606	432,606
Law library	-	-	-	29,358	29,358
Other judiciary & court programs	34,325	-	-	21,092	55,417
Mental health programs	-	10,519,948	-	-	10,519,948
Senior service programs	-	-	-	1,739,298	1,739,298
Veterans' assistance programs	-	-	-	431,104	431,104
Tuberculosis care and treatment	-	-	-	425,736	425,736
Workforce network programs	-	-	-	282,033	282,033
Other public health programs	-	-	-	32,471	32,471
Social security contributions	-	-	-	3,578,279	3,578,279
Regional Office Education Fund	-	-	-	35,211	35,211
Public Building Commission	-	-	-	17,233	17,233
	<u>532,795</u>	<u>10,519,948</u>	<u>1,787,837</u>	<u>73,602,922</u>	<u>86,443,502</u>

(Continued)

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2017 includes the following (Continued):

	<u>General Fund</u>	<u>County Mental Health Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total</u>
Committed					
Treasurer's Office	\$ -	\$ -	\$ -	\$ 423,092	\$ 423,092
Revolving Loan Program	-	-	-	1,920,213	1,920,213
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,343,305</u>	<u>2,343,305</u>
Assigned					
Carryforwards	<u>5,004,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,004,472</u>
	<u>5,004,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,004,472</u>
Unassigned (deficit)	<u>42,632,259</u>	<u>-</u>	<u>-</u>	<u>(111)</u>	<u>42,632,148</u>
Total fund balance	<u>\$ 51,553,048</u>	<u>\$ 10,524,598</u>	<u>\$ 1,787,837</u>	<u>\$ 77,292,756</u>	<u>\$ 141,158,239</u>

Note 17 - Fund Deficit

The following fund reported a deficit as of November 30, 2017:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
Expedited Permit Fund	Non-major Special Revenue Fund	\$ 111

The deficit is 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 this deficit.

**County of McHenry, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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. 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*

*Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

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:

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

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

**County of McHenry, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2017

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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, 2017, the County reported an 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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 18,777,074	\$ 18,805,276	\$ 19,142,089	\$ 336,813
Licenses and permits	996,000	996,000	1,120,786	124,786
Fines and forfeitures	1,073,700	1,073,700	929,140	(144,560)
Grants, contributions, and intergovernmental	3,293,984	3,512,509	3,106,654	(405,855)
Property taxes	44,351,303	44,431,303	44,313,958	(117,345)
Sales taxes	9,956,500	9,956,500	9,881,741	(74,759)
State income taxes	6,614,470	6,614,470	6,010,242	(604,228)
Tax transfer stamps	1,900,000	2,300,000	2,575,080	275,080
Other taxes	2,643,970	2,643,970	2,681,980	38,010
Investment income	182,500	182,500	526,937	344,437
Miscellaneous	166,200	166,200	141,015	(25,185)
<b>Total Revenues</b>	<b>89,955,701</b>	<b>90,682,428</b>	<b>90,429,622</b>	<b>(252,806)</b>
<b>EXPENDITURES</b>				
Current				
General and administrative	30,268,765	31,308,439	28,541,194	2,767,245
Community development	1,622,925	1,710,875	1,415,990	294,885
Public safety	34,086,862	34,211,756	33,209,783	1,001,973
Judiciary and court related	10,355,787	10,472,674	10,113,377	359,297
Public health and welfare	6,349,394	6,368,824	5,825,927	542,897
Capital outlay	1,809,524	10,524,540	4,036,301	6,488,239
Debt service				
Principal retirement	1,389,519	1,847,608	1,708,184	139,424
Interest and fiscal charges	67,018	91,514	74,018	17,496
<b>Total Expenditures</b>	<b>85,949,794</b>	<b>96,536,230</b>	<b>84,924,774</b>	<b>11,611,456</b>
Excess (deficiency) of revenues over expenditures	<u>4,005,907</u>	<u>(5,853,802)</u>	<u>5,504,848</u>	<u>11,358,650</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	402,039	402,039	402,039	-
Transfers out	(2,969,792)	(2,929,792)	(2,915,746)	14,046
Capital leases issued	-	-	118,908	118,908
<b>Total Other Financing Sources (Uses)</b>	<b>(2,567,753)</b>	<b>(2,527,753)</b>	<b>(2,394,799)</b>	<b>132,954</b>
<b>Net Change in Fund Balance</b>	<b>\$ <u>1,438,154</u></b>	<b>\$ <u>(8,381,555)</u></b>	<b>3,110,049</b>	<b>\$ <u>11,491,604</u></b>
Fund Balance - Beginning of Year			<u>48,442,999</u>	
Fund Balance - End of Year			<u>\$ 51,553,048</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 53,889	\$ 53,889	\$ 54,533	\$ 644
Property taxes	10,900,000	10,900,000	10,871,267	(28,733)
Investment income	17,150	17,150	91,722	74,572
Miscellaneous	<u>61,760</u>	<u>61,760</u>	<u>82,401</u>	<u>20,641</u>
Total Revenues	<u>11,032,799</u>	<u>11,032,799</u>	<u>11,099,923</u>	<u>67,124</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	903,256	903,256	820,089	83,167
Contractual services	11,414,886	11,400,886	9,603,424	1,797,462
Commodities	69,700	83,700	78,871	4,829
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>12,412,842</u>	<u>12,412,842</u>	<u>10,502,384</u>	<u>1,910,458</u>
Excess (deficiency) of revenues over expenditures	(1,380,043)	(1,380,043)	597,539	1,977,582
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(419,957)</u>	<u>(419,957)</u>	<u>(419,953)</u>	<u>4</u>
Net Change in Fund Balance	<u>\$ (1,800,000)</u>	<u>\$ (1,800,000)</u>	177,586	<u>\$ 1,977,586</u>
Fund Balance - Beginning of Year			<u>10,347,012</u>	
Fund Balance - End of Year			<u>\$ 10,524,598</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 7,796,270	\$ 7,800,000	\$ 7,779,439	\$ (20,561)
Other taxes				
Personal property replacement tax	119,730	119,730	131,241	11,511
Investment income	<u>10,000</u>	<u>10,000</u>	<u>44,466</u>	<u>34,466</u>
 Total Revenues	 <u>7,926,000</u>	 <u>7,929,730</u>	 <u>7,955,146</u>	 <u>25,416</u>
<b>EXPENDITURES</b>				
Current				
Personnel services				
General and administrative	797,904	797,904	757,260	40,644
Community development	130,069	130,069	123,443	6,626
Public safety	4,673,849	4,673,849	4,435,770	238,079
Judiciary and court related	1,028,691	1,028,691	976,291	52,400
Public health and welfare	<u>460,044</u>	<u>460,044</u>	<u>436,610</u>	<u>23,434</u>
 Total Expenditures	 <u>7,090,557</u>	 <u>7,090,557</u>	 <u>6,729,374</u>	 <u>361,183</u>
 Net Change in Fund Balance	 <u>\$ 835,443</u>	 <u>\$ 839,173</u>	 1,225,772	 <u>\$ 386,599</u>
 Fund Balance - Beginning of Year			 <u>562,065</u>	
 Fund Balance - End of Year			 <u>\$ 1,787,837</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, 2017

<b>Regular Plan</b>	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016
Total pension liability			
Service cost	\$ 6,019,721	5,710,930	5,876,244
Interest	13,546,874	15,082,827	16,314,404
Differences between expected and actual experience	1,915,282	4,327,710	(4,501,014)
Changes of assumptions	6,965,270	289,913	(293,464)
Benefit payments, including refunds of employee contributions	<u>(7,098,367)</u>	<u>(8,528,394)</u>	<u>(9,036,791)</u>
Net change in total pension liability	<u>21,348,780</u>	<u>16,882,986</u>	<u>8,359,379</u>
Total pension liability - beginning	<u>181,164,314</u>	<u>202,513,094</u>	<u>219,396,080</u>
Total pension liability - ending	<u>\$ 202,513,094</u>	<u>219,396,080</u>	<u>227,755,459</u>
Plan fiduciary net position			
Contributions - County	\$ 5,380,268	5,524,710	5,337,095
Contributions - Employees	2,455,548	2,500,370	2,438,820
Net investment income	10,882,932	947,915	13,006,580
Benefit payments, including refunds of employee contributions	(7,098,367)	(8,528,394)	(9,036,791)
Other changes	<u>174,347</u>	<u>(1,192,773)</u>	<u>814,242</u>
Net change in plan fiduciary net position	<u>11,794,728</u>	<u>(748,172)</u>	<u>12,559,946</u>
Total plan fiduciary net position - beginning	<u>178,039,995</u>	<u>189,834,723</u>	<u>189,086,551</u>
Total plan fiduciary net position - ending	<u>\$ 189,834,723</u>	<u>189,086,551</u>	<u>201,646,497</u>
Net pension liability - ending	<u>\$ 12,678,371</u>	<u>30,309,529</u>	<u>26,108,962</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.74 %</u>	<u>86.19 %</u>	<u>88.54 %</u>
Covered-employee payroll	<u>\$ 52,665,702</u>	<u>54,373,126</u>	<u>52,112,544</u>
Net pension liability as a percentage of covered-employee payroll	<u>24.07 %</u>	<u>55.74 %</u>	<u>50.10 %</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, 2017**

<b>SLEP Plan</b>	<u>Calendar Year 2014</u>	<u>Calendar Year 2015</u>	<u>Calendar Year 2016</u>
Total pension liability			
Service cost	\$ 2,498,881	2,283,772	2,257,658
Interest	8,297,342	8,674,006	9,173,987
Differences between expected and actual experience	(2,389,738)	1,567,553	(1,513,060)
Changes of assumptions	2,088,402	325,026	(655,333)
Benefit payments, including refunds of employee contributions	<u>(4,623,875)</u>	<u>(5,783,383)</u>	<u>(5,865,100)</u>
Net change in total pension liability	<u>5,871,012</u>	<u>7,066,974</u>	<u>3,398,152</u>
Total pension liability - beginning	<u>111,841,434</u>	<u>117,712,446</u>	<u>124,779,420</u>
Total pension liability - ending	<u>\$ 117,712,446</u>	<u>124,779,420</u>	<u>128,177,572</u>
Plan fiduciary net position			
Contributions - County	\$ 2,930,257	2,909,076	2,938,206
Contributions - Employees	953,167	915,077	819,691
Net investment income	5,712,480	487,425	6,665,299
Benefit payments, including refunds of employee contributions	(4,623,875)	(5,783,383)	(5,865,100)
Other changes	<u>(524,873)</u>	<u>384,441</u>	<u>1,298,067</u>
Net change in plan fiduciary net position	<u>4,447,156</u>	<u>(1,087,364)</u>	<u>5,856,163</u>
Total plan fiduciary net position - beginning	<u>94,017,437</u>	<u>98,464,593</u>	<u>97,377,229</u>
Total plan fiduciary net position - ending	<u>\$ 98,464,593</u>	<u>97,377,229</u>	<u>103,233,392</u>
Net pension liability - ending	<u>\$ 19,247,853</u>	<u>27,402,191</u>	<u>24,944,180</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.65 %</u>	<u>78.04 %</u>	<u>80.54 %</u>
Covered-employee payroll	<u>\$ 11,935,877</u>	<u>11,821,856</u>	<u>10,897,894</u>
Net pension liability as a percentage of covered-employee payroll	<u>161.26 %</u>	<u>231.79 %</u>	<u>228.89 %</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, 2017

<b>Regular Plan</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 5,340,302	5,524,310	5,336,325
Actual contribution	<u>5,380,268</u>	<u>5,524,710</u>	<u>5,337,095</u>
Contribution deficiency (excess)	<u>\$ (39,966)</u>	<u>(400)</u>	<u>(770)</u>
Covered-employee payroll	<u>\$ 52,665,702</u>	<u>54,373,126</u>	<u>52,112,544</u>
Actual contribution as a percentage of covered-employee payroll	<u>10.22 %</u>	<u>10.16 %</u>	<u>10.24 %</u>
<b>SLEP Plan</b>			
Actuarially determined contribution	\$ 2,930,258	2,908,177	2,758,257
Actual contribution	<u>2,930,257</u>	<u>2,909,076</u>	<u>2,938,206</u>
Contribution deficiency (excess)	<u>\$ 1</u>	<u>(899)</u>	<u>(179,949)</u>
Covered-employee payroll	<u>\$ 11,935,877</u>	<u>11,821,856</u>	<u>10,897,894</u>
Actual contribution as a percentage of covered-employee payroll	<u>24.55 %</u>	<u>24.61 %</u>	<u>26.96 %</u>

**Notes to schedule:**

Valuation Date: December 31, 2016. Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates

Actuarial Cost Method: Aggregate entry age normal  
Amortization Method: Level percentage of payroll, closed  
Remaining Amortization Period: 27-year closed period  
Asset Valuation Method: 5-year smoothed market; 20% corridor  
Wage Growth: 3.50%  
Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.  
Salary Increases: 3.75% to 14.50%, including inflation  
Investment Rate of Return: 7.50%  
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.  
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale RP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee

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, 2017

<b>County Plan</b>		(1)	(2)	(2)-(1)	(1)/(2)	(3)	UAAL as a
Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered	Percentage of	
Valuation	Value of	Accrued	AAL	Ratio	Payroll	Covered	
Date	Assets	Liability (AAL)	(UAAL)			Payroll	((2-1)/3)
		Entry Age					
8/1/2016	\$ -	\$ 28,130,204	\$ 28,130,204	-	% \$ 67,269,858	41.82	%
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	

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

**County of McHenry, Illinois**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2017

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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, 2017.

See Independent Auditors' Report.

**SUPPLEMENTARY INFORMATION**

**REQUIRED 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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CHARGES FOR SERVICES</b>				
General and Administrative				
County clerk fees	\$ 165,000	\$ 165,000	\$ 160,278	\$ (4,722)
Tax redemption fees	100,000	100,000	64,986	(35,014)
Recording fees	925,000	925,000	1,002,593	77,593
Penalties/fees on delinquent taxes	1,500,000	1,500,000	1,147,934	(352,066)
Cable television franchise fees	581,500	581,500	653,057	71,557
Assessor's salary reimbursement	59,577	59,577	51,500	(8,077)
Other fees and charges	77,500	80,600	69,383	(11,217)
Community Development				
Subdivision review fees	5,000	5,000	-	(5,000)
Flood plain investigation fees	60,000	60,000	83,136	23,136
Maps and publications fees	1,000	1,000	176	(824)
Solid waste tipping fees	21,000	21,000	21,000	-
Other fees and charges	1,000	1,000	1,153	153
Public Safety				
Sheriff fees - circuit court	380,000	380,000	290,685	(89,315)
Sheriff fees - photocopies	8,000	8,000	10,730	2,730
Sheriff fees - foreign courts	30,000	30,000	30,767	767
Foreclosures	15,000	15,000	10,100	(4,900)
Court security fees	600,000	600,000	487,535	(112,465)
Jail space rental	7,522,650	7,522,650	8,807,605	1,284,955
Payphones	90,000	90,000	75,232	(14,768)
Dispatching fee	296,000	296,000	347,254	51,254
Squad car replacement fee	25,000	25,000	21,363	(3,637)
Sheriff salary reimbursement	39,507	47,409	97,907	50,498
Off duty detail	5,000	5,000	43,920	38,920
Other fees and charges	77,625	94,825	122,005	27,180
Judiciary and Court Related				
10% bond earnings	310,000	310,000	278,445	(31,555)
Circuit clerk fees	2,909,200	2,909,200	2,491,326	(417,874)
County court fees	160,000	160,000	164,107	4,107
Court services salary reimbursements	1,275,802	1,275,802	953,857	(321,945)
State's attorney salary reimbursements	166,508	166,508	144,677	(21,831)
State's attorney fees	66,100	66,100	54,654	(11,446)
Public aid	8,500	8,500	5,779	(2,721)
Periodic imprisonment fees	6,000	6,000	6,470	470
Public defender salary reimbursement	99,955	99,955	99,895	(60)
Public defenders fees	45,000	45,000	19,363	(25,637)
Other fees and charges	21,700	21,700	25,948	4,248

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>CHARGES FOR SERVICES (Continued)</b>				
Public Health and Welfare				
Animal control tags	\$ 663,000	\$ 663,000	\$ 911,917	\$ 248,917
Veterinary fees	56,400	56,400	55,632	(768)
Nursing fees	48,250	48,250	25,417	(22,833)
Health review fees	7,800	7,800	8,025	225
Health promotion	17,000	17,000	14,335	(2,665)
Vital record fees	58,000	58,000	79,320	21,320
Subdivision review fees	4,000	4,000	550	(3,450)
Medicare	6,000	6,000	4,414	(1,586)
Public aid	150,000	150,000	81,855	(68,145)
Vision and hearing fees	50,000	50,000	41,919	(8,081)
Other fees and charges	62,500	62,500	73,885	11,385
Total Charges for Services	<u>18,777,074</u>	<u>18,805,276</u>	<u>19,142,089</u>	<u>336,813</u>
<b>LICENSES AND PERMITS</b>				
General and Administrative				
Liquor licenses	110,000	110,000	104,575	(5,425)
Amusement licenses	6,000	6,000	4,880	(1,120)
Community Development				
Building permits	230,000	230,000	382,820	152,820
Zoning permits	77,000	77,000	33,649	(43,351)
Public Health and Welfare				
Septic and well permits	113,000	113,000	121,839	8,839
Health licenses	450,000	450,000	467,748	17,748
Hauler license fees	10,000	10,000	5,275	(4,725)
Total Licenses and Permits	<u>996,000</u>	<u>996,000</u>	<u>1,120,786</u>	<u>124,786</u>
<b>FINES AND FORFEITURES</b>				
Community Development				
Planning fines	17,500	17,500	30,320	12,820
Judiciary and Court Related				
Fines and bond forfeitures	939,700	939,700	785,712	(153,988)
County drug fines	84,000	84,000	72,716	(11,284)
Public Health and Welfare				
Veterinary fines	32,500	32,500	40,392	7,892
Total Fines and Forfeitures	<u>1,073,700</u>	<u>1,073,700</u>	<u>929,140</u>	<u>(144,560)</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GRANTS, CONTRIBUTIONS, AND INTERGOVERNMENTAL</b>				
General and Administrative				
Election-related grants	\$ 30,000	\$ 30,000	\$ 69,300	\$ 39,300
Regional Office of Education grants	126,000	130,193	115,640	(14,553)
Energy efficiency grants	-	-	31,816	31,816
Community Development				
Community Development grants	-	75,000	19,375	(55,625)
Public Safety				
Sheriff's Office - grants	138,798	178,392	46,438	(131,954)
Emergency Management - grants	75,178	124,916	49,737	(75,179)
Judiciary and Court Related				
Dependent children/parent reimbursements	41,000	41,000	25,912	(15,088)
State's Attorney - grants	32,800	32,800	32,800	-
Court Administration - grants	-	50,000	50,000	-
Public Health and Welfare				
Health department grants -				
Nursing	2,508,083	2,508,083	2,306,739	(201,344)
Environmental Administration	21,000	21,000	48,283	27,283
Administration	21,125	21,125	37,633	16,508
IDPH vaccines	300,000	300,000	272,981	(27,019)
Total Grants, Contributions, and Intergovernmental	<u>3,293,984</u>	<u>3,512,509</u>	<u>3,106,654</u>	<u>(405,855)</u>
PROPERTY TAXES	<u>44,351,303</u>	<u>44,431,303</u>	<u>44,313,958</u>	<u>(117,345)</u>
SALES TAXES	<u>9,956,500</u>	<u>9,956,500</u>	<u>9,881,741</u>	<u>(74,759)</u>
STATE INCOME TAXES	<u>6,614,470</u>	<u>6,614,470</u>	<u>6,010,242</u>	<u>(604,228)</u>
TAX TRANSFER STAMPS	<u>1,900,000</u>	<u>2,300,000</u>	<u>2,575,080</u>	<u>275,080</u>
OTHER TAXES				
Local use tax	1,603,970	1,603,970	1,690,520	86,550
Personal property replacement tax	780,000	780,000	723,728	(56,272)
Gambling taxes	260,000	260,000	267,732	7,732
Total Other Taxes	<u>2,643,970</u>	<u>2,643,970</u>	<u>2,681,980</u>	<u>38,010</u>
INVESTMENT INCOME				
Interest	182,500	182,500	581,776	399,276
Investment income (loss)	-	-	(54,839)	(54,839)
Total Investment Income	<u>182,500</u>	<u>182,500</u>	<u>526,937</u>	<u>344,437</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended November 30, 2017

	<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	101,439	\$ (38,561)
Proceeds from sale of capital assets	20,000	20,000	38,248	18,248
Other income	<u>6,200</u>	<u>6,200</u>	<u>1,328</u>	<u>(4,872)</u>
Total Miscellaneous	<u>166,200</u>	<u>166,200</u>	<u>141,015</u>	<u>(25,185)</u>
TOTAL REVENUES	<u>\$ 89,955,701</u>	<u>\$ 90,682,428</u>	<u>\$ 90,429,622</u>	<u>\$ (252,806)</u>
				(Concluded)

**County of McHenry, Illinois**  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GENERAL AND ADMINISTRATIVE</b>				
Administration				
Personnel services	\$ 745,414	\$ 745,414	\$ 681,192	\$ 64,222
Contractual services	177,915	177,915	142,140	35,775
Commodities	13,865	13,865	8,855	5,010
Total Administration	<u>937,194</u>	<u>937,194</u>	<u>832,187</u>	<u>105,007</u>
Auditor				
Personnel services	376,667	384,406	384,401	5
Contractual services	6,950	6,950	5,830	1,120
Commodities	10,999	10,999	6,685	4,314
Total Auditor	<u>394,616</u>	<u>402,355</u>	<u>396,916</u>	<u>5,439</u>
County Board and Liquor Commission				
Personnel services	633,176	633,176	631,387	1,789
Contractual services	69,100	69,100	50,170	18,930
Commodities	31,000	31,000	21,814	9,186
Total County Board and Liquor Commission	<u>733,276</u>	<u>733,276</u>	<u>703,371</u>	<u>29,905</u>
County Clerk				
Personnel services	433,387	433,387	425,624	7,763
Contractual services	5,850	6,850	6,315	535
Commodities	9,700	8,700	-	8,700
Total County Clerk	<u>448,937</u>	<u>448,937</u>	<u>431,939</u>	<u>16,998</u>
County Clerk - Elections				
Personnel services	316,419	316,419	233,738	82,681
Contractual services	734,360	669,389	605,203	64,186
Commodities	299,000	371,593	264,813	106,780
Total County Clerk - Elections	<u>1,349,779</u>	<u>1,357,401</u>	<u>1,103,754</u>	<u>253,647</u>
Educational Service Region				
Personnel services	234,222	234,222	231,004	3,218
Contractual services	40,369	40,509	30,777	9,732
Commodities	18,173	22,226	21,113	1,113
Total Educational Service Region	<u>292,764</u>	<u>296,957</u>	<u>282,894</u>	<u>14,063</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended November 30, 2017**

	<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	\$ 1,163,034	\$ 1,163,034	\$ 1,159,056	\$ 3,978
Contractual services	1,616,840	1,619,564	1,528,853	90,711
Commodities	<u>121,938</u>	<u>121,938</u>	<u>106,834</u>	<u>15,104</u>
Total Facilities Management	<u>2,901,812</u>	<u>2,904,536</u>	<u>2,794,743</u>	<u>109,793</u>
Human Resources				
Personnel services	255,552	263,493	263,488	5
Contractual services	228,944	228,944	154,390	74,554
Commodities	<u>5,250</u>	<u>5,250</u>	<u>4,253</u>	<u>997</u>
Total Human Resources	<u>489,746</u>	<u>497,687</u>	<u>422,131</u>	<u>75,556</u>
Information Technology				
Personnel services	1,856,579	1,856,579	1,847,313	9,266
Contractual services	1,191,779	1,296,670	1,035,542	261,128
Commodities	<u>76,477</u>	<u>77,014</u>	<u>73,904</u>	<u>3,110</u>
Total Information Technology	<u>3,124,835</u>	<u>3,230,263</u>	<u>2,956,759</u>	<u>273,504</u>
Merit Commission				
Personnel services	4,150	4,150	2,682	1,468
Contractual services	46,600	46,600	18,286	28,314
Commodities	<u>700</u>	<u>700</u>	<u>209</u>	<u>491</u>
Total Merit Commission	<u>51,450</u>	<u>51,450</u>	<u>21,177</u>	<u>30,273</u>
Purchasing				
Personnel services	288,023	288,023	284,226	3,797
Contractual services	20,778	20,778	13,350	7,428
Commodities	<u>421,735</u>	<u>421,735</u>	<u>374,323</u>	<u>47,412</u>
Total Purchasing	<u>730,536</u>	<u>730,536</u>	<u>671,899</u>	<u>58,637</u>
Recorder				
Personnel services	669,787	669,787	571,090	98,697
Contractual services	20,400	16,000	12,560	3,440
Commodities	<u>1,326,920</u>	<u>1,731,320</u>	<u>1,730,662</u>	<u>658</u>
Total Recorder	<u>2,017,107</u>	<u>2,417,107</u>	<u>2,314,312</u>	<u>102,795</u>
Supervisor of Assessments				
Personnel services	891,414	895,447	895,441	6
Contractual services	59,950	59,950	51,859	8,091
Commodities	<u>10,000</u>	<u>10,000</u>	<u>9,862</u>	<u>138</u>
Total Supervisor of Assessments	<u>961,364</u>	<u>965,397</u>	<u>957,162</u>	<u>8,235</u>

(Continued)

**County of McHenry, Illinois**  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 566,449	\$ 566,449	\$ 564,043	\$ 2,406
Contractual services	43,245	43,245	43,245	-
Commodities	<u>6,850</u>	<u>6,850</u>	<u>6,850</u>	<u>-</u>
Total Treasurer	<u>616,544</u>	<u>616,544</u>	<u>614,138</u>	<u>2,406</u>
Non-Departmental				
Personnel services	1,164,182	1,404,240	-	1,404,240
Contractual services	14,043,273	14,303,209	13,932,776	370,433
Commodities	<u>11,350</u>	<u>11,350</u>	<u>105,036</u>	<u>(93,686)</u>
Total Non-Departmental	<u>15,218,805</u>	<u>15,718,799</u>	<u>14,037,812</u>	<u>1,680,987</u>
Total General and Administrative	<u>30,268,765</u>	<u>31,308,439</u>	<u>28,541,194</u>	<u>2,767,245</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,272,977	1,272,977	1,222,701	50,276
Contractual services	296,613	384,563	171,999	212,564
Commodities	<u>53,335</u>	<u>53,335</u>	<u>21,290</u>	<u>32,045</u>
Total Planning and Development	<u>1,622,925</u>	<u>1,710,875</u>	<u>1,415,990</u>	<u>294,885</u>
Total Community Development	<u>1,622,925</u>	<u>1,710,875</u>	<u>1,415,990</u>	<u>294,885</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	29,133,305	29,143,670	28,731,321	412,349
Contractual services	3,110,529	3,145,438	2,878,512	266,926
Commodities	<u>1,063,531</u>	<u>1,075,107</u>	<u>781,602</u>	<u>293,505</u>
Total County Sheriff	<u>33,307,365</u>	<u>33,364,215</u>	<u>32,391,435</u>	<u>972,780</u>
Emergency Management				
Personnel services	237,567	242,560	242,555	5
Contractual services	31,350	25,459	18,499	6,960
Commodities	<u>16,130</u>	<u>68,370</u>	<u>46,147</u>	<u>22,223</u>
Total Emergency Management	<u>285,047</u>	<u>336,389</u>	<u>307,201</u>	<u>29,188</u>

(Continued)

**County of McHenry, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended November 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC SAFETY (Continued)</b>				
County Coroner				
Personnel services	\$ 345,768	\$ 362,470	\$ 362,465	\$ 5
Contractual services	138,650	143,845	143,845	-
Commodities	<u>10,032</u>	<u>4,837</u>	<u>4,837</u>	<u>-</u>
Total County Coroner	<u>494,450</u>	<u>511,152</u>	<u>511,147</u>	<u>5</u>
Total Public Safety	<u>34,086,862</u>	<u>34,211,756</u>	<u>33,209,783</u>	<u>1,001,973</u>
<b>JUDICIARY AND COURT RELATED</b>				
Clerk of the Circuit Court				
Personnel services	1,945,668	1,945,668	1,889,603	56,065
Contractual services	24,670	24,670	12,945	11,725
Commodities	<u>23,550</u>	<u>23,550</u>	<u>23,425</u>	<u>125</u>
Total Clerk of the Circuit Court	<u>1,993,888</u>	<u>1,993,888</u>	<u>1,925,973</u>	<u>67,915</u>
Court Administration				
Personnel services	565,103	610,653	610,648	5
Contractual services	641,430	687,401	683,348	4,053
Commodities	<u>66,000</u>	<u>56,262</u>	<u>54,045</u>	<u>2,217</u>
Total Court Administration	<u>1,272,533</u>	<u>1,354,316</u>	<u>1,348,041</u>	<u>6,275</u>
Court Services				
Personnel services	2,483,363	2,483,363	2,409,013	74,350
Contractual services	475,000	475,000	475,000	-
Commodities	<u>19,436</u>	<u>19,638</u>	<u>17,849</u>	<u>1,789</u>
Total Court Services	<u>2,977,799</u>	<u>2,978,001</u>	<u>2,901,862</u>	<u>76,139</u>
Public Defender				
Personnel services	982,724	1,017,626	1,017,621	5
Contractual services	10,550	10,550	6,160	4,390
Commodities	<u>9,929</u>	<u>9,929</u>	<u>5,733</u>	<u>4,196</u>
Total Public Defender	<u>1,003,203</u>	<u>1,038,105</u>	<u>1,029,514</u>	<u>8,591</u>
State's Attorney				
Personnel services	2,875,182	2,875,182	2,711,464	163,718
Contractual services	174,000	174,000	159,816	14,184
Commodities	<u>59,182</u>	<u>59,182</u>	<u>36,707</u>	<u>22,475</u>
Total State's Attorney	<u>3,108,364</u>	<u>3,108,364</u>	<u>2,907,987</u>	<u>200,377</u>
Total Judiciary and Court Related	<u>10,355,787</u>	<u>10,472,674</u>	<u>10,113,377</u>	<u>359,297</u>

(Continued)

**County of McHenry, Illinois**  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC HEALTH AND WELFARE</b>				
Health Department				
Personnel services	\$ 5,047,423	\$ 5,047,423	\$ 4,923,282	\$ 124,141
Contractual services	620,062	631,448	425,997	205,451
Commodities	<u>681,909</u>	<u>689,953</u>	<u>476,648</u>	<u>213,305</u>
Total Health Department	<u>6,349,394</u>	<u>6,368,824</u>	<u>5,825,927</u>	<u>542,897</u>
Total Public Health and Welfare	<u>6,349,394</u>	<u>6,368,824</u>	<u>5,825,927</u>	<u>542,897</u>
Total Expenditures - Current	<u>82,683,733</u>	<u>84,072,568</u>	<u>79,106,271</u>	<u>4,966,297</u>
CAPITAL OUTLAY	<u>1,809,524</u>	<u>10,524,540</u>	<u>4,036,301</u>	<u>6,488,239</u>
<b>DEBT SERVICE</b>				
Principal retirement	1,389,519	1,847,608	1,708,184	139,424
Interest and fiscal charges	<u>67,018</u>	<u>91,514</u>	<u>74,018</u>	<u>17,496</u>
Total Debt Service	<u>1,456,537</u>	<u>1,939,122</u>	<u>1,782,202</u>	<u>156,920</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 85,949,794</u>	<u>\$ 96,536,230</u>	<u>\$ 84,924,774</u>	<u>\$ 11,611,456</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -  
COMBINING STATEMENTS**

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
November 30, 2017

	Special Revenue	Debt Service	Permanent	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 75,845,930	\$ -	\$ 804,295	\$ 76,650,225
Property taxes receivable	16,307,775	-	-	16,307,775
Other receivables	1,038,093	-	-	1,038,093
Due from other governments	7,035,111	-	-	7,035,111
Due from other funds	361,236	-	-	361,236
Inventory	543,545	-	-	543,545
<b>Total Assets</b>	<b>\$ 101,131,690</b>	<b>\$ -</b>	<b>\$ 804,295</b>	<b>\$ 101,935,985</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 5,282,659	\$ -	\$ -	\$ 5,282,659
Accrued payroll	663,183	-	-	663,183
Due to other funds	237,603	-	1,200	238,803
Other liabilities	5,237	-	-	5,237
<b>Total Liabilities</b>	<b>6,188,682</b>	<b>-</b>	<b>1,200</b>	<b>6,189,882</b>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	16,307,775	-	-	16,307,775
Unavailable revenue	2,145,572	-	-	2,145,572
<b>Total Deferred Inflows of Resources</b>	<b>18,453,347</b>	<b>-</b>	<b>-</b>	<b>18,453,347</b>
<b>Fund Balances</b>				
Nonspendable	543,545	-	803,095	1,346,640
Restricted	73,602,922	-	-	73,602,922
Committed	2,343,305	-	-	2,343,305
Unassigned (deficit)	(111)	-	-	(111)
<b>Total Fund Balances</b>	<b>76,489,661</b>	<b>-</b>	<b>803,095</b>	<b>77,292,756</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 101,131,690</b>	<b>\$ -</b>	<b>\$ 804,295</b>	<b>\$ 101,935,985</b>

**County of McHenry, Illinois**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended November 30, 2017

	Special Revenue	Debt Service	Permanent	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Charges for services	\$ 4,062,707	\$ -	\$ -	\$ 4,062,707
Licenses and permits	95,173	-	-	95,173
Fines and forfeitures	43,434	-	-	43,434
Grants, contributions, and intergovernmental	15,635,066	-	-	15,635,066
Property taxes	16,240,169	-	-	16,240,169
Sales taxes	10,229,803	-	-	10,229,803
Investment income	576,397	-	2,546	578,943
Miscellaneous	1,125,152	-	-	1,125,152
<b>Total Revenues</b>	<b>48,007,901</b>	<b>-</b>	<b>2,546</b>	<b>48,010,447</b>
<b>EXPENDITURES</b>				
Current				
General and administrative	4,909,553	-	-	4,909,553
Community development	1,982,181	-	-	1,982,181
Transportation	17,234,421	-	-	17,234,421
Public safety	2,319,014	-	-	2,319,014
Judiciary and court related	2,869,761	-	-	2,869,761
Public health and welfare	5,087,441	-	-	5,087,441
Capital outlay	14,048,347	-	-	14,048,347
Debt service				
Principal retirement	8,648	8,760,000	-	8,768,648
Interest and fiscal charges	-	499,624	-	499,624
<b>Total Expenditures</b>	<b>48,459,366</b>	<b>9,259,624</b>	<b>-</b>	<b>57,718,990</b>
Excess (deficiency) of revenues over expenditures	(451,465)	(9,259,624)	2,546	(9,708,543)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,105,098	9,259,624	-	17,364,722
Transfers out	(14,052,007)	-	(1,200)	(14,053,207)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,946,909)</b>	<b>9,259,624</b>	<b>(1,200)</b>	<b>3,311,515</b>
<b>Net Change in Fund Balances</b>	<b>(6,398,374)</b>	<b>-</b>	<b>1,346</b>	<b>(6,397,028)</b>
Fund Balances - Beginning of Year	82,888,035	-	801,749	83,689,784
Fund Balances - End of Year	\$ 76,489,661	\$ -	\$ 803,095	\$ 77,292,756

## 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.

**Regional Office of Education Fund** - to account for the acceptance of and all uses of the external fingerprinting monies.

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2017

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	County Highway Fund	Social Security Fund
<b>ASSETS</b>				
Cash and investments	\$ 3,051	\$ 446,965	\$ 4,663,224	\$ 3,788,895
Property taxes receivable	-	400,000	6,455,268	4,000,000
Other receivables	-	-	319,434	-
Due from other governments	-	-	-	-
Due from other funds	-	-	5,723	-
Inventory	-	-	28,363	-
	-	-	28,363	-
Total Assets	\$ 3,051	\$ 846,965	\$ 11,472,012	\$ 7,788,895
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 4,730	\$ 339,840	\$ -
Accrued payroll	-	14,182	227,436	210,616
Due to other funds	-	-	100,820	-
Other liabilities	-	-	-	-
	-	-	-	-
Total Liabilities	-	18,912	668,096	210,616
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	400,000	6,455,268	4,000,000
Unavailable revenue	-	-	141,926	-
	-	-	141,926	-
Total Deferred Inflows of Resources	-	400,000	6,597,194	4,000,000
<b>Fund Balances</b>				
Nonspendable	-	-	28,363	-
Restricted	3,051	428,053	4,178,359	3,578,279
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
	-	-	-	-
Total Fund Balances	3,051	428,053	4,206,722	3,578,279
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,051	\$ 846,965	\$ 11,472,012	\$ 7,788,895

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
\$ 114,931	\$ 11,611,822	\$ 3,127,414	\$ 10,011,199	\$ 440,218	\$ 89,024
-	1,807,507	500,000	-	250,000	-
-	4,394	-	-	-	-
-	40,748	435,703	1,252,305	-	-
-	-	-	-	-	-
-	-	-	440,580	-	-
<u>\$ 114,931</u>	<u>\$ 13,464,471</u>	<u>\$ 4,063,117</u>	<u>\$ 11,704,084</u>	<u>\$ 690,218</u>	<u>\$ 89,024</u>
\$ 8,351	\$ 71,594	\$ 202,496	\$ 1,320,854	\$ 1,896	\$ -
-	-	-	-	12,586	-
-	-	50,718	36,703	-	-
-	-	-	5,220	-	-
<u>8,351</u>	<u>71,594</u>	<u>253,214</u>	<u>1,362,777</u>	<u>14,482</u>	<u>-</u>
-	1,807,507	500,000	-	250,000	-
-	40,748	342,563	44,758	-	-
-	1,848,255	842,563	44,758	250,000	-
-	-	-	440,580	-	-
106,580	11,544,622	2,967,340	9,855,969	425,736	89,024
-	-	-	-	-	-
-	-	-	-	-	-
<u>106,580</u>	<u>11,544,622</u>	<u>2,967,340</u>	<u>10,296,549</u>	<u>425,736</u>	<u>89,024</u>
<u>\$ 114,931</u>	<u>\$ 13,464,471</u>	<u>\$ 4,063,117</u>	<u>\$ 11,704,084</u>	<u>\$ 690,218</u>	<u>\$ 89,024</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2017

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 47,770	\$ 2,413,378	\$ 26,818	\$ 757,310
Property taxes receivable	-	-	-	-
Other receivables	-	732	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
Total Assets	\$ 47,770	\$ 2,414,110	\$ 26,818	\$ 757,310
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,976	\$ 1,267	\$ -	\$ 44
Accrued payroll	-	17,168	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
	-	-	-	-
Total Liabilities	1,976	18,435	-	44
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	-	-	-
	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	45,794	2,395,675	26,818	757,266
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
	-	-	-	-
Total Fund Balances	45,794	2,395,675	26,818	757,266
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 47,770	\$ 2,414,110	\$ 26,818	\$ 757,310

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ 112,762	\$ 39,385	\$ 315,764	\$ 474	\$ 185,025	\$ 383,829
-	-	-	-	-	-
7,200	-	35,477	-	-	-
1,831,477	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,951,439</u>	<u>\$ 39,385</u>	<u>\$ 351,241</u>	<u>\$ 474</u>	<u>\$ 185,025</u>	<u>\$ 383,829</u>
\$ 45,845	\$ 5,503	\$ 12,651	\$ 585	\$ 118	\$ 33,753
47,984	4,524	18,592	-	9,495	-
-	-	24,173	-	-	6,545
-	-	-	-	-	-
<u>93,829</u>	<u>10,027</u>	<u>55,416</u>	<u>585</u>	<u>9,613</u>	<u>40,298</u>
-	-	-	-	-	-
<u>1,575,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,575,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
282,033	29,358	295,825	-	175,412	343,531
-	-	-	-	-	-
-	-	-	(111)	-	-
<u>282,033</u>	<u>29,358</u>	<u>295,825</u>	<u>(111)</u>	<u>175,412</u>	<u>343,531</u>
<u>\$ 1,951,439</u>	<u>\$ 39,385</u>	<u>\$ 351,241</u>	<u>\$ 474</u>	<u>\$ 185,025</u>	<u>\$ 383,829</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2017

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 17	\$ -	\$ 411,144	\$ 1,567
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	423,573	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>\$ 423,590</b>	<b>\$ -</b>	<b>\$ 411,144</b>	<b>\$ 1,567</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 408,368	\$ -	\$ 128	\$ -
Accrued payroll	9,913	-	6,861	-
Due to other funds	5,292	-	-	-
Other liabilities	17	-	-	-
<b>Total Liabilities</b>	<b>423,590</b>	<b>-</b>	<b>6,989</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	404,155	1,567
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>404,155</b>	<b>1,567</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 423,590</b>	<b>\$ -</b>	<b>\$ 411,144</b>	<b>\$ 1,567</b>

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 114,404	\$ -	\$ 425,869	\$ 19,525	\$ 165,931	\$ 1,115,993
-	-	-	-	-	-
-	2,218	-	-	-	130,000
-	-	-	-	-	-
-	6,217	-	-	-	-
-	-	-	-	-	-
<u>\$ 114,404</u>	<u>\$ 8,435</u>	<u>\$ 425,869</u>	<u>\$ 19,525</u>	<u>\$ 165,931</u>	<u>\$ 1,245,993</u>
\$ 1,016	\$ -	\$ 30	\$ -	\$ -	\$ 41,456
992	-	2,747	-	-	25,080
-	8,435	-	-	-	-
-	-	-	-	-	-
<u>2,008</u>	<u>8,435</u>	<u>2,777</u>	<u>-</u>	<u>-</u>	<u>66,536</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,396	-	-	19,525	165,931	1,179,457
-	-	423,092	-	-	-
-	-	-	-	-	-
<u>112,396</u>	<u>-</u>	<u>423,092</u>	<u>19,525</u>	<u>165,931</u>	<u>1,179,457</u>
<u>\$ 114,404</u>	<u>\$ 8,435</u>	<u>\$ 425,869</u>	<u>\$ 19,525</u>	<u>\$ 165,931</u>	<u>\$ 1,245,993</u>

(Continued)

**County of McHenry, Illinois**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
November 30, 2017

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
<b>ASSETS</b>				
Cash and equivalents	\$ 1,383,670	\$ 6,153	\$ 2,169,962	\$ 10,829,470
Property taxes receivable	-	-	1,645,000	-
Other receivables	536,543	-	-	-
Due from other governments	-	-	-	2,586,244
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	\$ 1,920,213	\$ 6,153	\$ 3,814,962	\$ 13,415,714
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 500	\$ 425,747	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	4,917	-
Other liabilities	-	-	-	-
	-	500	430,664	-
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future period	-	-	1,645,000	-
Unavailable revenue	-	-	-	-
	-	-	1,645,000	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	5,653	1,739,298	13,415,714
Committed	1,920,213	-	-	-
Unassigned (deficit)	-	-	-	-
	1,920,213	5,653	1,739,298	13,415,714
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	\$ 1,920,213	\$ 6,153	\$ 3,814,962	\$ 13,415,714

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Inmate Welfare Fund	Regional Office Education Fund	Totals
\$ 17,506	\$ 12,632,926	\$ 55,774	\$ 7,228,196	\$ 648,880	\$ 39,685	\$ 75,845,930
-	1,250,000	-	-	-	-	16,307,775
277	-	-	1,818	-	-	1,038,093
-	-	-	465,061	-	-	7,035,111
-	261,875	-	87,421	-	-	361,236
-	-	-	74,602	-	-	543,545
<u>\$ 17,783</u>	<u>\$ 14,144,801</u>	<u>\$ 55,774</u>	<u>\$ 7,857,098</u>	<u>\$ 648,880</u>	<u>\$ 39,685</u>	<u>\$ 101,131,690</u>
\$ 550	\$ 45,303	\$ -	\$ 2,297,822	\$ 6,193	\$ 4,043	\$ 5,282,659
-	53,020	-	1,556	-	431	663,183
-	-	-	-	-	-	237,603
-	-	-	-	-	-	5,237
<u>550</u>	<u>98,323</u>	<u>-</u>	<u>2,299,378</u>	<u>6,193</u>	<u>4,474</u>	<u>6,188,682</u>
-	1,250,000	-	-	-	-	16,307,775
-	-	-	-	-	-	2,145,572
-	1,250,000	-	-	-	-	18,453,347
-	-	-	74,602	-	-	543,545
17,233	12,796,478	55,774	5,483,118	642,687	35,211	73,602,922
-	-	-	-	-	-	2,343,305
-	-	-	-	-	-	(111)
<u>17,233</u>	<u>12,796,478</u>	<u>55,774</u>	<u>5,557,720</u>	<u>642,687</u>	<u>35,211</u>	<u>76,489,661</u>
<u>\$ 17,783</u>	<u>\$ 14,144,801</u>	<u>\$ 55,774</u>	<u>\$ 7,857,098</u>	<u>\$ 648,880</u>	<u>\$ 39,685</u>	<u>\$ 101,131,690</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, 2017

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	County Highway Fund	Social Security Fund
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	95,173	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	481,468	-
Property taxes	-	399,004	6,438,176	3,964,538
Sales taxes	-	-	-	-
Investment income	59	-	41,908	28,040
Miscellaneous	4,300	-	192,885	-
<b>Total Revenues</b>	<b>4,359</b>	<b>399,004</b>	<b>7,249,610</b>	<b>3,992,578</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General and administrative	-	-	-	543,144
Community development	-	-	-	81,933
Transportation	-	-	9,176,037	-
Public safety	-	-	-	2,018,834
Judiciary and court related	-	-	-	655,277
Public health and welfare	-	444,674	-	304,563
Capital outlay	10,000	8,000	1,416,358	-
Debt service	-	-	-	-
Principal retirement	-	-	-	-
<b>Total Expenditures</b>	<b>10,000</b>	<b>452,674</b>	<b>10,592,395</b>	<b>3,603,751</b>
Excess (deficiency) of revenues over expenditures	<u>(5,641)</u>	<u>(53,670)</u>	<u>(3,342,785)</u>	<u>388,827</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	8,088,881	-
Transfers out	-	-	(5,937,909)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>2,150,972</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(5,641)</b>	<b>(53,670)</b>	<b>(1,191,813)</b>	<b>388,827</b>
Fund Balances - Beginning of Year (deficit)	<u>8,692</u>	<u>481,723</u>	<u>5,398,535</u>	<u>3,189,452</u>
Fund Balances - End of Year (deficit)	<u>\$ 3,051</u>	<u>\$ 428,053</u>	<u>\$ 4,206,722</u>	<u>\$ 3,578,279</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
\$ 64,474	\$ -	\$ -	\$ -	\$ 4,185	\$ 94,675
-	-	-	-	-	-
-	-	-	-	-	-
9,191	40,649	751,920	4,826,563	-	-
-	1,802,769	498,736	-	249,491	-
-	-	-	-	-	-
1,136	120,124	26,851	94,197	3,884	572
-	-	-	-	-	-
<u>74,801</u>	<u>1,963,542</u>	<u>1,277,507</u>	<u>4,920,760</u>	<u>257,560</u>	<u>95,247</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	372,807	3,451,282	-	-
49,639	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	281,415	-
-	3,596,945	342,727	3,216,431	-	-
-	-	-	-	-	-
<u>49,639</u>	<u>3,596,945</u>	<u>715,534</u>	<u>6,667,713</u>	<u>281,415</u>	<u>-</u>
<u>25,162</u>	<u>(1,633,403)</u>	<u>561,973</u>	<u>(1,746,953)</u>	<u>(23,855)</u>	<u>95,247</u>
-	-	-	-	-	-
(9,000)	-	-	-	-	-
<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>16,162</u>	<u>(1,633,403)</u>	<u>561,973</u>	<u>(1,746,953)</u>	<u>(23,855)</u>	<u>95,247</u>
<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>\$ 106,580</u>	<u>\$ 11,544,622</u>	<u>\$ 2,967,340</u>	<u>\$ 10,296,549</u>	<u>\$ 425,736</u>	<u>\$ 89,024</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, 2017

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
<b>REVENUES</b>				
Charges for services	\$ 13,618	\$ 716,082	\$ 3,483	\$ 109,218
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	586	21,115	247	6,340
Miscellaneous	-	270	-	-
<b>Total Revenues</b>	<b>14,204</b>	<b>737,467</b>	<b>3,730</b>	<b>115,558</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General and administrative	37,237	439,900	-	11,839
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	4,326	-
Capital outlay	18,550	136,961	-	-
Debt service	-	-	-	-
Principal retirement	-	-	-	-
<b>Total Expenditures</b>	<b>55,787</b>	<b>576,861</b>	<b>4,326</b>	<b>11,839</b>
Excess (deficiency) of revenues over expenditures	<b>(41,583)</b>	<b>160,606</b>	<b>(596)</b>	<b>103,719</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(41,583)</b>	<b>160,606</b>	<b>(596)</b>	<b>103,719</b>
Fund Balances - Beginning of Year (deficit)	87,377	2,235,069	27,414	653,547
Fund Balances - End of Year (deficit)	<b>\$ 45,794</b>	<b>\$ 2,395,675</b>	<b>\$ 26,818</b>	<b>\$ 757,266</b>

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ -	\$ 177,195	\$ 178,818	\$ 4,128	\$ 484,587	\$ 312,182
-	-	-	-	-	-
-	-	-	-	-	-
2,222,428	-	335,644	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,106	260	-	-	1,061	4,020
11,398	-	-	-	-	36,141
<u>2,234,932</u>	<u>177,455</u>	<u>514,462</u>	<u>4,128</u>	<u>485,648</u>	<u>352,343</u>
-	-	-	-	-	-
-	-	-	3,770	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	150,161	569,109	-	463,427	394,560
2,260,670	-	-	-	-	-
-	-	-	-	-	-
<u>8,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,269,318</u>	<u>150,161</u>	<u>569,109</u>	<u>3,770</u>	<u>463,427</u>	<u>394,560</u>
<u>(34,386)</u>	<u>27,294</u>	<u>(54,647)</u>	<u>358</u>	<u>22,221</u>	<u>(42,217)</u>
-	-	-	-	-	-
-	-	-	-	-	(16,217)
-	-	-	-	-	(16,217)
<u>(34,386)</u>	<u>27,294</u>	<u>(54,647)</u>	<u>358</u>	<u>22,221</u>	<u>(58,434)</u>
<u>316,419</u>	<u>2,064</u>	<u>350,472</u>	<u>(469)</u>	<u>153,191</u>	<u>401,965</u>
<u>\$ 282,033</u>	<u>\$ 29,358</u>	<u>\$ 295,825</u>	<u>\$ (111)</u>	<u>\$ 175,412</u>	<u>\$ 343,531</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, 2017

	HUD Grants Fund	Dental Care Clinic Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
<b>REVENUES</b>				
Charges for services	\$ -	\$ 166	\$ 508,372	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	1,898,867	-	-	66,715
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	-	47	3,095	248
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,898,867</b>	<b>213</b>	<b>511,467</b>	<b>66,963</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General and administrative	-	-	-	-
Community development	1,896,478	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	384,013	66,715
Public health and welfare	-	63,171	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal retirement	-	-	-	-
<b>Total Expenditures</b>	<b>1,896,478</b>	<b>63,171</b>	<b>384,013</b>	<b>66,715</b>
Excess (deficiency) of revenues over expenditures	2,389	(62,958)	127,454	248
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,389</b>	<b>(62,958)</b>	<b>127,454</b>	<b>248</b>
Fund Balances - Beginning of Year (deficit)	(2,389)	62,958	276,701	1,319
Fund Balances - End of Year (deficit)	\$ -	\$ -	\$ 404,155	\$ 1,567

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 95,680	\$ 16,945	\$ 134,286	\$ 22,078	\$ -	\$ 712,702
-	-	-	-	-	-
-	-	-	-	43,434	-
-	-	-	-	-	-
-	-	-	-	-	-
883	41	3,783	128	-	12,059
-	-	-	-	-	-
<u>96,563</u>	<u>16,986</u>	<u>138,069</u>	<u>22,206</u>	<u>43,434</u>	<u>724,761</u>
-	-	69,062	-	-	1,034,858
-	-	-	-	-	-
-	-	-	-	10,282	-
96,147	33,203	-	15,650	-	-
-	-	-	-	-	-
1,729	-	-	-	-	-
-	-	-	-	-	-
<u>97,876</u>	<u>33,203</u>	<u>69,062</u>	<u>15,650</u>	<u>10,282</u>	<u>1,034,858</u>
<u>(1,313)</u>	<u>(16,217)</u>	<u>69,007</u>	<u>6,556</u>	<u>33,152</u>	<u>(310,097)</u>
-	16,217	-	-	-	-
-	-	-	-	-	-
-	16,217	-	-	-	-
<u>(1,313)</u>	<u>-</u>	<u>69,007</u>	<u>6,556</u>	<u>33,152</u>	<u>(310,097)</u>
<u>113,709</u>	<u>-</u>	<u>354,085</u>	<u>12,969</u>	<u>132,779</u>	<u>1,489,554</u>
<u>\$ 112,396</u>	<u>\$ -</u>	<u>\$ 423,092</u>	<u>\$ 19,525</u>	<u>\$ 165,931</u>	<u>\$ 1,179,457</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, 2017

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	1,640,695	-
Sales taxes	-	-	-	10,229,803
Investment income	39,957	19	9,886	85,005
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>39,957</b>	<b>19</b>	<b>1,650,581</b>	<b>10,314,808</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General and administrative	-	-	-	-
Community development	-	-	-	-
Transportation	-	-	-	44,478
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	1,728,622	-
Capital outlay	-	-	-	2,464,253
Debt service				
Principal retirement	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,728,622</b>	<b>2,508,731</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>39,957</b>	<b>19</b>	<b>(78,041)</b>	<b>7,806,077</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(8,088,881)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,088,881)</b>
<b>Net Change in Fund Balances</b>	<b>39,957</b>	<b>19</b>	<b>(78,041)</b>	<b>(282,804)</b>
Fund Balances - Beginning of Year (deficit)	1,880,256	5,634	1,817,339	13,698,518
Fund Balances - End of Year (deficit)	\$ 1,920,213	\$ 5,653	\$ 1,739,298	\$ 13,415,714

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Inmate Welfare Fund	Regional Office Education Fund	Totals
\$ -	\$ -	\$ 32,029	\$ -	\$ 377,804	\$ -	\$ 4,062,707
-	-	-	-	-	-	95,173
-	-	-	-	-	-	43,434
-	-	-	4,899,079	-	102,542	15,635,066
-	1,246,760	-	-	-	-	16,240,169
-	-	-	-	-	-	10,229,803
1,161	43	667	62,215	5,279	375	576,397
-	880,158	-	-	-	-	1,125,152
<u>1,161</u>	<u>2,126,961</u>	<u>32,696</u>	<u>4,961,294</u>	<u>383,083</u>	<u>102,917</u>	<u>48,007,901</u>
7,686	2,698,121	-	-	-	67,706	4,909,553
-	-	-	-	-	-	1,982,181
-	-	-	4,189,817	-	-	17,234,421
-	-	-	-	240,259	-	2,319,014
-	-	41,499	-	-	-	2,869,761
-	-	-	-	-	-	5,087,441
-	-	-	2,811,533	24,860	-	14,048,347
-	-	-	-	-	-	8,648
<u>7,686</u>	<u>2,698,121</u>	<u>41,499</u>	<u>7,001,350</u>	<u>265,119</u>	<u>67,706</u>	<u>48,459,366</u>
<u>(6,525)</u>	<u>(571,160)</u>	<u>(8,803)</u>	<u>(2,040,056)</u>	<u>117,964</u>	<u>35,211</u>	<u>(451,465)</u>
-	-	-	-	-	-	8,105,098
-	-	-	-	-	-	(14,052,007)
-	-	-	-	-	-	(5,946,909)
<u>(6,525)</u>	<u>(571,160)</u>	<u>(8,803)</u>	<u>(2,040,056)</u>	<u>117,964</u>	<u>35,211</u>	<u>(6,398,374)</u>
<u>23,758</u>	<u>13,367,638</u>	<u>64,577</u>	<u>7,597,776</u>	<u>524,723</u>	<u>-</u>	<u>82,888,035</u>
<u>\$ 17,233</u>	<u>\$ 12,796,478</u>	<u>\$ 55,774</u>	<u>\$ 5,557,720</u>	<u>\$ 642,687</u>	<u>\$ 35,211</u>	<u>\$ 76,489,661</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment income	\$ 20	\$ 20	\$ 59	\$ 39
Miscellaneous	<u>500</u>	<u>12,500</u>	<u>4,300</u>	<u>(8,200)</u>
Total Revenues	<u>520</u>	<u>12,520</u>	<u>4,359</u>	<u>(8,161)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Contractual services	1,000	1,000	-	1,000
Commodities	550	550	-	550
Capital outlay	<u>-</u>	<u>18,000</u>	<u>10,000</u>	<u>8,000</u>
Total Expenditures	<u>1,550</u>	<u>19,550</u>	<u>10,000</u>	<u>9,550</u>
Net Change in Fund Balance	<u>\$ (1,030)</u>	<u>\$ (7,030)</u>	(5,641)	<u>\$ 1,389</u>
Fund Balance - Beginning of Year			<u>8,692</u>	
Fund Balance - End of Year			<u>\$ 3,051</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 400,000	\$ 400,000	\$ 399,004	\$ (996)
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	397,421	397,421	349,019	48,402
Contractual services	258,000	258,000	83,746	174,254
Commodities	24,150	24,150	11,909	12,241
Capital outlay	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total Expenditures	<u>679,571</u>	<u>687,571</u>	<u>452,674</u>	<u>234,897</u>
Net Change in Fund Balance	<u>\$ (279,571)</u>	<u>\$ (287,571)</u>	(53,670)	<u>\$ 233,901</u>
Fund Balance - Beginning of Year			<u>481,723</u>	
Fund Balance - End of Year			<u>\$ 428,053</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Licenses and permits	\$ 91,000	\$ 91,000	\$ 95,173	\$ 4,173
Grants, contributions, and intergovernmental	821,426	821,426	481,468	(339,958)
Property taxes	6,455,268	6,455,268	6,438,176	(17,092)
Investment income	10,000	10,000	41,908	31,908
Miscellaneous	<u>171,000</u>	<u>171,000</u>	<u>192,885</u>	<u>21,885</u>
 Total Revenues	 <u>7,548,694</u>	 <u>7,548,694</u>	 <u>7,249,610</u>	 <u>(299,084)</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Personnel services	5,618,848	5,618,848	5,181,046	437,802
Contractual services	5,586,812	7,322,988	3,271,468	4,051,520
Commodities	759,850	789,685	723,523	66,162
Capital outlay	<u>12,902,000</u>	<u>13,140,065</u>	<u>1,416,358</u>	<u>11,723,707</u>
 Total Expenditures	 <u>24,867,510</u>	 <u>26,871,586</u>	 <u>10,592,395</u>	 <u>16,279,191</u>
 Deficiency of revenues over expenditures	 <u>(17,318,816)</u>	 <u>(19,322,892)</u>	 <u>(3,342,785)</u>	 <u>15,980,107</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	21,855,159	21,855,159	8,088,881	(13,766,278)
Transfers out	<u>(5,937,909)</u>	<u>(5,937,909)</u>	<u>(5,937,909)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>15,917,250</u>	 <u>15,917,250</u>	 <u>2,150,972</u>	 <u>(13,766,278)</u>
 Net Change in Fund Balance	 <u>\$ (1,401,566)</u>	 <u>\$ (3,405,642)</u>	 (1,191,813)	 <u>\$ 2,213,829</u>
 Fund Balance - Beginning of Year			 <u>5,398,535</u>	
 Fund Balance - End of Year			 <u>\$ 4,206,722</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 3,975,000	\$ 3,975,000	\$ 3,964,538	\$ (10,462)
Investment income	<u>8,000</u>	<u>8,000</u>	<u>28,040</u>	<u>20,040</u>
Total Revenues	<u>3,983,000</u>	<u>3,983,000</u>	<u>3,992,578</u>	<u>9,578</u>
<b>EXPENDITURES</b>				
Current				
Personnel services				
General and administrative	613,676	613,676	543,144	70,532
Community development	92,573	92,573	81,933	10,640
Public safety	2,280,996	2,280,996	2,018,834	262,162
Judiciary and court related	740,370	740,370	655,277	85,093
Public health and welfare	<u>344,111</u>	<u>344,111</u>	<u>304,563</u>	<u>39,548</u>
Total Expenditures	<u>4,071,726</u>	<u>4,071,726</u>	<u>3,603,751</u>	<u>467,975</u>
Net Change in Fund Balance	<u>\$ (88,726)</u>	<u>\$ (88,726)</u>	388,827	<u>\$ 477,553</u>
Fund Balance - Beginning of Year			<u>3,189,452</u>	
Fund Balance - End of Year			<u>\$ 3,578,279</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 55,000	\$ 55,000	\$ 64,474	\$ 9,474
Grants, contributions, and intergovernmental	4,334	4,334	9,191	4,857
Investment income	<u>350</u>	<u>350</u>	<u>1,136</u>	<u>786</u>
Total Revenues	<u>59,684</u>	<u>59,684</u>	<u>74,801</u>	<u>15,117</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Contractual services	37,000	42,733	42,733	-
Commodities	<u>10,500</u>	<u>6,906</u>	<u>6,906</u>	<u>-</u>
Total Expenditures	<u>47,500</u>	<u>49,639</u>	<u>49,639</u>	<u>-</u>
Excess of revenues over expenditures	12,184	10,045	25,162	15,117
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 3,184</u>	<u>\$ 1,045</u>	16,162	<u>\$ 15,117</u>
Fund Balance - Beginning of Year			<u>90,418</u>	
Fund Balance - End of Year			<u>\$ 106,580</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 240,000	\$ 240,000	\$ 40,649	\$ (199,351)
Property taxes	1,807,507	1,807,507	1,802,769	(4,738)
Investment income	<u>40,000</u>	<u>40,000</u>	<u>120,124</u>	<u>80,124</u>
Total Revenues	<u>2,087,507</u>	<u>2,087,507</u>	<u>1,963,542</u>	<u>(123,965)</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Contractual services	2,050,000	2,063,290	-	2,063,290
Capital outlay	<u>7,800,000</u>	<u>16,543,426</u>	<u>3,596,945</u>	<u>12,946,481</u>
Total Expenditures	<u>9,850,000</u>	<u>18,606,716</u>	<u>3,596,945</u>	<u>15,009,771</u>
Net Change in Fund Balance	<u>\$ (7,762,493)</u>	<u>\$ (16,519,209)</u>	(1,633,403)	<u>\$ 14,885,806</u>
Fund Balance - Beginning of Year			<u>13,178,025</u>	
Fund Balance - End of Year			<u>\$ 11,544,622</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 460,000	\$ 460,000	\$ 751,920	\$ 291,920
Property taxes	500,000	500,000	498,736	(1,264)
Investment income	<u>10,000</u>	<u>10,000</u>	<u>26,851</u>	<u>16,851</u>
Total Revenues	<u>970,000</u>	<u>970,000</u>	<u>1,277,507</u>	<u>307,507</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Contractual services	575,000	1,013,679	372,807	640,872
Capital outlay	<u>2,000,000</u>	<u>2,443,794</u>	<u>342,727</u>	<u>2,101,067</u>
Total Expenditures	<u>2,575,000</u>	<u>3,457,473</u>	<u>715,534</u>	<u>2,741,939</u>
Net Change in Fund Balance	<u>\$ (1,605,000)</u>	<u>\$ (2,487,473)</u>	561,973	<u>\$ 3,049,446</u>
Fund Balance - Beginning of Year			<u>2,405,367</u>	
Fund Balance - End of Year			<u>\$ 2,967,340</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 4,650,000	\$ 4,650,000	\$ 4,826,563	\$ 176,563
Investment income	<u>33,000</u>	<u>33,000</u>	<u>94,197</u>	<u>61,197</u>
Total Revenues	<u>4,683,000</u>	<u>4,683,000</u>	<u>4,920,760</u>	<u>237,760</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Contractual services	2,852,000	4,765,390	2,683,767	2,081,623
Commodities	850,000	1,019,365	767,515	251,850
Capital outlay	<u>981,000</u>	<u>8,728,431</u>	<u>3,216,431</u>	<u>5,512,000</u>
Total Expenditures	<u>4,683,000</u>	<u>14,513,186</u>	<u>6,667,713</u>	<u>7,845,473</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(9,830,186)</u>	(1,746,953)	\$ <u>8,083,233</u>
Fund Balance - Beginning of Year			<u>12,043,502</u>	
Fund Balance - End of Year			\$ <u>10,296,549</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 19,000	\$ 19,000	\$ 4,185	\$ (14,815)
Property taxes	250,000	250,000	249,491	(509)
Investment income	<u>625</u>	<u>625</u>	<u>3,884</u>	<u>3,259</u>
Total Revenues	<u>269,625</u>	<u>269,625</u>	<u>257,560</u>	<u>(12,065)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	269,889	269,889	241,602	28,287
Contractual services	67,962	67,962	31,891	36,071
Commodities	<u>38,225</u>	<u>38,225</u>	<u>7,922</u>	<u>30,303</u>
Total Expenditures	<u>376,076</u>	<u>376,076</u>	<u>281,415</u>	<u>94,661</u>
Net Change in Fund Balance	<u>\$ (106,451)</u>	<u>\$ (106,451)</u>	(23,855)	<u>\$ 82,596</u>
Fund Balance - Beginning of Year			<u>449,591</u>	
Fund Balance - End of Year			<u>\$ 425,736</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 115,000	\$ 115,000	\$ 94,675	\$ (20,325)
Investment income	<u>100</u>	<u>100</u>	<u>572</u>	<u>472</u>
Total Revenues	115,100	115,100	95,247	(19,853)
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	<u>112,471</u>	<u>112,471</u>	<u>-</u>	<u>112,471</u>
Net Change in Fund Balance	<u>\$ 2,629</u>	<u>\$ 2,629</u>	95,247	<u>\$ 92,618</u>
Fund (Deficit) - Beginning of Year			<u>(6,223)</u>	
Fund Balance - End of Year			<u>\$ 89,024</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 14,000	\$ 14,000	\$ 13,618	\$ (382)
Investment income	225	225	586	361
<b>Total Revenues</b>	<u>14,225</u>	<u>14,225</u>	<u>14,204</u>	<u>(21)</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Contractual services	37,500	34,594	34,331	263
Commodities	-	2,906	2,906	-
Capital outlay	-	35,050	18,550	16,500
<b>Total Expenditures</b>	<u>37,500</u>	<u>72,550</u>	<u>55,787</u>	<u>16,763</u>
<b>Net Change in Fund Balance</b>	<u>\$ (23,275)</u>	<u>\$ (58,325)</u>	(41,583)	<u>\$ 16,742</u>
Fund Balance - Beginning of Year			<u>87,377</u>	
Fund Balance - End of Year			<u>\$ 45,794</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 747,000	\$ 747,000	\$ 716,082	\$ (30,918)
Investment income	8,000	8,000	21,115	13,115
Miscellaneous	-	-	270	270
<b>Total Revenues</b>	<u>755,000</u>	<u>755,000</u>	<u>737,467</u>	<u>(17,533)</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	232,934	300,010	244,645	55,365
Contractual services	217,000	218,803	193,440	25,363
Commodities	5,000	5,000	1,815	3,185
Capital outlay	20,000	156,962	136,961	20,001
Debt service				
Principal retirement	48,597	48,597	-	48,597
<b>Total Expenditures</b>	<u>523,531</u>	<u>729,372</u>	<u>576,861</u>	<u>152,511</u>
<b>Net Change in Fund Balance</b>	<u>\$ 231,469</u>	<u>\$ 25,628</u>	160,606	<u>\$ 134,978</u>
Fund Balance - Beginning of Year			<u>2,235,069</u>	
Fund Balance - End of Year			<u>\$ 2,395,675</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 2,500	\$ 2,500	\$ 3,483	\$ 983
Investment income	<u>100</u>	<u>100</u>	<u>247</u>	<u>147</u>
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>3,730</u>	<u>1,130</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Contractual services	2,000	2,000	1,586	414
Commodities	<u>10,000</u>	<u>10,000</u>	<u>2,740</u>	<u>7,260</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>4,326</u>	<u>7,674</u>
Net Change in Fund Balance	<u>\$ (9,400)</u>	<u>\$ (9,400)</u>	(596)	<u>\$ 8,804</u>
Fund Balance - Beginning of Year			<u>27,414</u>	
Fund Balance - End of Year			<u>\$ 26,818</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 130,000	\$ 130,000	\$ 109,218	\$ (20,782)
Investment income	1,800	1,800	6,340	4,540
<b>Total Revenues</b>	<b>131,800</b>	<b>131,800</b>	<b>115,558</b>	<b>(16,242)</b>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Contractual services	35,500	35,500	9,684	25,816
Commodities	10,400	10,400	2,155	8,245
<b>Total Expenditures</b>	<b>45,900</b>	<b>45,900</b>	<b>11,839</b>	<b>34,061</b>
<b>Net Change in Fund Balance</b>	<b>\$ 85,900</b>	<b>\$ 85,900</b>	103,719	<b>\$ 17,819</b>
Fund Balance - Beginning of Year			653,547	
Fund Balance - End of Year			<b>\$ 757,266</b>	

**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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 2,066,739	\$ 2,370,835	\$ 2,222,428	\$ (148,407)
Investment income	491	491	1,106	615
Miscellaneous	<u>17,307</u>	<u>17,307</u>	<u>11,398</u>	<u>(5,909)</u>
Total Revenues	<u>2,084,537</u>	<u>2,388,633</u>	<u>2,234,932</u>	<u>(153,701)</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	1,225,506	1,233,073	1,100,476	132,597
Contractual services	814,179	1,121,068	1,093,782	27,286
Commodities	94,704	91,911	66,412	25,499
Capital outlay				-
Debt service				
Principal retirement	<u>9,000</u>	<u>9,000</u>	<u>8,648</u>	<u>352</u>
Total Expenditures	<u>2,143,389</u>	<u>2,455,052</u>	<u>2,269,318</u>	<u>185,734</u>
Deficiency of revenues over expenditures	(58,852)	(66,419)	(34,386)	32,033
<b>OTHER FINANCING USES</b>				
Transfers in	<u>163,666</u>	<u>163,666</u>	<u>-</u>	<u>(163,666)</u>
Net Change in Fund Balance	<u>\$ 104,814</u>	<u>\$ 97,247</u>	(34,386)	<u>\$ (131,633)</u>
Fund Balance - Beginning of Year			<u>316,419</u>	
Fund Balance - End of Year			<u>\$ 282,033</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 175,000	\$ 175,000	\$ 177,195	\$ 2,195
Investment income	<u>300</u>	<u>300</u>	<u>260</u>	<u>(40)</u>
Total Revenues	<u>175,300</u>	<u>175,300</u>	<u>177,455</u>	<u>2,155</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	104,397	104,397	86,877	17,520
Contractual services	400	400	385	15
Commodities	<u>100,400</u>	<u>100,400</u>	<u>62,899</u>	<u>37,501</u>
Total Expenditures	<u>205,197</u>	<u>205,197</u>	<u>150,161</u>	<u>55,036</u>
Net Change in Fund Balance	<u>\$ (29,897)</u>	<u>\$ (29,897)</u>	27,294	<u>\$ 57,191</u>
Fund Balance - Beginning of Year			<u>2,064</u>	
Fund Balance - End of Year			<u>\$ 29,358</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 180,000	\$ 180,000	\$ 178,818	\$ (1,182)
Grants, contributions, and intergovernmental	<u>175,730</u>	<u>470,825</u>	<u>335,644</u>	<u>(135,181)</u>
Total Revenues	<u>355,730</u>	<u>650,825</u>	<u>514,462</u>	<u>(136,363)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	394,675	421,475	422,052	(577)
Contractual services	21,200	282,370	121,118	161,252
Commodities	<u>21,000</u>	<u>28,125</u>	<u>25,939</u>	<u>2,186</u>
Total Expenditures	<u>436,875</u>	<u>731,970</u>	<u>569,109</u>	<u>162,861</u>
Net Change in Fund Balance	<u>\$ (81,145)</u>	<u>\$ (81,145)</u>	(54,647)	<u>\$ 26,498</u>
Fund Balance - Beginning of Year			<u>350,472</u>	
Fund Balance - End of Year			<u>\$ 295,825</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, 2017

	<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	\$ 4,128	\$ (15,872)
EXPENDITURES				
Current				
Community development				
Contractual services	<u>20,000</u>	<u>20,000</u>	<u>3,770</u>	<u>16,230</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	358	<u>\$ 358</u>
Fund Balance - Beginning of Year (deficit)			<u>(469)</u>	
Fund Balance - End of Year (deficit)			<u>\$ (111)</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 530,000	\$ 530,000	\$ 484,587	\$ (45,413)
Investment income	<u>350</u>	<u>350</u>	<u>1,061</u>	<u>711</u>
Total Revenues	<u>530,350</u>	<u>530,350</u>	<u>485,648</u>	<u>(44,702)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	179,570	179,570	171,508	8,062
Contractual services	305,780	341,998	291,919	50,079
Commodities	5,000	5,000	-	5,000
Capital outlay	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>510,350</u>	<u>526,568</u>	<u>463,427</u>	<u>63,141</u>
Net Change in Fund Balance	<u>\$ 20,000</u>	<u>\$ 3,782</u>	22,221	<u>\$ 18,439</u>
Fund Balance - Beginning of Year			<u>153,191</u>	
Fund Balance - End of Year			<u>\$ 175,412</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 360,000	\$ 360,000	\$ 312,182	\$ (47,818)
Investment income	1,000	1,000	4,020	3,020
Miscellaneous	<u>12,000</u>	<u>12,000</u>	<u>36,141</u>	<u>24,141</u>
Total Revenues	<u>373,000</u>	<u>373,000</u>	<u>352,343</u>	<u>(20,657)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	63,658	63,658	63,658	-
Contractual services	428,500	413,500	271,451	142,049
Commodities	58,450	73,450	59,451	13,999
Capital outlay	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>560,608</u>	<u>550,608</u>	<u>394,560</u>	<u>156,048</u>
Deficiency of revenues over expenditures	(187,608)	(177,608)	(42,217)	135,391
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>(10,000)</u>	<u>(16,217)</u>	<u>(6,217)</u>
Net Change in Fund Balance	<u>\$ (187,608)</u>	<u>\$ (187,608)</u>	(58,434)	<u>\$ 129,174</u>
Fund Balance - Beginning of Year			<u>401,965</u>	
Fund Balance - End of Year			<u>\$ 343,531</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 1,656,189	\$ 1,691,672	\$ 1,898,867	\$ 207,195
<b>EXPENDITURES</b>				
Current				
Community development				
Personnel services	265,559	322,669	215,493	107,176
Contractual services	1,374,777	2,516,092	1,646,865	869,227
Commodities	15,853	34,848	34,120	728
Total Expenditures	<u>1,656,189</u>	<u>2,873,609</u>	<u>1,896,478</u>	<u>977,131</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(1,181,937)</u>	2,389	\$ <u>1,184,326</u>
Fund Balance - Beginning of Year (deficit)			<u>(2,389)</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DENTAL CARE CLINIC FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 166	\$ 166
Investment income	<u>-</u>	<u>-</u>	<u>47</u>	<u>47</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>213</u>	<u>213</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Contractual services	<u>-</u>	<u>-</u>	<u>63,171</u>	<u>(63,171)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(62,958)</u>	<u>\$ (62,958)</u>
Fund Balance - Beginning of Year			<u>62,958</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CIRCUIT COURT AUTOMATION FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 575,000	\$ 575,000	\$ 508,372	\$ (66,628)
Investment income	<u>1,200</u>	<u>1,200</u>	<u>3,095</u>	<u>1,895</u>
Total Revenues	<u>576,200</u>	<u>576,200</u>	<u>511,467</u>	<u>(64,733)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	179,530	179,530	178,993	537
Contractual services	366,670	366,670	205,020	161,650
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>556,200</u>	<u>556,200</u>	<u>384,013</u>	<u>172,187</u>
Net Change in Fund Balance	\$ <u>20,000</u>	\$ <u>20,000</u>	127,454	\$ <u>107,454</u>
Fund Balance - Beginning of Year			<u>276,701</u>	
Fund Balance - End of Year			\$ <u>404,155</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 66,715	\$ 66,715	\$ 66,715	\$ -
Investment income	<u>-</u>	<u>-</u>	<u>248</u>	<u>248</u>
Total Revenues	<u>66,715</u>	<u>66,715</u>	<u>66,963</u>	<u>248</u>
<b>EXPENDITURES</b>				
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>	248	<u>\$ 248</u>
Fund Balance - Beginning of Year			<u>1,319</u>	
Fund Balance - End of Year			<u>\$ 1,567</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 105,000	\$ 105,000	\$ 95,680	\$ (9,320)
Investment income	<u>600</u>	<u>600</u>	<u>883</u>	<u>283</u>
Total Revenues	<u>105,600</u>	<u>105,600</u>	<u>96,563</u>	<u>(9,037)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Personnel services	21,713	21,713	20,710	1,003
Contractual services	32,871	45,871	45,862	9
Commodities	40,000	40,000	29,575	10,425
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>1,729</u>	<u>3,271</u>
Total Expenditures	<u>99,584</u>	<u>112,584</u>	<u>97,876</u>	<u>14,708</u>
Net Change in Fund Balance	<u>\$ 6,016</u>	<u>\$ (6,984)</u>	(1,313)	<u>\$ 5,671</u>
Fund Balance - Beginning of Year			<u>113,709</u>	
Fund Balance - End of Year			<u>\$ 112,396</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 29,500	\$ 29,500	\$ 16,945	\$ (12,555)
Investment income	-	-	41	41
<b>Total Revenues</b>	<u>29,500</u>	<u>29,500</u>	<u>16,986</u>	<u>(12,514)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Contractual services	37,000	24,000	14,954	9,046
Commodities	<u>8,000</u>	<u>21,000</u>	<u>18,249</u>	<u>2,751</u>
<b>Total Expenditures</b>	<u>45,000</u>	<u>45,000</u>	<u>33,203</u>	<u>11,797</u>
Deficiency of revenues over expenditures	(15,500)	(15,500)	(16,217)	(24,311)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>16,217</u>	<u>6,217</u>
<b>Net Change in Fund Balance</b>	<u>\$ (5,500)</u>	<u>\$ (5,500)</u>	-	<u>\$ (18,094)</u>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**TREASURER'S PASSPORT SERVICES FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 180,000	\$ 180,000	\$ 134,286	\$ (45,714)
Investment income	<u>1,000</u>	<u>1,000</u>	<u>3,783</u>	<u>2,783</u>
Total Revenues	<u>181,000</u>	<u>181,000</u>	<u>138,069</u>	<u>(42,931)</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	64,539	64,539	64,539	-
Contractual services	19,100	19,100	495	18,605
Commodities	<u>12,500</u>	<u>12,500</u>	<u>4,028</u>	<u>8,472</u>
Total Expenditures	<u>96,139</u>	<u>96,139</u>	<u>69,062</u>	<u>27,077</u>
Net Change in Fund Balance	<u>\$ 84,861</u>	<u>\$ 84,861</u>	69,007	<u>\$ (15,854)</u>
Fund Balance - Beginning of Year			<u>354,085</u>	
Fund Balance - End of Year			<u>\$ 423,092</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ 22,078	\$ (2,922)
Investment income	<u>170</u>	<u>170</u>	<u>128</u>	<u>(42)</u>
Total Revenues	<u>25,170</u>	<u>25,170</u>	<u>22,206</u>	<u>(2,964)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Contractual services	<u>50,000</u>	<u>50,000</u>	<u>15,650</u>	<u>34,350</u>
Net Change in Fund Balance	<u>\$ (24,830)</u>	<u>\$ (24,830)</u>	6,556	<u>\$ 31,386</u>
Fund Balance - Beginning of Year			<u>12,969</u>	
Fund Balance - End of Year			<u>\$ 19,525</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 30,859	\$ 30,859	\$ 43,434	\$ 12,575
EXPENDITURES				
Current				
Public safety				
Contractual Services	-	2,700	150	2,550
Commodities	<u>25,000</u>	<u>22,300</u>	<u>10,132</u>	<u>12,168</u>
Total Expenditures	25,000	25,000	10,282	14,718
Net Change in Fund Balance	<u>\$ 5,859</u>	<u>\$ 5,859</u>	33,152	<u>\$ 27,293</u>
Fund Balance - Beginning of Year			<u>132,779</u>	
Fund Balance - End of Year			<u>\$ 165,931</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 702,000	\$ 702,000	\$ 712,702	\$ 10,702
Investment income	<u>5,000</u>	<u>5,000</u>	<u>12,059</u>	<u>7,059</u>
Total Revenues	<u>707,000</u>	<u>707,000</u>	<u>724,761</u>	<u>17,761</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	590,073	590,073	584,645	5,428
Contractual services	345,250	855,250	413,413	441,837
Commodities	<u>38,750</u>	<u>38,750</u>	<u>36,800</u>	<u>1,950</u>
Total Expenditures	<u>974,073</u>	<u>1,484,073</u>	<u>1,034,858</u>	<u>449,215</u>
Net Change in Fund Balance	<u>\$ (267,073)</u>	<u>\$ (777,073)</u>	(310,097)	<u>\$ 466,976</u>
Fund Balance - Beginning of Year			<u>1,489,554</u>	
Fund Balance - End of Year			<u>\$ 1,179,457</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Investment income	<u>30,924</u>	<u>30,924</u>	<u>39,957</u>	<u>\$ 9,033</u>
Total Revenues	<u>31,924</u>	<u>31,924</u>	<u>39,957</u>	<u>8,033</u>
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	<u>155,000</u>	<u>155,000</u>	<u>-</u>	<u>155,000</u>
Net Change in Fund Balance	<u>\$ (123,076)</u>	<u>\$ (123,076)</u>	39,957	<u>\$ 163,033</u>
Fund Balance - Beginning of Year			<u>1,880,256</u>	
Fund Balance - End of Year			<u>\$ 1,920,213</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 19	\$ (81)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	3,100	3,100	-	3,100
Net Change in Fund Balance	\$ (3,000)	\$ (3,000)	19	\$ 3,019
Fund Balance - Beginning of Year			5,634	
Fund Balance - End of Year			\$ 5,653	

**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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 1,645,000	\$ 1,645,000	\$ 1,640,695	\$ (4,305)
Investment income	<u>4,000</u>	<u>4,000</u>	<u>9,886</u>	<u>5,886</u>
Total Revenues	<u>1,649,000</u>	<u>1,649,000</u>	<u>1,650,581</u>	<u>1,581</u>
<b>EXPENDITURES</b>				
Current				
Public health and welfare				
Personnel services	12,744	12,744	12,710	34
Contractual services	1,772,000	1,772,000	1,715,912	56,088
Commodities	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>1,785,244</u>	<u>1,785,244</u>	<u>1,728,622</u>	<u>56,622</u>
Deficiency of revenues over expenditures	(136,244)	(136,244)	(78,041)	58,203
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>13,244</u>	<u>13,244</u>	<u>-</u>	<u>(13,244)</u>
Net Change in Fund Balance	<u>\$ (123,000)</u>	<u>\$ (123,000)</u>	(78,041)	<u>\$ 44,959</u>
Fund Balance - Beginning of Year			<u>1,817,339</u>	
Fund Balance - End of Year			<u>\$ 1,739,298</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Sales taxes	\$ 10,154,478	\$ 10,154,478	\$ 10,229,803	\$ 75,325
Investment income	<u>20,000</u>	<u>20,000</u>	<u>85,005</u>	<u>65,005</u>
Total Revenues	<u>10,174,478</u>	<u>10,174,478</u>	<u>10,314,808</u>	<u>140,330</u>
<b>EXPENDITURES</b>				
Current				
Transporation				
Contractual services	-	44,478	44,478	-
Capital outlay	<u>2,317,300</u>	<u>2,788,977</u>	<u>2,464,253</u>	<u>324,724</u>
Total Expenditures	<u>2,317,300</u>	<u>2,833,455</u>	<u>2,508,731</u>	<u>324,724</u>
Excess of revenues over expenditures	7,857,178	7,341,023	7,806,077	(184,394)
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(22,820,359)</u>	<u>(22,407,859)</u>	<u>(8,088,881)</u>	<u>14,318,978</u>
Net Change in Fund Balance	<u>\$ (14,963,181)</u>	<u>\$ (15,066,836)</u>	(282,804)	<u>\$ 14,134,584</u>
Fund Balance - Beginning of Year			<u>13,698,518</u>	
Fund Balance - End of Year			<u>\$ 13,415,714</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,246,760	\$ (3,240)
Investment income	100	100	43	(57)
Miscellaneous	<u>390,147</u>	<u>390,147</u>	<u>880,158</u>	<u>490,011</u>
Total Revenues	<u>1,640,247</u>	<u>1,640,247</u>	<u>2,126,961</u>	<u>486,714</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	1,200,745	1,200,745	1,166,833	33,912
Contractual services	2,862,956	2,844,535	1,510,942	1,333,593
Commodities	<u>15,250</u>	<u>33,671</u>	<u>20,346</u>	<u>13,325</u>
Total Expenditures	<u>4,078,951</u>	<u>4,078,951</u>	<u>2,698,121</u>	<u>1,380,830</u>
Net Change in Fund Balance	<u>\$ (2,438,704)</u>	<u>\$ (2,438,704)</u>	(571,160)	<u>\$ 1,867,544</u>
Fund Balance - Beginning of Year			<u>13,367,638</u>	
Fund Balance - End of Year			<u>\$ 12,796,478</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 38,000	\$ 38,000	\$ 32,029	\$ (5,971)
Investment income	<u>100</u>	<u>100</u>	<u>667</u>	<u>567</u>
Total Revenues	<u>38,100</u>	<u>38,100</u>	<u>32,696</u>	<u>(5,404)</u>
<b>EXPENDITURES</b>				
Current				
Judiciary and court related				
Contractual services	34,992	48,006	41,499	6,507
Commodities	<u>3,108</u>	<u>3,108</u>	<u>-</u>	<u>3,108</u>
Total Expenditures	<u>38,100</u>	<u>51,114</u>	<u>41,499</u>	<u>9,615</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (13,014)</u>	(8,803)	<u>\$ 4,211</u>
Fund Balance - Beginning of Year			<u>64,577</u>	
Fund Balance - End of Year			<u>\$ 55,774</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 4,677,292	\$ 4,677,292	\$ 4,899,079	\$ 221,787
Investment income	<u>24,000</u>	<u>24,000</u>	<u>62,215</u>	<u>38,215</u>
Total Revenues	<u>4,701,292</u>	<u>4,701,292</u>	<u>4,961,294</u>	<u>260,002</u>
<b>EXPENDITURES</b>				
Current				
Transportation				
Personnel services	154,206	154,206	153,975	231
Contractual services	4,241,620	6,770,049	3,866,056	2,903,993
Commodities	200,000	200,000	169,786	30,214
Capital outlay	<u>5,250,000</u>	<u>9,284,985</u>	<u>2,811,533</u>	<u>6,473,452</u>
Total Expenditures	<u>9,845,826</u>	<u>16,409,239</u>	<u>7,001,350</u>	<u>9,407,889</u>
Net Change in Fund Balance	<u>\$ (5,144,534)</u>	<u>\$ (11,707,947)</u>	(2,040,056)	<u>\$ 9,667,891</u>
Fund Balance - Beginning of Year			<u>7,597,776</u>	
Fund Balance - End of Year			<u>\$ 5,557,720</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 345,000	\$ 345,000	\$ 377,804	\$ 32,804
Investment income	-	-	5,279	5,279
<b>Total Revenues</b>	<u>345,000</u>	<u>345,000</u>	<u>383,083</u>	<u>38,083</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Contractual services	115,000	145,000	130,106	14,894
Commodities	200,000	145,100	110,153	34,947
Capital outlay	<u>30,000</u>	<u>54,900</u>	<u>24,860</u>	<u>30,040</u>
<b>Total Expenditures</b>	<u>345,000</u>	<u>345,000</u>	<u>265,119</u>	<u>79,881</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	117,964	<u>\$ 117,964</u>
Fund Balance - Beginning of Year			524,723	
Fund Balance - End of Year			<u>\$ 642,687</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**REGIONAL OFFICE OF EDUCATION FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Grants, contributions, and intergovernmental	\$ 40,000	\$ 82,790	\$ 102,542	\$ 19,752
Investment income	<u>250</u>	<u>250</u>	<u>375</u>	<u>125</u>
Total Revenues	<u>40,250</u>	<u>83,040</u>	<u>102,917</u>	<u>19,877</u>
<b>EXPENDITURES</b>				
Current				
General and administrative				
Personnel services	12,918	12,918	10,218	2,700
Contractual services	-	60,000	57,435	2,565
Commodities	<u>500</u>	<u>250</u>	<u>53</u>	<u>197</u>
Total Expenditures	<u>13,418</u>	<u>73,168</u>	<u>67,706</u>	<u>5,462</u>
Net Change in Fund Balance	<u>\$ 26,832</u>	<u>\$ 9,872</u>	35,211	<u>\$ 25,339</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 35,211</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, 2017

	<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	575,000	490,000	700,000
Interest and fiscal charges	<u>11,069</u>	<u>51,803</u>	<u>58,778</u>
Total Expenditures	<u>586,069</u>	<u>541,803</u>	<u>758,778</u>
Deficiency of revenues over expenditures	(586,069)	(541,803)	(758,778)
OTHER FINANCING SOURCES			
Transfers in	<u>586,069</u>	<u>541,803</u>	<u>758,778</u>
Total Other Financing Sources	<u>586,069</u>	<u>541,803</u>	<u>758,778</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>

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Series 2010 B Certificate Fund	Series 2012 B Certificate Fund	Series 2015 Certificate Fund	Totals
\$ -	\$ -	\$ -	\$ -
275,000	310,000	6,410,000	8,760,000
<u>130,969</u>	<u>49,637</u>	<u>197,368</u>	<u>499,624</u>
<u>405,969</u>	<u>359,637</u>	<u>6,607,368</u>	<u>9,259,624</u>
(405,969)	(359,637)	(6,607,368)	(9,259,624)
<u>405,969</u>	<u>359,637</u>	<u>6,607,368</u>	<u>9,259,624</u>
<u>405,969</u>	<u>359,637</u>	<u>6,607,368</u>	<u>9,259,624</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	575,000	575,000	575,000	-
Interest and fiscal charges	<u>11,872</u>	<u>11,872</u>	<u>11,069</u>	<u>803</u>
Total Expenditures	<u>586,872</u>	<u>586,872</u>	<u>586,069</u>	<u>803</u>
Deficiency of revenues over expenditures	(586,872)	(586,872)	(586,069)	803
OTHER FINANCING SOURCES				
Transfers in	<u>586,872</u>	<u>586,872</u>	<u>586,069</u>	<u>(803)</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	<u>51,803</u>	<u>51,803</u>	<u>51,803</u>	<u>-</u>
Total Expenditures	<u>541,803</u>	<u>541,803</u>	<u>541,803</u>	<u>-</u>
Deficiency of revenues over expenditures	(541,803)	(541,803)	(541,803)	-
OTHER FINANCING SOURCES				
Transfers in	<u>541,803</u>	<u>541,803</u>	<u>541,803</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	700,000	700,000	700,000	-
Interest and fiscal charges	<u>58,778</u>	<u>58,778</u>	<u>58,778</u>	<u>-</u>
Total Expenditures	<u>758,778</u>	<u>758,778</u>	<u>758,778</u>	<u>-</u>
Deficiency of revenues over expenditures	(758,778)	(758,778)	(758,778)	-
OTHER FINANCING SOURCES				
Transfers in	<u>758,778</u>	<u>758,778</u>	<u>758,778</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	275,000	275,000	275,000	-
Interest and fiscal charges	<u>130,972</u>	<u>130,972</u>	<u>130,969</u>	<u>3</u>
Total Expenditures	<u>405,972</u>	<u>405,972</u>	<u>405,969</u>	<u>3</u>
Deficiency of revenues over expenditures	(405,972)	(405,972)	(405,969)	3
OTHER FINANCING SOURCES				
Transfers in	<u>405,972</u>	<u>405,972</u>	<u>405,969</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 2012 B CERTIFICATE FUND  
 For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	310,000	310,000	310,000	-
Interest and fiscal charges	<u>49,637</u>	<u>49,637</u>	<u>49,637</u>	<u>-</u>
Total Expenditures	<u>359,637</u>	<u>359,637</u>	<u>359,637</u>	<u>-</u>
Deficiency of revenues over expenditures	(359,637)	(359,637)	(359,637)	-
OTHER FINANCING SOURCES				
Transfers in	<u>359,637</u>	<u>359,637</u>	<u>359,637</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ -</u>	

**County of McHenry, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SERIES 2015 CERTIFICATE FUND**  
For the Year Ended November 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	6,410,000	6,410,000	6,410,000	-
Interest and fiscal charges	<u>197,368</u>	<u>197,368</u>	<u>197,368</u>	<u>-</u>
Total Expenditures	<u>6,607,368</u>	<u>6,607,368</u>	<u>6,607,368</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(6,607,368)</u>	<u>(6,607,368)</u>	<u>(6,607,368)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	<u>6,607,368</u>	<u>6,607,368</u>	<u>6,607,368</u>	<u>-</u>
Total Other Financing Sources	<u>6,607,368</u>	<u>6,607,368</u>	<u>6,607,368</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<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, 2017

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
<b>ASSETS</b>			
Cash and investments	\$ <u>332,955</u>	\$ <u>471,340</u>	\$ <u>804,295</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Due to other funds	\$ 500	\$ 700	\$ 1,200
Fund Balances			
Nonspendable	<u>332,455</u>	<u>470,640</u>	<u>803,095</u>
Total Liabilities and Fund Balances	\$ <u>332,955</u>	\$ <u>471,340</u>	\$ <u>804,295</u>

**County of McHenry, Illinois**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
For the Year Ended November 30, 2017

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 1,054	\$ 1,492	\$ 2,546
EXPENDITURES	-	-	-
Excess of revenues over expenditures	1,054	1,492	2,546
OTHER FINANCING USES			
Transfers out	(500)	(700)	(1,200)
Net Change in Fund Balances	554	792	1,346
Fund Balances - Beginning of Year	331,901	469,848	801,749
Fund Balances - End of Year	\$ 332,455	\$ 470,640	\$ 803,095

**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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 500	\$ 500	\$ 1,054	\$ 554
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	500	500	1,054	554
OTHER FINANCING USES				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	554	<u>\$ 554</u>
Fund Balance - Beginning of Year			<u>331,901</u>	
Fund Balance - End of Year			<u>\$ 332,455</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 700	\$ 700	\$ 1,492	\$ 792
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	700	700	1,492	792
OTHER FINANCING USES				
Transfers out	<u>(700)</u>	<u>(700)</u>	<u>(700)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	792	<u>\$ 792</u>
Fund Balance - Beginning of Year			<u>469,848</u>	
Fund Balance - End of Year			<u>\$ 470,640</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,210,000	\$ 10,210,000	\$ 9,966,692	\$ (243,308)
Other	<u>17,000</u>	<u>17,000</u>	<u>16,275</u>	<u>(725)</u>
Total Operating Revenues	<u>\$ 10,227,000</u>	<u>\$ 10,227,000</u>	<u>\$ 9,982,967</u>	<u>\$ (244,033)</u>
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 8,356,229	\$ 8,356,229	\$ 8,398,017	\$ (41,788)
Contractual services	2,048,359	2,055,054	1,975,335	79,719
Commodities	<u>1,072,175</u>	<u>1,138,038</u>	<u>1,079,749</u>	<u>58,289</u>
Total operating expenses before capital outlay	<u>11,476,763</u>	<u>11,549,321</u>	<u>11,453,101</u>	<u>96,220</u>
Capital outlay	20,000	20,000	17,460	2,540
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(17,460)</u>	<u>17,460</u>
Adjusted capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 11,496,763</u>	<u>\$ 11,569,321</u>	<u>\$ 11,453,101</u>	<u>\$ 116,220</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 549,236</u>	<u>\$ 374,236</u>
Total Nonoperating Revenues	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 549,236</u>	<u>\$ 374,236</u>
<b>NONOPERATING EXPENSES</b>				
Interest expense	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ -</u>	<u>\$ 16,000</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,372,625	\$ 2,372,625	\$ 2,549,577	\$ 176,952
Total Operating Revenues	<u>\$ 2,372,625</u>	<u>\$ 2,372,625</u>	<u>\$ 2,549,577</u>	<u>\$ 176,952</u>
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 486,320	\$ 486,320	\$ 470,161	\$ 16,159
Contractual services	1,749,805	4,310,973	3,725,552	585,421
Commodities	<u>95,000</u>	<u>148,140</u>	<u>55,191</u>	<u>92,949</u>
Total operating expenses before capital outlay	<u>2,331,125</u>	<u>4,945,433</u>	<u>4,250,904</u>	<u>694,529</u>
Capital outlay	2,500	1,988,250	36,339	1,951,911
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(36,339)</u>	<u>36,339</u>
Adjusted capital outlay	<u>2,500</u>	<u>1,988,250</u>	<u>-</u>	<u>1,988,250</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 2,333,625</u>	<u>\$ 6,933,683</u>	<u>\$ 4,250,904</u>	<u>\$ 2,682,779</u>
<b>NONOPERATING REVENUES</b>				
Intergovernmental grants	\$ 2,357,619	\$ 2,357,619	\$ 2,342,473	\$ (15,146)
Investment income	<u>7,500</u>	<u>7,500</u>	<u>37,568</u>	<u>30,068</u>
Total nonoperating revenues	<u>\$ 2,365,119</u>	<u>\$ 2,365,119</u>	<u>\$ 2,380,041</u>	<u>\$ 14,922</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,855</u>	<u>\$ 377,855</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>OPERATING REVENUES</b>				
Charges for services	\$ 20,132,265	\$ 20,132,265	\$ 20,216,378	\$ 84,113
<b>OPERATING EXPENSES</b>				
Personnel Services	\$ 73,768	\$ 73,768	\$ 68,323	\$ 5,445
Contractual services	20,382,190	20,382,190	19,356,259	1,025,931
Commodities	3,950	3,950	1,475	2,475
Total Operating Expenses	\$ 20,459,908	\$ 20,459,908	\$ 19,426,057	\$ 1,033,851
<b>NONOPERATING REVENUES</b>				
Investment income	\$ 20,000	\$ 20,000	\$ 39,395	\$ 19,395

## **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, 2017

	<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>
<b>ASSETS</b>					
Cash and investments	\$ 1,015,188	\$ 4,330,972	\$ 1,132,119	\$ 36,888	\$ 701,420
Total Assets	<u>\$ 1,015,188</u>	<u>\$ 4,330,972</u>	<u>\$ 1,132,119</u>	<u>\$ 36,888</u>	<u>\$ 701,420</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 136,006	\$ -	\$ -
Due to residents	-	-	-	36,888	-
Bond escrow	-	3,214,821	-	-	-
Due to other governments	1,015,188	503,990	996,113	-	-
Other liabilities	<u>-</u>	<u>612,161</u>	<u>-</u>	<u>-</u>	<u>701,420</u>
Total Liabilities	<u>\$ 1,015,188</u>	<u>\$ 4,330,972</u>	<u>\$ 1,132,119</u>	<u>\$ 36,888</u>	<u>\$ 701,420</u>

Collector Fund	Illinois Housing Surchage Fund	Regional Office of Education Fund	Payroll Agency Fund	Totals
\$ 522,250	\$ 31,626	\$ 471,095	\$ 37,856	\$ 8,279,414
<u>\$ 522,250</u>	<u>\$ 31,626</u>	<u>\$ 471,095</u>	<u>\$ 37,856</u>	<u>\$ 8,279,414</u>
\$ -	\$ -	\$ -	\$ -	\$ 136,006
-	-	-	-	36,888
-	-	-	-	3,214,821
522,250	31,626	-	-	3,069,167
<u>-</u>	<u>-</u>	<u>471,095</u>	<u>37,856</u>	<u>1,822,532</u>
<u>\$ 522,250</u>	<u>\$ 31,626</u>	<u>\$ 471,095</u>	<u>\$ 37,856</u>	<u>\$ 8,279,414</u>

**County of McHenry, Illinois**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended November 30, 2017

	Balance November 30, 2016	Additions	Deductions	Balance November 30, 2017
<b>Treasurer Fund</b>				
ASSETS				
Cash and investments	\$ 1,085,437	\$ 953,772	\$ 1,024,021	\$ 1,015,188
LIABILITIES				
Due to other governments	\$ 1,085,437	\$ 953,772	\$ 1,024,021	\$ 1,015,188
<b>Clerk of the Circuit Court Fund</b>				
ASSETS				
Cash and investments	\$ 4,050,088	\$ 59,991,833	\$ 59,710,949	\$ 4,330,972
LIABILITIES				
Bond escrow	\$ 2,906,738	\$ 4,806,961	\$ 4,498,878	\$ 3,214,821
Due to other governments	594,088	13,187,996	13,278,094	503,990
Other liabilities	549,262	5,282,651	5,219,752	612,161
Total Liabilities	\$ 4,050,088	\$ 23,277,608	\$ 22,996,724	\$ 4,330,972
<b>Highway Fund</b>				
ASSETS				
Cash and investments	\$ 1,273,114	\$ 1,091,038	\$ 1,232,033	\$ 1,132,119
LIABILITIES				
Accounts payable	\$ 331,940	\$ 1,036,099	\$ 1,232,033	\$ 136,006
Due to other governments	941,174	1,091,038	1,036,099	996,113
Total Liabilities	\$ 1,273,114	\$ 2,127,137	\$ 2,268,132	\$ 1,132,119
<b>Valley Hi Resident Fund</b>				
ASSETS				
Cash and investments	\$ 36,492	\$ 30,661	\$ 30,265	\$ 36,888
LIABILITIES				
Due to residents	\$ 36,492	\$ 11,998	\$ 11,602	\$ 36,888

(Continued)

**County of McHenry, Illinois**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended November 30, 2017

	Balance November 30, 2016	Additions	Deductions	Balance November 30, 2017
<b>County Clerk Redemption Fund</b>				
ASSETS				
Cash and investments	\$ 529,066	\$ 8,081,317	\$ 7,908,963	\$ 701,420
LIABILITIES				
Other liabilities	\$ 529,066	\$ 8,081,317	\$ 7,908,963	\$ 701,420
<b>Collector Fund</b>				
ASSETS				
Cash and investments	\$ 6,484	\$ 836,395,775	\$ 835,880,009	\$ 522,250
LIABILITIES				
Due to other governments	\$ 6,484	\$ 836,395,775	\$ 835,880,009	\$ 522,250
<b>Illinois Housing Surcharge Fund</b>				
ASSETS				
Cash and investments	\$ 34,164	\$ 390,627	\$ 393,165	\$ 31,626
LIABILITIES				
Due to other governments	\$ 34,164	\$ 390,627	\$ 393,165	\$ 31,626
<b>Regional Office of Education Fund</b>				
ASSETS				
Cash and investments	\$ 566,721	\$ 1,673,958	\$ 1,769,584	\$ 471,095
LIABILITIES				
Other liabilities	\$ 566,721	\$ 1,673,958	\$ 1,769,584	\$ 471,095
<b>Payroll Agency Fund</b>				
ASSETS				
Cash and investments	\$ 29,128	\$ 211,361	\$ 202,633	\$ 37,856
LIABILITIES				
Other liabilities	\$ 29,128	\$ 211,361	\$ 202,633	\$ 37,856

(Continued)

**County of McHenry, Illinois**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended November 30, 2017

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
<b>Fiber Consortium Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 192,604	\$ 224,976	\$ 417,580	\$ -
Due from other governments	25,445	2,111	27,556	-
<b>Total Assets</b>	<b>\$ 218,049</b>	<b>\$ 227,087</b>	<b>\$ 445,136</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 114,419	\$ 197,420	\$ 311,839	\$ -
Due to other governments	103,630	-	103,630	-
<b>Total Liabilities</b>	<b>\$ 218,049</b>	<b>\$ 197,420</b>	<b>\$ 415,469</b>	<b>\$ -</b>
<b>Totals</b>				
<b>ASSETS</b>				
Cash and investments	\$ 7,803,298	\$ 909,045,318	\$ 908,569,202	\$ 8,279,414
Due from other governments	25,445	2,111	27,556	-
<b>Total Assets</b>	<b>\$ 7,828,743</b>	<b>\$ 909,047,429</b>	<b>\$ 908,596,758</b>	<b>\$ 8,279,414</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 446,359	\$ 1,233,519	\$ 1,543,872	\$ 136,006
Due to residents	36,492	11,998	11,602	36,888
Bond escrow	2,906,738	4,806,961	4,498,878	3,214,821
Due to other governments	2,764,977	852,019,208	851,715,018	3,069,167
Other liabilities	1,674,177	15,249,287	15,100,932	1,822,532
<b>Total Liabilities</b>	<b>\$ 7,828,743</b>	<b>\$ 873,320,973</b>	<b>\$ 872,870,302</b>	<b>\$ 8,279,414</b>

(Concluded)

**STATISTICAL**

**County of McHenry, Illinois**  
INTRODUCTION TO THE STATISTICAL SECTION  
November 30, 2017

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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.	161 - 168
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.	169 - 173
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.	174 - 177
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.	178 - 180
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.	181 - 182

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 186,108,100	\$ 193,667,253	\$ 209,424,352	\$ 223,693,448
Restricted	94,814,206	110,628,189	107,121,300	116,754,427
Unrestricted	<u>43,594,428</u>	<u>44,841,564</u>	<u>48,003,693</u>	<u>39,868,128</u>
<b>Total Governmental Activities</b>	<u>\$ 324,516,734</u>	<u>\$ 349,137,006</u>	<u>\$ 364,549,345</u>	<u>\$ 380,316,003</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 4,568,317	\$ 7,291,886	\$ 7,709,277	\$ 7,685,488
Restricted	41,191	492,746	693,237	707,422
Unrestricted	<u>22,272,580</u>	<u>23,773,241</u>	<u>27,700,590</u>	<u>33,962,683</u>
<b>Total Business-Type Activities</b>	<u>\$ 26,882,088</u>	<u>\$ 31,557,873</u>	<u>\$ 36,103,104</u>	<u>\$ 42,355,593</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 190,676,417	\$ 200,959,139	\$ 217,133,629	\$ 231,378,936
Restricted	94,855,397	111,120,935	107,814,537	117,461,849
Unrestricted	<u>65,867,008</u>	<u>68,614,805</u>	<u>75,704,283</u>	<u>73,830,811</u>
<b>Total Primary Government</b>	<u>\$ 351,398,822</u>	<u>\$ 380,694,879</u>	<u>\$ 400,652,449</u>	<u>\$ 422,671,596</u>

2012	2013	2014	2015	2016	2017
\$ 238,349,986	\$ 254,679,031	\$ 270,863,664	\$ 291,054,683	\$ 308,153,944	\$ 327,647,479
111,049,850	109,592,257	107,428,692	95,857,810	95,579,921	90,565,250
39,069,307	34,014,313	32,142,348	25,775,187	18,329,848	14,319,650
<u>\$ 388,469,143</u>	<u>\$ 398,285,601</u>	<u>\$ 410,434,704</u>	<u>\$ 412,687,680</u>	<u>\$ 422,063,713</u>	<u>\$ 432,532,379</u>
\$ 15,518,830	\$ 14,473,854	\$ 13,804,011	\$ 13,316,528	\$ 12,563,275	\$ 12,722,561
-	-	-	-	-	-
32,871,174	38,846,898	43,875,013	46,804,774	46,039,111	44,390,574
<u>\$ 48,390,004</u>	<u>\$ 53,320,752</u>	<u>\$ 57,679,024</u>	<u>\$ 60,121,302</u>	<u>\$ 58,602,386</u>	<u>\$ 57,113,135</u>
\$ 253,868,816	\$ 269,152,885	\$ 284,667,675	\$ 304,371,211	\$ 320,717,219	\$ 340,370,040
111,049,850	109,592,257	107,428,692	95,857,810	95,579,921	90,565,250
71,940,481	72,861,211	76,017,361	72,579,961	64,368,959	58,710,224
<u>\$ 436,859,147</u>	<u>\$ 451,606,353</u>	<u>\$ 468,113,728</u>	<u>\$ 472,808,982</u>	<u>\$ 480,666,099</u>	<u>\$ 489,645,514</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>EXPENSES</b>										
Governmental Activities										
General and administrative	\$ 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	\$ 38,577,137
Community development	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	3,741,368
Transportation	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	20,307,973
Public safety	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	45,496,267
Judiciary and court related	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	15,974,311
Public health and welfare	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	22,429,015
Interest and fiscal charges	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	271,850
<b>Total Governmental Activities</b>	<b>128,878,658</b>	<b>137,443,797</b>	<b>143,643,259</b>	<b>137,725,891</b>	<b>143,266,644</b>	<b>141,908,909</b>	<b>139,648,318</b>	<b>142,997,944</b>	<b>148,014,973</b>	<b>146,797,921</b>
Business-Type Activities										
Public health and welfare	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	11,832,298
Public safety	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	4,740,919
<b>Total Business-Type Activities</b>	<b>11,552,419</b>	<b>12,357,881</b>	<b>12,416,802</b>	<b>12,293,064</b>	<b>12,961,071</b>	<b>13,116,152</b>	<b>13,459,344</b>	<b>13,786,543</b>	<b>14,450,455</b>	<b>16,573,217</b>
<b>Total Primary Government</b>	<b>\$ 140,431,077</b>	<b>\$ 149,801,678</b>	<b>\$ 156,060,061</b>	<b>\$ 150,018,955</b>	<b>\$ 156,227,715</b>	<b>\$ 155,025,061</b>	<b>\$ 153,107,662</b>	<b>\$ 156,784,487</b>	<b>\$ 162,465,428</b>	<b>\$ 163,371,138</b>
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for services										
General and administrative	\$ 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	\$ 4,936,745
Community development	804,410	526,487	541,192	474,634	428,441	458,793	534,174	613,406	685,159	556,382
Transportation	96,965	86,869	69,027	63,040	95,369	88,320	91,029	155,327	103,452	25,597
Public safety	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	10,830,815
Judiciary and court related	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	7,374,055
Public health and welfare	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	1,940,357
Operating grants and contributions	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	17,829,986
Capital grants and contributions	5,141,148	5,778,791	1,206,453	-	255,707	1,588,971	2,882,321	7,573,150	4,670,717	52,342
<b>Total Governmental Activities</b>	<b>57,682,130</b>	<b>68,427,032</b>	<b>64,870,368</b>	<b>56,018,994</b>	<b>51,341,898</b>	<b>49,312,254</b>	<b>47,008,413</b>	<b>49,789,702</b>	<b>48,861,179</b>	<b>43,546,279</b>
Business-Type Activities										
Charges for services										
Public health and welfare	\$ 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	\$ 9,982,967
Public safety	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	2,549,577
Operating grants and contributions	-	-	-	-	-	-	-	-	-	2,342,473
<b>Total Business-Type Activities</b>	<b>10,013,922</b>	<b>10,857,034</b>	<b>10,921,674</b>	<b>12,537,524</b>	<b>12,972,263</b>	<b>12,738,582</b>	<b>13,256,191</b>	<b>12,938,396</b>	<b>12,886,933</b>	<b>14,875,017</b>
<b>Total Primary Government</b>	<b>\$ 67,696,052</b>	<b>\$ 79,284,066</b>	<b>\$ 75,792,042</b>	<b>\$ 68,556,518</b>	<b>\$ 64,314,161</b>	<b>\$ 62,050,836</b>	<b>\$ 60,264,604</b>	<b>\$ 62,728,098</b>	<b>\$ 61,748,112</b>	<b>\$ 58,421,296</b>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>NET (EXPENSE)/REVENUE</b>										
Governmental Activities	\$ (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)	\$ (103,251,642)
Business-Type Activities	<u>(1,538,497)</u>	<u>(1,500,847)</u>	<u>(1,495,128)</u>	<u>244,460</u>	<u>11,192</u>	<u>(377,570)</u>	<u>(203,153)</u>	<u>(848,147)</u>	<u>(1,563,522)</u>	<u>(1,698,200)</u>
<b>Total Primary Government</b>	<u>\$ (72,735,025)</u>	<u>\$ (70,517,612)</u>	<u>\$ (80,268,019)</u>	<u>\$ (81,462,437)</u>	<u>\$ (91,913,554)</u>	<u>\$ (92,974,225)</u>	<u>\$ (92,843,058)</u>	<u>\$ (94,056,389)</u>	<u>\$ (100,717,316)</u>	<u>\$ (104,949,842)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>										
Governmental Activities										
Property taxes	\$ 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	\$ 79,204,833
Sales taxes	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	20,111,544
State income taxes	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	6,010,242
Tax transfer stamps	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	2,575,080
Other taxes	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	2,813,221
Investment income	4,577,645	584,228	423,535	342,007	309,709	275,817	263,632	259,070	511,663	1,278,965
Miscellaneous	357,931	565,895	837,572	675,704	469,454	404,762	457,065	505,127	434,918	1,348,568
Gain on sale of capital assets	-	44,558	-	-	40,690	26,164	91,722	45,671	-	-
Transfers	-	-	-	-	-	-	-	-	-	377,855
<b>Total Governmental Activities</b>	<u>93,691,147</u>	<u>93,637,037</u>	<u>94,185,230</u>	<u>97,473,555</u>	<u>100,077,886</u>	<u>102,675,672</u>	<u>104,789,008</u>	<u>108,280,566</u>	<u>108,529,827</u>	<u>113,720,308</u>
Business-Type Activities										
Property taxes	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	547,973	182,350	121,309	95,932	72,908	70,630	68,095	85,068	44,606	586,804
Transfers	-	-	-	-	-	-	-	-	-	(377,855)
<b>Total Business-Type Activities</b>	<u>6,480,908</u>	<u>6,176,632</u>	<u>6,040,359</u>	<u>6,008,029</u>	<u>6,023,219</u>	<u>5,308,318</u>	<u>4,561,425</u>	<u>3,078,449</u>	<u>44,606</u>	<u>208,949</u>
<b>Total Primary Government</b>	<u>\$ 100,172,055</u>	<u>\$ 99,813,669</u>	<u>\$ 100,225,589</u>	<u>\$ 103,481,584</u>	<u>\$ 106,101,105</u>	<u>\$ 107,983,990</u>	<u>\$ 109,350,433</u>	<u>\$ 111,359,015</u>	<u>\$ 108,574,433</u>	<u>\$ 113,929,257</u>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ 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	\$ 10,468,666
Business-Type Activities	<u>4,942,411</u>	<u>4,675,785</u>	<u>4,545,231</u>	<u>6,252,489</u>	<u>6,034,411</u>	<u>4,930,748</u>	<u>4,358,272</u>	<u>2,230,302</u>	<u>(1,518,916)</u>	<u>(1,489,251)</u>
<b>Total Primary Government</b>	<u>\$ 27,437,030</u>	<u>\$ 29,296,057</u>	<u>\$ 19,957,570</u>	<u>\$ 22,019,147</u>	<u>\$ 14,187,551</u>	<u>\$ 15,009,765</u>	<u>\$ 16,507,375</u>	<u>\$ 17,302,626</u>	<u>\$ 7,857,117</u>	<u>\$ 8,979,415</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund					
Reserved	\$ 4,896,687	\$ 3,890,055	\$ 4,543,345	\$ -	\$ -
Unreserved	38,848,139	44,881,550	47,525,814	-	-
Nonspendable	-	-	-	1,440,951	979,132
Restricted	-	-	-	929,636	366,748
Assigned	-	-	-	2,957,458	3,832,006
Unassigned	-	-	-	48,567,345	48,046,334
<b>Total General Fund</b>	<b>\$ <u>43,744,826</u></b>	<b>\$ <u>48,771,605</u></b>	<b>\$ <u>52,069,159</u></b>	<b>\$ <u>53,895,390</u></b>	<b>\$ <u>53,224,220</u></b>
All Other Governmental Funds					
Reserved	\$ 21,158,012	\$ 21,152,055	\$ 36,357,884	\$ -	\$ -
Unreserved					
Special revenue funds	66,212,656	77,525,162	68,443,969	-	-
Capital projects funds	13,341,272	260,818	14,036	-	-
Nonspendable	-	-	-	1,423,664	1,348,569
Restricted	-	-	-	110,227,554	105,282,972
Committed	-	-	-	1,892,753	1,883,704
Unassigned (deficit)	-	-	-	(841,118)	(604,437)
<b>Total All Other Governmental Funds</b>	<b>\$ <u>100,711,940</u></b>	<b>\$ <u>98,938,035</u></b>	<b>\$ <u>104,815,889</u></b>	<b>\$ <u>112,702,853</u></b>	<b>\$ <u>107,910,808</u></b>

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.

	2013	2014	2015	2016	2,017
\$	-	-	-	-	-
	-	-	-	-	-
	1,310,108	3,228,443	3,563,966	3,370,973	3,383,522
	534,121	691,306	431,959	468,915	532,795
	3,497,757	4,932,913	4,035,922	1,228,812	5,004,472
	<u>46,556,929</u>	<u>39,848,586</u>	<u>39,734,158</u>	<u>43,374,299</u>	<u>42,632,259</u>
\$	<u>51,898,915</u>	<u>48,701,248</u>	<u>47,766,005</u>	<u>48,442,999</u>	<u>51,553,048</u>
\$	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,225,166	1,244,143	1,600,997	1,367,296	1,351,290
	102,894,199	102,933,948	90,302,255	91,006,305	85,910,707
	1,902,877	2,073,251	2,120,282	2,234,341	2,343,305
	<u>(1,372,726)</u>	<u>(1,541,451)</u>	<u>(448,652)</u>	<u>(9,081)</u>	<u>(111)</u>
\$	<u>104,649,516</u>	<u>104,709,891</u>	<u>93,574,882</u>	<u>94,598,861</u>	<u>89,605,191</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>REVENUES</b>					
Charges for services	\$ 24,538,491	\$ 30,460,458	\$ 28,813,360	\$ 28,602,757	\$ 26,671,499
Licenses and permits	1,422,286	1,147,302	1,166,773	1,068,367	1,057,632
Fines and forfeitures	1,534,686	1,328,070	1,260,451	1,159,054	1,095,605
Grants, contributions, and intergovernmental	22,599,354	27,441,735	35,501,450	28,679,928	23,297,655
Property taxes	58,945,966	63,863,503	64,562,786	70,755,868	72,206,475
Sales taxes	14,392,386	16,052,268	18,048,187	17,481,700	18,036,621
State income taxes	6,214,390	4,703,268	5,780,880	5,139,609	5,749,691
Tax transfer stamps	1,968,253	1,232,451	1,203,780	1,123,002	1,258,599
Other taxes	2,173,857	1,779,703	1,804,807	1,955,665	2,006,647
Investment income	4,650,860	733,638	424,921	340,280	305,078
Miscellaneous	364,393	610,453	837,572	719,739	510,144
<b>Total Revenues</b>	<u>138,804,922</u>	<u>149,352,849</u>	<u>159,404,967</u>	<u>157,025,969</u>	<u>152,195,646</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
General and administrative	26,373,070	27,059,336	28,389,135	30,860,975	31,904,248
Community development	2,163,939	3,029,167	7,340,586	4,739,417	4,234,982
Transportation	13,937,579	18,708,657	18,675,266	18,835,196	18,672,852
Public safety	31,495,112	36,479,080	36,125,726	36,235,507	37,041,770
Judiciary and court related	15,791,493	13,901,681	13,890,625	13,745,080	13,835,337
Public health and welfare	27,189,292	28,632,690	28,974,311	27,586,500	28,276,597
Capital outlay	27,344,905	11,154,580	13,805,171	18,429,974	12,236,735
<b>Debt service</b>					
Principal retirement	7,798,926	8,548,252	8,597,661	9,468,785	13,731,719
Interest and fiscal charges	3,507,908	3,264,626	2,901,750	3,009,679	2,545,139
<b>Total Expenditures</b>	<u>155,602,224</u>	<u>150,778,069</u>	<u>158,700,231</u>	<u>162,911,113</u>	<u>162,479,379</u>
Excess (deficiency) of revenues over expenditures	<u>(16,797,302)</u>	<u>(1,425,220)</u>	<u>704,736</u>	<u>(5,885,144)</u>	<u>(10,283,733)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	31,671,737	30,615,292	13,644,072	24,073,795	24,415,247
Transfers out	(31,671,737)	(30,615,292)	(13,644,072)	(24,073,795)	(24,415,247)
Debt certificates issued	-	4,480,000	8,147,000	-	-
Refunding debt certificates issued	-	-	3,448,000	-	5,465,000
Premium on debt issuance	-	28,416	459,447	-	166,455
Payment to bond escrow agent	-	-	(3,583,775)	-	(1,073,000)
Insurance recoveries	-	-	-	-	-
Capital leases issued	2,038,227	169,678	-	2,924,043	262,063
<b>Total Other Financing Sources (Uses)</b>	<u>2,038,227</u>	<u>4,678,094</u>	<u>8,470,672</u>	<u>2,924,043</u>	<u>4,820,518</u>
<b>Net Change in Fund Balances</b>	<u>\$ (14,759,075)</u>	<u>\$ 3,252,874</u>	<u>\$ 9,175,408</u>	<u>\$ (2,961,101)</u>	<u>\$ (5,463,215)</u>
Debt service as a percentage of noncapital expenditures	<u>9.2 %</u>	<u>8.8 %</u>	<u>8.2 %</u>	<u>8.9 %</u>	<u>11.1 %</u>

	2013	2014	2015	2016	2017
\$	24,072,857	\$ 21,568,291	\$ 21,776,162	\$ 22,790,054	\$ 23,204,796
	1,164,101	1,225,016	1,301,505	1,181,666	1,215,959
	958,208	1,039,648	962,505	1,022,990	972,574
	21,233,366	22,172,722	18,087,756	19,525,343	18,796,253
	73,113,284	74,017,467	75,798,457	76,113,609	79,204,833
	18,718,620	19,577,205	19,987,380	19,852,773	20,111,544
	6,234,765	6,265,092	6,962,600	6,369,804	6,010,242
	1,896,811	1,833,392	2,133,728	2,632,513	2,575,080
	2,005,449	2,283,433	2,588,533	2,614,547	2,813,221
	268,731	255,945	250,965	491,218	1,242,068
	430,926	583,265	550,798	434,918	1,348,568
	<u>150,097,118</u>	<u>150,821,476</u>	<u>150,400,389</u>	<u>153,029,435</u>	<u>157,495,138</u>
	32,517,099	32,892,250	34,947,227	32,513,064	34,208,007
	3,961,571	3,426,098	3,730,152	3,980,577	3,521,614
	17,126,943	17,660,855	18,495,568	16,752,462	17,234,421
	38,189,737	38,936,843	39,856,936	40,166,373	39,964,567
	13,432,634	13,581,970	14,378,987	14,342,286	13,959,429
	24,915,835	23,476,267	22,114,409	21,882,585	21,852,362
	12,892,983	13,194,968	19,754,893	13,965,789	18,084,648
	9,687,878	10,120,439	26,412,715	10,759,552	10,476,832
	2,140,219	1,755,268	1,261,106	834,421	573,642
	<u>154,864,899</u>	<u>155,044,958</u>	<u>180,951,993</u>	<u>155,197,109</u>	<u>159,875,522</u>
	<u>(4,767,781)</u>	<u>(4,223,482)</u>	<u>(30,551,604)</u>	<u>(2,167,674)</u>	<u>(2,380,384)</u>
	24,459,350	20,911,710	21,144,694	16,663,011	17,766,761
	(24,459,350)	(20,911,710)	(21,144,694)	(16,663,011)	(17,388,906)
	-	-	-	-	-
	-	-	15,755,000	-	-
	-	-	741,576	-	-
	-	-	-	-	-
	-	710,657	-	-	-
	181,184	375,533	1,691,154	3,868,647	118,908
	<u>181,184</u>	<u>1,086,190</u>	<u>18,187,730</u>	<u>3,868,647</u>	<u>496,763</u>
\$	<u>(4,586,597)</u>	<u>(3,137,292)</u>	<u>(12,363,874)</u>	<u>1,700,973</u>	<u>(1,883,621)</u>
	<u>8.4 %</u>	<u>8.4 %</u>	<u>17.5 %</u>	<u>8.4 %</u>	<u>7.9 %</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					
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
2017	254,781,212	6,112,164,172	871,049,001	295,485,965	10,321,538	14,643,690	7,558,445,578	22,675,336,734	1.054	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				
	2008	2009	2010	2011	2012
<b>DIRECT RATES - COUNTY</b>					
General	0.285	0.300	0.326	0.370	0.417
Highway	0.060	0.060	0.060	0.065	0.072
County Bridge	0.010	0.009	0.010	0.010	0.012
Matching	0.034	0.033	0.010	0.011	0.013
Mental Health	0.114	0.116	0.118	0.129	0.144
Tuberculosis Care and Treatment	0.003	0.004	0.004	0.005	0.004
Illinois Municipal Retirement	0.037	0.038	0.043	0.046	0.053
Veterans' Assistance	0.006	0.005	0.003	0.004	0.004
Loss Prevention and Protection	0.044	0.038	0.037	0.040	0.044
Social Security	0.017	0.024	0.031	0.033	0.037
Senior Services	0.018	0.017	0.017	0.018	0.020
Nursing Home	0.059	0.057	0.057	0.061	0.068
<b>Total County</b>	<b>0.687</b>	<b>0.701</b>	<b>0.716</b>	<b>0.792</b>	<b>0.888</b>
<b>OVERLAPPING RATES</b>					
Municipalities	0.175 - 1.409	0.178 - 1.447	0.180 - 1.487	0.192 - 1.707	0.207 - 1.943
Unit School Districts	3.378 - 4.609	3.172 - 4.693	3.274 - 4.791	3.503 - 5.226	3.638 - 5.894
Elementary School Districts	1.869 - 3.714	1.891 - 3.794	1.956 - 3.933	2.154 - 4.229	2.487 - 5.250
High School Districts	1.552 - 2.149	1.559 - 2.241	1.625 - 2.279	1.780 - 2.510	2.093 - 2.926
Community College Districts	0.263 - 0.478	0.258 - 0.436	0.274 - 0.467	0.278 - 0.454	0.290 - 0.465
Conservation District	0.174	0.173	0.178	0.196	0.219
Township and Road Districts	0.098 - 0.629	0.099 - 0.647	0.101 - 0.658	0.123 - 0.708	0.123 - 0.586
Park Districts	0.032 - 0.508	0.029 - 0.528	0.032 - 0.535	0.034 - 0.575	0.035 - 0.659
Fire Protection Districts	0.184 - 0.612	0.188 - 0.638	0.193 - 0.637	0.213 - 0.718	0.243 - 0.722
Library Districts	0.069 - 0.383	0.071 - 0.392	0.072 - 0.391	0.078 - 0.419	0.089 - 0.467
Sanitary Districts	0.049 - 0.054	0.056 - 0.057	0.057	0.062 - 0.066	0.070 - 0.071
Cemetery Districts	0.001 - 0.008	0.001 - 0.008	0.001 - 0.008	0.001 - 0.009	0.002 - 0.011
Rescue Squad District	0.195	0.199	0.200	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 2016 levy (payable in 2017), the increase was limited to the CPI increase of 2.1%.

Year Taxes Payable

2013	2014	2015	2016	2017
0.480	0.541	0.584	1	0.590
0.084	0.089	0.093	0	0.086
0.016	0.015	0.007	0	0.007
0.016	0.016	0.026	0	0.024
0.150	0.150	0.150	0	0.145
0.003	0.003	0.004	0	0.003
0.067	0.095	0.113	0	0.103
0.005	0.006	0.006	0	0.005
0.038	0.038	0.032	0	0.017
0.048	0.056	0.058	0	0.053
0.023	0.024	0.025	-	0.022
0.066	0.063	0.043	0	0.000
<u>0.996</u>	<u>1.096</u>	<u>1.141</u>	<u>1</u>	<u>1.054</u>
0.232 - 2.210	0.264 - 2.356	0.278 - 2.545	0.289 - 2.553	0.276 - 2.474
3.593 - 6.900	4.014 - 7.742	5.068 - 8.215	4.749 - 8.174	4.797 - 7.613
2.962 - 5.927	3.311 - 6.894	3.532 - 7.659	3.434 - 6.221	3.307 - 5.802
2.407 - 3.123	2.704 - 3.486	2.887 - 3.891	2.943 - 3.792	2.749 - 3.547
0.338 - 0.505	0.359 - 0.547	0.445 - 0.668	0.424 - 0.566	0.407 - 0.572
0.248	0.275	0.284	0	0.259
0.142 - 0.819	0.152 - 0.851	0.157 - 0.837	0.083 - 0.268	0.070 - 0.258
0.038 - 0.758	0.042 - 0.836	0.052 - 0.903	0.049 - 0.882	0.050 - 0.836
0.288 - 0.827	0.325 - 0.936	0.345 - 0.999	0.338 - 0.991	0.324 - 1.044
0.104 - 0.532	0.119 - 0.595	0.127 - 0.638	0.129 - 0.622	0.123 - 0.596
0.071 - 0.083	0.078 - 0.091	0.071 - 0.131	0.064 - 0.094	0.058 - 0.089
0.002 - 0.012	0.002 - 0.013	0.002 - 0.014	0.002 - 0.014	0.001 - 0.013
0.200	0.200	0.200	0	0.193

**County of McHenry, Illinois**  
**PRINCIPAL PROPERTY TAX PAYERS**  
Current Year and Nine Years Ago

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2017		Percentage of Total Assessed Value	2008		Percentage of Total Assessed Value
Assessed Value	Rank	Assessed Value		Assessed Value	Rank	
Wal-Mart Stores, Inc.	\$ 18,117,523	1	0.24 %	\$ 16,640,468	2	0.15 %
Nimed Corp.	17,942,636	2	0.24	-	-	-
DDR McHenry SQ LLC	10,454,977	3	0.14	-	-	-
Strategic Skyridge LLC	8,119,697	4	0.11	10,098,649	6	0.09
Meijer Stores	8,073,716	5	0.11	12,244,608	3	0.11
Rubloff	7,097,957	6	0.09	9,152,315	8	0.08
Inland Crystal Point LLC	6,882,229	7	0.09	22,067,301	1	0.20
Cary Corners LLC	6,203,691	8	0.08	-	-	-
Centro Bradley/Centro Saturn LLC	6,037,186	9	0.08	10,756,038	4	0.10
Prarie View Acquisitions LLC	5,801,137	10	0.08	-	-	-
Target Corp	-	-	-	10,655,924	5	0.10
Sunrise Senior Living	-	-	-	9,412,391	7	0.09
Cunat Bros. Inc.	-	-	-	8,848,987	9	0.08
Menards Inc.	-	-	-	8,697,073	10	0.08
	<u>\$ 94,730,749</u>		<u>1.26 %</u>	<u>\$ 118,573,754</u>		<u>1.08 %</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
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	(10,045)	74,289,149	99.79
2011	76,846,500	76,659,934	99.76	13,297	76,673,231	99.77
2012	78,285,064	78,153,090	99.83	(5,303)	78,147,787	99.82
2013	78,535,191	78,356,747	99.77	6,542	78,363,289	99.78
2014	78,627,451	78,505,603	99.85	(12,796)	78,492,807	99.83
2015	78,966,290	78,804,983	99.80	21,482	78,826,465	99.82
2016	76,289,016	76,098,099	99.75	(7,895)	76,090,204	99.74
2017	79,424,611	79,187,833	99.70	381	79,188,214	99.70

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			
2008	\$ 74,637,760	\$ 118,297	\$ 2,410,549	\$ 11,035,000	\$ -	\$ 25,997	\$ 88,227,603	0.68 %	\$ 276.89
2009	71,530,000	130,129	1,619,735	10,525,000	-	11,994	83,816,858	0.67	261.14
2010	72,045,000	546,623	647,074	9,555,000	-	-	82,793,697	0.66	268.15
2011	63,540,000	484,835	2,607,332	8,915,000	-	57,613	75,604,780	0.57	245.36
2012	55,180,000	570,574	1,927,676	-	-	43,981	57,722,231	0.42	187.32
2013	46,205,000	490,099	1,395,982	-	-	29,934	48,121,015	0.35	156.54
2014	36,875,000	412,375	981,076	-	-	15,460	38,283,911	0.27	124.59
2015	27,205,000	969,427	1,684,515	-	-	546	29,859,488	0.20	97.15
2016	18,245,000	794,431	3,753,610	-	-	-	22,793,041	0.15	74.24
2017	9,485,000	622,568	2,155,686	-	-	-	12,263,254	0.08	39.67

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. See Demographic and Economic Statistics at page 178 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			
2008	85,672,760	118,297	-	85,791,057	0.28	269.24
2009	82,055,000	130,129	-	82,185,129	0.26	256.06
2010	81,600,000	546,623	-	82,146,623	0.26	266.05
2011	72,455,000	484,835	-	72,939,835	0.25	236.71
2012	55,180,000	570,574	-	55,750,574	0.21	180.92
2013	46,205,000	490,099	-	46,695,099	0.20	151.90
2014	36,875,000	412,375	-	37,287,375	0.17	121.35
2015	27,205,000	969,427	-	28,174,427	0.14	91.67
2016	18,245,000	794,431	-	19,039,431	0.09	62.02
2017	9,485,000	622,568	-	10,107,568	0.04	32.70

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 169 for property value data.  
See Demographic and Economic Statistics at page 178 for population data.

**County of McHenry, Illinois**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
November 30, 2017

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Direct</b>			
County of McHenry	\$ 12,263,000	100.0 %	\$ 12,263,000
<b>Overlapping</b>			
Municipalities	67,426,000	6.6 - 100.0	58,162,000
Unit School Districts	752,612,000	0.1 - 100.0	337,925,000
Elementary School Districts	66,365,000	93.5 - 100.0	64,482,000
High School Districts	37,979,000	98.5 - 100.0	37,706,000
Community College Districts	454,541,000	0.1 - 95.7	28,562,000
Conservation District	117,421,000	100.0	117,421,000
Township and Road Districts	2,390,000	100.0	2,390,000
Park Districts	21,090,000	33.3 - 100.0	19,242,000
Fire Protection Districts	13,275,000	2.6 - 100.0	9,372,000
Library Districts	16,370,000	2.4 - 100.0	3,464,000
Rescue Squad District	100,000	100.0	100,000
<b>Total Overlapping</b>			<u>678,826,000</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 691,089,000</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>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>	<u>2017</u>
Debt limit	\$ 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	\$ 217,305,310
Less: total debt applicable to limit	<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>	<u>(2,283,840)</u>
Legal debt margin	\$ <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>	\$ <u>215,021,470</u>
Total debt applicable to limit as a % of debt limit	% <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> %	% <u>1.05</u> %

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed valuation (2016 tax year)	\$ <u>7,558,445,578</u>
Debt limitation (2.875% of assessed valuation)	<u>217,305,310</u>
Debt outstanding	
Debt Certificates	9,485,000
Capital Leases	<u>2,155,686</u>
Subtotal	11,640,686
Less: debt not subject to limitation	<u>(9,356,846)</u>
Total debt applicable to limit	<u>2,283,840</u>
Debt limit margin	\$ <u>215,021,470</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**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
Last Ten Fiscal Years

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Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate	
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	
2017	309,122	15,427,535,000	49,908	49,147	3,636	4.5	

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	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	5,000	1	3.17 %	3,093	1	1.81 %
District 158	1,528	2	0.97	-	-	-
County of McHenry	1,500	3	0.95	-	-	-
Follett Library Resources	1,400	4	0.89	1,300	2	0.76
Catalent Pharma Solutions Inc	1,378	5	0.87	1,159	3	0.68
Mercy Health System	830	6	0.53	-	-	-
Snap-On Tools, Inc.	732	7	0.46	775	6	0.45
Sage Products, Inc.	590	8	0.37	-	-	-
Medela	583	9	0.37	481	10	0.28
McHenry County College	540	10	0.34	-	-	-
Intermatic, Inc.	-	-	-	654	8	0.38
Brown Printing	-	-	-	910	4	0.53
Snap-On Tools, Inc.	-	-	-	850	5	0.50
Knaack LLC	-	-	-	752	7	0.44
Sage Products, Inc.	-	-	-	500	9	0.29
	<u>14,081</u>		<u>8.94 %</u>	<u>10,474</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>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>	<u>2017</u>
General and administrative	213.3	208.2	207.3	205.4	206.1	207.0	206.3	194.6	185.6	187.0
Community development	23.5	27.0	28.0	26.9	26.9	30.0	24.8	24.7	23.9	24.9
Transportation	59.5	57.4	56.4	60.0	60.0	57.0	56.0	63.2	62.2	58.4
Public safety	404.9	400.1	401.0	402.7	402.8	400.2	395.7	393.7	385.0	368.8
Judiciary and court related	212.1	208.4	214.9	207.0	208.3	209.2	208.2	212.2	201.5	194.1
Public health and welfare	312.2	359.6	358.3	333.1	329.2	308.4	306.1	276.9	272.8	272.3
	<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>1,131.0</u>	<u>1,105.5</u>

Source: McHenry County Department of Human Resources.

Note: A full-time employee is scheduled to work 37.5 hours per week, which is equal to 1950 hours per year (52 weeks \* 37.5 hours/week). Full-time equivalent employment is calculated by dividing total labor hours by 1950.

**County of McHenry, Illinois**  
**OPERATING INDICATORS - BY FUNCTION**  
Last Ten Fiscal Years

<u>FUNCTION/PROGRAM</u>	<u>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>	<u>2017</u>
General and administrative										
Documents recorded	65,141	63,309	59,651	54,381	62,098	62,056	44,148	48,547	50,470	49,008
Real estate transfer declarations	4,661	3,847	3,809	3,723	4,721	6,620	6,090	6,490	7,261	7,466
Birth certificates issued	2,047	2,076	1,900	1,807	1,804	1,659	1,690	1,722	1,644	1,818
Registered deaths	1,700	1,500	1,642	1,635	1,661	1,651	1,640	1,772	1,760	1,987
Parcels assessed	147,007	148,679	149,278	149,348	149,353	149,251	149,189	149,461	149,372	148,999
Registered voters	199,378	200,205	202,033	202,494	203,225	204,129	206,197	205,178	227,452	221,003
Tax bills mailed	136,597	137,746	137,857	138,522	138,134	138,154	138,343	138,250	134,928	137,922
Passports applications processed	1,603	1,359	1,067	1,124	1,545	2,258	3,300	4,003	4,493	3,707
Teachers certified	3,742	3,648	3,456	3,438	3,369	3,634	3,695	3,607	3,634	3,636
Community development										
Building permit applications	1,387	1,246	1,086	886	899	904	1,002	1,010	996	1,174
Zoning petitions filed	79	58	51	51	52	48	52	40	49	30
Transportation										
Permits (access, facility, & utility)	108	90	76	105	86	64	76	91	93	96
Lane miles resurfaced	27.3	21.3	28.3	17.6	18.2	28.6	27.0	25.0	31.0	24.6
Public safety										
Incoming 911 calls	35,215	34,597	36,722	39,393	42,186	40,177	29,793	29,440	27,505	26,001
Citations issued	13,294	14,527	13,558	12,322	14,679	10,709	10,127	9,524	10,278	9,555
Inmates processed	10,378	10,216	8,765	8,396	7,615	6,655	6,639	6,368	6,624	6,622
Hazardous material and other emergency responses	55	50	39	26	30	60	48	36	34	40
Judiciary and court related										
Judges	16	16	16	19	19	19	19	19	19	19
Total cases filed	103,207	93,849	90,367	81,058	77,258	72,330	64,110	59,378	57,535	55,922
Jury trials	81	84	80	77	47	62	92	66	82	57
Defendants appointed to public defender	4,979	5,124	4,406	4,179	3,888	4,281	4,126	4,114	4,088	4,108
Charges disposed by public defender	9,914	10,128	9,195	8,912	8,144	8,095	8,533	8,303	8,123	7,998
Public health and welfare										
Food establishment inspections	5,765	4,205	5,612	4,899	4,612	4,811	4,746	5,446	4,352	5,368
Vision screenings	9,629	9,028	7,966	9,135	8,275	7,699	7,926	8,880	8,067	8,321
Hearing screenings	13,126	13,063	11,999	12,381	12,222	11,202	12,954	12,888	11,366	12,056
Nursing home - resident days	44,450	45,186	44,945	44,731	44,239	44,201	44,819	44,262	44,151	41,278

Sources: County Departments.

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

<u>FUNCTION/PROGRAM</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>	<u>2017</u>
General and administrative										
Primary buildings	2	2	2	2	2	2	2	2	2	2
Transportation										
Lane miles	490	495	497	497	518	518	522	524	525	525
Street lights	363	363	379	393	351	506	541	559	579	597
Traffic signals	31	32	32	35	35	36	40	40	42	42
Bridges	38	38	41	42	42	43	43	43	44	52
Vehicles	79	76	76	76	77	79	79	78	78	82
Public safety										
Jail inmate capacity	666	666	666	666	666	666	666	666	666	666
Sheriff vehicles	172	186	192	164	162	159	148	152	152	162
Sheriff boats	6	5	5	5	5	5	5	5	5	5
Judiciary and court related										
Courtrooms	16	16	16	18	18	18	18	18	18	18
Public health and welfare										
Nursing home capacity	128	128	128	128	128	128	128	128	128	128
Vehicles - veterans assistance	5	5	5	4	4	4	4	4	4	4

Sources: County Departments.