

INTEGRITY

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COMPREHENSIVE

ANNUAL

FINANCIAL REPORT

County of McHenry, Illinois

**FOR THE YEAR ENDED
NOVEMBER 30, 2018**

County of McHenry, Illinois

Comprehensive Annual Financial Report

For the Year Ended November 30, 2018

Prepared by the County Administrator's Office:

David Clark, Interim Finance Director

Karin Dietz, Assistant Finance Director

Dodi Vainisi, Accountant III

INTRODUCTORY

County of McHenry, Illinois

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County of McHenry, Illinois

OFFICERS AND OFFICIALS

November 30, 2018

COUNTY BOARD MEMBERS

Jack D. Franks, Chairman
Michele R. Aavang
Yvonne M. Barnes
Kay R. Bates
Chris Christensen
Joe Gottemoller
John D. Hammerand
James L. Heisler
John P. Jung, Jr.
James A. Kearns
Donald C. Kopsell
Donna M. Kurtz
Mary T. McCann

Robert Nowak
Michael Rein
John J. Reinert
Michael J. Skala
Larry W. Smith
Christopher R. Spoerl
Jeffrey T. Thorsen
Michael J. Walkup
Charles S. Wheeler
Thomas W. Wilbeck
Craig Wilcox (resigned 9-30-18)
Paula E. Yensen

ELECTED OFFICIALS

Shannon L. Teresi
Katherine M. Keefe
Anne L. Majewski M.D.
Mary E. McClellan
Joseph J. Tirio
Bill Prim
Patrick D. Kenneally
Leslie Schermerhorn
Glenda L. Miller

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

ADMINISTRATIVE

Peter Austin
Scott Hartman
Ralph Sarbaugh

County Administrator
Deputy County Administrator
Associate County Administrator

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**Letter
of
Transmittal**

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**OFFICE OF
COUNTY ADMINISTRATION**
McHENRY COUNTY, ILLINOIS
2200 NORTH SEMINARY AVENUE
WOODSTOCK, ILLINOIS 60098



September 24, 2019

To: Jack Franks, McHenry County Board Chairman
Honorable Members of the McHenry County Board
Citizens of McHenry County, Illinois

Re: Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR)

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2018, as prepared by the McHenry County Administration - Finance Division. 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 2018. The financial statements included in the CAFR conform to 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. We 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 unqualified opinion. See the Independent Auditors' Report on page I in the financial section.

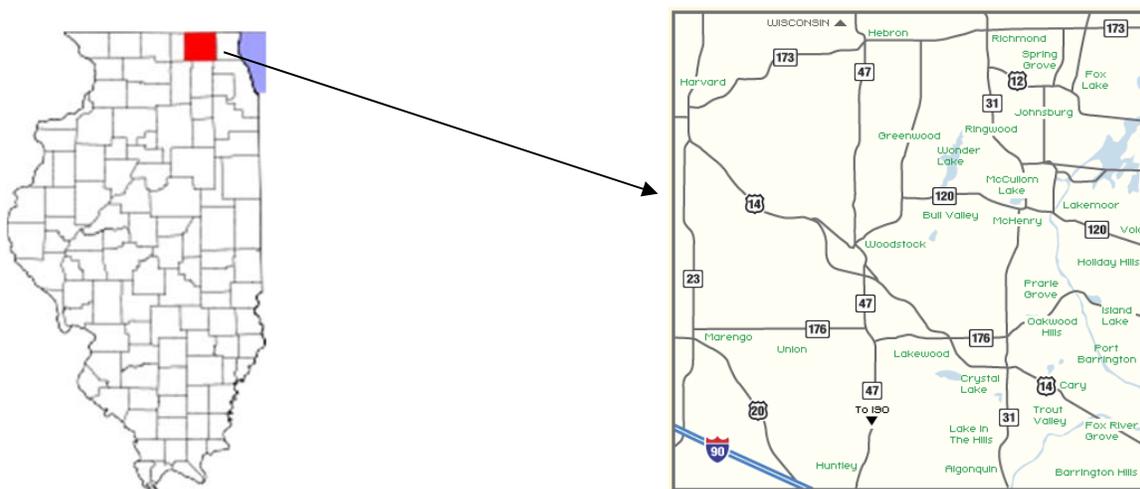
The Management of the County has the responsibility to establish and maintain accounting policies and procedures and other internal controls for the preparation of complete and accurate County financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their 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 County Administration – Finance Division 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 2018.

Profile and History of McHenry County, Illinois



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.



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. 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.

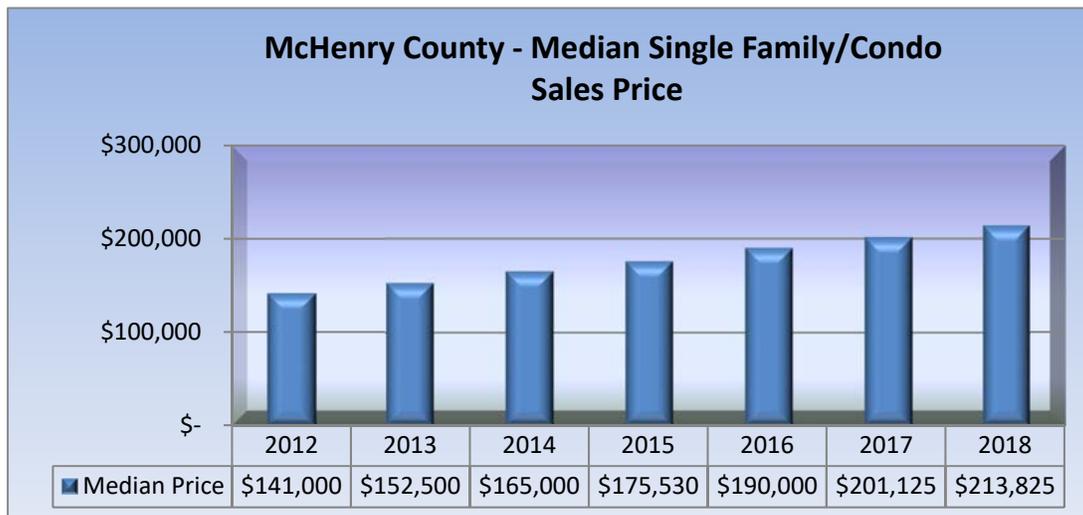
Oct 2011 Map of Townships and Districts

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 2018 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 2018 as follows:



Source: Illinois Association of Realtors

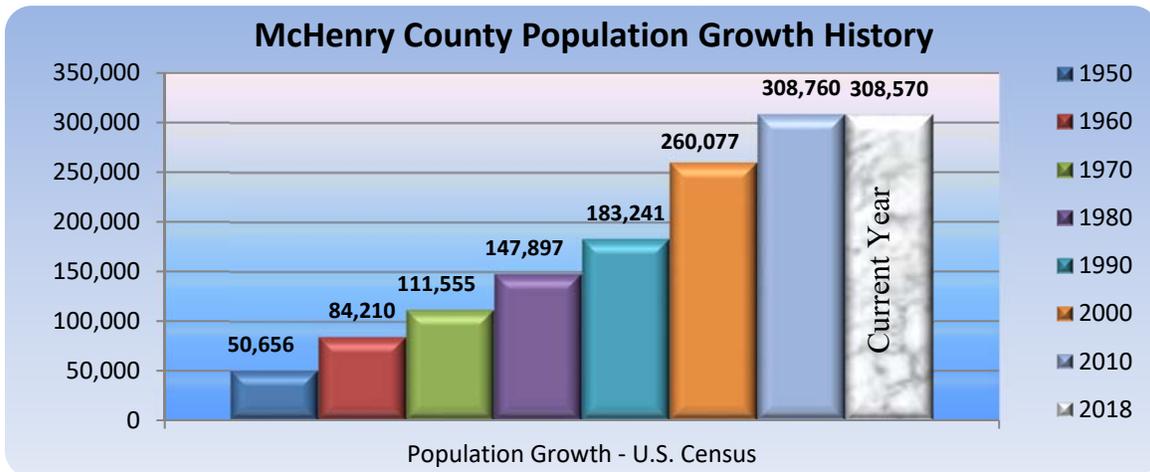
A monthly Sales Tax Analysis Report is prepared to track the revenues forwarded from the State of Illinois for the 1% and 0.25% sales tax rates. This year the sales tax revenue increased \$0.5 million from the highest year experienced in FY2015 (\$10.0 million), with \$10.5 million in sales tax receipts for FY2018. McHenry County has continued to see recovery in the local economy from the low point in sales tax revenue 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 \$82,230 for 2017, as compared to the State of Illinois' median household income of \$61,229. In comparison, the County's median household income was \$81,570 for 2016, with the State of Illinois at \$60,977. The County continues to have a low percentage of persons below the poverty level with the U.S. Census Bureau reporting 6.1% for families as of 2017, as compared to 12.6% for the State.

Population Change

The U.S. Census Bureau's 2018 annual estimate of the County's population was 308,570, which continues to place McHenry County as the sixth largest county in Illinois out of 102 total counties and shows a net change of 557 residents from the 2017 estimate of 308,013. The entire State of Illinois' population decreased by 45,116 residents, or less than 0.35%, since the 2017 census estimate. Statewide, eighty-six (86) of the counties experienced a population decrease of 50,564 residents, with sixteen (16) counties gaining 5,448 residents over

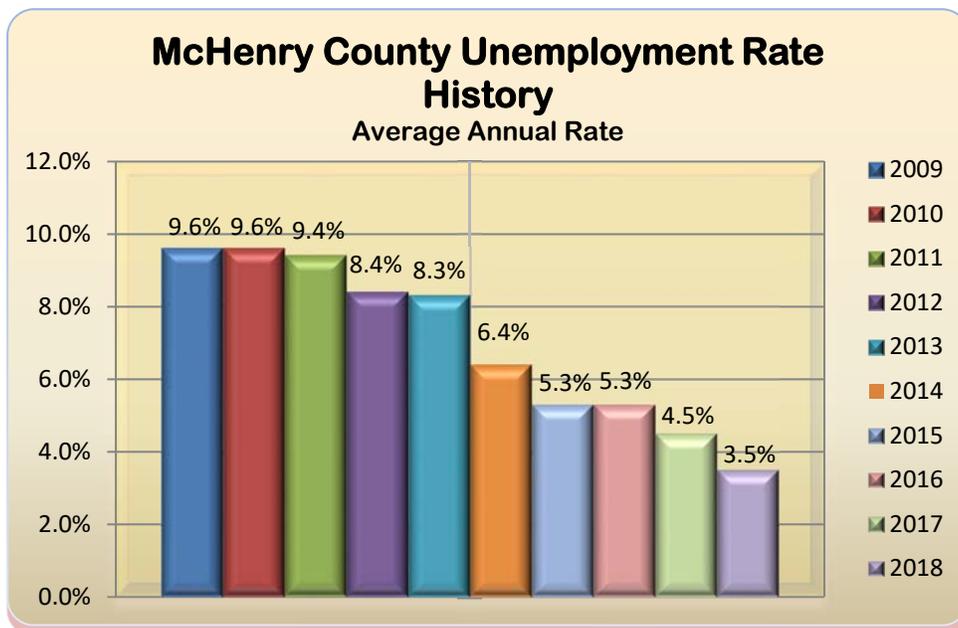
the 2017 census estimate. The following chart depicts the County's population growth in 10-year intervals starting with 1950 and includes the data for the current calendar year 2018:



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: 3.5% (2018), 4.5% (2017), 5.3% (2016), 5.3% (2015), and 6.4% (2014). For the State of Illinois, the average annual unemployment rates have been 4.2% (2018), 5.0% (2017), 5.9% (2016), 5.9% (2015), and 7.1% (2014). The U.S. unemployment rate for 2018 was 3.7%. In 2018, the total County annual average labor force was 165,178, consisting of 159,630 employed and 5,548 unemployed. The comparable statistics for 2017 relate to a slightly higher total labor force of 167,389 with 159,780 employed and a higher number, 7,609, 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 '2018 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 2017 and also for development of the 2018 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 five months of budgeted operating expenditures. As of November 30, 2018, the County had an unrestricted general fund balance of \$48,847,030 as compared to \$87,737,236 in operating expenditures (FY 2019 budgeted), or a reserve of 6.5 months.

Budgetary Controls

McHenry County has operated on a "no growth" or maintenance budget for the past several years including 2018 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 earned the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program for the 20th time. Another report, the Popular Annual Financial Report (PAFR), received a 10th consecutive GFOA Award for Outstanding Achievement for the FY2017 report.
- County Administration has received, for a fifth 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 has begun the transition to a new financial software system, Microsoft Dynamics 365, requiring great planning and cooperation between the Finance Department, the Treasurer’s Office, the Auditor’s Office and every other department within the County. While this new enterprise financial software will allow for greater efficiencies and cloud-based computing, it should be noted that the previous financial software system had reached the end of its useful life after serving the County well from 1996 to 2018.
- 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 2018, the County Board approved the codification of the County’s ordinances. The County Code is now online and searchable.
- The County Board adopted the recommendations of the compensation study to ensure that County employees’ wages are competitive with those of their counterparts in the private and public sectors.

Transportation

- The County Board resolved to appropriate funds and to enter an Intergovernmental Agreement with the Illinois State Toll Highway Authority, the Illinois Department of Transportation, and the City of Marengo for the construction of the long-anticipated Illinois Route 23 and Interstate 90 Interchange Project.

- The County Board approved an “Active Transportation Policy” for McHenry County on March 19, 2018. The Policy mandates that the Division of Transportation design and build County highways with the needs of non-motorized users in mind.
- In Fiscal Year 2018, the Phase III engineering service agreement for its Randall Road expansion project was approved. The construction began in Fiscal Year 2018 as well.

Community Development

- The County Board approved the final draft of the Unified Development Ordinance (UDO) at its March 2018 meeting. Reductions and simplifications to the regulations in the UDO outnumber increases and new regulations by a ratio of 2:1.
- Housing and Urban Development notified the Community Development Division that the County will receive a 10% increase in CDBG funding and a 40% increase in HOME funding for the 2018 Program Year.
- Planning & Development held the second annual McHenry County Water Day on September 12, 2018. Water Day provided residents, businesses, elected officials and municipal staff an opportunity to learn what makes our local water supplies unique and what we can do to ensure that clean and sustainable water resources are available in the future. Water Day included a Groundwater Field Trip, with 45 participants and the 2nd annual Water Forum, which was attended by approximately 90 people. On the field trip, Dr. Jason Thomason, a noted geologist from the Illinois State Geological Survey, provided a first-hand view of how geologic events of the past shape our land and water today. James Patchett, Founder and President of the Conservation Design Forum gave the keynote address.
- The Planning & Development and IT Departments created an in-house application to allow property owners and contractors to apply for residential and commercial service permits online through the Planning & Development website.

Public Safety

- On November 28, 2018 the McHenry County Sheriff’s Office Narcotics Task Force (which includes members from the Lake in the Hills Police Department and McHenry Police Department) received the Law Enforcement Excellence by Task Force Award. This award was presented to them by the Chicago Crime Commission. During 2017 through June of 2018, the Task Force seized more than \$2 million worth of drugs resulting in over 200 arrests. This includes over 4,500 grams of heroin seized and taken off the streets of McHenry County.
- EMA, working with the McHenry County Chiefs of Police Association, Superintendents of McHenry County Schools and the Illinois Terrorism Task Force have arranged a symposium on school violence to discuss best practices and current recommendations to the Governor’s Office.
- The Sheriff’s Armed Assailant Full-Scale Exercise was completed on May 5, 2018. Nearly 200 actors, players, evaluators and controllers from EMA, Sheriff, Court Security, Corrections, local law enforcement, ILEAS, IEMA, MABAS and area fire departments/rescue squads participated.

Judiciary and Court Related

- The 22nd Judicial Circuit, in conjunction with Prairie State Legal Aid and the Access to Justice Commission of the Illinois Supreme Court, launched the Early Resolution Program (ERP) for pro se litigants in dissolution of marriage cases in McHenry County. This program reduces the cost, number of court dates and overall time to dissolve the parties’ marriage.

- The County Board authorized a lease for space at 400 Russel Court for the Court Administration Office of Special Projects, which administers the specialty court programs. Their current offices are repurposed attorney/client conference rooms on the first floor of the Government Center that are not well-suited for this purpose.

Public Health and Welfare

- The Illinois Breast and Cervical Cancer Program implemented by the County Health Department has increased its outreach efforts and partnered with local organizations when possible. Staff has gone to neighborhood resource centers, food pantries and local businesses to educate about the importance of early detection through regular breast and cervical cancer screenings. The caseload for the FY18 grant, which runs through June 30, 2018, has been surpassed. Since July 1, 2017 the Departments has screened 572 women and three of those women were diagnosed with breast cancer.
- The County held an electronics recycling event at the Government Center on October 20, 2018. Nearly 800 participants dropped off 114,000 pounds of electronics, and approximately 75% of the electronics dropped off were monitors and televisions. McHenry County will be transitioning to a new electronics recycling program to comply with the Consumer Electronics Recycling Act effective January 1, 2019.
- Workforce Network and First Institute Training and Management provided welding training 11 people, 10 of which received their AWS D1.1 structural welding credential with the American Welding Society. The training was in response to local manufacturers' demand for welders.
- McHenry Workforce Network Board (MCWNB) has been certified by the U.S. Department of Labor Office of Apprenticeship as a sponsor for Registered Apprenticeships to serve local employers. The application included job titles of machinist, cabinet maker and tool maker for the plastics industry. MCWNB, being a sponsor, relieves local employers, especially small businesses, the administration burden of having a U.S. DOL Apprenticeship position at their business.
- On September 6, 2018, Valley Hi learned that it has been named to the National Nursing Home Quality Collaborative Honor Roll to recognize its performance on the federal quality measures. Nursing homes on the honor roll have achieved a quality measure score which aligns with the top 10% of nursing homes in the country. The quality scores are based on information that is submitted to CMS, and reflects the care and treatment being provided on a daily basis. The quality measures includes categories such as pain management, fall prevention, pressure ulcer prevention, prevention of infections, prevention of weight loss, psychotropic medication use reductions, and other care related areas. The Valley Hi Quality Assurance Committee actively monitors these scores on a monthly basis, and implements programs and/or changes in policies and procedures whenever the scores start trending in the wrong direction. This is indicative of the quality standards that are integrated into Valley Hi's daily routine.

Debt Management

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

In fiscal year 2018, there were no new debt issuances for governmental activities, but there was one new capital lease in the amount of \$181,182, for the acquisition of Toughbook computer equipment. There were no debt issuances for business-type activities during fiscal year 2018. 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 2018, 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.

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.
- The County is working with two additional communities, Huntley and Marengo, to receive 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 was 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, 2017. This was the 20th 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 2018 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 Finance Department. I also wish to thank Assistant Finance Director, Karin Dietz and 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.

Finally, County Administration has had the honor of carrying on McHenry County's long standing tradition of preparing an award winning Comprehensive Annual Financial Report (CAFR). While the preparation of this report has not been without challenges, County Administration relishes the opportunity to provide accurate, clear and transparent financial reports for McHenry County residents. County Administration also thanks the McHenry County Auditor's Office for its many years of service in providing the Comprehensive Annual Financial Reports. We are pleased to enable the County Auditor's Office to focus its entire attention on auditing and protecting the interests of McHenry County taxpayers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Peter B. Austin", with a stylized flourish at the end.

Peter B. Austin
County Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of McHenry
Illinois

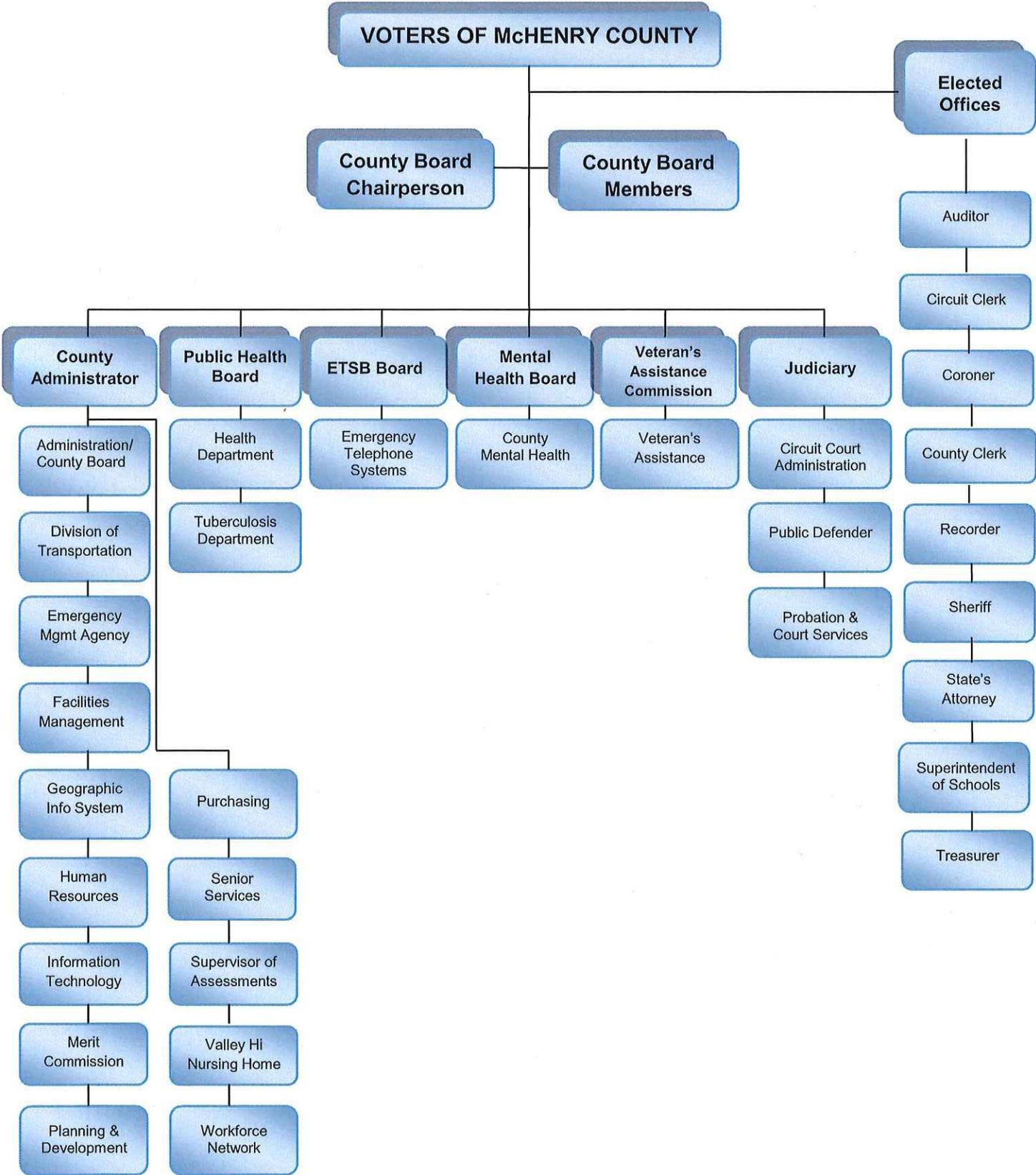
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

November 30, 2017

Christopher P. Morill

Executive Director/CEO

County of McHenry Organizational Chart By County Office



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FINANCIAL

INDEPENDENT AUDITORS' REPORT

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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, 2018, 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 .009 percent, .013 percent, and .003 percent, respectively, of the assets, fund balances, and net position, and revenues of the aggregate remaining funds, and .002 percent, .002 percent, and .001 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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the County of McHenry, Illinois adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective December 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, 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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of McHenry, Illinois' basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the County of McHenry, Illinois' 2017 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 24, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2017, 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 have also issued our report dated September 24, 2019, 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
September 24, 2019



**Management's
Discussion and
Analysis**

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County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

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, 2018. 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 \$486.4 million, as of November 30, 2018. Of this amount, \$358.0 million represents net investment in capital assets, \$82.1 million represents net position restricted for specific activities, and \$46.2 million represents unrestricted net position. \$429.1 million represents net position for governmental activities and \$57.3 million represents net position for business-type activities.
- Net position increased by \$4.0 million for governmental activities and increased by \$0.5 million for business-type activities, for the fiscal year ended November 30, 2018.
- The County's governmental funds reported combined ending fund balances of \$133.5 million, as of November 30, 2018, compared to \$141.2 million at November 30, 2017, which represents a decrease of \$7.7 million or 5.5%.
- The General Fund reported ending fund balance of \$53.0 million, as of November 30, 2018, compared to \$51.5 million as of November 30, 2017, which represents an increase of \$1.5 million or 2.9%.
- 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 \$9.1 million, as of November 30, 2018, compared to \$11.6 million as of November 30, 2017, which represents a net decrease of \$2.5 million or 21.8%. During the year, there was no new debt issuances. However, there was one new capital lease that was issued for \$0.2 million for the purchase of public safety equipment. Business-type activities long-term obligations (excluding compensated absences, net pension liability, and other post-employment benefit obligation) were zero as of November 30, 2018, unchanged from zero as of November 30, 2017. There were no issuances for business-type activities during fiscal year 2018.
- The County's debt limit for November 30, 2018 is \$229.7 million. \$6.0 million is applicable to the limit. The County is \$223.8 million below its authorized debt limit as of November 30, 2018.

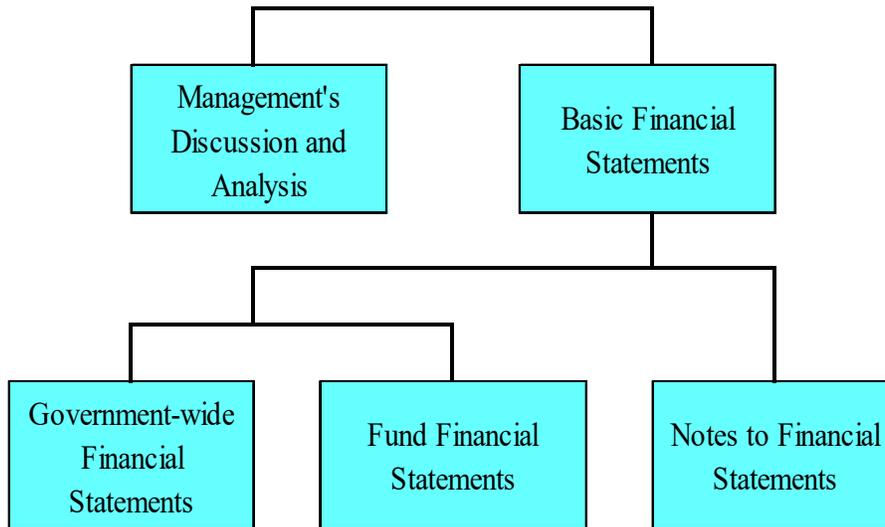
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2018

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, 2018

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, 2018

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 2018 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 2018 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, 2018

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 - 67 of this report.

Other information

The County adopts an annual appropriation budget for its general, special revenue, debt service 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 68 – 160 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. Total assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$486.4 million, as of November 30, 2018, as compared to net position of \$481.8 million as of November 30, 2017 (after being restated for the implementation of GASB No. 75); an increase of \$4.5 million or 0.9%. Of this amount, \$358.0 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. \$82.1 million represents restricted net position, which are resources that are subject to external restrictions on how they may be used. Finally, \$46.2 million represents unrestricted net position. \$429.1 million represents net position for governmental activities and \$57.3 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, 2018

The following table reflects the condensed Statement of Net Position as of November 30, 2018:

Statement of Net Position
November 30, 2018

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017*	2018	2017*	2018	2017*
Assets						
Current assets	\$ 225,323,622	\$ 247,588,279	\$ 48,163,990	\$ 49,156,058	\$ 273,487,612	\$ 296,744,337
Capital assets	355,428,394	339,910,733	12,158,100	12,722,561	367,586,494	352,633,294
Investment in joint venture	741,718	732,170	103,308	101,979	845,026	834,149
Total assets	<u>581,493,734</u>	<u>588,231,182</u>	<u>60,425,398</u>	<u>61,980,598</u>	<u>641,919,132</u>	<u>650,211,780</u>
Deferred Outflows of Resources						
Pension-related items	<u>12,017,505</u>	<u>27,885,863</u>	<u>788,290</u>	<u>2,058,337</u>	<u>12,805,795</u>	<u>29,944,200</u>
Liabilities						
Current liabilities	17,386,322	22,167,788	726,465	3,193,791	18,112,787	25,361,579
Noncurrent liabilities	<u>50,675,235</u>	<u>75,540,981</u>	<u>1,258,738</u>	<u>3,346,734</u>	<u>51,933,973</u>	<u>78,887,715</u>
Total liabilities	<u>68,061,557</u>	<u>97,708,769</u>	<u>1,985,203</u>	<u>6,540,525</u>	<u>70,046,760</u>	<u>104,249,294</u>
Deferred Inflows of Resources						
Pension-related items	26,544,763	6,036,819	1,924,863	375,275	28,469,626	6,412,094
Property taxes levied for future period	<u>69,838,422</u>	<u>79,839,078</u>	<u>10,000</u>	<u>10,000</u>	<u>69,848,422</u>	<u>79,849,078</u>
Total deferred inflows of resources	<u>96,383,185</u>	<u>85,875,897</u>	<u>1,934,863</u>	<u>385,275</u>	<u>98,318,048</u>	<u>86,261,172</u>
Net Position						
Net investment in capital assets	345,881,479	327,647,479	12,158,100	12,722,561	358,039,579	340,370,040
Restricted	82,145,648	90,565,250	-	-	82,145,648	90,565,250
Unrestricted	<u>1,039,370</u>	<u>14,319,650</u>	<u>45,135,522</u>	<u>44,390,574</u>	<u>46,174,892</u>	<u>58,710,224</u>
Total net position	<u>\$ 429,066,497</u>	<u>\$ 432,532,379</u>	<u>\$ 57,293,622</u>	<u>\$ 57,113,135</u>	<u>\$ 486,360,119</u>	<u>\$ 489,645,514</u>

* Prior year numbers are not restated for GASB Statement No. 75.

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, 2018

The following table reflects the results of operations for governmental and business-type activities for the fiscal year ended November 30, 2018:

Changes in Net Position
For the Fiscal Year Ended November 30, 2018

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017*	2018	2017*	2018	2017*
Revenues						
Program Revenues						
Charges for services	\$ 27,359,946	\$ 25,663,951	\$ 14,577,171	\$ 12,532,544	\$ 41,937,117	\$ 38,196,495
Operating grants and contributions	19,041,472	17,829,987	469,408	2,342,473	19,510,880	20,172,460
Capital grants and contributions	47,526	52,342	-	-	47,526	52,342
General Revenues						
Property taxes	71,727,133	79,204,833	-	-	71,727,133	79,204,833
Sales taxes	20,963,511	20,111,544	-	-	20,963,511	20,111,544
State income taxes	6,266,549	6,010,242	-	-	6,266,549	6,010,242
Tax transfer stamps	2,906,570	2,575,080	-	-	2,906,570	2,575,080
Other taxes	2,969,349	2,813,220	-	-	2,969,349	2,813,220
Investment income	2,238,585	1,278,965	505,108	586,804	2,743,693	1,865,769
Miscellaneous	1,293,653	1,348,569	-	-	1,293,653	1,348,569
Total Revenues	154,814,294	156,888,733	15,551,687	15,461,821	170,365,981	172,350,554
Expenses						
General and administrative	38,063,027	38,577,138	-	-	38,063,027	38,577,138
Community development	3,252,596	3,741,368	-	-	3,252,596	3,741,368
Transportation	25,252,117	20,307,973	-	-	25,252,117	20,307,973
Public safety	46,035,390	45,496,267	2,875,848	4,740,919	48,911,238	50,237,186
Judiciary and court related	15,676,678	15,974,311	-	-	15,676,678	15,974,311
Public health and welfare	22,339,195	22,429,015	12,170,347	11,832,298	34,509,542	34,261,313
Interest and fiscal charges	158,182	271,850	-	-	158,182	271,850
Total expenses	150,777,185	146,797,922	15,046,195	16,573,217	165,823,380	163,371,139
Changes in net position before transfers	4,037,109	10,090,811	505,492	(1,111,396)	4,542,601	8,979,415
Transfers	-	377,855	-	(377,855)	-	-
Changes in net position	4,037,109	10,468,666	505,492	(1,489,251)	4,542,601	8,979,415
Net position - beginning of year (as restated)	425,029,388	422,063,713	56,788,130	58,602,386	481,817,518	480,666,099
Net position - end of year	\$ 429,066,497	\$ 432,532,379	\$ 57,293,622	\$ 57,113,135	\$ 486,360,119	\$ 489,645,514

* Prior year numbers are not restated for GASB Statement No. 75.

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, 2018

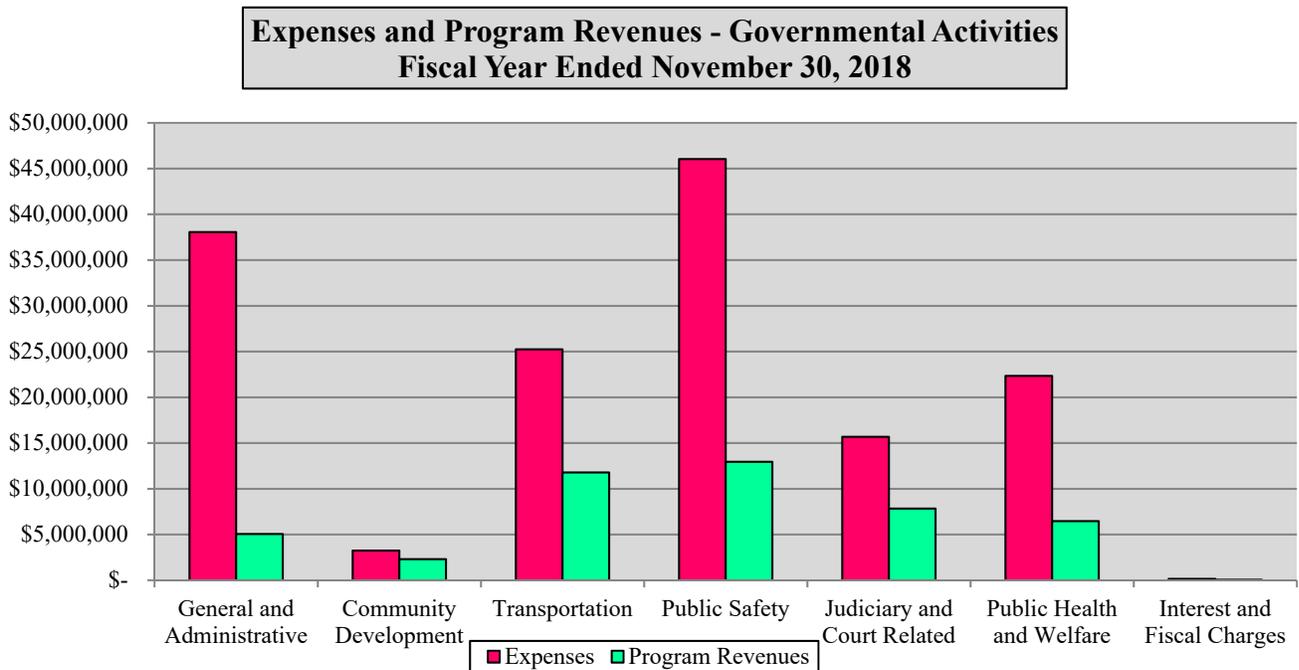
Governmental Activities

Net position for governmental activities increased by \$4.0 million during fiscal year 2018. In total, revenues decreased \$2.5 million or 1.6%, from \$157.3 million for fiscal year 2017 to \$154.8 million for fiscal year 2018. Noteworthy changes related to revenues were as follows: 1) Property tax revenue decreased \$7.5 million or 9.5% and 2) Investment income increased by \$1.0 million or 76.9%.

The reason for the noteworthy changes are as follows:

- Property taxes decreased from \$79.2 million for fiscal year 2017 to \$71.7 million for fiscal year 2018: a decrease of \$7.5 million or 9.5%. The property tax levy decreased due to a levy ordinance adopted with the intention of reducing property taxes.
- Investment income increased from \$1.3 million for fiscal year 2017 to \$2.2 million for fiscal year 2018; an increase of \$0.9 million or 69.2%. 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 2017.

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, 2018:

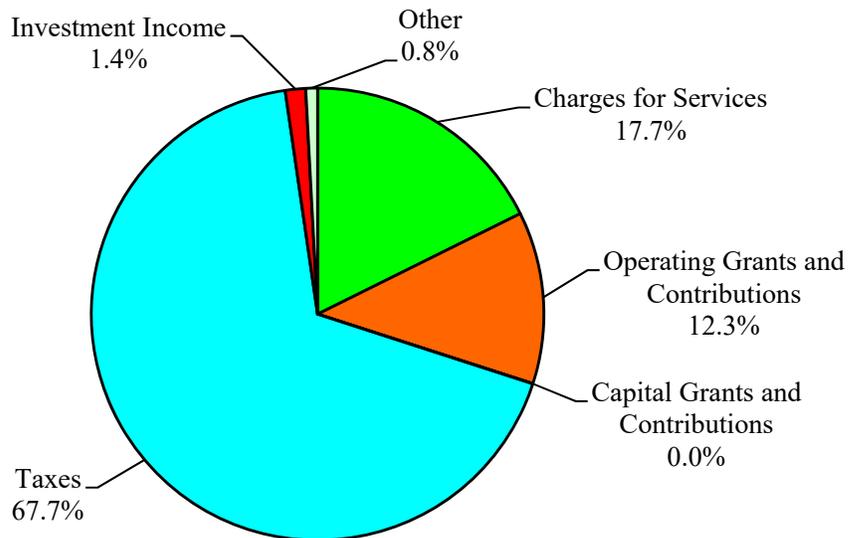


County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

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, 2018:

Revenues by Source - Governmental Activities
Fiscal Year Ended November 30, 2018



Revenues from governmental activities totaled \$154.8 million for the fiscal year ended November 30, 2018. Taxes (\$104.8 million, or 67.7%) represent the largest revenue source. Property taxes and sales taxes represent the two largest sources of tax revenues. Property taxes totaled \$71.7 million or 68.4% of taxes and sales taxes totaled \$20.9 million or 19.9% of taxes, for a combined total of \$92.6 million or 88.4% of taxes. Other tax revenues include state income taxes, tax transfer stamps, and local use taxes.

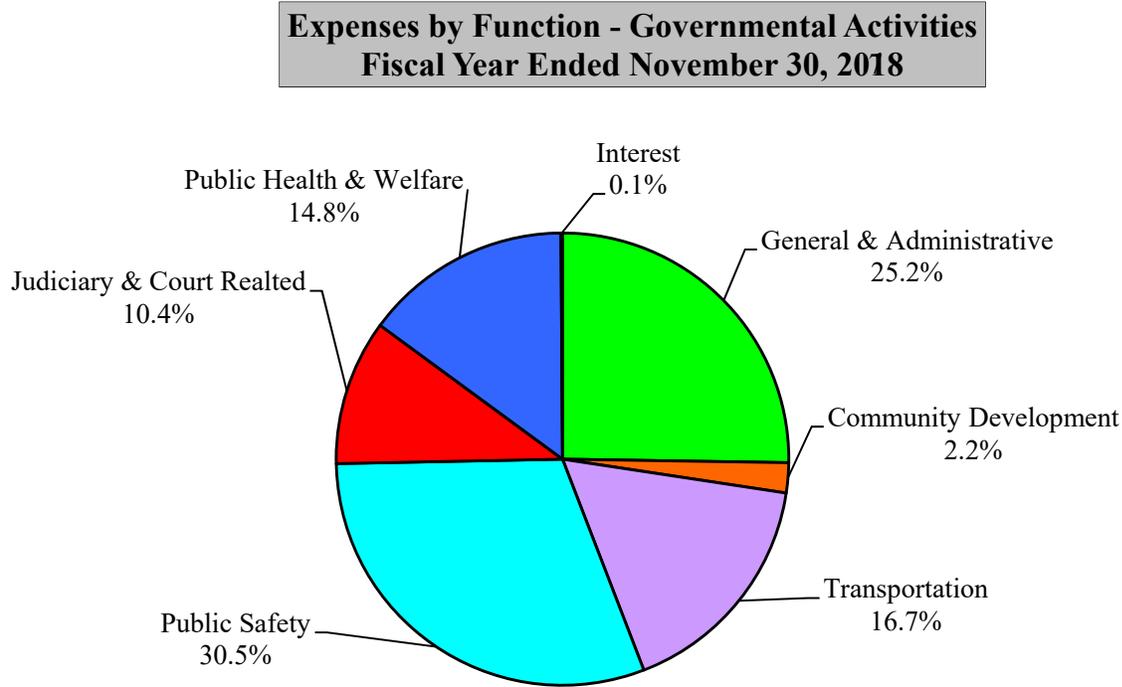
Charges for services (\$27.4 million, or 17.7%) represents the second largest revenue source. Charges for services are derived mainly from recording fees, penalties on delinquent taxes, court security fees, jail space rental, Circuit Clerk fees, sale of animal control tags, geographic information system 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 (\$19.0 million, or 12.3%) 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.

Investment Income (\$2.2 million, or 1.4%) represents the fourth largest revenue source. Investments now include mortgage backed securities.

County of McHenry, Illinois
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For the Year Ended November 30, 2018

The following chart reflects expenses by function for governmental activities for the fiscal year ended November 30, 2018:



Expenses for governmental activities totaled \$150.8 million for the fiscal year ended November 30, 2018. The largest component of governmental activities expenses is public safety, which totaled \$46.0 million, or 30.5% 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 \$38.1 million, or 25.2% 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 transportation, which totaled \$25.3 million, or 16.7% of total governmental activities expenses. All transportation expenses represent the operations of the Division of Transportation.

The fourth largest component of governmental activities expenses is public health and welfare, which totaled \$22.3 million, or 14.8% 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 fifth largest component of governmental activities expenses is judiciary and court related, which totaled \$15.7 million, or 10.4% of total governmental activities expenses. Expenses for this activity include the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

The sixth largest component of governmental activities expenses is community development, which totaled \$3.3 million, or 2.2% 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 \$0.2 million, or 0.1% 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, 2018, net position for business-type activities increased by \$0.5 million, from \$56.8 million at November 30, 2017 (after being restated for the implementation of GASB No. 75) to \$57.3 million at November 30, 2018. Total revenues for business-type activities increased from \$14.9 million for fiscal year 2017 to \$15.0 million for fiscal year 2018; an increase of \$0.1 million or 0.7%. The resident days of Valley Hi Nursing home increased from 41,278 resident days in 2017 to 42,456 in 2018; an increase of 1,178 resident days or 2.9%. 911 Fund service revenue increased from \$2.5 million in 2017 to \$3.4 million in 2018; an increase of \$0.9 million or 3.6% due to an increase in surcharges from \$0.87 to \$1.50 beginning January 1, 2018, with a sunset of December 31, 2020 (50 ILCS 750/20) for 911 phone calls.

Total expenses for business-type activities decreased from \$16.6 million for fiscal year 2017 to \$15.0 million for fiscal year 2018; a decrease of \$1.6 million or 9.6%. The decrease in level of expenses from fiscal year 2017 to fiscal year 2018 reflects significant decreases in 911 contractual services expenses from \$3.7 million in 2017 to \$1.5 million in 2018. This represents a decrease of \$2.2 million from 2017 to 2018; a decrease of 59.4%. The fiscal year 2018 contractual service expenditure level is 7.1% higher than the level in fiscal year 2017.

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 \$1.4 million for fiscal year 2018. The County has maintained the level of unrestricted fund balance in the General Fund in close alignment with the target reserve of five months, as defined in the County's budget policy. The level of unrestricted fund balance in the General Fund decreased from 6.6 months at November 30, 2017 to 6.5 months at November 30, 2018.

Total revenues increased \$0.3 million or 0.3%, from \$90.4 million for fiscal year 2017 to \$90.7 million for fiscal year 2018. The revenue category that experienced the largest increase is charges for services, which increased \$2.0 million or 10.5%, from \$19.1 million for fiscal year 2017 to \$21.1 million for fiscal year 2018. The decrease in property taxes is due to an decrease in the amount of the County's property tax levy. The general fund property tax levy decreased from \$44.3 million for fiscal year 2017 to \$39.7 million for fiscal year 2018, a decrease of \$4.6 million or 10.4%. 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 2018, the County experienced a collection rate of 99.77% of the current year levy.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

Total General Fund expenditures increased \$2.8 million or 3.3%, from \$84.9 million for fiscal year 2017 to \$87.7 million for fiscal year 2018. The expenditure category with the largest increase was capital outlay, which increased from \$4.0 million for fiscal year 2017 to \$8.1 million for fiscal year 2018; an increase of \$4.1 million or 102.5%. This increase was attributable to the implementation of a new ERP system paid for in large part by the general fund, the purchase of election equipment, and land improvements.

The County Mental Health Fund accounts for expenditures for administering approved mental health programs. The fund experienced an decrease in fund balance of \$1.0 million for fiscal year 2018. Total revenues decreased \$0.5 million or 4.5%, from \$11.1 million for fiscal year 2017 to \$10.6 million for fiscal year 2018. The decrease in revenues is due to a decrease in the amount of the property taxes collected; a decrease of \$0.5 million or 4.6%. Total expenditures increased \$0.8 million or 7.6%, from \$10.5 million for fiscal year 2017 to \$11.3 million for fiscal year 2018. The fund provides transfers to a debt service fund to pay principal and interest costs on Series 2010B debt certificates, which were used for the expansion of the County mental health facility.

The Illinois Municipal Retirement Fund (IMRF Fund) accounts for expenditures for municipal retirement expenses for most of the County's employees. The fund experienced an increase in fund balance of \$1.0 million for fiscal year 2018. Total revenues had a minimal difference, and stayed at \$7.9 million for fiscal year 2017 and 2018. The fund had a decrease in revenues due to the County's IMRF property tax levy, which resulted in collections of \$7.6 million versus \$7.8 million in fiscal year 2017. Total expenditures increased \$0.1 million or 1.5%, from \$6.7 million for fiscal year 2017 to \$6.8 million for fiscal year 2018. The IMRF Fund has a surplus fund balance of \$2.8 million as of November 30, 2018. 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, 2018 is \$3.2 million. The advance is non-interest bearing, with repayments scheduled to begin in 2018 and end by 2020. The fiscal year 2018 payment was not made.

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 \$1.6 million for fiscal year 2018. However, when considering only the operating revenues and expenses of the fund, the fund experienced an operating loss of \$2.0 million for fiscal year 2018, compared to an operating loss of \$1.9 million for fiscal year 2017. 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 starting in fiscal year 2016 due to the surplus in net position.

GENERAL FUND BUDGETARY VARIANCES

Revenue Budget: The revenue budget for the General Fund was decreased by \$2.7 million or 3.0% during fiscal year 2018, through budget amendments approved by the County Board, from the original budget of \$90.1 million to the final budget of \$87.4 million. The category with the largest decrease was property taxes, which had an original budget of \$44.8 million and a final budget of \$39.8 million; a decrease of \$5.0 million or 11.2%.

Appropriation Budget: The appropriation budget for expenditures for the General Fund was increased by \$15.5 million or 18.3% during fiscal year 2018, through emergency appropriations approved by the County Board, from the original budget of \$84.7 million to the final budget of \$100.2 million. The most significant increase to the appropriation budget was for capital outlay, which increased \$13.3 million or 1,330.0%, from the original budget of \$1.0 million to the final budget of \$14.3 million.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

Budget to Actual – Revenue: Actual revenues for the General Fund totaled \$90.7 million, while the final budget totaled \$87.4 million, which is a variance of \$3.3 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 \$21.1 million, which is a variance of \$2.3 million. The largest individual variance within this category is jail space rental. Budgeted revenues for jail space rental was \$8.3 million, compared to actual revenues of \$10.1 million, which is a variance of \$1.8 million. Actual revenue for jail space rented has increased from \$8.8 million in fiscal year 2017. Two other categories that had actual revenues in excess of budgeted revenues were sales taxes and investment income. Actual revenues for sales tax were \$10.5 million which exceeded budgeted revenues of \$9.8 million; a variance of \$0.7 million. Higher than anticipated taxable sales in the county contributed to excess actual sales tax revenue as compared to budget. Investment income actual revenues were \$0.9 million which exceeded budget revenues of \$0.5 million; a variance of \$0.4 million. Investments that now include certain mortgage backed securities provide an increased return.

Budget to Actual – Expenditures: Actual expenditures for the General Fund totaled \$87.7 million, while the final budget totaled \$100.2 million, which is a variance of \$12.5 million. The activity that had the largest variance was capital outlay, which had expenditures of \$8.1 million, compared to a final budget of \$14.3 million, which is a variance of \$6.2 million. The activity that had the second largest variance was for general and administrative, which had expenditures of \$26.8 million compared to a final budget of \$31.9 million; a variance of \$5.1 million.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets – As of November 30, 2018, capital assets, net of accumulated depreciation/amortization, totaled \$355.4 million for governmental activities and \$12.2 million for business-type activities, for a total of \$367.6 million for the County.

Capital Assets
(net of accumulated depreciation/amortization)
November 30, 2018

	Government Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 80,366,125	\$ 68,928,129	\$ 6,000	\$ 6,000	\$ 80,372,125	\$ 68,934,129
Construction in Progress	15,999,410	87,348,591	-	655,023	15,999,410	88,003,614
Infrastructure	179,702,695	106,207,717	-	-	179,702,695	106,207,717
Buildings and Improvements	57,361,195	56,826,755	9,631,035	9,998,169	66,992,230	66,824,924
Land Improvements	2,424,766	182,656	133,301	149,632	2,558,067	332,288
Furniture and Fixtures	500,546	545,976	30,632	14,345	531,178	560,321
Machinery and Equipmnet	13,615,930	14,160,080	390,971	527,758	14,006,901	14,687,838
Computer Software	3,029,784	3,847,518	1,950,888	1,351,270	4,980,672	5,198,788
Transportation Equipment	2,427,943	1,863,311	15,273	20,364	2,443,216	1,883,675
Total capital assets	\$ 355,428,394	\$ 339,910,733	\$ 12,158,100	\$ 12,722,561	\$ 367,586,494	\$ 352,633,294

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

Capital assets, net of accumulated depreciation/amortization, for governmental activities increased from \$339.9 million at November 30, 2017 to \$355.4 million at November 30, 2018; a net increase of \$15.5 million, or 4.6%. Capital asset additions totaled \$28.9 million and depreciation/amortization expense was \$13.4 million. Significant additions include \$11.4 million for land acquired, most of which was for the Randall Road project and \$2.3 million for computer equipment related to the new financial accounting system. During fiscal year 2018, various projects were placed in service and taken out of construction in progress.

Capital assets, net of accumulated depreciation/amortization, for business-type activities decreased from \$12.7 million at November 30, 2017 to \$12.2 million at November 30, 2018; a net decrease of \$0.5 million, or 4.4%. Capital asset additions totaled \$.6 million and depreciation/amortization expense was \$1.1 million. A significant capital asset addition includes \$1.2 million in dispatch upgrades which began in 2017 for the 911 enterprise fund and included 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.

Long-term Obligations – As of November 30, 2018, Long-term obligations (excluding compensated absences, debt certificate issuance premiums, claims and judgments, net pension liability, and other post-employment benefit obligation) totaled \$9.1 million for governmental activities and zero for business-type activities, for a total of \$9.1 million.

Long-term Obligations
November 30, 2018

	Government Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Capital Leases	\$1,425,527	\$2,155,686	\$0	\$0	\$1,425,527	\$2,155,686
Debt Certificates	7,670,000	9,485,000	0	0	7,670,000	9,485,000
Total Long-term Obligations	\$9,095,527	\$11,640,686	\$0	\$0	\$9,095,527	\$11,640,686

Current year issuances for governmental activities were as follows: One new capital leases in the amount of \$0.2 million was issued for the acquisition of public safety equipment. There were no new debt certificate issuances completed in fiscal year 2018.

There were no issuances for business-type activities during fiscal year 2018 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, 2018, the County's debt limit was \$229.7 million, while actual outstanding debt subject to the limit was \$6.0 million, leaving the County \$223.8 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 pages 33 - 37.

County of McHenry, Illinois
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Year Ended November 30, 2018

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.

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 decreased to 308,570 in 2018; a decrease of 190 in seven years. Another important economic indicator is the local unemployment rate. The County's unemployment rate was 3.5% in 2018, which represents a significant improvement from the low point during the great recession, which officially lasted from December 2007 through June 2009. The County's unemployment rate was 4.5% in 2017, 5.3% in 2016 and in 2015, 6.4% in 2014, 8.3% in 2013, 8.4% in 2012, 9.4% in 2011, and 9.6% in 2009 and 2010.

For more detailed statistical information, see the Statistical Section on pages 161 – 183.

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, County Administration 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>.

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BASIC FINANCIAL STATEMENTS

County of McHenry, Illinois

STATEMENT OF NET POSITION

November 30, 2018

(With Comparative Totals - Primary Government for November 30, 2017)

	Primary Government				Component Unit
	Governmental Activities	Business-Type Activities	Totals		
			2018	2017	
ASSETS					
Current					
Cash and investments	\$ 135,521,580	\$ 44,266,628	\$ 179,788,208	\$ 192,840,703	\$ 11,886,825
Receivables					
Property taxes	69,838,422	10,000	69,848,422	79,849,078	19,312,951
Accounts	-	4,684,575	4,684,575	3,503,988	-
Other	1,515,988	572,611	2,088,599	4,932,592	33,126
Due from other governments	14,753,470	-	14,753,470	13,362,921	57,203
Internal balances	1,479,923	(1,479,923)	-	-	-
Prepaid expenses	1,395,636	110,099	1,505,735	1,496,178	110,532
Inventory	298,343	-	298,343	758,877	-
Deposit with IPBC	520,260	-	520,260	-	-
Total current assets	<u>225,323,622</u>	<u>48,163,990</u>	<u>273,487,612</u>	<u>296,744,337</u>	<u>31,400,637</u>
Noncurrent					
Capital Assets					
Land	80,366,125	6,000	80,372,125	68,934,129	205,388,590
Construction in progress	15,999,410	-	15,999,410	88,003,614	5,243,291
Capital assets, net of depreciation/amortization	<u>259,062,859</u>	<u>12,152,100</u>	<u>271,214,959</u>	<u>195,695,551</u>	<u>26,658,471</u>
Net capital assets	<u>355,428,394</u>	<u>12,158,100</u>	<u>367,586,494</u>	<u>352,633,294</u>	<u>237,290,352</u>
Other noncurrent assets					
Investment in joint venture	<u>741,718</u>	<u>103,308</u>	<u>845,026</u>	<u>834,149</u>	<u>-</u>
Total noncurrent assets	<u>356,170,112</u>	<u>12,261,408</u>	<u>368,431,520</u>	<u>353,467,443</u>	<u>237,290,352</u>
Total Assets	<u>581,493,734</u>	<u>60,425,398</u>	<u>641,919,132</u>	<u>650,211,780</u>	<u>268,690,989</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	11,371,026	759,785	12,130,811	29,944,200	801,603
OPEB-related items	646,479	28,505	674,984	-	109,368
Deferred charge on refunding	-	-	-	-	5,750,462
Total Deferred Outflows of Resources	<u>12,017,505</u>	<u>788,290</u>	<u>12,805,795</u>	<u>29,944,200</u>	<u>6,661,433</u>

	Primary Government				
	Governmental Activities	Business- Type Activities	Totals		Component Unit
			2018	2017	
LIABILITIES					
Current					
Accounts payable	\$ 7,848,192	\$ 466,733	\$ 8,314,925	\$ 11,882,744	\$ 315,267
Accrued expenses	2,943,144	141,909	3,085,053	5,475,971	1,184,831
Unearned revenue	-	-	-	-	164,123
Other liabilities	859,164	45,831	904,995	1,142,147	-
Current portion of long-term obligations	<u>5,735,822</u>	<u>71,992</u>	<u>5,807,814</u>	<u>6,860,717</u>	<u>7,625,028</u>
Total current liabilities	17,386,322	726,465	18,112,787	25,361,579	9,289,249
Noncurrent					
Noncurrent portion of long-term obligations	12,713,504	143,983	12,857,487	14,531,144	102,335,640
Net pension liability	15,450,056	122,146	15,572,202	51,053,142	2,176,217
Total OPEB liability	<u>22,511,675</u>	<u>992,609</u>	<u>23,504,284</u>	<u>13,303,429</u>	<u>318,091</u>
Total Liabilities	<u>68,061,557</u>	<u>1,985,203</u>	<u>70,046,760</u>	<u>104,249,294</u>	<u>114,119,197</u>
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	26,544,763	1,924,863	28,469,626	6,412,094	1,703,658
OPEB-related items	-	-	-	-	6,682
Property taxes levied for future period	<u>69,838,422</u>	<u>10,000</u>	<u>69,848,422</u>	<u>79,849,078</u>	<u>19,312,951</u>
Total Deferred Inflows of Resources	<u>96,383,185</u>	<u>1,934,863</u>	<u>98,318,048</u>	<u>86,261,172</u>	<u>21,023,291</u>
NET POSITION					
Net investment in capital assets	345,881,479	12,158,100	358,039,579	340,370,040	133,958,795
Restricted for:					
Recorder's Office	2,681,210	-	2,681,210	2,440,010	-
Treasurer's Office	767,661	-	767,661	757,266	-
Social security	-	-	-	-	24,264
Community Development	278,428	-	278,428	128,250	-
Liability insurance	10,529,397	-	10,529,397	12,796,478	227,950
Geographic information systems	790,910	-	790,910	1,179,457	-
County Clerk's Office	65,031	-	65,031	45,794	-
Transportation	41,900,502	-	41,900,502	48,558,663	-
Public safety	1,449,439	-	1,449,439	1,181,120	-
Judiciary and court related	1,726,959	-	1,726,959	1,997,788	-
Public health and welfare	14,238,825	-	14,238,825	15,070,826	-
Employee benefits	6,449,405	-	6,449,405	5,366,116	-
Public Building Commission	10,335	-	10,335	17,233	-
Debt service	-	-	-	-	289,363
Land acquisition and site improvement	-	-	-	-	89,192
Other	446,413	-	446,413	223,154	89,865
Working cash - permanently restricted (nonexpendable)	811,133	-	811,133	803,095	-
Unrestricted	<u>1,039,370</u>	<u>45,135,522</u>	<u>46,174,892</u>	<u>58,710,224</u>	<u>5,530,505</u>
Total Net Position	<u>\$ 429,066,497</u>	<u>\$ 57,293,622</u>	<u>\$ 486,360,119</u>	<u>\$ 489,645,514</u>	<u>\$ 140,209,934</u>

See accompanying notes to financial statements.

County of McHenry, Illinois

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2018

(With Comparative Totals - Primary Government for the Year Ended November 30, 2017)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General and administrative	\$ 38,063,027	\$ 4,784,228	\$ 272,377	\$ -
Community development	3,252,596	907,574	1,398,768	-
Transportation	25,252,117	94,287	11,686,540	-
Public safety	46,035,389	12,045,077	899,319	-
Judiciary and court related	15,676,678	7,476,146	368,208	-
Public health and welfare	22,339,196	2,052,634	4,416,260	-
Interest and fiscal charges	158,182	-	-	47,526
Total Governmental Activities	<u>150,777,185</u>	<u>27,359,946</u>	<u>19,041,472</u>	<u>47,526</u>
Business-Type Activities				
Public health and welfare	12,170,347	9,994,474	-	-
Public safety	2,875,848	4,582,697	469,408	-
Total Business-Type Activities	<u>15,046,195</u>	<u>14,577,171</u>	<u>469,408</u>	<u>-</u>
Total Primary Government	<u>\$ 165,823,380</u>	<u>\$ 41,937,117</u>	<u>\$ 19,510,880</u>	<u>\$ 47,526</u>
Component Unit				
Conservation District	<u>\$ 14,977,222</u>	<u>\$ 1,540,864</u>	<u>\$ 12,460</u>	<u>\$ 1,313,381</u>
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Tax transfer stamps				
Other taxes				
Unrestricted intergovernmental revenues				
State income taxes				
Investment income				
Miscellaneous				
Gain on sale of capital assets				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year (as restated)				
Net Position - End of Year				
See accompanying notes to financial statements.				

For the Year Ended November 30, 2018

Net (Expenses) Revenues and Changes in Net Position Primary Government				
Governmental Activities	Business-Type Activities	Totals		Component Unit
		2018	2017	
\$ (33,006,422)	\$ -	\$ (33,006,422)	\$ (33,194,388)	\$ -
(946,254)	-	(946,254)	(1,266,744)	-
(13,471,290)	-	(13,471,290)	(9,786,363)	-
(33,090,993)	-	(33,090,993)	(34,568,128)	-
(7,832,324)	-	(7,832,324)	(8,337,545)	-
(15,870,302)	-	(15,870,302)	(15,878,966)	-
(110,656)	-	(110,656)	(219,508)	-
<u>(104,328,241)</u>	<u>-</u>	<u>(104,328,241)</u>	<u>(103,251,642)</u>	<u>-</u>
-	(2,175,873)	(2,175,873)	(1,849,331)	-
<u>-</u>	<u>2,176,257</u>	<u>2,176,257</u>	<u>151,131</u>	<u>-</u>
-	384	384	(1,698,200)	-
<u>(104,328,241)</u>	<u>384</u>	<u>(104,327,857)</u>	<u>(104,949,842)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,110,517)</u>
71,727,133	-	71,727,133	79,204,833	19,455,555
20,963,511	-	20,963,511	20,111,544	-
2,906,570	-	2,906,570	2,575,080	-
2,969,349	-	2,969,349	2,813,221	201,749
6,266,549	-	6,266,549	6,010,242	-
2,238,585	505,108	2,743,693	1,865,769	150,115
1,293,653	-	1,293,653	1,348,568	77,286
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,088</u>
<u>108,365,350</u>	<u>505,108</u>	<u>108,870,458</u>	<u>113,929,257</u>	<u>19,908,793</u>
4,037,109	505,492	4,542,601	8,979,415	7,798,276
<u>425,029,388</u>	<u>56,788,130</u>	<u>481,817,518</u>	<u>480,666,099</u>	<u>132,411,658</u>
<u>\$ 429,066,497</u>	<u>\$ 57,293,622</u>	<u>\$ 486,360,119</u>	<u>\$ 489,645,514</u>	<u>\$ 140,209,934</u>

County of McHenry, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2018

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 47,953,384	\$ 9,989,581	\$ 7,557,830	\$ 66,716,578	\$ 132,217,373
Property taxes receivable	37,731,807	10,900,000	7,300,000	13,906,615	69,838,422
Other receivables	264,297	406,645	-	765,101	1,436,043
Due from other governments	7,327,577	-	-	7,425,893	14,753,470
Due from other funds	45,356	-	-	6,103,428	6,148,784
Inventory	45,218	10,399	-	242,726	298,343
Advance to other funds	3,172,840	-	-	-	3,172,840
Total Assets	\$ 96,540,479	\$ 21,306,625	\$ 14,857,830	\$ 95,160,341	\$ 227,865,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)					
Liabilities					
Accounts payable	\$ 2,601,513	\$ 874,265	\$ -	\$ 4,369,309	\$ 7,845,087
Accrued payroll	975,729	13,392	1,543,010	273,094	2,805,225
Due to other funds	916	7,670	-	5,891,800	5,900,386
Advance from other funds	-	-	3,172,840	-	3,172,840
Other liabilities	853,944	-	-	5,220	859,164
Total Liabilities	4,432,102	895,327	4,715,850	10,539,423	20,582,702
Deferred Inflows of Resources					
Property taxes levied for future period	37,731,807	10,900,000	7,300,000	13,906,615	69,838,422
Unavailable revenue	1,373,930	23,814	-	2,549,828	3,947,572
Total Deferred Inflows of Resources	39,105,737	10,923,814	7,300,000	16,456,443	73,785,994
Fund Balances (Deficit)					
Nonspendable	3,218,058	10,399	-	1,053,859	4,282,316
Restricted	937,552	9,477,085	2,841,980	64,709,437	77,966,054
Committed	-	-	-	2,435,369	2,435,369
Assigned	7,467,441	-	-	-	7,467,441
Unassigned (deficit)	41,379,589	-	-	(34,190)	41,345,399
Total Fund Balances	53,002,640	9,487,484	2,841,980	68,164,475	133,496,579
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 96,540,479	\$ 21,306,625	\$ 14,857,830	\$ 95,160,341	\$ 227,865,275

See accompanying notes to financial statements.

County of McHenry, Illinois
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
November 30, 2018

Total Fund Balances - Governmental Funds	\$	133,496,579
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.		355,428,394
The investment in joint venture is not a financial resource and, therefore, is not reported in the governmental funds.		741,718
Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds.		3,947,572
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.		(451,388)
Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		5,464,370
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		(136,688)
Compensated absences		(4,855,786)
Capital leases		(1,425,527)
Debt certificates		(7,670,000)
Claims and judgments - all other claims		(2,983,758)
Net pension liability		(15,450,056)
Total OPEB liability		(22,511,675)
In addition to the net pension liability and other post-employment benefits, associated deferred outflows and inflows of resources related to pensions other post-employment benefits are reported in the Statement of Net Position:		
Deferred outflows of resources - pension-related items		11,371,026
Deferred inflows of resources - pension-related items		(26,544,763)
Deferred outflows of resources - other post-employment benefit-related items		646,479
Total Net Position - Governmental Activities	\$	<u><u>429,066,497</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, 2018

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Totals
REVENUES					
Charges for services	\$ 21,107,603	\$ -	\$ -	\$ 4,064,813	\$ 25,172,416
Licenses and permits	1,400,012	-	-	84,502	1,484,514
Fines and forfeitures	1,067,054	-	-	56,993	1,124,047
Grants, contributions, and intergovernmental	3,783,975	99,111	-	15,142,914	19,026,000
Property taxes	39,737,408	10,383,914	7,638,200	13,967,611	71,727,133
Sales taxes	10,486,881	-	-	10,476,630	20,963,511
State income taxes	6,266,549	-	-	-	6,266,549
Tax transfer stamps	2,906,570	-	-	-	2,906,570
Other taxes	2,851,782	-	117,567	-	2,969,349
Investment income	942,397	165,979	104,938	978,402	2,191,716
Miscellaneous	190,823	-	-	1,102,828	1,293,651
Total Revenues	90,741,054	10,649,004	7,860,705	45,874,693	155,125,456
EXPENDITURES					
Current					
General and administrative	26,830,608	-	773,748	5,712,046	33,316,402
Community development	1,500,517	-	131,442	1,467,847	3,099,806
Transportation	-	-	-	17,575,985	17,575,985
Public safety	34,514,316	-	4,512,224	2,430,286	41,456,826
Judiciary and court related	9,993,033	-	960,395	2,945,617	13,899,045
Public health and welfare	5,865,105	11,199,204	428,753	4,653,271	22,146,333
Capital outlay	8,095,449	73,341	-	20,215,206	28,383,996
Debt service					
Principal retirement	902,967	-	-	1,823,373	2,726,340
Interest and fiscal charges	35,241	-	-	328,324	363,565
Total Expenditures	87,737,236	11,272,545	6,806,562	57,151,955	162,968,298
Excess (deficiency) of revenues over expenditures	3,003,818	(623,541)	1,054,143	(11,277,262)	(7,842,842)
OTHER FINANCING SOURCES (USES)					
Transfers in	24,185	-	-	17,762,750	17,786,935
Transfers out	(1,759,593)	(413,573)	-	(15,613,769)	(17,786,935)
Capital leases issued	181,182	-	-	-	181,182
Total Other Financing Sources (Uses)	(1,554,226)	(413,573)	-	2,148,981	181,182
Net Change in Fund Balances	1,449,592	(1,037,114)	1,054,143	(9,128,281)	(7,661,660)
Fund Balance - Beginning of Year	51,553,048	10,524,598	1,787,837	77,292,756	141,158,239
Fund Balance - End of Year	\$ 53,002,640	\$ 9,487,484	\$ 2,841,980	\$ 68,164,475	\$ 133,496,579

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, 2018

Net Change in Fund Balances - Governmental Funds \$ (7,661,660)

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.	28,383,996
Some items reported as capital outlay are not capitalized in the government-wide financial statements.	(3,285,132)
Some items that are capitalized are reported as functional expenses in the fund financial statements.	3,808,303
Loss on disposal of capital assets	(12,858)
Depreciation/amortization are reported in the government-wide financial statements.	(13,376,646)
Contributions to a joint venture are reported as an expenditure in the fund financial statements, but are capitalized in the government-wide financial statements.	9,548
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	(370,060)
Operating grants and contributions	376,382
Capital grants and contributions	(2,399)
Investment income	4,438
Internal service funds are used by management to charge insurance costs to individual funds.	(1,055,185)
Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.	2,726,340
Debt issued is an other financing source in the governmental funds, but is recorded as a liability in the Statement of Net Position.	(181,182)
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.	171,180
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	(106,557)
Decrease in accrued interest	34,204
Decrease in claims and judgments - all other claims	251,089
Decrease in net pension liability	32,972,263
Increase in total OPEB liability	(2,272,651)
Decrease in deferred outflows of resources - pension-related items	(16,514,839)
Increase in deferred inflows of resources - pension-related items	(20,507,944)
Increase in deferred outflows of resources - other post-employment benefit-related items	<u>646,479</u>
Change in Net Position - Governmental Activities	<u>\$ 4,037,109</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2018

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
ASSETS				
Current Assets				
Cash and investments	\$ 38,769,010	\$ 5,497,618	\$ 44,266,628	\$ 3,304,207
Property taxes receivable	10,000	-	10,000	-
Accounts receivable	3,533,717	1,150,858	4,684,575	-
Other receivables	103,203	469,408	572,611	79,945
Prepaid expenses	25,216	84,883	110,099	1,395,636
Deposit with IPBC	-	-	-	520,260
	<u>42,441,146</u>	<u>7,202,767</u>	<u>49,643,913</u>	<u>5,300,048</u>
Total Current Assets				
Noncurrent Assets				
Capital Assets				
Land	6,000	-	6,000	-
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	2,257,074	2,784,691	-
Transportation equipment	71,164	44,508	115,672	-
Computer software	38,253	5,843,578	5,881,831	-
Less: accumulated depreciation/ amortization	<u>(6,326,862)</u>	<u>(5,942,458)</u>	<u>(12,269,320)</u>	<u>-</u>
Net Capital Assets	<u>9,921,601</u>	<u>2,236,499</u>	<u>12,158,100</u>	<u>-</u>
Other Noncurrent Assets				
Investment in joint venture	<u>-</u>	<u>103,308</u>	<u>103,308</u>	<u>-</u>
Total Noncurrent Assets	<u>9,921,601</u>	<u>2,339,807</u>	<u>12,261,408</u>	<u>-</u>
Total Assets	<u>52,362,747</u>	<u>9,542,574</u>	<u>61,905,321</u>	<u>5,300,048</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	713,927	45,858	759,785	-
OPEB-related items	26,482	2,023	28,505	-
Total Deferred Outflows of Resources	<u>740,409</u>	<u>47,881</u>	<u>788,290</u>	<u>-</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 228,611	\$ 238,122	\$ 466,733	\$ 3,105
Accrued payroll	135,143	6,766	141,909	1,228
Due to other funds	248,276	122	248,398	-
Other liabilities	45,831	-	45,831	1,062,870
Compensated absences	64,328	7,664	71,992	-
Total Current Liabilities	<u>722,189</u>	<u>252,674</u>	<u>974,863</u>	<u>1,067,203</u>
Noncurrent Liabilities				
Compensated absences	128,656	15,327	143,983	-
Net pension liability	114,808	7,338	122,146	-
Total OPEB liability	<u>922,147</u>	<u>70,462</u>	<u>992,609</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,165,611</u>	<u>93,127</u>	<u>1,258,738</u>	<u>-</u>
Total Liabilities	<u>1,887,800</u>	<u>345,801</u>	<u>2,233,601</u>	<u>1,067,203</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future period	10,000	-	10,000	-
Pension-related items	<u>1,809,225</u>	<u>115,638</u>	<u>1,924,863</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,819,225</u>	<u>115,638</u>	<u>1,934,863</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,921,601	2,236,499	12,158,100	-
Unrestricted	<u>39,474,530</u>	<u>6,892,517</u>	<u>46,367,047</u>	<u>4,232,845</u>
Total Net Position	<u>\$ 49,396,131</u>	<u>\$ 9,129,016</u>	58,525,147	<u>\$ 4,232,845</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(1,231,525)</u>	
Net Position of Business-Type Activities			<u>\$ 57,293,622</u>	

See accompanying notes to financial statements.

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County of McHenry, Illinois
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
For the Year Ended November 30, 2018

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 9,971,169	\$ 4,582,697	\$ 14,553,866	\$ 17,532,311
Other	23,305	-	23,305	-
Total Operating Revenues	<u>9,994,474</u>	<u>4,582,697</u>	<u>14,577,171</u>	<u>17,532,311</u>
OPERATING EXPENSES				
Personnel services	8,372,736	469,978	8,842,714	77,231
Contractual services	2,172,834	1,502,671	3,675,505	18,689,006
Commodities	1,065,927	188,694	1,254,621	782
Depreciation	428,626	707,637	1,136,263	-
Total Operating Expenses	<u>12,040,123</u>	<u>2,868,980</u>	<u>14,909,103</u>	<u>18,767,019</u>
Operating Income (Loss)	<u>(2,045,649)</u>	<u>1,713,717</u>	<u>(331,932)</u>	<u>(1,234,708)</u>
NONOPERATING REVENUES				
Intergovernmental grants	-	469,408	469,408	-
Investment income	425,654	79,454	505,108	42,431
Total Nonoperating Revenues	<u>425,654</u>	<u>548,862</u>	<u>974,516</u>	<u>42,431</u>
Change in Net Position	(1,619,995)	2,262,579	642,584	(1,192,277)
Net Position - Beginning of Year (as restated)	<u>51,016,126</u>	<u>6,866,437</u>		<u>5,425,122</u>
Net Position - End of Year	<u>\$ 49,396,131</u>	<u>\$ 9,129,016</u>		<u>\$ 4,232,845</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(137,092)</u>	
Change in Net Position of Business-Type Activities			<u>\$ 505,492</u>	

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2018

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 9,867,780	\$ 6,026,103	\$ 15,893,883	\$ 17,462,366
Payments to employees	(8,238,652)	(453,701)	(8,692,353)	(79,448)
Payments to third party administrator	-	-	-	(18,630,475)
Payments to suppliers	(3,202,423)	(3,810,470)	(7,012,893)	-
Net Cash Flows From Operating Activities	<u>(1,573,295)</u>	<u>1,761,932</u>	<u>188,637</u>	<u>(1,247,557)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments on deposit with IPBC	-	-	-	(520,260)
Interfund payments	86,891	96,386	183,277	-
Net Cash Flows From Noncapital Financing Activities	<u>86,891</u>	<u>96,386</u>	<u>183,277</u>	<u>(520,260)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	-	(573,123)	(573,123)	-
Capital contributions to joint venture	-	(1,329)	(1,329)	-
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(574,452)</u>	<u>(574,452)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Marketable securities sold	3,333,284	-	3,333,284	-
Cash receipts from investment income	911,715	79,454	991,169	42,431
Net Cash Flows From Investing Activities	<u>4,244,999</u>	<u>79,454</u>	<u>4,324,453</u>	<u>42,431</u>
Net Change in Cash and Equivalents	2,758,595	1,363,320	4,121,915	(1,725,386)
Cash and Equivalents - Beginning of Year	<u>15,501,460</u>	<u>4,134,298</u>	<u>19,635,758</u>	<u>5,029,593</u>
Cash and Equivalents - End of Year	<u>\$ 18,260,055</u>	<u>\$ 5,497,618</u>	<u>\$ 23,757,673</u>	<u>\$ 3,304,207</u>

	Major Enterprise Fund <u>Valley Hi</u>	Nonmajor Enterprise Fund <u>911 Fund</u>	<u>Totals</u>	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (2,045,649)	\$ 1,713,717	\$ (331,932)	\$ (1,234,708)
Adjustments to reconcile operating loss to net cash flows from operating activities				
Depreciation	428,626	707,637	1,136,263	-
Changes in assets, liabilities, and deferred inflows and outflows of resources				
Accounts receivable	(29,729)	1,443,406	1,413,677	(69,945)
Prepaid expenses	(1,274)	32,595	31,321	(40,878)
Deferred outflows of resources - pension-related items	1,227,917	70,635	1,298,552	-
Accounts payable	34,374	(2,151,700)	(2,117,326)	(34,458)
Accrued payroll	(239,111)	(11,658)	(250,769)	(2,217)
Due to other funds	-	-	-	(6,460)
Other liabilities	(96,965)	-	(96,965)	-
Compensated absences	(6,053)	(744)	(6,797)	-
Claims and judgments	-	-	-	141,109
Net pension liability	(2,367,219)	(141,458)	(2,508,677)	-
Total OPEB liability	66,613	5,089	71,702	-
Deferred inflows of resources - pension-related items	1,455,175	94,413	1,549,588	-
Net Cash Flows From Operating Activities	<u>\$ (1,573,295)</u>	<u>\$ 1,761,932</u>	<u>\$ 188,637</u>	<u>\$ (1,247,557)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position - Proprietary Funds				
Cash and investments	\$ 38,769,010	\$ 5,497,618	\$ 44,266,628	\$ 3,304,207
Less: Noncash Equivalents	<u>(20,508,955)</u>	<u>-</u>	<u>(20,508,955)</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ 18,260,055</u>	<u>\$ 5,497,618</u>	<u>\$ 23,757,673</u>	<u>\$ 3,304,207</u>
NON-CASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES:				
Unrealized loss on investments	<u>\$ (476,166)</u>	<u>\$ -</u>	<u>\$ (476,166)</u>	<u>\$ -</u>

See accompanying notes to financial statements.

County of McHenry, Illinois
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2018

ASSETS	
Cash and investments	\$ <u>8,923,809</u>
Total Assets	\$ <u><u>8,923,809</u></u>
LIABILITIES	
Accounts payable	\$ 228,836
Due to residents	36,249
Bond escrow	3,125,251
Due to other governments	3,312,743
Other liabilities	<u>2,220,730</u>
Total Liabilities	\$ <u><u>8,923,809</u></u>

See accompanying notes to financial statements.

County of McHenry, Illinois
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November 30, 2018

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County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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, 2018

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, 2018. 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, 2018

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, 2018

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.

In June 2015, the GASB issued Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This statement was implemented December 1, 2017. See Note 17 regarding the restatement amounts related to the implementation of this standard.

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, 2018

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 2018.

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, 2018

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:

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

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

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 and OPEB-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, 2018

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. Post-Employment Benefits Other than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

N. Capital Contributions

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Encumbrances

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

P. Accounting Estimates

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

Q. Interfund Transactions

The County has the following types of transactions between funds:

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

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

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

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

R. Claims and Judgments

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position/Fund Balance

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position/Fund Balance (Continued)

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

The County has a minimum fund balance policy. The policy states that the County should maintain in the general fund, minimum unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) equal to six months of budgeted operating expenditures. As of November 30, 2018, the general fund reserve was 6.5 months.

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

T. Prior Period Information

Comparative total data for the prior year have been presented for the government-wide statements in order to provide an understanding of the changes in the financial position and operations of the County, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended November 30, 2017. 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. Prior year amounts have not been restated for the adoption of GASB Statement No. 75.

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, 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, 2018

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, 2018.

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, 2018.

As of November 30, 2018, 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	\$ 30,325,079	\$ -
U.S. agencies - explicitly guaranteed	101,609	-
State and local bonds	2,250,516	-
Certificates of deposit - negotiable	4,825,763	-
Illinois Funds	209,553	-
	<u>\$ 37,712,520</u>	<u>\$ -</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, 2018</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. agencies - implicitly guaranteed	\$ -	\$ 30,325,079	\$ -
U.S. agencies - explicitly guaranteed	-	101,609	-
State and local bonds	-	2,250,516	-
Certificates of deposit - negotiable	-	4,825,763	-
	<u>\$ -</u>	<u>\$ 37,502,967</u>	<u>\$ -</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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, 2018, 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>1-4 Years</u>	<u>More than 4 years</u>
U.S. agencies - implicitly guaranteed	\$ 30,325,079	\$ 4,383,815	\$ 7,425,706	\$ 18,515,558
U.S. agencies - explicitly guaranteed	101,609	-	-	101,609
State and local bonds	2,250,516	614,137	480,585	1,155,794
Certificates of deposit - negotiable	<u>4,825,763</u>	<u>1,892,227</u>	<u>2,440,655</u>	<u>492,881</u>
	<u>\$ 37,502,967</u>	<u>\$ 6,890,179</u>	<u>\$ 10,346,946</u>	<u>\$ 20,265,842</u>

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

<u>Investment Type</u>	<u>Standard & Poors</u>	<u>Moody's Investor Service</u>
Illinois Funds	AAAm	Not available
U.S. agencies - implicitly guaranteed	Not available	Not available
U.S. agencies - explicitly guaranteed	Not available	Not available
State and local bonds	AA, AAA, AA+, N.R.	Aa1, Aa2, N.R.
Certificates of deposit - negotiable	Not available	Not available

Custodial credit risk. As of November 30, 2018, 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, 2018, the County (primary government) had deposits with a book balance of \$142,073,988 and a bank balance of \$145,229,535 and the fiduciary funds had deposits with a book balance of \$8,923,809 and a bank balance of \$8,923,809. As of November 30, 2018, none of the above deposits were exposed to custodial credit risk. The County's formal investment policy manages custodial credit risk for deposits by requiring that all funds in excess of FDIC insurance be secured by collateral held in the County's name.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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	\$ 1,700	\$ 1,700
Carrying amount of deposits	142,073,988	8,922,109
Carrying amount of investments	37,712,520	-
Total cash and investments, as reported in the financial statements	\$ 179,788,208	\$ 8,923,809

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 2018 property tax is levied to finance the operations of fiscal year 2019, the calendar year 2018 property tax levy is recorded as a receivable and a deferred inflow of resources as of November 30, 2018. The calendar year 2017 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2018. 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 2017 property tax levy became due and payable in two installments in June 2018 and September 2018. 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, 2018

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:

Fund	Fund Type	Amount
Revolving Loan Fund	Nonmajor Governmental Fund	\$ 250,000
Valley Hi Fund	Major Enterprise Fund	525,000
		\$ 775,000

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:

	Governmental Funds	Governmental Activities
Liabilities		
Unearned revenue - resources with unmet eligibility requirements	\$ -	\$ -
Deferred Inflows of Resources		
Property taxes levied for future period	\$ 69,838,422	\$ 69,838,422
Unavailable revenue - grants receivable	1,944,612	-
Unavailable revenue - other receivables	2,002,960	-
Total unavailable revenue	3,947,572	-
Total deferred inflows of resources	\$ 73,785,994	\$ 69,838,422

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 5 – Capital Assets

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

	Balance December 1	Additions	Deletions	Balance November 30
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 68,928,129	\$ 11,437,996	\$ -	\$ 80,366,125
Construction in progress	87,348,591	3,049,404	(74,398,585)	15,999,410
Total Capital Assets Not Being Depreciated	156,276,720	14,487,400	(74,398,585)	96,365,535
Other Capital Assets				
Roads, bridges, and related infrastructure	157,866,718	79,233,769	(19,301,027)	217,799,460
Buildings and improvements	106,292,040	3,348,490	-	109,640,530
Land improvements	218,494	2,242,110	-	2,460,604
Furniture and fixtures	3,597,061	25,330	-	3,622,391
Machinery and equipment	44,778,734	2,680,090	(597,294)	46,861,530
Computer software	12,785,156	121,995	-	12,907,151
Transportation equipment	6,341,978	1,166,566	(406,007)	7,102,537
Total Other Capital Assets	331,880,181	88,818,350	(20,304,328)	400,394,203
Less Accumulated Depreciation/Amortization for:				
Roads, bridges, and related infrastructure	(51,659,001)	(5,738,791)	19,301,027	(38,096,765)
Buildings and improvements	(49,465,285)	(2,814,050)	-	(52,279,335)
Land improvements	(35,838)	-	-	(35,838)
Furniture and fixtures	(3,051,085)	(70,760)	-	(3,121,845)
Machinery and equipment	(30,618,654)	(3,216,976)	590,030	(33,245,600)
Computer software	(8,937,638)	(939,729)	-	(9,877,367)
Transportation equipment	(4,478,667)	(596,340)	400,413	(4,674,594)
Total Accumulated Depreciation/Amortization	(148,246,168)	(13,376,646)	20,291,470	(141,331,344)
Other Capital Assets, Net	183,634,013	75,441,704	(12,858)	259,062,859
Governmental Activities Capital Assets, Net	\$ 339,910,733	\$ 89,929,104	\$ (74,411,443)	\$ 355,428,394

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

General and administrative	\$ 3,572,246
Community development	42,231
Transportation	7,313,737
Public safety	1,196,672
Judiciary and court related	1,099,740
Public health and welfare	152,020
Total Depreciation/Amortization Expense – Governmental Activities	\$ 13,376,646

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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	655,023	-	(655,023)	-
Total Capital Assets Not Being Depreciated	661,023	-	(655,023)	6,000
Other Capital Assets				
Buildings and improvements	14,921,831	-	-	14,921,831
Land improvements	308,885	-	-	308,885
Furniture and fixtures	408,510	-	-	408,510
Machinery and equipment	2,759,134	25,557	-	2,784,691
Computer software	4,679,242	1,202,589	-	5,881,831
Transportation equipment	115,672	-	-	115,672
Total Other Capital Assets	23,193,274	1,228,146	-	24,421,420
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(4,923,662)	(367,134)	-	(5,290,796)
Land improvements	(159,253)	(16,331)	-	(175,584)
Furniture and fixtures	(374,577)	(3,301)	-	(377,878)
Machinery and equipment	(2,250,964)	(142,756)	-	(2,393,720)
Computer software	(3,327,972)	(602,971)	-	(3,930,943)
Transportation equipment	(95,308)	(5,091)	-	(100,399)
Total Accumulated Depreciation/Amortization	(11,131,736)	(1,137,584)	-	(12,269,320)
Other Capital Assets, Net	12,061,538	90,562	-	12,152,100
Business-Type Activities Capital Assets, Net	\$ 12,722,561	\$ 90,562	\$ (655,023)	\$ 12,158,100

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

Public safety	\$ 707,637
Public health and welfare	428,626
Total Depreciation/Amortization Expense – Business-Type Activities	\$ 1,136,263

Depreciation/amortization expense may be different from business-type activity accumulated depreciation additions because of salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 <u>December 1</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>November 30</u>	Due Within One Year
Compensated absences	\$ 4,749,226	\$ 1,689,632	\$ 1,583,075	\$ 4,855,783	\$ 1,618,592
Capital leases	2,155,686	181,182	911,341	1,425,527	833,793
Debt certificates	9,485,000	-	1,815,000	7,670,000	1,905,000
Debt certificate issuance premiums	622,568	-	171,180	451,388	171,180
Claims and judgments - health claims	921,761	18,195,941	18,054,832	1,062,870	1,062,870
Claims and judgments - all other claims	<u>3,234,847</u>	<u>102,323</u>	<u>353,412</u>	<u>2,983,758</u>	<u>144,387</u>
	<u>\$ 21,169,088</u>	<u>\$ 20,169,078</u>	<u>\$ 22,888,840</u>	<u>\$ 18,449,326</u>	<u>\$ 5,735,822</u>

Compensated absences 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).

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

	Balance <u>December 1</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>November 30</u>	Due Within One Year
Compensated absences	\$ <u>222,773</u>	\$ <u>67,460</u>	\$ <u>74,258</u>	\$ <u>215,975</u>	\$ <u>71,992</u>
	<u>\$ 222,773</u>	<u>\$ 67,460</u>	<u>\$ 74,258</u>	<u>\$ 215,975</u>	<u>\$ 71,992</u>

Compensated absences will be liquidated by the Valley Hi fund and the 911 fund.

See also Note 7 for liabilities associated with the County's pension plans and Note 8 for the liability associated with the County's other postemployment benefit liability.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 6 – Long-Term Obligations (Continued)

Long-term obligations outstanding (excluding compensated absences, debt certificate issuance premiums, and claims and judgments of the County (primary government) are as follows:

Description	Balance December 1	Issuances	Retirements	Balance November 30
Capital Leases – Governmental Activities				
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.	\$ 85,406	\$ -	\$ 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.	684,677	-	339,169	345,508
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.	1,291,603	-	425,769	865,834
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.	94,000	-	22,681	71,319
Panasonic Toughbook Laptop \$181,182 capital lease, due in varying annual installments; interest at 3.10% through December 2021. Proceeds were used for the purchase of public safety equipment. The capital lease will be repaid by the General Fund.	-	181,182	38,316	142,866
Total Capital Leases - Governmental Activities	\$ 2,155,686	\$ 181,182	\$ 911,341	\$ 1,425,527

Capital leases have resulted in the acquisition of \$8,618,672 of capital assets (equipment), which have accumulated depreciation of \$6,090,947.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities				
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.	\$ 1,030,000	\$ -	\$ 510,000	\$ 520,000
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.	1,095,000	-	710,000	385,000
McHenry County General Obligation				
\$4,000,000 McHenry County Debt Certificates (Recovery Zone Economic Development Bonds) Series 2010B, due in annual installments of \$65,000 to \$350,000; Interest at 0.75% to 5.55% through December 2024. The County is eligible to receive reimbursement from the Federal Government for up to 45% of each scheduled interest payment, subject to federal funding levels. The proceeds were used for the expansion of the County mental health facility. Principal and interest payments will be reported in a Debt Service fund. Funding will be provided by transfers in from the County Mental Health Fund.	2,520,000	-	280,000	2,240,000

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 6 – Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Debt Certificates – Governmental Activities (Continued)				
McHenry County General Obligation				
\$4,245,000 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.	\$ 1,720,000	\$ -	\$ 315,000	\$ 1,405,000
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.	<u>3,120,000</u>	<u>-</u>	<u>-</u>	<u>3,120,000</u>
Total Debt Certificates - Governmental Activities	<u>\$ 9,485,000</u>	<u>\$ -</u>	<u>\$ 1,815,000</u>	<u>\$ 7,670,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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
2019	\$ 833,793	\$ 21,020	\$ 854,813
2020	494,118	8,713	502,831
2021	60,427	2,221	62,648
2022	37,189	1,127	38,316
	\$ 1,425,527	\$ 33,081	\$ 1,458,608

Fiscal Year	Governmental Activities	
	Debt Certificates	
	Principal	Interest
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	330,000	46,365
2024-2025	690,000	38,317
	\$ 7,670,000	\$ 795,904

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, 2018, the balance of conduit debt outstanding is approximately \$5.1 million.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 7 – Defined Benefit Pension Plans

A. Plan Description

The County provides a defined benefit pension for qualified full-time employees. The County's pension plans are managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

B. Benefits Provided

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

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

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

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

For the Regular Plan, Tier 2 employees are vested for pension benefits when they have at least ten years of qualifying service credit. Tier 2 employees can retire at age 62 (at reduced benefits) or after age 67 (at full benefits) and are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

For the SLEP Plan, Tier 1 employees are vested for pension benefits when they have at least 20 years of qualifying service credit. Tier 1 employees can retire after age 50 (at full benefits) and are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the final rate of earnings for each year of service credit, to a maximum of 80% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased on January 1 every year after retirement by 3% of the original amount.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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, 2017, the following employees were covered by the benefit terms:

	Regular Plan	SLEP Plan
Inactive employees or beneficiaries currently receiving benefits	672	147
Inactive employees entitled to but not yet receiving benefits	767	31
Active employees	959	109
	2,398	287

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 2017 was 10.30% for the Regular Plan and 26.03% for the SLEP Plan. For the fiscal year ended November 30, 2018, the County contributed \$5,512,260 for the Regular Plan and \$2,976,666 for the SLEP Plan, for a total of \$8,488,926. 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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The December 31, 2017 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 2.50%, (b) salary increases of 3.39% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 2017 (base year 2015). The IMRF specific rates were developed from the RP 2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP 2017 (base year 2015). The IMRF specific rates were developed from the RP 2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP 2017 (base year 2015). The IMRF specific rates were developed from the RP 2014 Employee Mortality Table with adjustments to match current IMRF experience.

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	37 %	6.85 %
International equity	18	6.75
Fixed income	28	3.00
Real estate	9	5.75
Alternative investments	7	2.65-7.35
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, 2016 measurement date were 7.50% and 7.50%. 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 3.31% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2017 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, 2016 and 2017 are the last years in the 2018 to 2017 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, 2018

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability

	Increase (Decrease)		
	(a) Total Pension Liability	(b) Plan Fiduciary Net Pension	(a) - (b) Net Pension Liability
Regular Plan			
Balances at December 31, 2016	\$ 227,755,459	\$ 201,646,497	\$ 26,108,962
Changes for the year:			
Service cost	5,500,825	-	5,500,825
Interest	16,903,867	-	16,903,867
Differences between expected and actual experience	(2,206,948)	-	(2,206,948)
Changes of assumptions	(7,475,383)	-	(7,475,383)
Contributions - County	-	5,338,176	(5,338,176)
Contributions - Employees	-	2,381,061	(2,381,061)
Net investment income	-	35,038,039	(35,038,039)
Benefit payments, including refunds of employee contributions	(10,241,966)	(10,241,966)	-
Other changes	-	(5,184,085)	5,184,085
Net changes	<u>2,480,395</u>	<u>27,331,225</u>	<u>(24,850,830)</u>
Balances at December 31, 2017	\$ <u>230,235,854</u>	\$ <u>228,977,722</u>	\$ <u>1,258,132</u>
SLEP Plan			
Balances at December 31, 2016	\$ 128,177,572	\$ 103,233,392	\$ 24,944,180
Changes for the year:			
Service cost	2,034,793	-	2,034,793
Interest	9,457,469	-	9,457,469
Differences between expected and actual experience	585,154	-	585,154
Changes of assumptions	(1,310,552)	-	(1,310,552)
Contributions - County	-	2,786,175	(2,786,175)
Contributions - Employees	-	845,860	(845,860)
Net investment income	-	19,129,509	(19,129,509)
Benefit payments, including refunds of employee contributions	(6,190,752)	(6,190,752)	-
Other changes	-	(1,364,570)	1,364,570
Net changes	<u>4,576,112</u>	<u>15,206,222</u>	<u>(10,630,110)</u>
Balances at December 31, 2017	\$ <u>132,753,684</u>	\$ <u>118,439,614</u>	\$ <u>14,314,070</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 7 – Defined Benefit Pension Plans (Continued)

F. Changes in the Net Pension Liability (Continued)

Reconciliation of Net Pension Liability to the Financial Statements	Regular Plan	SLEP Plan	Total
Governmental Activities	\$ 1,135,986	\$ 14,314,070	\$ 15,450,056
Proprietary funds/business-type activities			
Valley Hi Fund	114,808	-	114,808
E911 Fund	7,338	-	7,338
Total proprietary funds/business-type activities	122,146	-	122,146
Total	\$ 1,258,132	\$ 14,314,070	\$ 15,572,202

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Regular Plan			
Net pension liability (asset)	\$ 32,032,869	\$ 1,258,132	\$ (23,764,140)
SLEP Plan			
Net pension liability (asset)	\$ 31,969,209	\$ 14,314,070	\$ (190,767)

G. Pension Expense

For the fiscal year ended November 30, 2018, the County recognized pension expense of \$9,342,605 for the Regular Plan and \$3,560,801, for the SLEP Plan, for a total of \$12,903,406.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 7 – Defined Benefit Pension Plans (Continued)

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

As of November 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
Regular Plan			
Differences between expected and actual experience	\$ 1,792,184	\$ 4,200,263	
Changes of assumptions	1,154,255	5,949,635	
Net difference between projected and actual investment earnings	-	9,676,662	
Changes in proportion	-	-	
Contributions subsequent to the measurement date	4,892,525	-	
Total	\$ 7,838,964	\$ 19,826,560	
SLEP Plan			
Differences between expected and actual experience	\$ 1,061,965	\$ 1,380,430	
Changes of assumptions	569,750	1,393,545	
Net difference between projected and actual investment earnings	-	5,869,091	
Contributions subsequent to the measurement date	2,660,130	-	
Total	\$ 4,291,845	\$ 8,643,066	
Reconciliation of Deferred Outflows of Resources to the Financial Statements			
	Regular Plan	SLEP Plan	Total
Governmental Activities	\$ 7,079,179	\$ 4,291,845	\$ 11,371,024
Proprietary funds/Business-type activities			
Valley Hi Fund	713,927	-	713,927
E911 Fund	45,858	-	45,858
Total proprietary funds/Business-type activities	759,785	-	759,785
Total	\$ 7,838,964	\$ 4,291,845	\$ 12,130,809

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 7 – Defined Benefit Pension Plans (Continued)

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

Reconciliation of Deferred Inflows of Resources to the Financial Statements	<u>Regular Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
Governmental Activities	\$ 17,901,697	\$ 8,643,066	\$ 26,544,763
Proprietary funds/Business-type activities			
Valley Hi Fund	1,809,225	-	1,809,225
E911 Fund	115,638	-	115,638
Total proprietary funds/Business-type activities	<u>1,924,863</u>	<u>-</u>	<u>1,924,863</u>
Total	<u>\$ 19,826,560</u>	<u>\$ 8,643,066</u>	<u>\$ 28,469,626</u>

Amounts reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date (\$4,892,525 for the Regular Plan and \$2,660,130 for the SLEP Plan, for a total of \$7,552,655) will be recognized as a reduction of the net pension liability in the fiscal year ending November 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Regular Plan</u>	<u>SLEP Plan</u>	<u>Total</u>
2019	\$ (1,571,612)	\$ (854,792)	\$ (2,426,404)
2020	(3,822,344)	(1,095,570)	(4,917,914)
2021	(6,509,581)	(2,682,027)	(9,191,608)
2022	<u>(4,976,584)</u>	<u>(2,378,962)</u>	<u>(7,355,546)</u>
	<u>\$ (16,880,121)</u>	<u>\$ (7,011,351)</u>	<u>\$ (23,891,472)</u>

I. Payables to the Pension Plan

As of November 30, 2018, the County reported a payable of \$154,608, for outstanding required contributions to IMRF for the month of November 2018.

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 which creates an implicit subsidy of retiree health insurance. 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. There are no assets accumulated in a GASB compliant trust.

B. Benefits Provided

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.

C. Employees Covered by Benefit Terms

At November 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	114
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	897
	1,011

D. Total OPEB Liability

The County's total OPEB liability of \$23,504,284 was measured as of November 30, 2018, and was determined by an actuarial valuation as of August 1, 2016.

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.25%	
Salary increases	Varies by age and service	
Healthcare cost trend rates	7.04%	Then 7.25% graded to 4.5% over 11 years
Discount rate	3.59%	
Mortality rates		RP-2014 Blue Collar Healthy Mortality tables with 2 dimensional, fully generational improvements using Scale MP-2017 from 2015

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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

D. Total OPEB Liability (Continued)

The discount rate was based on Municipal Bond 20 year with an average rating of AA/Aa or higher.

Other assumptions are based on a county-determined analysis of past trends and future expectations.

E. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at November 30, 2017	\$ <u>21,449,454</u>
Changes for the year:	
Service cost	1,100,184
Interest	850,844
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	421,831
Benefit payments	(318,029)
Other changes	-
Net changes	<u>2,054,830</u>
Balances at November 30, 2018	\$ <u><u>23,504,284</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.80% in fiscal year 2017 to 3.59% in fiscal year 2018.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.59%) or 1-percentage-point higher (4.59%) than the current discount rate:

	1% Decrease (2.59%)	Discount Rate (3.59%)	1% Increase (4.59%)
Total OPEB liability	\$ 25,606,501	\$ 23,504,284	\$ 21,558,071

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7% decreasing to 6%) or 1-percentage point higher (7% increasing to 8%) than the current healthcare cost trend rates:

	1% Decrease (7% Decreasing to 6%)	Healthcare Cost Trend Rates	1% Increase (7% Increasing to 8%)
Total OPEB liability	\$ 20,349,133	\$ 23,504,284	\$ 27,361,286

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended November 30, 2018, the County recognized OPEB expense of \$1,996,780. At November 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 376,079	\$ -
Employer contributions - subsequent to measurement date	298,905	-
Total	\$ 674,984	\$ -

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total OPEB liability in the fiscal year ending November 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended November 30:

2019	\$	45,752
2020		45,752
2021		45,752
2022		45,752
2023		45,752
Thereafter		147,319

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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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

The claims and judgments liability of \$4,046,628 at November 30, 2018 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 2018 and 2017 were as follows:

	<u>Balance</u> <u>December 1</u>		<u>Incurred</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>		<u>Claim</u> <u>Payments</u>		<u>Balance</u> <u>November 30</u>
2017 - 2018	\$ 4,156,608	\$	18,298,264	\$	18,408,244	\$	4,046,628
2016 - 2017	\$ 5,063,228	\$	17,410,841	\$	18,317,461	\$	4,156,608

Payments made by the County to IPBC based on previously established premium rates that exceed established experience result in reserves that would be paid back to the County upon termination of membership. This reserve amount was \$520,260 at November 30, 2018 and is being reported as a deposit with IPBC in the Health Insurance Internal Service Fund.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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	\$ 45,309,299	\$ 24,526,352
Building projects	105,700	34,115
Information technology projects	5,321,681	2,238,519
Other projects	10,568,404	5,251,227
	\$ 61,305,084	\$ 32,050,213

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

General Fund	\$ 8,720,018	\$ 4,230,692
County Mental Health Fund	7,700	4,700
Nonmajor Governmental Funds	51,101,042	26,810,949
Valley Hi Fund	-	12,665
911 Fund	1,476,324	991,207
	\$ 61,305,084	\$ 32,050,213

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, 2018

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, 2018:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable Certificates of Deposit	\$ <u>7,292,334</u>	\$ <u>3,339,179</u>	\$ <u>3,953,155</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, 2018

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, 2018, the District held no investments that were greater than 5% of its overall portfolio.

Capital Assets

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

	Balance April 1	Additions	Deletions	Balance March 31
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 205,088,897	\$ 299,693	\$ -	\$ 205,388,590
Construction in progress	4,836,987	862,165	(455,861)	5,243,291
Total Capital Assets Not Being Depreciated	<u>209,925,884</u>	<u>1,161,858</u>	<u>(455,861)</u>	<u>210,631,881</u>
Other Capital Assets				
Land improvements and roads	32,313,831	572,530	-	32,886,361
Buildings and improvements	15,121,344	134,511	-	15,255,855
Furniture and equipment	2,542,831	42,036	(6,500)	2,578,367
Office equipment	509,658	17,214	(19,600)	507,272
Vehicles	2,240,502	25,080	(43,441)	2,222,141
Total Other Capital Assets	<u>52,728,166</u>	<u>791,371</u>	<u>(69,541)</u>	<u>53,449,996</u>
Less accumulated depreciation for:				
Land improvements and roads	(14,843,852)	(930,404)	-	(15,774,256)
Buildings and improvements	(6,453,793)	(519,544)	-	(6,973,337)
Furniture and equipment	(1,746,116)	(121,044)	6,500	(1,860,660)
Office equipment	(304,402)	(17,535)	19,600	(302,337)
Vehicles	(1,715,408)	(208,968)	43,441	(1,880,935)
Total Accumulated Depreciation	<u>(25,063,571)</u>	<u>(1,797,495)</u>	<u>69,541</u>	<u>(26,791,525)</u>
Other Capital Assets, Net	<u>27,664,595</u>	<u>(1,006,124)</u>	<u>-</u>	<u>26,658,471</u>
Governmental Activities Capital Assets, Net	<u>\$ 237,590,479</u>	<u>\$ 155,734</u>	<u>\$ (455,861)</u>	<u>\$ 237,290,352</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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	\$ 764,486	\$ 412,048	\$ 297,885	\$ 878,649	\$ 340,028
General obligation bonds	97,885,000	-	6,815,000	91,070,000	7,285,000
Bond issuance premiums	15,235,577	-	1,523,558	13,712,019	-
Installment contract	4,300,000	-	-	4,300,000	-
Net pension liability - IMRF	3,685,041	-	1,508,824	2,176,217	-
Other post-employment benefit obligation	211,666	106,425	-	318,091	-
	<u>\$ 122,081,770</u>	<u>\$ 518,473</u>	<u>\$ 10,145,267</u>	<u>\$ 112,454,976</u>	<u>\$ 7,625,028</u>

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

Description	Balance December 1	Issuances	Retirements	Balance November 30
General Obligation Bonds – Governmental Activities (District)				
McHenry County Conservation District				
\$20,330,000 General Obligation Limited Bonds Series 1998A, due in annual installments of \$115,000 to \$1,785,000; interest at 4.7% to 5.5% through February 1, 2018. The proceeds were used for the acquisition and construction of major capital facilities. Principal and interest payments will be reported in the District Debt Service Fund.	\$ 1,785,000	\$ -	\$ 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.	<u>96,100,000</u>	<u>-</u>	<u>5,030,000</u>	<u>91,070,000</u>
Total General Obligation Bonds - Governmental Activities (District)	<u>\$ 97,885,000</u>	<u>\$ -</u>	<u>\$ 6,815,000</u>	<u>\$ 91,070,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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

Long-Term Obligations (Continued)

Description	Balance December 1	Issuances	Retirements	Balance November 30
Installment Contract – Governmental Activities (District)				
McHenry County Conservation District				
\$6,300,000 Installment Contract, dated November 16, 2006, interest at 2.5% due in semi-annual installments; balloon payment of principal and interest due November 1, 2021. The proceeds were used for the acquisition of land. Principal and interest payments will be reported in the District Debt Service Fund.				
	\$ <u>4,300,000</u>	\$ <u>-</u>	\$ <u>-</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 governmental activities are as follows:

Fiscal Year	General Obligation Bonds		Installment Contract	
	Principal	Interest	Principal	Interest
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	9,955,000	2,915,750	-	-
2024-2027	<u>48,360,000</u>	<u>6,270,750</u>	<u>-</u>	<u>-</u>
	<u>\$ 91,070,000</u>	<u>\$ 25,104,000</u>	<u>\$ 4,300,000</u>	<u>\$ 430,000</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 or at imrf.org.

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, 2017, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	46
Active employees	<u>71</u>
 TOTAL	 <u><u>150</u></u>

Benefits Provided

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

County of McHenry, Illinois
 NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 2018 was 11.96% of covered payroll.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017 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, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
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-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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, 2018

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% (7.50% in 2017). 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
	<u> </u>	<u> </u>	<u> </u>
BALANCES AT JANUARY 1, 2017	\$ 17,249,525	\$ 13,564,484	\$ 3,685,041
Changes for the period			
Service cost	480,923	-	480,923
Interest	1,296,567	-	1,296,567
Difference between expected and actual experience	146,122	-	146,122
Changes in assumptions	(591,171)	-	(591,171)
Employer contributions	-	531,895	(531,895)
Employee contributions	-	199,793	(199,793)
Net investment income	-	2,269,625	(2,269,625)
Benefit payments and refunds	(404,847)	(404,847)	-
Administrative expense	-	(160,048)	160,048
	<u>927,594</u>	<u>2,436,418</u>	<u>(1,508,824)</u>
BALANCES AT DECEMBER 31, 2017	\$ <u>18,177,119</u>	\$ <u>16,000,902</u>	\$ <u>2,176,217</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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, 2018, the District recognized pension expense of \$555,975. At March 31, 2018, 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	\$ 265,765	\$ 172,558
Changes in assumption	-	534,273
Net difference between projected and actual earnings on pension plan investments	391,472	996,827
Contributions made subsequent to the measurement date	144,366	-
TOTAL	\$ 801,603	\$ 1,703,658

\$144,366 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year ending March 31,			
2019		\$	(158,778)
2020			(158,780)
2021			(328,127)
2022			(303,160)
2023			(67,349)
Thereafter			(30,227)
TOTAL		\$	(1,046,421)

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	\$ 4,966,810	\$ 2,176,217	\$ 105,915

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

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 100% of 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.

C. Membership

At March 31, 2018 (census date), membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	-
Active employees	69
 TOTAL	71
 Participating employers	1

D. Total OPEB Liability

The District's total OPEB Liability of \$318,091 was measured as of March 31, 2018 and was determined by an actuarial valuation as of April 1, 2017.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to March 31, 2018, including updating the discount rate at March 31, 2018.

Actuarial cost method	Entry-age
Actuarial value of assets	Not applicable
Inflation	3.00%
Salary increases	4.00%
Discount rate	3.51%
Healthcare cost trend rates	4.5% to 8.00%
	Initial
	4.5% to 5.00%
	Ultimate
Retirees share of benefits-related costs	100% Regular Plan

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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

E. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at March 31, 2018.

Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for Males or Females. The Mortality Table reflects recent rates developed by the Society of Actuaries.

The actuarial assumptions used in the April 1, 2017 valuation are based on 10% participation assumed, with 40% electing spouse coverage.

F. Change in the Total OPEB Liability

	Total Pension Liability
BALANCES AT APRIL 1, 2017	\$ <u>211,666</u>
Changes for the period	
Service cost	9,569
Interest	7,042
Difference between expected and actual experience	110,442
Changes in benefit terms	-
Changes in assumptions	1,457
Benefit payments	<u>(22,085)</u>
Net changes	<u>106,425</u>
BALANCES AT MARCH 31, 2018	\$ <u><u>318,091</u></u>

Changes in assumptions related to the discount rate and health care trend rates were made since the prior measurement date.

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 3.51% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51%) or 1 percentage point higher (4.51%) than the current rate:

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB liability	\$ 336,759	\$ 318,091	\$ 300,550

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 4.50% to 8.00% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 7.00%) or 1 percentage point higher (5.50% to 9.00%) than the current rate:

	1% Decrease (3.50% to 7.00%)	Current Healthcare Rate (4.50% to 8.00%)	1% Increase (5.50% to 9.00%)
Total OPEB liability	\$ 294,489	\$ 318,091	\$ 345,146

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2018, the District recognized OPEB expense of \$3,739. At March 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 101,350	\$ -
Changes in assumption	<u>8,018</u>	<u>6,682</u>
TOTAL	\$ <u>109,368</u>	\$ <u>6,682</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ending March 31,</u>	
2019	\$ 9,212
2020	9,212
2021	9,212
2022	9,212
2023	9,212
Thereafter	<u>56,626</u>
TOTAL	\$ <u>102,686</u>

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, 2018

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

Risk Management (Continued)

At December 31, 2017, the total equity of PDRMA's Property/Casualty Program's balance sheet was \$43,574,321. For the year ended December 31, 2017, the decrease in net position of PDRMA was \$3,862,182. The District made \$243,842 of payments to PDRMA during the year ended March 31, 2018.

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, 2018 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	\$ 7,670	\$ -
General Fund	Nonmajor Governmental Funds	37,283	-
General Fund	Valley Hi Fund	281	-
General Fund	911 Fund	122	-
Nonmajor Governmental Funds	General Fund	916	-
Nonmajor Governmental Funds	Valley Hi Fund	247,995	-
Nonmajor Governmental Funds	Nonmajor Governmental Funds	5,854,517	-
Subtotal - Fund Financial Statements		6,148,784	<u>\$ -</u>
Less: Fund eliminations		(9,073,226)	
Add: Internal service fund activities related to enterprise funds		1,231,525	
Add: Advance from general fund to IMRF fund		3,172,840	
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 1,479,923</u>	

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

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 2019 and end by 2020. The amount of the advance outstanding as of November 30, 2018 is \$3,172,840.

B. Transfers

Interfund transfers for the year ended November 30, 2018 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	8,785	Maintenance expenditures
General Fund	Nonmajor Governmental Funds	9,000	Administrative expenditures
General Fund	Nonmajor Governmental Funds	1,200	Working cash transfers
Nonmajor Governmental Funds	General Fund	1,759,593	Debt service payments
Nonmajor Governmental Funds	County Mental Health Fund	399,588	Debt service payments
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>15,603,569</u>	Use of restricted sales taxes
Total - Fund Financial Statements		17,786,935	
Less: Fund eliminations		<u>(17,786,935)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 16 – Net Position/Fund Balance

Net position reported on the government-wide statement of net position as of November 30, 2018 includes the following:

	Governmental Activities	Business- Type Activities	Total Primary Government
Net investment in capital assets			
Land	\$ 80,366,125	\$ 6,000	\$ 80,372,125
Construction in progress	15,999,410	-	15,999,410
Other capital assets, net of accumulated depreciation/amortization	259,062,859	12,152,100	271,214,959
Less: related long-term debt outstanding	(9,546,915)	-	(9,546,915)
Total net investment in capital assets	<u>345,881,479</u>	<u>12,158,100</u>	<u>358,039,579</u>
Restricted			
Recorder's Office	2,681,210	-	2,681,210
Treasurer's Office	767,661	-	767,661
Community Development	278,428	-	278,428
Liability insurance	10,529,397	-	10,529,397
Geographic information systems	790,910	-	790,910
County Clerk's Office	65,031	-	65,031
Transportation	41,900,502	-	41,900,502
Public safety	1,449,439	-	1,449,439
Judiciary and court related	1,726,959	-	1,726,959
Public health and welfare	14,238,825	-	14,238,825
Employee benefits	6,449,405	-	6,449,405
Public Building Commission	10,335	-	10,335
Other	446,413	-	446,413
Working cash - permanently restricted (nonexpendable)	811,133	-	811,133
Total restricted	<u>82,145,648</u>	<u>-</u>	<u>82,145,648</u>
Unrestricted	<u>1,039,370</u>	<u>45,135,522</u>	<u>46,174,892</u>
Total net position	<u>\$ 429,066,497</u>	<u>\$ 57,293,622</u>	<u>\$ 486,360,119</u>

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2018 includes the following:

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Total
Nonspendable					
Inventory	\$ 45,218	\$ 10,399	\$ -	\$ 242,726	\$ 298,343
Long-term portion - advances to other funds/loans receivable	3,172,840	-	-	-	3,172,840
Working cash principal	-	-	-	811,133	811,133
	<u>3,218,058</u>	<u>10,399</u>	<u>-</u>	<u>1,053,859</u>	<u>4,282,316</u>
Restricted					
Recorder's Office	44,335	-	-	2,632,437	2,676,772
Regional Office of Education	64,975	-	-	-	64,975
Planning and Development	257,290	-	-	767,661	1,024,951
Liability insurance	-	-	-	10,529,397	10,529,397
Geographic information systems	-	-	-	790,910	790,910
County Clerk's Office	-	-	-	65,031	65,031
Retirement contributions	-	-	2,841,980	-	2,841,980
Transportation programs	-	-	-	40,536,442	40,536,442
Sheriff's Office	565,667	-	-	1,115,035	1,680,702
Coroner's Office	-	-	-	126,352	126,352
Court Services/Probation programs	-	-	-	389,097	389,097
Special Court programs	-	-	-	149,648	149,648
Circuit Clerk automation	-	-	-	446,950	446,950
Other Circuit Clerk programs	-	-	-	605,289	605,289
Law library	-	-	-	61,688	61,688
Other judiciary & court programs	5,285	-	-	25,013	30,298
Mental health programs	-	9,477,085	-	-	9,477,085
Senior service programs	-	-	-	1,836,036	1,836,036
Veterans' assistance programs	-	-	-	315,381	315,381
Tuberculosis care and treatment	-	-	-	307,053	307,053
Workforce network programs	-	-	-	311,846	311,846
Other public health programs	-	-	-	36,162	36,162
Social security contributions	-	-	-	3,607,425	3,607,425
Regional Office Education Fund	-	-	-	44,249	44,249
Public Building Commission	-	-	-	10,335	10,335
	<u>937,552</u>	<u>9,477,085</u>	<u>2,841,980</u>	<u>64,709,437</u>	<u>77,966,054</u>

(Continued)

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 16 – Net Position/Fund Balance (Continued)

Fund balance reported on the governmental funds balance sheet as of November 30, 2018 includes the following (Continued):

	General Fund	County Mental Health Fund	Illinois Municipal Retirement Fund	Total Nonmajor Governmental Funds	Total
Committed					
Treasurer's Office	\$ -	\$ -	\$ -	\$ 471,024	\$ 471,024
Revolving Loan Program	-	-	-	1,964,345	1,964,345
	-	-	-	2,435,369	2,435,369
Assigned					
Carryforwards	7,467,441	-	-	-	7,467,441
	7,467,441	-	-	-	7,467,441
Unassigned (deficit)	41,379,589	-	-	(34,190)	41,345,399
Total fund balance	<u>\$ 53,002,640</u>	<u>\$ 9,487,484</u>	<u>\$ 2,841,980</u>	<u>\$ 68,164,475</u>	<u>\$ 133,496,579</u>

Note 17 - Restatement of Net Position

Net position has been restated as a result of implementation of GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Prior year columns have not been restated. The details of these restatements are as follows:

	Governmental Activities	Business-Type Activities	Proprietary Funds - Valley-Hi Nursing Home Fund	Proprietary Funds - 911 ETSB Fund
Net Position -				
November 30, 2017 (as reported)	\$ 432,532,379	\$ 57,113,135	\$ 51,311,155	\$ 6,896,413
Less: Implementation of GASB No. 75 OPEB Standard	<u>(7,502,991)</u>	<u>(325,005)</u>	<u>(295,029)</u>	<u>(29,976)</u>
Net Position -				
November 30, 2017 (as restated)	<u>\$ 425,029,388</u>	<u>\$ 56,788,130</u>	<u>\$ 51,016,126</u>	<u>\$ 6,866,437</u>

Note 18 - Fund Deficit

The following funds reported a deficit as of November 30, 2018:

Fund	Fund Type	Amount
Expedited Permit Fund	Non-major Special Revenue Fund	\$ 648
HUD Grants Fund	Non-major Special Revenue Fund	33,542

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

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 19 - Effect of New Accounting Standards on Current-Period Financial Statements

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

Statement No. 83, Certain Asset Retirement Obligations

Statement No. 84, Fiduciary Activities

Statement No. 87, Leases

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

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No.14 and No. 61

Statement No. 91, Conduit Debt Obligations

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

Note 20 - 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.

County of McHenry, Illinois
NOTES TO FINANCIAL STATEMENTS
November 30, 2018

Note 20 - 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, 2018, the County reported an investment in joint venture of \$741,718 under governmental activities and \$103,308 under business-type activities/proprietary funds statement of net position, for a total of \$845,026.

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.

Note 21 - Subsequent Events

In April 2019, the County Board approved a rebate to reduce Valley Hi's unrestricted net position. The County Board has also begun studying expanding its services with the addition of more beds and a dementia wing.

To be eligible for the rebate, homeowners had to have owned and occupied their home on April 16, 2019, taken the homestead exemption, and had to have paid last year's property tax bill in full. The amount of the rebate will be calculated by a formula based on the amount the homeowner paid in taxes to county government in 2018. About 88,000 properties in McHenry County could potentially qualify.

Homeowners had until July 31, 2019 to apply for the rebate, which allows them to recoup just under 30 percent of county government's share of last year's property tax bill. As of August 2019 almost 50,000 homeowners have applied for more than \$8.65 million of the \$15 million allocated for the rebate program by the County Board.

Unclaimed funds from the rebate will remain with Valley Hi.

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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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 18,762,916	\$ 18,764,311	\$ 21,107,603	\$ 2,343,292
Licenses and permits	1,073,000	1,073,000	1,400,012	327,012
Fines and forfeitures	981,200	981,200	1,067,054	85,854
Grants, contributions, and intergovernmental	3,143,361	5,060,633	3,783,975	(1,276,658)
Property taxes	44,831,803	39,800,808	39,737,408	(63,400)
Sales taxes	9,794,000	9,794,000	10,486,881	692,881
State income taxes	6,100,000	6,100,000	6,266,549	166,549
Tax transfer stamps	2,225,000	2,555,000	2,906,570	351,570
Other taxes	2,509,500	2,509,500	2,851,782	342,282
Investment income	537,150	537,150	942,397	405,247
Miscellaneous	131,100	211,967	190,823	(21,144)
Total Revenues	90,089,030	87,387,569	90,741,054	3,353,485
EXPENDITURES				
Current				
General and administrative	30,772,527	31,960,416	26,830,608	5,129,808
Community development	1,511,582	2,002,252	1,500,517	501,735
Public safety	34,325,851	34,632,472	34,514,316	118,156
Judiciary and court related	9,842,597	10,100,292	9,993,033	107,259
Public health and welfare	6,141,357	6,179,663	5,865,105	314,558
Capital outlay	1,006,124	14,309,789	8,095,449	6,214,340
Debt service				
Principal retirement	1,006,626	1,006,626	902,967	103,659
Interest and fiscal charges	47,267	47,267	35,241	12,026
Total Expenditures	84,653,931	100,238,777	87,737,236	12,501,541
Excess (deficiency) of revenues over expenditures	5,435,099	(12,851,208)	3,003,818	15,855,026
OTHER FINANCING SOURCES (USES)				
Transfers in	24,185	24,185	24,185	-
Transfers out	(1,759,593)	(1,759,593)	(1,759,593)	-
Capital leases issued	181,182	181,182	181,182	-
Total Other Financing Sources (Uses)	(1,554,226)	(1,554,226)	(1,554,226)	-
Net Change in Fund Balance	\$ 3,880,873	\$ (14,405,434)	1,449,592	\$ 15,855,026
Fund Balance - Beginning of Year			51,553,048	
Fund Balance - End of Year			\$ 53,002,640	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 53,453	\$ 53,453	\$ 99,111	\$ 45,658
Property taxes	10,900,000	10,400,000	10,383,914	(16,086)
Investment income	42,150	42,150	165,979	123,829
Miscellaneous	<u>62,843</u>	<u>62,843</u>	<u>-</u>	<u>(62,843)</u>
Total Revenues	<u>11,058,446</u>	<u>10,558,446</u>	<u>10,649,004</u>	<u>90,558</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	819,742	819,742	847,835	(28,093)
Contractual services	11,758,131	11,259,831	10,301,667	958,164
Commodities	59,500	59,500	49,702	9,798
Capital outlay	<u>7,500</u>	<u>98,500</u>	<u>73,341</u>	<u>25,159</u>
Total Expenditures	<u>12,644,873</u>	<u>12,237,573</u>	<u>11,272,545</u>	<u>965,028</u>
Excess (deficiency) of revenues over expenditures	(1,586,427)	(1,679,127)	(623,541)	1,055,586
OTHER FINANCING USES				
Transfers out	<u>(413,573)</u>	<u>(413,573)</u>	<u>(413,573)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,000,000)</u>	<u>\$ (2,092,700)</u>	(1,037,114)	<u>\$ 1,055,586</u>
Fund Balance - Beginning of Year			<u>10,524,598</u>	
Fund Balance - End of Year			<u>\$ 9,487,484</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 7,800,000	\$ 7,650,000	\$ 7,638,200	\$ (11,800)
Other taxes				
Personal property replacement tax	107,450	107,450	117,567	10,117
Investment income	<u>30,000</u>	<u>30,000</u>	<u>104,938</u>	<u>74,938</u>
 Total Revenues	 <u>7,937,450</u>	 <u>7,787,450</u>	 <u>7,860,705</u>	 <u>73,255</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	812,138	812,138	773,748	38,390
Community development	137,964	137,964	131,442	6,522
Public safety	4,736,102	4,736,102	4,512,224	223,878
Judiciary and court related	1,008,046	1,008,046	960,395	47,651
Public health and welfare	<u>450,026</u>	<u>450,026</u>	<u>428,753</u>	<u>21,273</u>
 Total Expenditures	 <u>7,144,276</u>	 <u>7,144,276</u>	 <u>6,806,562</u>	 <u>337,714</u>
 Net Change in Fund Balance	 <u>\$ 793,174</u>	 <u>\$ 643,174</u>	 1,054,143	 <u>\$ 410,969</u>
 Fund Balance - Beginning of Year			 <u>1,787,837</u>	
 Fund Balance - End of Year			 <u>\$ 2,841,980</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, 2018

Regular Plan	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017
Total pension liability				
Service cost	\$ 6,019,721	\$ 5,710,930	\$ 5,876,244	\$ 5,500,825
Interest	13,546,874	15,082,827	16,314,404	16,903,867
Differences between expected and actual experience	1,915,282	4,327,710	(4,501,014)	(2,206,948)
Changes of assumptions	6,965,270	289,913	(293,464)	(7,475,383)
Benefit payments, including refunds of employee contributions	<u>(7,098,367)</u>	<u>(8,528,394)</u>	<u>(9,036,791)</u>	<u>(10,241,966)</u>
Net change in total pension liability	<u>21,348,780</u>	<u>16,882,986</u>	<u>8,359,379</u>	<u>2,480,395</u>
Total pension liability - beginning	<u>181,164,314</u>	<u>202,513,094</u>	<u>219,396,080</u>	<u>227,755,459</u>
Total pension liability - ending	<u>\$ 202,513,094</u>	<u>\$ 219,396,080</u>	<u>\$ 227,755,459</u>	<u>\$ 230,235,854</u>
Plan fiduciary net position				
Contributions - County	\$ 5,380,268	\$ 5,524,710	\$ 5,337,095	\$ 5,338,176
Contributions - Employees	2,455,548	2,500,370	2,438,820	2,381,061
Net investment income	10,882,932	947,915	13,006,580	35,038,039
Benefit payments, including refunds of employee contributions	(7,098,367)	(8,528,394)	(9,036,791)	(10,241,966)
Other changes	<u>174,347</u>	<u>(1,192,773)</u>	<u>814,242</u>	<u>(5,184,085)</u>
Net change in plan fiduciary net position	<u>11,794,728</u>	<u>(748,172)</u>	<u>12,559,946</u>	<u>27,331,225</u>
Total plan fiduciary net position - beginning	<u>178,039,995</u>	<u>189,834,723</u>	<u>189,086,551</u>	<u>201,646,497</u>
Total plan fiduciary net position - ending	<u>\$ 189,834,723</u>	<u>\$ 189,086,551</u>	<u>\$ 201,646,497</u>	<u>\$ 228,977,722</u>
Net pension liability - ending	<u>\$ 12,678,371</u>	<u>\$ 30,309,529</u>	<u>\$ 26,108,962</u>	<u>\$ 1,258,132</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> %	<u>99.45</u> %
Covered payroll	<u>\$ 52,665,702</u>	<u>\$ 54,373,126</u>	<u>\$ 52,112,544</u>	<u>\$ 51,826,955</u>
Net pension liability as a percentage of covered payroll	<u>24.07</u> %	<u>55.74</u> %	<u>50.10</u> %	<u>2.43</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, 2018

SLEP Plan	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017
Total pension liability				
Service cost	\$ 2,498,881	\$ 2,283,772	\$ 2,257,658	\$ 2,034,793
Interest	8,297,342	8,674,006	9,173,987	9,457,469
Differences between expected and actual experience	(2,389,738)	1,567,553	(1,513,060)	585,154
Changes of assumptions	2,088,402	325,026	(655,333)	(1,310,552)
Benefit payments, including refunds of employee contributions	(4,623,875)	(5,783,383)	(5,865,100)	(6,190,752)
Net change in total pension liability	<u>5,871,012</u>	<u>7,066,974</u>	<u>3,398,152</u>	<u>4,576,112</u>
Total pension liability - beginning	<u>111,841,434</u>	<u>117,712,446</u>	<u>124,779,420</u>	<u>128,177,572</u>
Total pension liability - ending	<u>\$ 117,712,446</u>	<u>\$ 124,779,420</u>	<u>\$ 128,177,572</u>	<u>\$ 132,753,684</u>
Plan fiduciary net position				
Contributions - County	\$ 2,930,257	\$ 2,909,076	\$ 2,938,206	\$ 2,786,175
Contributions - Employees	953,167	915,077	819,691	845,860
Net investment income	5,712,480	487,425	6,665,299	19,129,509
Benefit payments, including refunds of employee contributions	(4,623,875)	(5,783,383)	(5,865,100)	(6,190,752)
Other changes	(524,873)	384,441	1,298,067	(1,364,570)
Net change in plan fiduciary net position	<u>4,447,156</u>	<u>(1,087,364)</u>	<u>5,856,163</u>	<u>15,206,222</u>
Total plan fiduciary net position - beginning	<u>94,017,437</u>	<u>98,464,593</u>	<u>97,377,229</u>	<u>103,233,392</u>
Total plan fiduciary net position - ending	<u>\$ 98,464,593</u>	<u>\$ 97,377,229</u>	<u>\$ 103,233,392</u>	<u>\$ 118,439,614</u>
Net pension liability - ending	<u>\$ 19,247,853</u>	<u>\$ 27,402,191</u>	<u>\$ 24,944,180</u>	<u>\$ 14,314,070</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>	<u>89.22 %</u>
Covered payroll	<u>\$ 11,935,877</u>	<u>\$ 11,821,856</u>	<u>\$ 10,897,894</u>	<u>\$ 10,704,178</u>
Net pension liability as a percentage of covered payroll	<u>161.26 %</u>	<u>231.79 %</u>	<u>228.89 %</u>	<u>133.72 %</u>

Notes to Schedules:

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

Valuation Date: December 31, 2017. Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2017 Contribution Rates

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	26-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 Mortality Table with adjustments to match current IMRF experience.
<u>Other Information:</u>	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 COUNTY CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended November 30, 2018

Regular Plan	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 5,324,917	\$ 5,545,420	\$ 5,328,928	\$ 5,512,260
Actual contribution	<u>5,324,917</u>	<u>5,545,420</u>	<u>5,328,928</u>	<u>5,512,260</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 52,186,037</u>	<u>\$ 52,476,061</u>	<u>\$ 51,803,322</u>	<u>\$ 55,078,137</u>
Actual contribution as a percentage of covered-employee payroll	<u>10.20 %</u>	<u>10.57 %</u>	<u>10.29 %</u>	<u>10.01 %</u>
SLEP Plan				
Actuarially determined contribution	\$ 2,810,505	\$ 2,778,732	\$ 2,749,861	\$ 2,976,666
Actual contribution	<u>2,810,505</u>	<u>2,778,732</u>	<u>2,749,861</u>	<u>2,976,666</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 11,400,300</u>	<u>\$ 11,020,584</u>	<u>\$ 10,700,115</u>	<u>\$ 11,361,043</u>
Actual contribution as a percentage of covered payroll	<u>24.65 %</u>	<u>25.21 %</u>	<u>25.70 %</u>	<u>26.20 %</u>

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

County of McHenry, Illinois
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFIT PLAN
November 30, 2018

	2018
Actuarially determined contributor	\$ 318,029
Contributions in relation to the actuarially determined contribution	318,029
Contribution deficiency (excess)	-
Covered-employee payroll	\$ 61,067,630
Contributions as a percentage of covered-employee payroll	0.52 %

County of McHenry, Illinois
SCHEDULE OF CHANGES IN THE EMPLOYER'S OTHER POST-EMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIOS
November 30, 2018

	2018
Total OPEB Liability	
Service cost	\$ 1,100,184
Interest	850,844
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	421,831
Benefit payments	(318,029)
Net Change in Total OPEB Liability	2,054,830
Total OPEB Liability - Beginning	21,449,454
Total OPEB Liability - Ending	\$ 23,504,284
Covered-employee payroll	\$ 61,067,630
Total OPEB liability as a percentage of covered-employee payroll	38.49%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of November 30, 2017, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	9.22 years
Asset valuation method	Market Value
Inflation	3.25 percent
Healthcare cost trend rates	HMO: 7.04%, then 7.25%, graded to 4.50% over 11 years PPO: 5.36%, then 7.25%, graded to 4.50% over 11 years HDHP PPO: 5.36% then 7.25%, graded to 4.50% over 11 years Dental: 2.89%, then 4.00%
Salary increases	Varies by age and service
Discount rate	3.59% as of November 30, 2017; 3.80% as of November 30, 2016
Retirement age	In the 2018 actuarial valuation, expected retirement ages were based upon rates from the December 31, 2017
Mortality	IMRF actuarial valuation report In the 2018 actuarial valuation, assumed life expectancies were based on the December 31, 2017 IMRF actuarial valuation report.

Benefit changes. There were no changes to the benefits.

The County implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

Changes of Assumptions

The discount rate was decreased from 3.80% to 3.59%.

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

County of McHenry, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2018

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, 2018.

See Independent Auditors' Report.

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SUPPLEMENTARY INFORMATION

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

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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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
General and Administrative				
County clerk fees	\$ 160,000	\$ 160,000	\$ 163,481	\$ 3,481
Tax redemption fees	100,000	100,000	54,081	(45,919)
Recording fees	990,000	990,000	905,871	(84,129)
Penalties/fees on delinquent taxes	1,000,000	1,000,000	1,240,148	240,148
Cable television franchise fees	600,000	600,000	624,580	24,580
Assessor's salary reimbursement	60,918	60,918	60,918	-
Other fees and charges	59,372	59,372	60,124	752
Community Development				
Subdivision review fees	5,000	5,000	1,188	(3,812)
Maps and publications fees	1,000	1,000	190	(810)
Solid waste tipping fees	21,000	21,000	21,000	-
Other fees and charges	9,000	9,000	138,036	129,036
Public Safety				
Sheriff fees - circuit court	300,000	300,000	287,679	(12,321)
Sheriff fees - photocopies	8,000	8,000	12,609	4,609
Sheriff fees - foreign courts	31,000	31,000	27,903	(3,097)
Foreclosures	10,000	10,000	12,694	2,694
Court security fees	510,000	510,000	481,868	(28,132)
Jail space rental	8,292,078	8,292,078	10,138,872	1,846,794
Payphones	90,000	90,000	10,761	(79,239)
Dispatching fee	339,878	339,878	327,550	(12,328)
Squad car replacement fee	25,000	25,000	29,624	4,624
Off duty detail	5,000	5,000	38,700	33,700
Other fees and charges	90,225	90,225	102,670	12,445
Judiciary and Court Related				
10% bond earnings	200,000	200,000	312,986	112,986
Circuit clerk fees	2,500,000	2,500,000	2,330,480	(169,520)
County court fees	160,000	160,000	163,262	3,262
Court services salary reimbursements	1,275,802	1,275,802	1,499,934	224,132
Election judge salary reimbursements	75,000	75,000	108,430	33,430
State's attorney salary reimbursements	166,508	166,508	146,203	(20,305)
State's attorney fees	60,000	60,000	63,208	3,208
Public aid	8,500	8,500	9,595	1,095
Periodic imprisonment fees	10,000	10,000	4,859	(5,141)
Public defender salary reimbursement	99,955	101,350	99,895	(1,455)
Public defenders fees	35,000	35,000	18,724	(16,276)
Other fees and charges	244,500	244,500	212,744	(31,756)

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CHARGES FOR SERVICES (Continued)				
Public Health and Welfare				
Animal control tags	\$ 755,000	\$ 755,000	\$ 924,797	\$ 169,797
Veterinary fees	42,700	42,700	55,791	13,091
Nursing fees	38,000	38,000	25,689	(12,311)
Health review fees	7,800	7,800	12,240	4,440
Health promotion	10,550	10,550	6,345	(4,205)
Vital record fees	58,000	58,000	57,755	(245)
Subdivision review fees	4,000	4,000	713	(3,287)
Medicare	4,500	4,500	4,032	(468)
Public aid	150,000	150,000	158,712	8,712
Vision and hearing fees	42,130	42,130	36,142	(5,988)
Other fees and charges	107,500	107,500	114,520	7,020
Total Charges for Services	<u>18,762,916</u>	<u>18,764,311</u>	<u>21,107,603</u>	<u>2,343,292</u>
LICENSES AND PERMITS				
General and Administrative				
Liquor licenses	112,000	112,000	105,400	(6,600)
Amusement licenses	6,000	6,000	675	(5,325)
Community Development				
Building permits	272,000	272,000	414,331	142,331
Stormwater Permits	70,000	70,000	84,380	14,380
Zoning permits	40,000	40,000	205,296	165,296
Public Health and Welfare				
Septic and well permits	113,000	113,000	110,959	(2,041)
Health licenses	450,000	450,000	472,733	22,733
Hauler license fees	10,000	10,000	6,238	(3,762)
Total Licenses and Permits	<u>1,073,000</u>	<u>1,073,000</u>	<u>1,400,012</u>	<u>327,012</u>
FINES AND FORFEITURES				
Community Development				
Planning fines	21,000	21,000	42,030	21,030
Judiciary and Court Related				
Fines and bond forfeitures	826,200	826,200	891,417	65,217
County drug fines	84,000	84,000	78,514	(5,486)
Public Health and Welfare				
Veterinary fines	50,000	50,000	55,093	5,093
Total Fines and Forfeitures	<u>981,200</u>	<u>981,200</u>	<u>1,067,054</u>	<u>85,854</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GRANTS, CONTRIBUTIONS, AND INTERGOVERNMENTAL				
General and Administrative				
Election-related grants	\$ -	\$ -	\$ 195,000	\$ 195,000
Regional Office of Education grants	105,026	118,895	146,526	27,631
Community Development				
Community Development grants	-	1,100,000	-	(1,100,000)
Public Safety				
Sheriff's Office - grants	-	656,049	656,049	-
Emergency Management - grants	75,000	154,358	229,827	75,469
Judiciary and Court Related				
Circuit court - grants	-	30,846	-	(30,846)
State's Attorney - grants	32,800	32,800	24,600	(8,200)
Court Administration - grants	41,000	41,000	19,231	(21,769)
Public Health and Welfare				
Health department grants -				
Federal government grants	2,168,040	2,205,190	1,850,965	(354,225)
State government grants	396,495	396,495	361,273	(35,222)
Nursing	4,000	4,000	6,645	2,645
Administration	21,000	21,000	25,903	4,903
IDPH vaccines	300,000	300,000	267,956	(32,044)
Total Grants, Contributions, and Intergovernmental	<u>3,143,361</u>	<u>5,060,633</u>	<u>3,783,975</u>	<u>(1,276,658)</u>
PROPERTY TAXES	<u>44,831,803</u>	<u>39,800,808</u>	<u>39,737,408</u>	<u>(63,400)</u>
SALES TAXES	<u>9,794,000</u>	<u>9,794,000</u>	<u>10,486,881</u>	<u>692,881</u>
STATE INCOME TAXES	<u>6,100,000</u>	<u>6,100,000</u>	<u>6,266,549</u>	<u>166,549</u>
TAX TRANSFER STAMPS	<u>2,225,000</u>	<u>2,555,000</u>	<u>2,906,570</u>	<u>351,570</u>
OTHER TAXES				
Local use tax	1,666,000	1,666,000	1,895,130	229,130
Personal property replacement tax	575,000	575,000	648,321	73,321
Gambling taxes	268,500	268,500	308,331	39,831
Total Other Taxes	<u>2,509,500</u>	<u>2,509,500</u>	<u>2,851,782</u>	<u>342,282</u>
INVESTMENT INCOME				
Interest income	<u>537,150</u>	<u>537,150</u>	<u>942,397</u>	<u>405,247</u>
Total Investment Income	<u>537,150</u>	<u>537,150</u>	<u>942,397</u>	<u>405,247</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2018

	<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	\$ 100,000	\$ 100,000	95,740	\$ (4,260)
Proceeds from sale of capital assets	25,000	25,000	29,223	4,223
Other income	<u>6,100</u>	<u>86,967</u>	<u>65,860</u>	<u>(21,107)</u>
Total Miscellaneous	<u>131,100</u>	<u>211,967</u>	<u>190,823</u>	<u>(21,144)</u>
TOTAL REVENUES	<u>\$ 90,089,030</u>	<u>\$ 87,387,569</u>	<u>\$ 90,741,054</u>	<u>\$ 3,353,485</u>

(Concluded)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE				
Administration				
Personnel services	\$ 635,878	\$ 700,396	\$ 700,219	\$ 177
Contractual services	176,615	204,224	146,579	57,645
Commodities	<u>12,865</u>	<u>12,865</u>	<u>8,783</u>	<u>4,082</u>
Total Administration	<u>825,358</u>	<u>917,485</u>	<u>855,581</u>	<u>61,904</u>
Auditor				
Personnel services	377,916	338,929	274,546	64,383
Contractual services	6,950	6,950	2,852	4,098
Commodities	<u>10,999</u>	<u>10,999</u>	<u>3,618</u>	<u>7,381</u>
Total Auditor	<u>395,865</u>	<u>356,878</u>	<u>281,016</u>	<u>75,862</u>
County Board and Liquor Commission				
Personnel services	550,894	552,029	552,029	-
Contractual services	63,700	63,700	59,648	4,052
Commodities	<u>24,950</u>	<u>24,950</u>	<u>18,409</u>	<u>6,541</u>
Total County Board and Liquor Commission	<u>639,544</u>	<u>640,679</u>	<u>630,086</u>	<u>10,593</u>
County Chairman				
Personnel services	135,660	135,660	135,296	364
Contractual services	3,750	3,750	871	2,879
Commodities	<u>6,700</u>	<u>6,700</u>	<u>3,407</u>	<u>3,293</u>
Total County Chairman	<u>146,110</u>	<u>146,110</u>	<u>139,574</u>	<u>6,536</u>
County Clerk				
Personnel services	427,900	439,610	439,393	217
Contractual services	6,400	6,400	18,611	(12,211)
Commodities	<u>8,250</u>	<u>8,250</u>	<u>4,037</u>	<u>4,213</u>
Total County Clerk	<u>442,550</u>	<u>454,260</u>	<u>462,041</u>	<u>(7,781)</u>
County Clerk - Elections				
Personnel services	325,849	314,139	256,743	57,396
Contractual services	1,039,000	1,010,137	917,925	92,212
Commodities	<u>352,875</u>	<u>469,833</u>	<u>446,948</u>	<u>22,885</u>
Total County Clerk - Elections	<u>1,717,724</u>	<u>1,794,109</u>	<u>1,621,616</u>	<u>172,493</u>
Educational Service Region				
Personnel services	237,244	242,744	242,744	-
Contractual services	23,965	36,889	31,055	5,834
Commodities	<u>19,846</u>	<u>25,352</u>	<u>13,280</u>	<u>12,072</u>
Total Educational Service Region	<u>281,055</u>	<u>304,985</u>	<u>287,079</u>	<u>17,906</u>

(Continued)

County of McHenry, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended November 30, 2018

	<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	\$ 1,157,222	\$ 1,213,325	\$ 1,213,226	\$ 99
Contractual services	1,669,613	1,675,098	1,497,084	178,014
Commodities	<u>112,105</u>	<u>112,105</u>	<u>85,897</u>	<u>26,208</u>
Total Facilities Management	<u>2,938,940</u>	<u>3,000,528</u>	<u>2,796,207</u>	<u>204,321</u>
Human Resources				
Personnel services	261,842	268,237	267,951	286
Contractual services	256,944	271,194	98,273	172,921
Commodities	<u>6,250</u>	<u>6,250</u>	<u>3,121</u>	<u>3,129</u>
Total Human Resources	<u>525,036</u>	<u>545,681</u>	<u>369,345</u>	<u>176,336</u>
Information Technology				
Personnel services	1,830,081	1,870,356	1,870,157	199
Contractual services	1,170,074	1,222,912	1,183,013	39,899
Commodities	<u>74,977</u>	<u>96,477</u>	<u>94,859</u>	<u>1,618</u>
Total Information Technology	<u>3,075,132</u>	<u>3,189,745</u>	<u>3,148,029</u>	<u>41,716</u>
Merit Commission				
Personnel services	4,150	4,150	2,554	1,596
Contractual services	46,600	46,600	32,846	13,754
Commodities	<u>550</u>	<u>550</u>	<u>207</u>	<u>343</u>
Total Merit Commission	<u>51,300</u>	<u>51,300</u>	<u>35,607</u>	<u>15,693</u>
Purchasing				
Personnel services	289,169	289,169	288,175	994
Contractual services	16,748	16,748	13,442	3,306
Commodities	<u>425,235</u>	<u>425,235</u>	<u>415,064</u>	<u>10,171</u>
Total Purchasing	<u>731,152</u>	<u>731,152</u>	<u>716,681</u>	<u>14,471</u>
Recorder				
Personnel services	450,098	450,098	449,387	711
Contractual services	19,400	39,400	13,456	25,944
Commodities	<u>1,546,160</u>	<u>1,856,160</u>	<u>1,928,383</u>	<u>(72,223)</u>
Total Recorder	<u>2,015,658</u>	<u>2,345,658</u>	<u>2,391,226</u>	<u>(45,568)</u>
Supervisor of Assessments				
Personnel services	898,359	920,598	920,057	541
Contractual services	55,850	55,850	45,307	10,543
Commodities	<u>10,250</u>	<u>16,250</u>	<u>14,205</u>	<u>2,045</u>
Total Supervisor of Assessments	<u>964,459</u>	<u>992,698</u>	<u>979,569</u>	<u>13,129</u>

(Continued)

County of McHenry, Illinois
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL AND ADMINISTRATIVE (Continued)				
Treasurer				
Personnel services	\$ 527,638	\$ 525,045	\$ 525,035	\$ 10
Contractual services	19,700	19,700	19,700	-
Commodities	5,395	5,395	5,395	-
Total Treasurer	<u>552,733</u>	<u>550,140</u>	<u>550,130</u>	<u>10</u>
Non-Departmental				
Personnel services	1,091,758	839,070	-	839,070
Contractual services	14,366,803	14,982,964	11,461,197	3,521,767
Commodities	11,350	116,974	105,624	11,350
Total Non-Departmental	<u>15,469,911</u>	<u>15,939,008</u>	<u>11,566,821</u>	<u>4,372,187</u>
Total General and Administrative	<u>30,772,527</u>	<u>31,960,416</u>	<u>26,830,608</u>	<u>5,129,808</u>
COMMUNITY DEVELOPMENT				
Planning and Development				
Personnel services	1,273,259	1,319,189	1,313,659	5,530
Contractual services	186,488	631,228	160,422	470,806
Commodities	51,835	51,835	26,436	25,399
Total Planning and Development	<u>1,511,582</u>	<u>2,002,252</u>	<u>1,500,517</u>	<u>501,735</u>
Total Community Development	<u>1,511,582</u>	<u>2,002,252</u>	<u>1,500,517</u>	<u>501,735</u>
PUBLIC SAFETY				
County Sheriff				
Personnel services	29,581,925	29,958,616	29,939,988	18,628
Contractual services	3,180,422	3,085,284	3,036,414	48,870
Commodities	818,321	791,703	756,858	34,845
Total County Sheriff	<u>33,580,668</u>	<u>33,835,603</u>	<u>33,733,260</u>	<u>102,343</u>
Emergency Management				
Personnel services	239,154	243,766	243,566	200
Contractual services	19,500	37,581	22,699	14,882
Commodities	28,980	38,023	38,209	(186)
Total Emergency Management	<u>287,634</u>	<u>319,370</u>	<u>304,474</u>	<u>14,896</u>

(Continued)

County of McHenry, Illinois
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY (Continued)				
County Coroner				
Personnel services	\$ 334,367	\$ 354,317	\$ 354,303	\$ 14
Contractual services	114,050	114,050	113,983	67
Commodities	<u>9,132</u>	<u>9,132</u>	<u>8,296</u>	<u>836</u>
Total County Coroner	<u>457,549</u>	<u>477,499</u>	<u>476,582</u>	<u>917</u>
Total Public Safety	<u>34,325,851</u>	<u>34,632,472</u>	<u>34,514,316</u>	<u>118,156</u>
JUDICIARY AND COURT RELATED				
Clerk of the Circuit Court				
Personnel services	1,858,071	1,865,656	1,865,440	216
Contractual services	17,670	17,670	8,411	9,259
Commodities	<u>21,550</u>	<u>21,550</u>	<u>16,662</u>	<u>4,888</u>
Total Clerk of the Circuit Court	<u>1,897,291</u>	<u>1,904,876</u>	<u>1,890,513</u>	<u>14,363</u>
Court Administration				
Personnel services	615,319	648,451	648,288	163
Contractual services	640,000	643,000	632,892	10,108
Commodities	<u>64,000</u>	<u>67,728</u>	<u>65,542</u>	<u>2,186</u>
Total Court Administration	<u>1,319,319</u>	<u>1,359,179</u>	<u>1,346,722</u>	<u>12,457</u>
Court Services				
Personnel services	2,340,726	2,340,726	2,305,651	35,075
Contractual services	481,010	481,010	481,005	5
Commodities	<u>35,926</u>	<u>35,926</u>	<u>30,974</u>	<u>4,952</u>
Total Court Services	<u>2,857,662</u>	<u>2,857,662</u>	<u>2,817,630</u>	<u>40,032</u>
Public Defender				
Personnel services	999,475	1,099,740	1,099,640	100
Contractual services	10,550	10,550	7,273	3,277
Commodities	<u>9,929</u>	<u>9,929</u>	<u>6,652</u>	<u>3,277</u>
Total Public Defender	<u>1,019,954</u>	<u>1,120,219</u>	<u>1,113,565</u>	<u>6,654</u>
State's Attorney				
Personnel services	2,543,721	2,653,706	2,653,706	-
Contractual services	161,950	161,950	139,129	22,821
Commodities	<u>42,700</u>	<u>42,700</u>	<u>31,768</u>	<u>10,932</u>
Total State's Attorney	<u>2,748,371</u>	<u>2,858,356</u>	<u>2,824,603</u>	<u>33,753</u>
Total Judiciary and Court Related	<u>9,842,597</u>	<u>10,100,292</u>	<u>9,993,033</u>	<u>107,259</u>

(Continued)

County of McHenry, Illinois
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC HEALTH AND WELFARE				
Health Department				
Personnel services	\$ 5,179,021	\$ 5,186,993	\$ 4,802,150	\$ 384,843
Contractual services	591,149	616,499	754,121	(137,622)
Commodities	<u>371,187</u>	<u>376,171</u>	<u>308,834</u>	<u>67,337</u>
Total Health Department	<u>6,141,357</u>	<u>6,179,663</u>	<u>5,865,105</u>	<u>314,558</u>
Total Public Health and Welfare	<u>6,141,357</u>	<u>6,179,663</u>	<u>5,865,105</u>	<u>314,558</u>
Total Expenditures - Current	<u>82,593,914</u>	<u>84,875,095</u>	<u>78,703,579</u>	<u>6,171,516</u>
CAPITAL OUTLAY	<u>1,006,124</u>	<u>14,309,789</u>	<u>8,095,449</u>	<u>6,214,340</u>
DEBT SERVICE				
Principal retirement	1,006,626	1,006,626	902,967	103,659
Interest and fiscal charges	<u>47,267</u>	<u>47,267</u>	<u>35,241</u>	<u>12,026</u>
Total Debt Service	<u>1,053,893</u>	<u>1,053,893</u>	<u>938,208</u>	<u>115,685</u>
TOTAL EXPENDITURES	<u>\$ 84,653,931</u>	<u>\$ 100,238,777</u>	<u>\$ 87,737,236</u>	<u>\$ 12,501,541</u>

(Concluded)

**NONMAJOR GOVERNMENTAL FUNDS -
COMBINING STATEMENTS**

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2018

	Special Revenue	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 65,904,245	\$ -	\$ 812,333	\$ 66,716,578
Property taxes receivable	13,906,615	-	-	13,906,615
Other receivables	765,101	-	-	765,101
Due from other governments	7,425,893	-	-	7,425,893
Due from other funds	6,103,428	-	-	6,103,428
Inventory	242,726	-	-	242,726
Total Assets	\$ 94,348,008	\$ -	\$ 812,333	\$ 95,160,341
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,369,309	\$ -	\$ -	\$ 4,369,309
Accrued payroll	273,094	-	-	273,094
Due to other funds	5,890,600	-	1,200	5,891,800
Other liabilities	5,220	-	-	5,220
Total Liabilities	10,538,223	-	1,200	10,539,423
Deferred Inflows of Resources				
Property taxes levied for future period	13,906,615	-	-	13,906,615
Unavailable revenue	2,549,828	-	-	2,549,828
Total Deferred Inflows of Resources	16,456,443	-	-	16,456,443
Fund Balances				
Nonspendable	242,726	-	811,133	1,053,859
Restricted	64,709,437	-	-	64,709,437
Committed	2,435,369	-	-	2,435,369
Unassigned (deficit)	(34,190)	-	-	(34,190)
Total Fund Balances	67,353,342	-	811,133	68,164,475
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 94,348,008	\$ -	\$ 812,333	\$ 95,160,341

County of McHenry, Illinois
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended November 30, 2018

	Special Revenue	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES				
Charges for services	\$ 4,064,813	\$ -	\$ -	\$ 4,064,813
Licenses and permits	84,502	-	-	84,502
Fines and forfeitures	56,993	-	-	56,993
Grants, contributions, and intergovernmental	15,142,914	-	-	15,142,914
Property taxes	13,967,611	-	-	13,967,611
Sales taxes	10,476,630	-	-	10,476,630
Investment income	969,164	-	9,238	978,402
Miscellaneous	1,102,828	-	-	1,102,828
Total Revenues	45,865,455	-	9,238	45,874,693
EXPENDITURES				
Current				
General and administrative	5,712,046	-	-	5,712,046
Community development	1,467,847	-	-	1,467,847
Transportation	17,575,985	-	-	17,575,985
Public safety	2,430,286	-	-	2,430,286
Judiciary and court related	2,945,617	-	-	2,945,617
Public health and welfare	4,653,271	-	-	4,653,271
Capital outlay	20,215,206	-	-	20,215,206
Debt service				
Principal retirement	8,373	1,815,000	-	1,823,373
Interest and fiscal charges	-	328,324	-	328,324
Total Expenditures	55,008,631	2,143,324	-	57,151,955
Excess (deficiency) of revenues over expenditures	(9,143,176)	(2,143,324)	9,238	(11,277,262)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,619,426	2,143,324	-	17,762,750
Transfers out	(15,612,569)	-	(1,200)	(15,613,769)
Total Other Financing Sources (Uses)	6,857	2,143,324	(1,200)	2,148,981
Net Change in Fund Balances	(9,136,319)	-	8,038	(9,128,281)
Fund Balances - Beginning of Year	76,489,661	-	803,095	77,292,756
Fund Balances - End of Year	\$ 67,353,342	\$ -	\$ 811,133	\$ 68,164,475

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.

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

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.

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, 2018

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	McDot RTA Sales Tax Project Fund	County Highway Fund
ASSETS				
Cash and investments	\$ 5,738	\$ 324,816	\$ 224,883	\$ 3,402,037
Property taxes receivable	-	400,000	-	5,811,615
Other receivables	-	-	-	136,007
Due from other governments	-	-	829,280	17,950
Due from other funds	-	-	5,742,545	916
Inventory	-	-	-	29,841
Total Assets	\$ 5,738	\$ 724,816	\$ 6,796,708	\$ 9,398,366
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 9,261	1,101,509	\$ 120,565
Accrued payroll	-	5,912	-	123,306
Due to other funds	-	-	-	109,354
Other liabilities	-	-	-	-
Total Liabilities	-	15,173	1,101,509	353,225
Deferred Inflows of Resources				
Property taxes levied for future period	-	400,000	-	5,811,615
Unavailable revenue	-	-	829,280	17,950
Total Deferred Inflows of Resources	-	400,000	829,280	5,829,565
Fund Balances				
Nonspendable	-	-	-	29,841
Restricted	5,738	309,643	4,865,919	3,185,735
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances	5,738	309,643	4,865,919	3,215,576
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,738	\$ 724,816	\$ 6,796,708	\$ 9,398,366

Social Security Fund	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
\$ 3,676,961	\$ 127,318	\$ 7,782,678	\$ 2,822,915	\$ 8,460,834	\$ 319,246	\$ 112,931
3,645,000	-	1,730,000	500,000	-	175,000	-
-	-	-	-	-	-	-
-	-	40,748	170,496	1,189,949	-	-
-	-	-	-	-	-	-
-	-	-	-	142,364	-	-
<u>\$ 7,321,961</u>	<u>\$ 127,318</u>	<u>\$ 9,553,426</u>	<u>\$ 3,493,411</u>	<u>\$ 9,793,147</u>	<u>\$ 494,246</u>	<u>\$ 112,931</u>
\$ -	\$ 768	\$ 106,047	\$ 318,687	\$ 684,109	\$ 2,738	\$ -
69,536	-	-	-	-	4,455	-
-	198	-	-	-	5,000	-
-	-	-	-	5,220	-	-
<u>69,536</u>	<u>966</u>	<u>106,047</u>	<u>318,687</u>	<u>689,329</u>	<u>12,193</u>	<u>-</u>
3,645,000	-	1,730,000	500,000	-	175,000	-
-	-	40,748	170,496	62,860	-	-
<u>3,645,000</u>	<u>-</u>	<u>1,770,748</u>	<u>670,496</u>	<u>62,860</u>	<u>175,000</u>	<u>-</u>
-	-	-	-	142,364	-	-
3,607,425	126,352	7,676,631	2,504,228	8,898,594	307,053	112,931
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,607,425</u>	<u>126,352</u>	<u>7,676,631</u>	<u>2,504,228</u>	<u>9,040,958</u>	<u>307,053</u>	<u>112,931</u>
<u>\$ 7,321,961</u>	<u>\$ 127,318</u>	<u>\$ 9,553,426</u>	<u>\$ 3,493,411</u>	<u>\$ 9,793,147</u>	<u>\$ 494,246</u>	<u>\$ 112,931</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2018

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
ASSETS				
Cash and equivalents	\$ 65,031	\$ 2,636,650	\$ 30,438	\$ 769,132
Property taxes receivable	-	-	-	-
Other receivables	-	5,925	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
Total Assets	\$ 65,031	\$ 2,642,575	\$ 30,438	\$ 769,132
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,471
Accrued payroll	-	5,700	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
	-	-	-	-
Total Liabilities	-	5,700	-	1,471
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	-	-
Unavailable revenue	-	4,438	-	-
	-	4,438	-	-
Total Deferred Inflows of Resources	-	4,438	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	65,031	2,632,437	30,438	767,661
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
	-	-	-	-
Total Fund Balances	65,031	2,632,437	30,438	767,661
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 65,031	\$ 2,642,575	\$ 30,438	\$ 769,132

Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$ 73,617	\$ 69,914	\$ 173,303	\$ -	\$ 320,393	\$ 414,361
-	-	-	-	-	-
-	-	16,205	-	-	-
1,718,147	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,791,764</u>	<u>\$ 69,914</u>	<u>\$ 189,508</u>	<u>\$ -</u>	<u>\$ 320,393</u>	<u>\$ 414,361</u>
\$ 81,568	\$ 6,454	\$ 33,842	\$ -	\$ 68	\$ 24,211
17,983	1,772	6,018	-	1,053	-
10,991	-	-	648	-	1,053
-	-	-	-	-	-
<u>110,542</u>	<u>8,226</u>	<u>39,860</u>	<u>648</u>	<u>1,121</u>	<u>25,264</u>
-	-	-	-	-	-
<u>1,369,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,369,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
311,846	61,688	149,648	-	319,272	389,097
-	-	-	-	-	-
-	-	-	(648)	-	-
<u>311,846</u>	<u>61,688</u>	<u>149,648</u>	<u>(648)</u>	<u>319,272</u>	<u>389,097</u>
<u>\$ 1,791,764</u>	<u>\$ 69,914</u>	<u>\$ 189,508</u>	<u>\$ -</u>	<u>\$ 320,393</u>	<u>\$ 414,361</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2018

	HUD Grants Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
ASSETS			
Cash and equivalents	\$ -	\$ 449,867	\$ 2,313
Property taxes receivable	-	-	-
Other receivables	-	-	-
Due from other governments	352,253	-	-
Due from other funds	-	-	-
Inventory	-	-	-
	-	-	-
Total Assets	\$ 352,253	\$ 449,867	\$ 2,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 306,600	\$ -	\$ -
Accrued payroll	3,704	2,917	-
Due to other funds	20,811	-	-
Other liabilities	-	-	-
	-	-	-
Total Liabilities	331,115	2,917	-
Deferred Inflows of Resources			
Property taxes levied for future period	-	-	-
Unavailable revenue	54,680	-	-
	54,680	-	-
Total Deferred Inflows of Resources	54,680	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	-	446,950	2,313
Committed	-	-	-
Unassigned (deficit)	(33,542)	-	-
	(33,542)	-	-
Total Fund Balances	(33,542)	446,950	2,313
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 352,253	\$ 449,867	\$ 2,313

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 136,625	\$ 110	\$ 471,054	\$ 22,590	\$ 191,145	\$ 665,066
-	-	-	-	-	-
-	-	-	-	-	135,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>136,625</u>	<u>110</u>	<u>471,054</u>	<u>22,590</u>	<u>191,145</u>	<u>800,066</u>
\$ 1,218	\$ -	\$ 30	\$ -	\$ -	\$ 17
364	-	-	-	-	9,139
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,582</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>9,156</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
135,043	110	-	22,590	191,145	790,910
-	-	471,024	-	-	-
-	-	-	-	-	-
<u>135,043</u>	<u>110</u>	<u>471,024</u>	<u>22,590</u>	<u>191,145</u>	<u>790,910</u>
<u>\$ 136,625</u>	<u>\$ 110</u>	<u>\$ 471,054</u>	<u>\$ 22,590</u>	<u>\$ 191,145</u>	<u>\$ 800,066</u>

(Continued)

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2018

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
ASSETS				
Cash and equivalents	\$ 1,493,125	\$ 6,224	\$ 2,239,282	\$ 11,155,166
Property taxes receivable	-	-	1,645,000	-
Other receivables	471,220	-	-	-
Due from other governments	-	-	-	2,635,254
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total Assets	\$ 1,964,345	\$ 6,224	\$ 3,884,282	\$ 13,790,420
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 500	\$ 399,646	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	3,600	5,738,945
Other liabilities	-	-	-	-
Total Liabilities	-	500	403,246	5,738,945
Deferred Inflows of Resources				
Property taxes levied for future period	-	-	1,645,000	-
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	1,645,000	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	5,724	1,836,036	8,051,475
Committed	1,964,345	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances	1,964,345	5,724	1,836,036	8,051,475
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,964,345	\$ 6,224	\$ 3,884,282	\$ 13,790,420

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Inmate Welfare Fund	Regional Office Education Fund	Totals
\$ 10,318	\$ 10,198,783	\$ 38,043	\$ 6,031,096	\$ 932,688	\$ 47,554	\$ 65,904,245
-	-	-	-	-	-	13,906,615
744	-	-	-	-	-	765,101
-	-	-	471,816	-	-	7,425,893
-	359,967	-	-	-	-	6,103,428
-	-	-	70,521	-	-	242,726
<u>\$ 11,062</u>	<u>\$ 10,558,750</u>	<u>\$ 38,043</u>	<u>\$ 6,573,433</u>	<u>\$ 932,688</u>	<u>\$ 47,554</u>	<u>\$ 94,348,008</u>
\$ 727	\$ 9,863	\$ -	\$ 1,147,674	\$ 8,798	\$ 2,938	\$ 4,369,309
-	19,490	-	1,378	-	367	273,094
-	-	-	-	-	-	5,890,600
-	-	-	-	-	-	5,220
<u>727</u>	<u>29,353</u>	<u>-</u>	<u>1,149,052</u>	<u>8,798</u>	<u>3,305</u>	<u>10,538,223</u>
-	-	-	-	-	-	13,906,615
-	-	-	-	-	-	2,549,828
-	-	-	-	-	-	16,456,443
-	-	-	70,521	-	-	242,726
10,335	10,529,397	38,043	5,353,860	923,890	44,249	64,709,437
-	-	-	-	-	-	2,435,369
-	-	-	-	-	-	(34,190)
<u>10,335</u>	<u>10,529,397</u>	<u>38,043</u>	<u>5,424,381</u>	<u>923,890</u>	<u>44,249</u>	<u>67,353,342</u>
<u>\$ 11,062</u>	<u>\$ 10,558,750</u>	<u>\$ 38,043</u>	<u>\$ 6,573,433</u>	<u>\$ 932,688</u>	<u>\$ 47,554</u>	<u>\$ 94,348,008</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, 2018

	Veterans' Assistance Commission Bus Fund	Veterans' Assistance Commission Fund	McDot RTA Sales Tax Project Fund	County Highway Fund
REVENUES				
Charges for services	\$ -	\$ -	\$ 9,060	\$ 725
Licenses and permits	-	-	-	84,502
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	15,000	681,736	63,449
Property taxes	-	324,574	-	5,702,884
Sales taxes	-	-	-	-
Investment income	82	-	-	56,764
Miscellaneous	2,605	-	-	260,785
Total Revenues	2,687	339,574	690,796	6,169,109
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	-	-	-	-
Transportation	-	-	3,503,734	6,617,854
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	433,616	-	-
Capital outlay	-	24,368	7,924,712	542,401
Debt service				
Principal retirement	-	-	-	-
Total Expenditures	-	457,984	11,428,446	7,160,255
Excess (deficiency) of revenues over expenditures	2,687	(118,410)	(10,737,650)	(991,146)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,603,569	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	15,603,569	-
Net Change in Fund Balances	2,687	(118,410)	4,865,919	(991,146)
Fund Balances - Beginning of Year (deficit)	3,051	428,053	-	4,206,722
Fund Balances - End of Year (deficit)	\$ 5,738	\$ 309,643	\$ 4,865,919	\$ 3,215,576

Social Security Fund	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
\$ -	\$ 64,507	\$ -	\$ -	\$ -	\$ 5,451	\$ 82,334
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,477	-	262,195	4,616,724	-	-
3,676,827	-	1,696,931	499,305	-	174,804	-
-	-	-	-	-	-	-
56,653	2,208	144,515	49,168	138,646	6,062	1,634
-	3,228	-	-	-	-	-
<u>3,733,480</u>	<u>74,420</u>	<u>1,841,446</u>	<u>810,668</u>	<u>4,755,370</u>	<u>186,317</u>	<u>83,968</u>
548,456	-	-	-	-	-	-
88,957	-	-	-	-	-	-
-	-	1,278,408	438,551	2,707,573	-	-
2,130,877	45,648	-	-	-	-	-
638,561	-	-	-	-	-	60,061
297,483	-	-	-	-	305,000	-
-	-	4,431,029	835,229	3,303,388	-	-
-	-	-	-	-	-	-
<u>3,704,334</u>	<u>45,648</u>	<u>5,709,437</u>	<u>1,273,780</u>	<u>6,010,961</u>	<u>305,000</u>	<u>60,061</u>
<u>29,146</u>	<u>28,772</u>	<u>(3,867,991)</u>	<u>(463,112)</u>	<u>(1,255,591)</u>	<u>(118,683)</u>	<u>23,907</u>
-	-	-	-	-	-	-
-	(9,000)	-	-	-	-	-
-	(9,000)	-	-	-	-	-
<u>29,146</u>	<u>19,772</u>	<u>(3,867,991)</u>	<u>(463,112)</u>	<u>(1,255,591)</u>	<u>(118,683)</u>	<u>23,907</u>
<u>3,578,279</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>
<u>\$ 3,607,425</u>	<u>\$ 126,352</u>	<u>\$ 7,676,631</u>	<u>\$ 2,504,228</u>	<u>\$ 9,040,958</u>	<u>\$ 307,053</u>	<u>\$ 112,931</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, 2018

	County Clerk Automation Fund	Recorder Automation Fund	Animal Shelter Fund	County Treasurer Automation Fund
REVENUES				
Charges for services	\$ 28,815	\$ 678,127	\$ 5,424	\$ 94,889
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Investment income	922	41,053	512	12,701
Miscellaneous	-	-	-	-
Total Revenues	29,737	719,180	5,936	107,590
EXPENDITURES				
Current				
General and administrative	10,500	482,418	-	97,195
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	2,316	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal retirement	-	-	-	-
Total Expenditures	10,500	482,418	2,316	97,195
Excess (deficiency) of revenues over expenditures	19,237	236,762	3,620	10,395
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	19,237	236,762	3,620	10,395
Fund Balances - Beginning of Year (deficit)	45,794	2,395,675	26,818	757,266
Fund Balances - End of Year (deficit)	<u>\$ 65,031</u>	<u>\$ 2,632,437</u>	<u>\$ 30,438</u>	<u>\$ 767,661</u>

	Workforce Network Fund	Law Library Fund	Special Courts Fund	Expedited Permit Fund	Circuit Court Document Storage Fund	Probation Service Fee Fund
\$	-	\$ 176,987	\$ 175,236	\$ 723	\$ 494,204	\$ 312,552
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,039,152	15,000	416,220	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,904	1,091	-	-	3,888	7,653
	16,864	-	-	-	-	-
	<u>2,057,920</u>	<u>193,078</u>	<u>591,456</u>	<u>723</u>	<u>498,092</u>	<u>320,205</u>
	-	-	-	-	-	-
	-	-	-	1,260	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	160,748	737,633	-	354,232	274,639
	2,019,734	-	-	-	-	-
	-	-	-	-	-	-
	8,373	-	-	-	-	-
	<u>2,028,107</u>	<u>160,748</u>	<u>737,633</u>	<u>1,260</u>	<u>354,232</u>	<u>274,639</u>
	29,813	32,330	(146,177)	(537)	143,860	45,566
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>29,813</u>	<u>32,330</u>	<u>(146,177)</u>	<u>(537)</u>	<u>143,860</u>	<u>45,566</u>
	282,033	29,358	295,825	(111)	175,412	343,531
\$	<u><u>311,846</u></u>	<u><u>61,688</u></u>	<u><u>149,648</u></u>	<u><u>(648)</u></u>	<u><u>319,272</u></u>	<u><u>389,097</u></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, 2018

	HUD Grants Fund	Circuit Court Automation Fund	Illinois Criminal Justice Authority Fund
REVENUES			
Charges for services	\$ -	\$ 519,639	\$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Grants, contributions, and intergovernmental	1,344,088	-	98,417
Property taxes	-	-	-
Sales taxes	-	-	-
Investment income	-	6,939	746
Miscellaneous	-	-	-
Total Revenues	<u>1,344,088</u>	<u>526,578</u>	<u>99,163</u>
EXPENDITURES			
Current			
General and administrative	-	-	-
Community development	1,377,630	-	-
Transportation	-	-	-
Public safety	-	-	-
Judiciary and court related	-	483,783	98,417
Public health and welfare	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirement	-	-	-
Total Expenditures	<u>1,377,630</u>	<u>483,783</u>	<u>98,417</u>
Excess (deficiency) of revenues over expenditures	<u>(33,542)</u>	<u>42,795</u>	<u>746</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(33,542)</u>	<u>42,795</u>	<u>746</u>
Fund Balances - Beginning of Year (deficit)	<u>-</u>	<u>404,155</u>	<u>1,567</u>
Fund Balances - End of Year (deficit)	<u>\$ (33,542)</u>	<u>\$ 446,950</u>	<u>\$ 2,313</u>

Circuit Court Admin Fund	EMDT Fund	Treasurer's Passport Services Fund	State's Attorney Automation Fund	DUI Conviction Fund	Geographic Information Systems Fund
\$ 94,684	\$ -	\$ 108,993	\$ 21,849	\$ -	\$ 669,349
-	-	-	-	56,993	-
-	-	-	-	-	-
-	-	-	-	-	-
2,180	110	7,815	218	-	15,851
-	-	-	-	-	-
<u>96,864</u>	<u>110</u>	<u>116,808</u>	<u>22,067</u>	<u>56,993</u>	<u>685,200</u>
-	-	68,876	-	-	1,073,747
-	-	-	-	-	-
-	-	-	-	31,779	-
69,217	-	-	19,002	-	-
-	-	-	-	-	-
5,000	-	-	-	-	-
-	-	-	-	-	-
<u>74,217</u>	<u>-</u>	<u>68,876</u>	<u>19,002</u>	<u>31,779</u>	<u>1,073,747</u>
<u>22,647</u>	<u>110</u>	<u>47,932</u>	<u>3,065</u>	<u>25,214</u>	<u>(388,547)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,647</u>	<u>110</u>	<u>47,932</u>	<u>3,065</u>	<u>25,214</u>	<u>(388,547)</u>
<u>112,396</u>	<u>-</u>	<u>423,092</u>	<u>19,525</u>	<u>165,931</u>	<u>1,179,457</u>
<u>\$ 135,043</u>	<u>\$ 110</u>	<u>\$ 471,024</u>	<u>\$ 22,590</u>	<u>\$ 191,145</u>	<u>\$ 790,910</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, 2018

	Revolving Loan Fund	Health Scholarship Fund	Senior Services Fund	RTA Sales Tax Fund
REVENUES				
Charges for services	\$ 400	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Grants, contributions, and intergovernmental	-	-	-	-
Property taxes	-	-	1,642,521	-
Sales taxes	-	-	-	10,476,630
Investment income	43,732	71	33,482	192,268
Miscellaneous	-	-	-	-
Total Revenues	44,132	71	1,676,003	10,668,898
EXPENDITURES				
Current				
General and administrative	-	-	-	-
Community development	-	-	-	-
Transportation	-	-	-	-
Public safety	-	-	-	-
Judiciary and court related	-	-	-	-
Public health and welfare	-	-	1,595,122	-
Capital outlay	-	-	-	429,568
Debt service				
Principal retirement	-	-	-	-
Total Expenditures	-	-	1,595,122	429,568
Excess (deficiency) of revenues over expenditures	44,132	71	80,881	10,239,330
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	15,857	-
Transfers out	-	-	-	(15,603,569)
Total Other Financing Sources (Uses)	-	-	15,857	(15,603,569)
Net Change in Fund Balances	44,132	71	96,738	(5,364,239)
Fund Balances - Beginning of Year (deficit)	1,920,213	5,653	1,739,298	13,415,714
Fund Balances - End of Year (deficit)	<u>\$ 1,964,345</u>	<u>\$ 5,724</u>	<u>\$ 1,836,036</u>	<u>\$ 8,051,475</u>

Public Building Commission Fund	Insurance Loss Fund	Circuit Clerk Electronic Citation Fund	Motor Fuel Tax Fund	Inmate Welfare Fund	Regional Office Education Fund	Totals
\$ -	\$ -	\$ 30,968	\$ -	\$ 489,897	\$ -	\$ 4,064,813
-	-	-	-	-	-	84,502
-	-	-	-	-	-	56,993
-	-	-	5,511,107	-	75,349	15,142,914
-	249,765	-	-	-	-	13,967,611
-	-	-	-	-	-	10,476,630
1,828	18,879	625	104,930	13,288	746	969,164
-	819,346	-	-	-	-	1,102,828
<u>1,828</u>	<u>1,087,990</u>	<u>31,593</u>	<u>5,616,037</u>	<u>503,185</u>	<u>76,095</u>	<u>45,865,455</u>
8,726	3,355,071	-	-	-	67,057	5,712,046
-	-	-	-	-	-	1,467,847
-	-	-	3,029,865	-	-	17,575,985
-	-	-	-	221,982	-	2,430,286
-	-	49,324	-	-	-	2,945,617
-	-	-	-	-	-	4,653,271
-	-	-	2,719,511	-	-	20,215,206
-	-	-	-	-	-	8,373
<u>8,726</u>	<u>3,355,071</u>	<u>49,324</u>	<u>5,749,376</u>	<u>221,982</u>	<u>67,057</u>	<u>55,008,631</u>
<u>(6,898)</u>	<u>(2,267,081)</u>	<u>(17,731)</u>	<u>(133,339)</u>	<u>281,203</u>	<u>9,038</u>	<u>(9,143,176)</u>
-	-	-	-	-	-	15,619,426
-	-	-	-	-	-	(15,612,569)
-	-	-	-	-	-	6,857
<u>(6,898)</u>	<u>(2,267,081)</u>	<u>(17,731)</u>	<u>(133,339)</u>	<u>281,203</u>	<u>9,038</u>	<u>(9,136,319)</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>
<u>\$ 10,335</u>	<u>\$ 10,529,397</u>	<u>\$ 38,043</u>	<u>\$ 5,424,381</u>	<u>\$ 923,890</u>	<u>\$ 44,249</u>	<u>\$ 67,353,342</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 60	\$ 60	\$ 82	\$ 22
Miscellaneous	<u>500</u>	<u>500</u>	<u>2,605</u>	<u>2,105</u>
Total Revenues	<u>560</u>	<u>560</u>	<u>2,687</u>	<u>2,127</u>
EXPENDITURES				
Current				
Public health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 560</u>	<u>\$ 560</u>	2,687	<u>\$ 2,127</u>
Fund Balance - Beginning of Year			<u>3,051</u>	
Fund Balance - End of Year			<u>\$ 5,738</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Property taxes	<u>400,000</u>	<u>325,035</u>	<u>324,574</u>	<u>(461)</u>
Total Revenues	<u>415,000</u>	<u>340,035</u>	<u>339,574</u>	<u>(461)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	401,527	401,527	330,819	70,708
Contractual services	221,200	221,200	87,995	133,205
Commodities	23,150	23,150	14,802	8,348
Capital outlay	<u>24,600</u>	<u>24,600</u>	<u>24,368</u>	<u>232</u>
Total Expenditures	<u>670,477</u>	<u>670,477</u>	<u>457,984</u>	<u>212,493</u>
Net Change in Fund Balance	<u>\$ (255,477)</u>	<u>\$ (330,442)</u>	(118,410)	<u>\$ (212,032)</u>
Fund Balance - Beginning of Year			<u>428,053</u>	
Fund Balance - End of Year			<u>\$ 309,643</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
McDOT RTA SALES TAX PROJECT FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 9,000	\$ 9,000	\$ 9,060	\$ 60
Grants, contributions, and intergovernmental	<u>957,560</u>	<u>957,560</u>	<u>681,736</u>	<u>(275,824)</u>
Total Revenues	<u>966,560</u>	<u>966,560</u>	<u>690,796</u>	<u>(275,764)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	6,422,700	9,280,638	3,503,734	5,776,904
Capital outlay	<u>9,950,000</u>	<u>15,766,584</u>	<u>7,924,712</u>	<u>7,841,872</u>
Total Expenditures	<u>16,372,700</u>	<u>25,047,222</u>	<u>11,428,446</u>	<u>13,618,776</u>
Deficiency of revenues over expenditures	<u>(15,406,140)</u>	<u>(24,080,662)</u>	<u>(10,737,650)</u>	<u>13,343,012</u>
OTHER FINANCING SOURCES				
Transfers in	<u>15,406,140</u>	<u>15,406,140</u>	<u>15,603,569</u>	<u>197,429</u>
Total Other Financing Sources	<u>15,406,140</u>	<u>15,406,140</u>	<u>15,603,569</u>	<u>197,429</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (8,674,522)</u>	4,865,919	<u>\$ 13,540,441</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 4,865,919</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 725	\$ 725
Licenses and permits	96,000	96,000	84,502	(11,498)
Grants, contributions, and intergovernmental	95,676	95,676	63,449	(32,227)
Property taxes	6,455,268	5,711,615	5,702,884	(8,731)
Investment income	20,000	20,000	56,764	36,764
Miscellaneous	<u>125,500</u>	<u>125,500</u>	<u>260,785</u>	<u>135,285</u>
 Total Revenues	 <u>6,792,444</u>	 <u>6,048,791</u>	 <u>6,169,109</u>	 <u>120,318</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	5,326,556	5,386,556	5,314,596	71,960
Contractual services	818,442	917,207	657,204	260,003
Commodities	652,110	761,935	646,054	115,881
Capital outlay	<u>826,000</u>	<u>829,700</u>	<u>542,401</u>	<u>287,299</u>
 Total Expenditures	 <u>7,623,108</u>	 <u>7,895,398</u>	 <u>7,160,255</u>	 <u>735,143</u>
 Net Change in Fund Balance	 <u>\$ (830,664)</u>	 <u>\$ (1,846,607)</u>	 (991,146)	 <u>\$ 855,461</u>
 Fund Balance - Beginning of Year			 <u>4,206,722</u>	
 Fund Balance - End of Year			 <u>\$ 3,215,576</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 4,000,000	\$ 3,682,522	\$ 3,676,827	\$ (5,695)
Investment income	<u>20,000</u>	<u>20,000</u>	<u>56,653</u>	<u>36,653</u>
Total Revenues	<u>4,020,000</u>	<u>3,702,522</u>	<u>3,733,480</u>	<u>30,958</u>
EXPENDITURES				
Current				
Personnel services				
General and administrative	611,206	611,206	548,456	62,750
Community development	99,135	99,135	88,957	10,178
Public safety	2,374,675	2,374,675	2,130,877	243,798
Judiciary and court related	711,621	711,621	638,561	73,060
Public health and welfare	<u>331,521</u>	<u>331,521</u>	<u>297,483</u>	<u>34,038</u>
Total Expenditures	<u>4,128,158</u>	<u>4,128,158</u>	<u>3,704,334</u>	<u>423,824</u>
Net Change in Fund Balance	<u>\$ (108,158)</u>	<u>\$ (425,636)</u>	29,146	<u>\$ 454,782</u>
Fund Balance - Beginning of Year			<u>3,578,279</u>	
Fund Balance - End of Year			<u>\$ 3,607,425</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 64,000	\$ 64,000	\$ 64,507	\$ 507
Grants, contributions, and intergovernmental	4,800	4,800	4,477	(323)
Investment income	-	-	2,208	2,208
Miscellaneous	-	3,228	3,228	-
Total Revenues	<u>68,800</u>	<u>72,028</u>	<u>74,420</u>	<u>2,392</u>
EXPENDITURES				
Current				
Public safety				
Personnel services	9,797	9,797	9,733	64
Contractual services	58,200	61,428	30,854	30,574
Commodities	13,000	13,000	5,061	7,939
Total Expenditures	<u>80,997</u>	<u>84,225</u>	<u>45,648</u>	<u>38,577</u>
Excess of revenues over expenditures	(12,197)	(12,197)	28,772	40,969
OTHER FINANCING USES				
Transfers out	(9,000)	(9,000)	(9,000)	-
Net Change in Fund Balance	<u>\$ (21,197)</u>	<u>\$ (21,197)</u>	19,772	<u>\$ 40,969</u>
Fund Balance - Beginning of Year			<u>106,580</u>	
Fund Balance - End of Year			<u>\$ 126,352</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,807,507	\$ 1,700,000	\$ 1,696,931	\$ (3,069)
Investment income	<u>60,000</u>	<u>60,000</u>	<u>144,515</u>	<u>84,515</u>
Total Revenues	<u>1,867,507</u>	<u>1,760,000</u>	<u>1,841,446</u>	<u>81,446</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	550,000	1,910,551	1,278,408	632,143
Capital outlay	<u>-</u>	<u>10,922,960</u>	<u>4,431,029</u>	<u>6,491,931</u>
Total Expenditures	<u>550,000</u>	<u>12,833,511</u>	<u>5,709,437</u>	<u>7,124,074</u>
Net Change in Fund Balance	<u>\$ 1,317,507</u>	<u>\$ (11,073,511)</u>	(3,867,991)	<u>\$ 7,205,520</u>
Fund Balance - Beginning of Year			<u>11,544,622</u>	
Fund Balance - End of Year			<u>\$ 7,676,631</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 765,000	\$ 765,000	\$ 262,195	\$ (502,805)
Property taxes	500,000	500,000	499,305	(695)
Investment income	<u>13,000</u>	<u>13,000</u>	<u>49,168</u>	<u>36,168</u>
Total Revenues	<u>1,278,000</u>	<u>1,278,000</u>	<u>810,668</u>	<u>(467,332)</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	1,030,000	1,522,963	438,551	1,084,412
Capital outlay	<u>1,020,000</u>	<u>2,044,252</u>	<u>835,229</u>	<u>1,209,023</u>
Total Expenditures	<u>2,050,000</u>	<u>3,567,215</u>	<u>1,273,780</u>	<u>2,293,435</u>
Net Change in Fund Balance	<u>\$ (772,000)</u>	<u>\$ (2,289,215)</u>	(463,112)	<u>\$ 1,826,103</u>
Fund Balance - Beginning of Year			<u>2,967,340</u>	
Fund Balance - End of Year			<u>\$ 2,504,228</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 4,500,000	\$ 4,500,000	\$ 4,616,724	\$ 116,724
Investment income	<u>50,000</u>	<u>50,000</u>	<u>138,646</u>	<u>88,646</u>
Total Revenues	<u>4,550,000</u>	<u>4,550,000</u>	<u>4,755,370</u>	<u>205,370</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	2,060,112	3,447,033	1,850,876	1,596,157
Commodities	822,400	891,807	856,697	35,110
Capital outlay	<u>1,200,000</u>	<u>7,803,643</u>	<u>3,303,388</u>	<u>4,500,255</u>
Total Expenditures	<u>4,082,512</u>	<u>12,142,483</u>	<u>6,010,961</u>	<u>6,131,522</u>
Net Change in Fund Balance	<u>\$ 467,488</u>	<u>\$ (7,592,483)</u>	(1,255,591)	<u>\$ 6,336,892</u>
Fund Balance - Beginning of Year			<u>10,296,549</u>	
Fund Balance - End of Year			<u>\$ 9,040,958</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 6,000	\$ 6,000	\$ 5,451	\$ (549)
Property taxes	250,000	175,059	174,804	(255)
Investment income	2,625	2,625	6,062	3,437
Total Revenues	<u>258,625</u>	<u>183,684</u>	<u>186,317</u>	<u>2,633</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	263,300	263,300	247,855	15,445
Contractual services	55,500	55,500	47,754	7,746
Commodities	19,050	19,050	9,391	9,659
Total Expenditures	<u>337,850</u>	<u>337,850</u>	<u>305,000</u>	<u>32,850</u>
Net Change in Fund Balance	<u>\$ (79,225)</u>	<u>\$ (154,166)</u>	(118,683)	<u>\$ 35,483</u>
Fund Balance - Beginning of Year			<u>425,736</u>	
Fund Balance - End of Year			<u>\$ 307,053</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 88,000	\$ 88,000	\$ 82,334	\$ (5,666)
Investment income	250	250	1,634	1,384
Total Revenues	88,250	88,250	83,968	(4,282)
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	86,813	86,813	61	86,752
Contractual services	-	60,000	60,000	-
Total Expenditures	86,813	146,813	60,061	86,752
Net Change in Fund Balance	\$ 1,437	\$ (58,563)	23,907	\$ 82,470
Fund Balance - Beginning of Year			89,024	
Fund Balance - End of Year			\$ 112,931	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 13,000	\$ 13,000	\$ 28,815	\$ 15,815
Investment income	<u>400</u>	<u>400</u>	<u>922</u>	<u>522</u>
Total Revenues	<u>13,400</u>	<u>13,400</u>	<u>29,737</u>	<u>16,337</u>
EXPENDITURES				
Current				
General and administrative				
Contractual services	42,500	42,500	10,500	32,000
Capital outlay	<u>-</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Total Expenditures	<u>42,500</u>	<u>53,000</u>	<u>10,500</u>	<u>42,500</u>
Net Change in Fund Balance	\$ <u><u>(29,100)</u></u>	\$ <u><u>(39,600)</u></u>	19,237	\$ <u><u>58,837</u></u>
Fund Balance - Beginning of Year			<u>45,794</u>	
Fund Balance - End of Year			\$ <u><u>65,031</u></u>	

County of McHenry, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 RECORDER AUTOMATION FUND
 For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 784,875	\$ 784,875	\$ 678,127	\$ (106,748)
Investment income	14,000	14,000	41,053	27,053
Total Revenues	798,875	798,875	719,180	(79,695)
EXPENDITURES				
Current				
General and administrative				
Personnel services	466,563	466,563	279,842	186,721
Contractual services	217,000	217,000	190,029	26,971
Commodities	20,250	20,250	12,547	7,703
Capital outlay	22,000	22,000	-	22,000
Total Expenditures	725,813	725,813	482,418	243,395
Net Change in Fund Balance	\$ 73,062	\$ 73,062	236,762	\$ 163,700
Fund Balance - Beginning of Year			2,395,675	
Fund Balance - End of Year			\$ 2,632,437	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 2,500	\$ 2,500	\$ 5,424	\$ 2,924
Investment income	<u>100</u>	<u>100</u>	<u>512</u>	<u>412</u>
Total Revenues	<u>2,600</u>	<u>2,600</u>	<u>5,936</u>	<u>3,336</u>
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	4,000	4,000	2,316	1,684
Commodities	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>2,316</u>	<u>9,684</u>
Net Change in Fund Balance	<u>\$ (9,400)</u>	<u>\$ (9,400)</u>	3,620	<u>\$ 13,020</u>
Fund Balance - Beginning of Year			<u>26,818</u>	
Fund Balance - End of Year			<u>\$ 30,438</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 100,000	\$ 100,000	\$ 94,889	\$ (5,111)
Investment income	<u>4,000</u>	<u>4,000</u>	<u>12,701</u>	<u>8,701</u>
Total Revenues	<u>104,000</u>	<u>104,000</u>	<u>107,590</u>	<u>3,590</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	57,758	58,918	58,915	3
Contractual services	42,500	42,500	35,441	7,059
Commodities	<u>6,900</u>	<u>5,740</u>	<u>2,839</u>	<u>2,901</u>
Total Expenditures	<u>107,158</u>	<u>107,158</u>	<u>97,195</u>	<u>9,963</u>
Net Change in Fund Balance	<u>\$ (3,158)</u>	<u>\$ (3,158)</u>	10,395	<u>\$ 13,553</u>
Fund Balance - Beginning of Year			<u>757,266</u>	
Fund Balance - End of Year			<u>\$ 767,661</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKFORCE NETWORK FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 2,044,044	\$ 2,140,975	\$ 2,039,152	\$ (101,823)
Investment income	671	671	1,904	1,233
Miscellaneous	<u>27,026</u>	<u>27,026</u>	<u>16,864</u>	<u>(10,162)</u>
Total Revenues	<u>2,071,741</u>	<u>2,168,672</u>	<u>2,057,920</u>	<u>(110,752)</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	1,204,705	1,223,422	1,136,192	87,230
Contractual services	827,439	887,899	812,184	75,715
Commodities	74,355	96,355	71,358	24,997
Capital outlay	753	753	-	753
Debt service				
Principal retirement	<u>11,197</u>	<u>11,197</u>	<u>8,373</u>	<u>2,824</u>
Total Expenditures	<u>2,118,449</u>	<u>2,219,626</u>	<u>2,028,107</u>	<u>191,519</u>
Net Change in Fund Balance	<u>\$ (46,708)</u>	<u>\$ (50,954)</u>	29,813	<u>\$ 80,767</u>
Fund Balance - Beginning of Year			<u>282,033</u>	
Fund Balance - End of Year			<u>\$ 311,846</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 175,000	\$ 175,000	\$ 176,987	\$ 1,987
Grants, contributions, and intergovernmental	-	15,000	15,000	-
Investment income	<u>100</u>	<u>100</u>	<u>1,091</u>	<u>991</u>
Total Revenues	<u>175,100</u>	<u>190,100</u>	<u>193,078</u>	<u>2,978</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	87,424	90,424	81,844	8,580
Contractual services	400	9,100	8,980	120
Commodities	<u>75,400</u>	<u>78,700</u>	<u>69,924</u>	<u>8,776</u>
Total Expenditures	<u>163,224</u>	<u>178,224</u>	<u>160,748</u>	<u>17,476</u>
Net Change in Fund Balance	<u>\$ 11,876</u>	<u>\$ 11,876</u>	32,330	<u>\$ 20,454</u>
Fund Balance - Beginning of Year			<u>29,358</u>	
Fund Balance - End of Year			<u>\$ 61,688</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 185,000	\$ 185,000	\$ 175,236	\$ (9,764)
Grants, contributions, and intergovernmental	<u>470,825</u>	<u>482,950</u>	<u>416,220</u>	<u>(66,730)</u>
Total Revenues	<u>655,825</u>	<u>667,950</u>	<u>591,456</u>	<u>(76,494)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	475,164	475,164	440,619	34,545
Contractual services	281,620	284,620	248,392	36,228
Commodities	21,375	30,500	30,207	293
Capital Outlay	<u>-</u>	<u>34,000</u>	<u>18,415</u>	<u>15,585</u>
Total Expenditures	<u>778,159</u>	<u>824,284</u>	<u>737,633</u>	<u>86,651</u>
Net Change in Fund Balance	<u>\$ (122,334)</u>	<u>\$ (156,334)</u>	(146,177)	<u>\$ 10,157</u>
Fund Balance - Beginning of Year			<u>295,825</u>	
Fund Balance - End of Year			<u>\$ 149,648</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, 2018

	<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	\$ 723	\$ (19,277)
EXPENDITURES				
Current				
Community development				
Contractual services	<u>20,000</u>	<u>20,000</u>	<u>1,260</u>	<u>18,740</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(537)	<u>\$ (537)</u>
Fund Balance - Beginning of Year (deficit)			<u>(111)</u>	
Fund Balance - End of Year (deficit)			<u>\$ (648)</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 500,000	\$ 500,000	\$ 494,204	\$ (5,796)
Investment income	<u>1,000</u>	<u>1,000</u>	<u>3,888</u>	<u>2,888</u>
Total Revenues	<u>501,000</u>	<u>501,000</u>	<u>498,092</u>	<u>(2,908)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	182,420	182,420	137,536	44,884
Contractual services	<u>298,580</u>	<u>306,680</u>	<u>216,696</u>	<u>89,984</u>
Total Expenditures	<u>481,000</u>	<u>489,100</u>	<u>354,232</u>	<u>134,868</u>
Net Change in Fund Balance	<u>\$ 20,000</u>	<u>\$ 11,900</u>	143,860	<u>\$ 131,960</u>
Fund Balance - Beginning of Year			<u>175,412</u>	
Fund Balance - End of Year			<u>\$ 319,272</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 382,500	\$ 382,500	\$ 312,552	\$ (69,948)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>7,653</u>	<u>5,653</u>
Total Revenues	<u>384,500</u>	<u>384,500</u>	<u>320,205</u>	<u>(64,295)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	468,010	468,010	220,229	247,781
Commodities	<u>80,440</u>	<u>80,440</u>	<u>54,410</u>	<u>26,030</u>
Total Expenditures	<u>548,450</u>	<u>548,450</u>	<u>274,639</u>	<u>273,811</u>
Net Change in Fund Balance	<u>\$ (163,950)</u>	<u>\$ (163,950)</u>	45,566	<u>\$ 209,516</u>
Fund Balance - Beginning of Year			<u>343,531</u>	
Fund Balance - End of Year			<u>\$ 389,097</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 1,756,464	\$ 1,760,478	\$ 1,344,088	\$ (416,390)
EXPENDITURES				
Current				
Community development				
Personnel services	266,919	266,919	215,584	51,335
Contractual services	1,447,576	2,990,734	1,121,791	1,868,943
Commodities	41,969	41,969	40,255	1,714
Total Expenditures	<u>1,756,464</u>	<u>3,299,622</u>	<u>1,377,630</u>	<u>1,921,992</u>
Net Change in Fund Balance	\$ <u><u>-</u></u>	\$ <u><u>(1,539,144)</u></u>	(33,542)	\$ <u><u>1,505,602</u></u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year (deficit)			<u><u>\$ (33,542)</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 520,000	\$ 520,000	\$ 519,639	\$ (361)
Investment income	<u>2,000</u>	<u>2,000</u>	<u>6,939</u>	<u>4,939</u>
Total Revenues	<u>522,000</u>	<u>522,000</u>	<u>526,578</u>	<u>4,578</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	190,478	190,478	157,783	32,695
Contractual services	318,872	344,872	326,000	18,872
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>514,350</u>	<u>540,350</u>	<u>483,783</u>	<u>56,567</u>
Net Change in Fund Balance	<u>\$ 7,650</u>	<u>\$ (18,350)</u>	42,795	<u>\$ 61,145</u>
Fund Balance - Beginning of Year			<u>404,155</u>	
Fund Balance - End of Year			<u>\$ 446,950</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 98,417	\$ 98,417	\$ 98,417	\$ -
Investment income	<u>-</u>	<u>-</u>	<u>746</u>	<u>746</u>
Total Revenues	<u>98,417</u>	<u>98,417</u>	<u>99,163</u>	<u>746</u>
EXPENDITURES				
Current				
Judiciary and court related Personnel services	<u>98,417</u>	<u>98,417</u>	<u>98,417</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	746	<u>\$ 746</u>
Fund Balance - Beginning of Year			<u>1,567</u>	
Fund Balance - End of Year			<u>\$ 2,313</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 102,000	\$ 102,000	\$ 94,684	\$ (7,316)
Investment income	<u>600</u>	<u>600</u>	<u>2,180</u>	<u>1,580</u>
Total Revenues	<u>102,600</u>	<u>102,600</u>	<u>96,864</u>	<u>(5,736)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Personnel services	18,792	18,868	18,867	1
Contractual services	47,000	46,924	33,979	12,945
Commodities	24,000	24,000	16,371	7,629
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>94,792</u>	<u>94,792</u>	<u>74,217</u>	<u>20,575</u>
Net Change in Fund Balance	<u>\$ 7,808</u>	<u>\$ 7,808</u>	22,647	<u>\$ 14,839</u>
Fund Balance - Beginning of Year			<u>112,396</u>	
Fund Balance - End of Year			<u>\$ 135,043</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 110	\$ 110
Total Revenues	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
EXPENDITURES				
Current				
Judiciary and court related	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	110	<u>\$ 110</u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u>\$ 110</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 180,000	\$ 180,000	\$ 108,993	\$ (71,007)
Investment income	<u>2,500</u>	<u>2,500</u>	<u>7,815</u>	<u>5,315</u>
Total Revenues	<u>182,500</u>	<u>182,500</u>	<u>116,808</u>	<u>(65,692)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	65,829	67,895	67,794	101
Contractual services	7,650	7,650	-	7,650
Commodities	<u>9,500</u>	<u>7,434</u>	<u>1,082</u>	<u>6,352</u>
Total Expenditures	<u>82,979</u>	<u>82,979</u>	<u>68,876</u>	<u>14,103</u>
Net Change in Fund Balance	<u>\$ 99,521</u>	<u>\$ 99,521</u>	47,932	<u>\$ (51,589)</u>
Fund Balance - Beginning of Year			<u>423,092</u>	
Fund Balance - End of Year			<u>\$ 471,024</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 21,849	\$ (3,151)
Investment income	-	-	218	218
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>22,067</u>	<u>(2,933)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	<u>50,000</u>	<u>50,000</u>	<u>19,002</u>	<u>30,998</u>
Net Change in Fund Balance	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	3,065	<u>\$ 28,065</u>
Fund Balance - Beginning of Year			<u>19,525</u>	
Fund Balance - End of Year			<u>\$ 22,590</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 35,010	\$ 35,010	\$ 56,993	\$ 21,983
EXPENDITURES				
Current				
Public safety				
Contractual Services	5,000	5,000	3,221	1,779
Commodities	<u>20,000</u>	<u>30,010</u>	<u>28,558</u>	<u>1,452</u>
Total Expenditures	<u>25,000</u>	<u>35,010</u>	<u>31,779</u>	<u>3,231</u>
Net Change in Fund Balance	<u>\$ 10,010</u>	<u>\$ -</u>	25,214	<u>\$ 25,214</u>
Fund Balance - Beginning of Year			<u>165,931</u>	
Fund Balance - End of Year			<u>\$ 191,145</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 780,000	\$ 780,000	\$ 669,349	\$ (110,651)
Investment income	<u>8,000</u>	<u>8,000</u>	<u>15,851</u>	<u>7,851</u>
Total Revenues	<u>788,000</u>	<u>788,000</u>	<u>685,200</u>	<u>(102,800)</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	601,100	602,281	602,280	1
Contractual services	495,050	802,057	433,823	368,234
Commodities	<u>38,750</u>	<u>38,750</u>	<u>37,644</u>	<u>1,106</u>
Total Expenditures	<u>1,134,900</u>	<u>1,443,088</u>	<u>1,073,747</u>	<u>369,341</u>
Net Change in Fund Balance	<u>\$ (346,900)</u>	<u>\$ (655,088)</u>	(388,547)	<u>\$ 266,541</u>
Fund Balance - Beginning of Year			<u>1,179,457</u>	
Fund Balance - End of Year			<u>\$ 790,910</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 1,000	\$ 1,000	\$ 400	\$ (600)
Investment income	<u>28,663</u>	<u>28,663</u>	<u>43,732</u>	<u>\$ 15,069</u>
Total Revenues	<u>29,663</u>	<u>29,663</u>	<u>44,132</u>	<u>14,469</u>
EXPENDITURES				
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>\$ (125,337)</u>	<u>\$ (125,337)</u>	44,132	<u>\$ 169,469</u>
Fund Balance - Beginning of Year			<u>1,920,213</u>	
Fund Balance - End of Year			<u>\$ 1,964,345</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 71	\$ (29)
EXPENDITURES				
Current				
Public health and welfare				
Contractual services	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>3,100</u>
Net Change in Fund Balance	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	71	<u>\$ 3,071</u>
Fund Balance - Beginning of Year			<u>5,653</u>	
Fund Balance - End of Year			<u>\$ 5,724</u>	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SENIOR SERVICES FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,645,000	\$ 1,645,000	\$ 1,642,521	\$ (2,479)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>33,482</u>	<u>28,482</u>
Total Revenues	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,676,003</u>	<u>26,003</u>
EXPENDITURES				
Current				
Public health and welfare				
Personnel services	15,607	15,607	15,543	64
Contractual services	1,650,000	1,650,000	1,579,519	70,481
Commodities	<u>250</u>	<u>250</u>	<u>60</u>	<u>190</u>
Total Expenditures	<u>1,665,857</u>	<u>1,665,857</u>	<u>1,595,122</u>	<u>70,735</u>
Deficiency of revenues over expenditures	(15,857)	(15,857)	80,881	96,738
OTHER FINANCING SOURCES				
Transfers in	<u>15,857</u>	<u>15,857</u>	<u>15,857</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	96,738	<u>\$ 96,738</u>
Fund Balance - Beginning of Year			<u>1,739,298</u>	
Fund Balance - End of Year			<u>\$ 1,836,036</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales taxes	\$ 9,891,584	\$ 9,891,584	\$ 10,476,630	\$ 585,046
Investment income	<u>70,000</u>	<u>70,000</u>	<u>192,268</u>	<u>122,268</u>
Total Revenues	<u>9,961,584</u>	<u>9,961,584</u>	<u>10,668,898</u>	<u>707,314</u>
EXPENDITURES				
Current				
Transportation				
Contractual services	-	35,836	-	(35,836)
Capital outlay	<u>-</u>	<u>560,129</u>	<u>429,568</u>	<u>(130,561)</u>
Total Expenditures	<u>-</u>	<u>595,965</u>	<u>429,568</u>	<u>(166,397)</u>
Excess of revenues over expenditures	9,961,584	9,365,619	10,239,330	873,711
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(15,406,140)</u>	<u>(15,603,569)</u>	<u>(197,429)</u>
Net Change in Fund Balance	<u>\$ 9,961,584</u>	<u>\$ (6,040,521)</u>	<u>(5,364,239)</u>	<u>\$ 676,282</u>
Fund Balance - Beginning of Year			<u>13,415,714</u>	
Fund Balance - End of Year			<u>\$ 8,051,475</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 1,250,000	\$ 250,071	\$ 249,765	\$ (306)
Investment income	-	-	18,879	18,879
Miscellaneous	359,251	359,251	819,346	460,095
Total Revenues	1,609,251	609,322	1,087,990	478,668
EXPENDITURES				
Current				
General and administrative				
Personnel services	1,239,764	1,239,764	1,176,818	62,946
Contractual services	2,835,881	3,010,870	2,156,685	854,185
Commodities	15,750	15,750	4,856	10,894
Capital outlay	25,000	25,000	16,712	8,288
Total Expenditures	4,116,395	4,291,384	3,355,071	936,313
Net Change in Fund Balance	\$ (2,507,144)	\$ (3,682,062)	(2,267,081)	\$ 1,414,981
Fund Balance - Beginning of Year			12,796,478	
Fund Balance - End of Year			\$ 10,529,397	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 35,000	\$ 35,000	\$ 30,968	\$ (4,032)
Investment income	<u>400</u>	<u>400</u>	<u>625</u>	<u>225</u>
Total Revenues	<u>35,400</u>	<u>35,400</u>	<u>31,593</u>	<u>(3,807)</u>
EXPENDITURES				
Current				
Judiciary and court related				
Contractual services	34,992	49,325	49,324	1
Commodities	<u>408</u>	<u>408</u>	<u>-</u>	<u>408</u>
Total Expenditures	<u>35,400</u>	<u>49,733</u>	<u>49,324</u>	<u>409</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (14,333)</u>	(17,731)	<u>\$ (3,398)</u>
Fund Balance - Beginning of Year			<u>55,774</u>	
Fund Balance - End of Year			<u>\$ 38,043</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 5,278,838	\$ 5,278,838	\$ 5,511,107	\$ 232,269
Investment income	<u>32,000</u>	<u>32,000</u>	<u>104,930</u>	<u>72,930</u>
Total Revenues	<u>5,310,838</u>	<u>5,310,838</u>	<u>5,616,037</u>	<u>305,199</u>
EXPENDITURES				
Current				
Transportation				
Personnel services	157,675	157,675	157,675	-
Contractual services	3,609,620	4,322,793	2,911,631	1,411,162
Commodities	203,528	203,528	(39,441)	242,969
Capital outlay	<u>1,740,000</u>	<u>7,487,889</u>	<u>2,719,511</u>	<u>4,768,378</u>
Total Expenditures	<u>5,710,823</u>	<u>12,171,885</u>	<u>5,749,376</u>	<u>6,422,509</u>
Net Change in Fund Balance	<u>\$ (399,985)</u>	<u>\$ (6,861,047)</u>	(133,339)	<u>\$ 6,727,708</u>
Fund Balance - Beginning of Year			<u>5,557,720</u>	
Fund Balance - End of Year			<u>\$ 5,424,381</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 345,000	\$ 345,000	\$ 489,897	\$ 144,897
Investment income	<u>4,000</u>	<u>4,000</u>	<u>13,288</u>	<u>9,288</u>
Total Revenues	<u>349,000</u>	<u>349,000</u>	<u>503,185</u>	<u>154,185</u>
EXPENDITURES				
Current				
Public safety				
Contractual services	119,000	119,000	107,239	11,761
Commodities	200,000	200,000	114,743	85,257
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Expenditures	<u>349,000</u>	<u>349,000</u>	<u>221,982</u>	<u>127,018</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	281,203	<u>\$ 281,203</u>
Fund Balance - Beginning of Year			<u>642,687</u>	
Fund Balance - End of Year			<u>\$ 923,890</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Grants, contributions, and intergovernmental	\$ 74,800	\$ 74,800	\$ 75,349	\$ 549
Investment income	<u>200</u>	<u>200</u>	<u>746</u>	<u>546</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>76,095</u>	<u>1,095</u>
EXPENDITURES				
Current				
General and administrative				
Personnel services	13,209	13,209	11,035	2,174
Contractual services	59,200	59,200	55,995	3,205
Commodities	<u>200</u>	<u>200</u>	<u>27</u>	<u>173</u>
Total Expenditures	<u>72,609</u>	<u>72,609</u>	<u>67,057</u>	<u>5,552</u>
Net Change in Fund Balance	<u>\$ 2,391</u>	<u>\$ 2,391</u>	9,038	<u>\$ 6,647</u>
Fund Balance - Beginning of Year			<u>35,211</u>	
Fund Balance - End of Year			<u>\$ 44,249</u>	

NONMAJOR DEBT SERVICE FUNDS

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, 2018

	<u>Series 2008 Certificate Fund</u>	<u>Series 2010 A Certificate Fund</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Debt service		
Principal retirement	510,000	710,000
Interest and fiscal charges	<u>31,803</u>	<u>32,328</u>
Total Expenditures	<u>541,803</u>	<u>742,328</u>
Deficiency of revenues over expenditures	(541,803)	(742,328)
OTHER FINANCING SOURCES		
Transfers in	<u>541,803</u>	<u>742,328</u>
Total Other Financing Sources	<u>541,803</u>	<u>742,328</u>
Net Change in Fund Balances	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>

Series 2010 B Certificate Fund	Series 2012 B Certificate Fund	Series 2015 Certificate Fund	Totals
\$ -	\$ -	\$ -	\$ -
280,000	315,000	-	1,815,000
<u>119,588</u>	<u>43,387</u>	<u>101,218</u>	<u>328,324</u>
<u>399,588</u>	<u>358,387</u>	<u>101,218</u>	<u>2,143,324</u>
(399,588)	(358,387)	(101,218)	(2,143,324)
<u>399,588</u>	<u>358,387</u>	<u>101,218</u>	<u>2,143,324</u>
<u>399,588</u>	<u>358,387</u>	<u>101,218</u>	<u>2,143,324</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 2008 CERTIFICATE FUND
 For the Year Ended November 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	510,000	510,000	510,000	-
Interest and fiscal charges	31,803	31,803	31,803	-
Total Expenditures	541,803	541,803	541,803	-
Deficiency of revenues over expenditures	(541,803)	(541,803)	(541,803)	-
OTHER FINANCING SOURCES				
Transfers in	541,803	541,803	541,803	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

County of McHenry, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SERIES 2010 A CERTIFICATE FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	710,000	710,000	710,000	-
Interest and fiscal charges	<u>32,328</u>	<u>32,328</u>	<u>32,328</u>	<u>-</u>
Total Expenditures	<u>742,328</u>	<u>742,328</u>	<u>742,328</u>	<u>-</u>
Deficiency of revenues over expenditures	(742,328)	(742,328)	(742,328)	-
OTHER FINANCING SOURCES				
Transfers in	<u>742,328</u>	<u>742,328</u>	<u>742,328</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	280,000	280,000	280,000	-
Interest and fiscal charges	<u>119,588</u>	<u>119,588</u>	<u>119,588</u>	<u>-</u>
Total Expenditures	<u>399,588</u>	<u>399,588</u>	<u>399,588</u>	<u>-</u>
Deficiency of revenues over expenditures	(399,588)	(399,588)	(399,588)	-
OTHER FINANCING SOURCES				
Transfers in	<u>399,588</u>	<u>399,588</u>	<u>399,588</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 2012 B CERTIFICATE FUND
For the Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal retirement	315,000	315,000	315,000	-
Interest and fiscal charges	<u>43,387</u>	<u>43,387</u>	<u>43,387</u>	<u>-</u>
Total Expenditures	<u>358,387</u>	<u>358,387</u>	<u>358,387</u>	<u>-</u>
Deficiency of revenues over expenditures	(358,387)	(358,387)	(358,387)	-
OTHER FINANCING SOURCES				
Transfers in	<u>358,387</u>	<u>358,387</u>	<u>358,387</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	-
EXPENDITURES				
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	101,218	101,218	101,218	-
Total Expenditures	101,218	101,218	101,218	-
Deficiency of revenues over expenditures	(101,218)	(101,218)	(101,218)	-
OTHER FINANCING SOURCES				
Transfers in	101,218	101,218	101,218	-
Total Other Financing Sources	101,218	101,218	101,218	-
Net Change in Fund Balance	\$ -	\$ -	-	-
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

NONMAJOR PERMANENT FUNDS

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

County of McHenry, Illinois
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
November 30, 2018

	<u>Working Cash No. 1 Fund</u>	<u>Working Cash No. 2 Fund</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ <u>336,279</u>	\$ <u>476,054</u>	\$ <u>812,333</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 500	\$ 700	\$ 1,200
Fund Balances			
Nonspendable	<u>335,779</u>	<u>475,354</u>	<u>811,133</u>
Total Liabilities and Fund Balances	\$ <u>336,279</u>	\$ <u>476,054</u>	\$ <u>812,333</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
For the Year Ended November 30, 2018

	Working Cash No. 1 Fund	Working Cash No. 2 Fund	Totals
REVENUES			
Investment income	\$ 3,824	\$ 5,414	\$ 9,238
EXPENDITURES	-	-	-
Excess of revenues over expenditures	3,824	5,414	9,238
OTHER FINANCING USES			
Transfers out	(500)	(700)	(1,200)
Net Change in Fund Balances	3,324	4,714	8,038
Fund Balances - Beginning of Year	332,455	470,640	803,095
Fund Balances - End of Year	\$ 335,779	\$ 475,354	\$ 811,133

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 500	\$ 500	\$ 3,824	\$ 3,324
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	500	500	3,824	3,324
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>	3,324	<u>\$ 3,324</u>
Fund Balance - Beginning of Year			<u>332,455</u>	
Fund Balance - End of Year			<u>\$ 335,779</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment income	\$ 700	\$ 700	\$ 5,414	\$ 4,714
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	700	700	5,414	4,714
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>	4,714	<u>\$ 4,714</u>
Fund Balance - Beginning of Year			<u>470,640</u>	
Fund Balance - End of Year			<u>\$ 475,354</u>	

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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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 10,050,000	\$ 10,040,000	\$ 9,971,169	\$ (68,831)
Other	<u>20,000</u>	<u>20,000</u>	<u>23,305</u>	<u>3,305</u>
Total Operating Revenues	<u>\$ 10,070,000</u>	<u>\$ 10,060,000</u>	<u>\$ 9,994,474</u>	<u>\$ (65,526)</u>
OPERATING EXPENSES				
Personnel services	\$ 8,484,610	\$ 8,484,610	\$ 8,372,736	\$ 111,874
Contractual services	2,104,452	2,195,094	2,172,834	22,260
Commodities	<u>1,069,450</u>	<u>1,114,674</u>	<u>1,065,927</u>	<u>48,747</u>
Total operating expenses before capital outlay	<u>11,658,512</u>	<u>11,794,378</u>	<u>11,611,497</u>	<u>182,881</u>
Capital outlay	10,000	25,000	23,568	1,432
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted capital outlay	<u>10,000</u>	<u>25,000</u>	<u>23,568</u>	<u>1,432</u>
Total Operating Expenses (excluding depreciation)	<u>\$ 11,668,512</u>	<u>\$ 11,819,378</u>	<u>\$ 11,635,065</u>	<u>\$ 184,313</u>
NONOPERATING REVENUES				
Investment income	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 425,654</u>	<u>\$ (124,346)</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 3,000,000	\$ 3,000,000	\$ 4,582,697	\$ 1,582,697
Total Operating Revenues	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 4,582,697</u>	<u>\$ 1,582,697</u>
OPERATING EXPENSES				
Personnel services	\$ 506,954	\$ 506,954	\$ 469,978	\$ 36,976
Contractual services	1,581,050	1,840,182	1,502,671	337,511
Commodities	<u>98,000</u>	<u>151,140</u>	<u>35,565</u>	<u>115,575</u>
Total operating expenses before capital outlay	<u>2,186,004</u>	<u>2,498,276</u>	<u>2,008,214</u>	<u>490,062</u>
Capital outlay	-	1,296,287	1,381,275	(84,988)
Less: assets capitalized	<u>-</u>	<u>-</u>	<u>(1,228,146)</u>	<u>1,228,146</u>
Adjusted capital outlay	<u>-</u>	<u>1,296,287</u>	<u>153,129</u>	<u>1,143,158</u>
Total Operating Expenses (excluding depreciation and amortization)	<u>\$ 2,186,004</u>	<u>\$ 3,794,563</u>	<u>\$ 2,161,343</u>	<u>\$ 1,633,220</u>
NONOPERATING REVENUES				
Intergovernmental grants	\$ -	\$ -	\$ 469,408	\$ 469,408
Investment income	<u>21,000</u>	<u>21,000</u>	<u>79,454</u>	<u>58,454</u>
Total Nonoperating Revenues	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 548,862</u>	<u>\$ 527,862</u>

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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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 20,413,317	\$ 20,413,317	\$ 17,532,311	\$ (2,881,006)
OPERATING EXPENSES				
Personnel Services	\$ 81,284	\$ 81,284	\$ 77,231	\$ 4,053
Contractual services	21,100,411	21,100,411	18,689,006	2,411,405
Commodities	3,950	3,950	782	3,168
Total Operating Expenses	\$ 21,185,645	\$ 21,185,645	\$ 18,767,019	\$ 2,418,626
NONOPERATING REVENUES				
Investment income	\$ 30,000	\$ 30,000	\$ 42,431	\$ 12,431

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.

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).

County of McHenry, Illinois
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2018

	<u>Treasurer Fund</u>	<u>Clerk of the Circuit Court Fund</u>	<u>Highway Fund</u>	<u>Valley Hi Resident Fund</u>	<u>County Clerk Redemption Fund</u>
ASSETS					
Cash and investments	\$ 1,496,928	\$ 4,280,152	\$ 1,460,905	\$ 36,249	\$ 928,755
Total Assets	<u>\$ 1,496,928</u>	<u>\$ 4,280,152</u>	<u>\$ 1,460,905</u>	<u>\$ 36,249</u>	<u>\$ 928,755</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 228,836	\$ -	\$ -
Due to residents	-	-	-	36,249	-
Bond escrow	-	3,125,251	-	-	-
Due to other governments	1,496,928	568,992	1,232,069	-	-
Other liabilities	<u>-</u>	<u>585,909</u>	<u>-</u>	<u>-</u>	<u>928,755</u>
Total Liabilities	<u>\$ 1,496,928</u>	<u>\$ 4,280,152</u>	<u>\$ 1,460,905</u>	<u>\$ 36,249</u>	<u>\$ 928,755</u>

<u>Collector Fund</u>	<u>Regional Office of Education Fund</u>	<u>Payroll Agency Fund</u>	<u>Totals</u>
\$ 14,754	\$ 561,670	\$ 144,396	\$ 8,923,809
<u>\$ 14,754</u>	<u>\$ 561,670</u>	<u>\$ 144,396</u>	<u>\$ 8,923,809</u>
\$ -	\$ -	\$ -	\$ 228,836
-	-	-	36,249
-	-	-	3,125,251
14,754	-	-	3,312,743
<u>-</u>	<u>561,670</u>	<u>144,396</u>	<u>2,220,730</u>
<u>\$ 14,754</u>	<u>\$ 561,670</u>	<u>\$ 144,396</u>	<u>\$ 8,923,809</u>

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2018

	Balance November 30, 2017	Additions	Deductions	Balance November 30, 2018
Treasurer Fund				
ASSETS				
Cash and investments	\$ 1,015,188	\$ 45,864,807	\$ 45,383,067	\$ 1,496,928
LIABILITIES				
Due to other governments	\$ 1,015,188	\$ 45,864,807	\$ 45,383,067	\$ 1,496,928
Clerk of the Circuit Court Fund				
ASSETS				
Cash and investments	\$ 4,330,972	\$ 26,795,922	\$ 26,846,742	\$ 4,280,152
LIABILITIES				
Bond escrow	\$ 3,214,821	\$ 4,685,769	\$ 4,775,339	\$ 3,125,251
Due to other governments	503,990	13,348,956	13,283,954	568,992
Other liabilities	612,161	5,746,081	5,772,333	585,909
Total Liabilities	\$ 4,330,972	\$ 23,780,806	\$ 23,831,626	\$ 4,280,152
Highway Fund				
ASSETS				
Cash and investments	\$ 1,132,119	\$ 1,379,989	\$ 1,051,203	\$ 1,460,905
LIABILITIES				
Accounts payable	\$ 136,006	\$ 913,946	\$ 821,116	\$ 228,836
Due to other governments	996,113	1,151,152	915,196	1,232,069
Total Liabilities	\$ 1,132,119	\$ 2,065,098	\$ 1,736,312	\$ 1,460,905
Valley Hi Resident Fund				
ASSETS				
Cash and investments	\$ 36,888	\$ 43,097	\$ 43,736	\$ 36,249
LIABILITIES				
Due to residents	\$ 36,888	\$ 17,339	\$ 17,978	\$ 36,249

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2018

	Balance November 30, 2017	Additions	Deductions	Balance November 30, 2018
County Clerk Redemption Fund				
ASSETS				
Cash and investments	\$ 701,420	\$ 9,357,971	\$ 9,130,636	\$ 928,755
LIABILITIES				
Other liabilities	\$ 701,420	\$ 9,357,971	\$ 9,130,636	\$ 928,755
Collector Fund				
ASSETS				
Cash and investments	\$ 522,250	\$ 834,923,391	\$ 835,430,887	\$ 14,754
LIABILITIES				
Due to other governments	\$ 522,250	\$ 834,923,391	\$ 835,430,887	\$ 14,754
Illinois Housing Surcharge Fund				
ASSETS				
Cash and investments	\$ 31,626	\$ 379,467	\$ 411,093	\$ -
LIABILITIES				
Due to other governments	\$ 31,626	\$ 379,467	\$ 411,093	\$ -
Regional Office of Education Fund				
ASSETS				
Cash and investments	\$ 471,095	\$ 3,869,355	\$ 3,778,780	\$ 561,670
LIABILITIES				
Other liabilities	\$ 471,095	\$ 3,869,355	\$ 3,778,780	\$ 561,670
Payroll Agency Fund				
ASSETS				
Cash and investments	\$ 37,856	\$ 10,986,878	\$ 10,880,338	\$ 144,396
LIABILITIES				
Other liabilities	\$ 37,856	\$ 10,986,878	\$ 10,880,338	\$ 144,396

(Continued)

County of McHenry, Illinois
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended November 30, 2018

Totals	Balance November 30, 2017	Additions	Deductions	Balance November 30, 2018
ASSETS				
Cash and investments	\$ 8,279,414	\$ 933,600,877	\$ 932,956,482	\$ 8,923,809
Total Assets	<u>\$ 8,279,414</u>	<u>\$ 933,600,877</u>	<u>\$ 932,956,482</u>	<u>\$ 8,923,809</u>
LIABILITIES				
Accounts payable	\$ 136,006	\$ 913,946	\$ 821,116	\$ 228,836
Due to residents	36,888	17,339	17,978	36,249
Bond escrow	3,214,821	4,685,769	4,775,339	3,125,251
Due to other governments	3,069,167	895,667,773	895,424,197	3,312,743
Other liabilities	<u>1,822,532</u>	<u>29,960,285</u>	<u>29,562,087</u>	<u>2,220,730</u>
Total Liabilities	<u>\$ 8,279,414</u>	<u>\$ 931,245,112</u>	<u>\$ 930,600,717</u>	<u>\$ 8,923,809</u>

(Concluded)

STATISTICAL

County of McHenry, Illinois
INTRODUCTION TO THE STATISTICAL SECTION
November 30, 2018

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.	162 - 169
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate the County's most significant own-source revenue, property taxes.	170 - 174
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	175 - 178
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.	179 - 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 - 183

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities				
Net investment in capital assets	\$ 193,667,253	\$ 209,424,352	\$ 223,693,448	\$ 238,349,986
Restricted	110,628,189	107,121,300	116,754,427	111,049,850
Unrestricted	<u>44,841,564</u>	<u>48,003,693</u>	<u>39,868,128</u>	<u>39,069,307</u>
Total Governmental Activities	<u>\$ 349,137,006</u>	<u>\$ 364,549,345</u>	<u>\$ 380,316,003</u>	<u>\$ 388,469,143</u>
Business-Type Activities				
Net investment in capital assets	\$ 7,291,886	\$ 7,709,277	\$ 7,685,488	\$ 15,518,830
Restricted	492,746	693,237	707,422	-
Unrestricted	<u>23,773,241</u>	<u>27,700,590</u>	<u>33,962,683</u>	<u>32,871,174</u>
Total Business-Type Activities	<u>\$ 31,557,873</u>	<u>\$ 36,103,104</u>	<u>\$ 42,355,593</u>	<u>\$ 48,390,004</u>
Primary Government				
Net investment in capital assets	\$ 200,959,139	\$ 217,133,629	\$ 231,378,936	\$ 253,868,816
Restricted	111,120,935	107,814,537	117,461,849	111,049,850
Unrestricted	<u>68,614,805</u>	<u>75,704,283</u>	<u>73,830,811</u>	<u>71,940,481</u>
Total Primary Government	<u>\$ 380,694,879</u>	<u>\$ 400,652,449</u>	<u>\$ 422,671,596</u>	<u>\$ 436,859,147</u>

	2013	2014	2015	2016	2017	2018
\$	254,679,031	\$ 270,863,664	\$ 291,054,683	\$ 308,153,944	\$ 327,647,479	\$ 345,881,479
	109,592,257	107,428,692	95,857,810	95,579,921	90,565,250	82,145,648
	<u>34,014,313</u>	<u>32,142,348</u>	<u>25,775,187</u>	<u>18,329,848</u>	<u>14,319,650</u>	<u>1,039,370</u>
\$	<u><u>398,285,601</u></u>	<u><u>410,434,704</u></u>	<u><u>412,687,680</u></u>	<u><u>422,063,713</u></u>	<u><u>432,532,379</u></u>	<u><u>429,066,497</u></u>
\$	14,473,854	\$ 13,804,011	\$ 13,316,528	\$ 12,563,275	\$ 12,722,561	\$ 12,158,100
	-	-	-	-	-	-
	<u>38,846,898</u>	<u>43,875,013</u>	<u>46,804,774</u>	<u>46,039,111</u>	<u>44,390,574</u>	<u>45,135,522</u>
\$	<u><u>53,320,752</u></u>	<u><u>57,679,024</u></u>	<u><u>60,121,302</u></u>	<u><u>58,602,386</u></u>	<u><u>57,113,135</u></u>	<u><u>57,293,622</u></u>
\$	269,152,885	\$ 284,667,675	\$ 304,371,211	\$ 320,717,219	\$ 340,370,040	\$ 358,039,579
	109,592,257	107,428,692	95,857,810	95,579,921	90,565,250	82,145,648
	<u>72,861,211</u>	<u>76,017,361</u>	<u>72,579,961</u>	<u>64,368,959</u>	<u>58,710,224</u>	<u>46,174,892</u>
\$	<u><u>451,606,353</u></u>	<u><u>468,113,728</u></u>	<u><u>472,808,982</u></u>	<u><u>480,666,099</u></u>	<u><u>489,645,514</u></u>	<u><u>486,360,119</u></u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES										
Governmental Activities										
General and administrative	\$ 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	\$ 38,063,027
Community development	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	3,252,596
Transportation	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	25,252,117
Public safety	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	46,035,389
Judiciary and court related	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	15,676,678
Public health and welfare	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	22,339,196
Interest and fiscal charges	3,182,260	3,102,232	2,726,775	2,336,518	1,901,744	1,534,221	882,763	559,444	271,850	158,182
Total Governmental Activities	137,443,797	143,643,259	137,725,891	143,266,644	141,908,909	139,648,318	142,997,944	148,014,973	146,797,921	150,777,185
Business-Type Activities										
Public health and welfare	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	12,170,347
Public safety	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	2,875,848
Total Business-Type Activities	12,357,881	12,416,802	12,293,064	12,961,071	13,116,152	13,459,344	13,786,543	14,450,455	16,573,217	15,046,195
Total Primary Government	\$ 149,801,678	\$ 156,060,061	\$ 150,018,955	\$ 156,227,715	\$ 155,025,061	\$ 153,107,662	\$ 156,784,487	\$ 162,465,428	\$ 163,371,138	\$ 165,823,380
PROGRAM REVENUES										
Governmental Activities										
Charges for services										
General and administrative	\$ 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	\$ 4,784,228
Community development	526,487	541,192	474,634	428,441	458,793	534,174	613,406	685,159	556,382	907,574
Transportation	86,869	69,027	63,040	95,369	88,320	91,029	155,327	103,452	25,597	94,287
Public safety	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	12,045,077
Judiciary and court related	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	7,476,146
Public health and welfare	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	2,052,634
Operating grants and contributions	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	19,041,472
Capital grants and contributions	5,778,791	1,206,453	-	255,707	1,588,971	2,882,321	7,573,150	4,670,717	52,342	47,526
Total Governmental Activities	68,427,032	64,870,368	56,018,994	51,341,898	49,312,254	47,008,413	49,789,702	48,861,179	43,546,279	46,448,944
Business-Type Activities										
Charges for services										
Public health and welfare	\$ 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	\$ 9,994,474
Public safety	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	4,582,697
Operating grants and contributions	-	-	-	-	-	-	-	-	2,342,473	469,408
Total Business-Type Activities	10,857,034	10,921,674	12,537,524	12,972,263	12,738,582	13,256,191	12,938,396	12,886,933	14,875,017	15,046,579
Total Primary Government	\$ 79,284,066	\$ 75,792,042	\$ 68,556,518	\$ 64,314,161	\$ 62,050,836	\$ 60,264,604	\$ 62,728,098	\$ 61,748,112	\$ 58,421,296	\$ 61,495,523

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (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)	\$ (104,328,241)
Business-Type Activities	(1,500,847)	(1,495,128)	244,460	11,192	(377,570)	(203,153)	(848,147)	(1,563,522)	(1,698,200)	384
Total Primary Government	\$ (70,517,612)	\$ (80,268,019)	\$ (81,462,437)	\$ (91,913,554)	\$ (92,974,225)	\$ (92,843,058)	\$ (94,056,389)	\$ (100,717,316)	\$ (104,949,842)	\$ (104,327,857)
GENERAL REVENUES AND TRANSFERS										
Governmental Activities										
Property taxes	\$ 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	\$ 71,727,133
Sales taxes	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	20,963,511
State income taxes	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	6,266,549
Tax transfer stamps	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	2,906,570
Other taxes	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	2,969,349
Investment income	584,228	423,535	342,007	309,709	275,817	263,632	259,070	511,663	1,278,965	2,238,585
Miscellaneous	565,895	837,572	675,704	469,454	404,762	457,065	505,127	434,918	1,348,568	1,293,653
Gain on sale of capital assets	44,558	-	-	40,690	26,164	91,722	45,671	-	-	-
Transfers	-	-	-	-	-	-	-	-	377,855	-
Total Governmental Activities	93,637,037	94,185,230	97,473,555	100,077,886	102,675,672	104,789,008	108,280,566	108,529,827	113,720,308	108,365,350
Business-Type Activities										
Property taxes	5,994,282	5,919,050	5,912,097	5,950,311	5,237,688	4,493,330	2,993,381	-	-	-
Investment income	182,350	121,309	95,932	72,908	70,630	68,095	85,068	44,606	586,804	505,108
Transfers	-	-	-	-	-	-	-	-	(377,855)	-
Total Business-Type Activities	6,176,632	6,040,359	6,008,029	6,023,219	5,308,318	4,561,425	3,078,449	44,606	208,949	505,108
Total Primary Government	\$ 99,813,669	\$ 100,225,589	\$ 103,481,584	\$ 106,101,105	\$ 107,983,990	\$ 109,350,433	\$ 111,359,015	\$ 108,574,433	\$ 113,929,257	\$ 108,870,458
CHANGE IN NET POSITION										
Governmental Activities	\$ 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	\$ 4,037,109
Business-Type Activities	4,675,785	4,545,231	6,252,489	6,034,411	4,930,748	4,358,272	2,230,302	(1,518,916)	(1,489,251)	505,492
Total Primary Government	\$ 29,296,057	\$ 19,957,570	\$ 22,019,147	\$ 14,187,551	\$ 15,009,765	\$ 16,507,375	\$ 17,302,626	\$ 7,857,117	\$ 8,979,415	\$ 4,542,601

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 3,890,055	\$ 4,543,345	\$ -	\$ -	-
Unreserved	44,881,550	47,525,814	-	-	-
Nonspendable	-	-	1,440,951	979,132	1,310,108
Restricted	-	-	929,636	366,748	534,121
Assigned	-	-	2,957,458	3,832,006	3,497,757
Unassigned	-	-	48,567,345	48,046,334	46,556,929
Total General Fund	\$ <u>48,771,605</u>	\$ <u>52,069,159</u>	\$ <u>53,895,390</u>	\$ <u>53,224,220</u>	\$ <u>51,898,915</u>
All Other Governmental Funds					
Reserved	\$ 21,152,055	\$ 36,357,884	\$ -	\$ -	-
Unreserved					
Special revenue funds	77,525,162	68,443,969	-	-	-
Capital projects funds	260,818	14,036	-	-	-
Nonspendable	-	-	1,423,664	1,348,569	1,225,166
Restricted	-	-	110,227,554	105,282,972	102,894,199
Committed	-	-	1,892,753	1,883,704	1,902,877
Unassigned (deficit)	-	-	(841,118)	(604,437)	(1,372,726)
Total All Other Governmental Funds	\$ <u>98,938,035</u>	\$ <u>104,815,889</u>	\$ <u>112,702,853</u>	\$ <u>107,910,808</u>	\$ <u>104,649,516</u>

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

	2014	2015	2016	2017	2018
\$	-	-	-	-	-
	-	-	-	-	-
	3,228,443	3,563,966	3,370,973	3,383,522	3,218,058
	691,306	431,959	468,915	532,795	937,552
	4,932,913	4,035,922	1,228,812	5,004,472	7,467,441
	<u>39,848,586</u>	<u>39,734,158</u>	<u>43,374,299</u>	<u>42,632,259</u>	<u>41,379,589</u>
\$	<u>48,701,248</u>	<u>47,766,005</u>	<u>48,442,999</u>	<u>51,553,048</u>	<u>53,002,640</u>
\$	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,244,143	1,600,997	1,367,296	1,351,290	1,064,258
	102,933,948	90,302,255	91,006,305	85,910,707	77,028,502
	2,073,251	2,120,282	2,234,341	2,343,305	2,435,369
	<u>(1,541,451)</u>	<u>(448,652)</u>	<u>(9,081)</u>	<u>(111)</u>	<u>(34,190)</u>
\$	<u>104,709,891</u>	<u>93,574,882</u>	<u>94,598,861</u>	<u>89,605,191</u>	<u>80,493,939</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES				
Charges for services	30,460,458	\$ 28,813,360	\$ 28,602,757	\$ 26,671,499
Licenses and permits	1,147,302	1,166,773	1,068,367	1,057,632
Fines and forfeitures	1,328,070	1,260,451	1,159,054	1,095,605
Grants, contributions, and intergovernmental	27,441,735	35,501,450	28,679,928	23,297,655
Property taxes	63,863,503	64,562,786	70,755,868	72,206,475
Sales taxes	16,052,268	18,048,187	17,481,700	18,036,621
State income taxes	4,703,268	5,780,880	5,139,609	5,749,691
Tax transfer stamps	1,232,451	1,203,780	1,123,002	1,258,599
Other taxes	1,779,703	1,804,807	1,955,665	2,006,647
Investment income	733,638	424,921	340,280	305,078
Miscellaneous	610,453	837,572	719,739	510,144
Total Revenues	<u>149,352,849</u>	<u>159,404,967</u>	<u>157,025,969</u>	<u>152,195,646</u>
EXPENDITURES				
Current				
General and administrative	27,059,336	28,389,135	30,860,975	31,904,248
Community development	3,029,167	7,340,586	4,739,417	4,234,982
Transportation	18,708,657	18,675,266	18,835,196	18,672,852
Public safety	36,479,080	36,125,726	36,235,507	37,041,770
Judiciary and court related	13,901,681	13,890,625	13,745,080	13,835,337
Public health and welfare	28,632,690	28,974,311	27,586,500	28,276,597
Capital outlay	11,154,580	13,805,171	18,429,974	12,236,735
Debt service				
Principal retirement	8,548,252	8,597,661	9,468,785	13,731,719
Interest and fiscal charges	3,264,626	2,901,750	3,009,679	2,545,139
Total Expenditures	<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>(1,425,220)</u>	<u>704,736</u>	<u>(5,885,144)</u>	<u>(10,283,733)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,615,292	13,644,072	24,073,795	24,415,247
Transfers out	(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	169,678	-	2,924,043	262,063
Total Other Financing Sources (Uses)	<u>4,678,094</u>	<u>8,470,672</u>	<u>2,924,043</u>	<u>4,820,518</u>
Net Change in Fund Balances	<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>8.8</u> %	<u>8.2</u> %	<u>8.9</u> %	<u>11.1</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	24,072,857	\$ 21,568,291	\$ 21,776,162	\$ 22,790,054	\$ 23,204,796	\$ 25,172,416
	1,164,101	1,225,016	1,301,505	1,181,666	1,215,959	1,484,514
	958,208	1,039,648	962,505	1,022,990	972,574	1,124,047
	21,233,366	22,172,722	18,087,756	19,525,343	18,796,253	19,026,000
	73,113,284	74,017,467	75,798,457	76,113,609	79,204,833	71,727,133
	18,718,620	19,577,205	19,987,380	19,852,773	20,111,544	20,963,511
	6,234,765	6,265,092	6,962,600	6,369,804	6,010,242	6,266,549
	1,896,811	1,833,392	2,133,728	2,632,513	2,575,080	2,906,570
	2,005,449	2,283,433	2,588,533	2,614,547	2,813,221	2,969,349
	268,731	255,945	250,965	491,218	1,242,068	2,191,716
	430,926	583,265	550,798	434,918	1,348,568	1,293,651
	<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>	<u>155,125,456</u>
	32,517,099	32,892,250	34,947,227	32,513,064	34,208,007	33,316,402
	3,961,571	3,426,098	3,730,152	3,980,577	3,521,614	3,099,806
	17,126,943	17,660,855	18,495,568	16,752,462	17,234,421	17,575,985
	38,189,737	38,936,843	39,856,936	40,166,373	39,964,567	41,456,826
	13,432,634	13,581,970	14,378,987	14,342,286	13,959,429	13,899,045
	24,915,835	23,476,267	22,114,409	21,882,585	21,852,362	22,146,333
	12,892,983	13,194,968	19,754,893	13,965,789	18,084,648	28,383,996
	9,687,878	10,120,439	26,412,715	10,759,552	10,476,832	2,726,340
	2,140,219	1,755,268	1,261,106	834,421	573,642	363,565
	<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>162,968,298</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>	<u>(7,842,842)</u>
	24,459,350	20,911,710	21,144,694	16,663,011	17,766,761	17,786,935
	(24,459,350)	(20,911,710)	(21,144,694)	(16,663,011)	(17,388,906)	(17,786,935)
	-	-	-	-	-	-
	-	-	15,755,000	-	-	-
	-	-	741,576	-	-	-
	-	-	-	-	-	-
	-	710,657	-	-	-	-
	181,184	375,533	1,691,154	3,868,647	118,908	181,182
	<u>181,184</u>	<u>1,086,190</u>	<u>18,187,730</u>	<u>3,868,647</u>	<u>496,763</u>	<u>181,182</u>
\$	<u><u>(4,586,597)</u></u>	<u><u>(3,137,292)</u></u>	<u><u>(12,363,874)</u></u>	<u><u>1,700,973</u></u>	<u><u>(1,883,621)</u></u>	<u><u>(7,661,660)</u></u>
	<u>8.4 %</u>	<u>8.4 %</u>	<u>17.5 %</u>	<u>8.4 %</u>	<u>7.9 %</u>	<u>2.3 %</u>

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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					
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
2018	267,793,337	6,490,698,530	902,725,320	304,060,108	10,063,090	15,606,009	7,990,946,394	23,972,839,182	0.901	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				
	2009	2010	2011	2012	2013
DIRECT RATES - COUNTY					
General	0.300	0.326	0.370	0.417	0.480
Highway	0.060	0.060	0.065	0.072	0.084
County Bridge	0.009	0.010	0.010	0.012	0.016
Matching	0.033	0.010	0.011	0.013	0.016
Mental Health	0.116	0.118	0.129	0.144	0.150
Tuberculosis Care and Treatment	0.004	0.004	0.005	0.004	0.003
Illinois Municipal Retirement	0.038	0.043	0.046	0.053	0.067
Veterans' Assistance	0.005	0.003	0.004	0.004	0.005
Loss Prevention and Protection	0.038	0.037	0.040	0.044	0.038
Social Security	0.024	0.031	0.033	0.037	0.048
Senior Services	0.017	0.017	0.018	0.020	0.023
Nursing Home	0.057	0.057	0.061	0.068	0.066
Total County	0.701	0.716	0.792	0.888	0.996
OVERLAPPING RATES					
Municipalities	0.178 - 1.447	0.180 - 1.487	0.192 - 1.707	0.207 - 1.943	0.232 - 2.210
Unit School Districts	3.172 - 4.693	3.274 - 4.791	3.503 - 5.226	3.638 - 5.894	3.593 - 6.900
Elementary School Districts	1.891 - 3.794	1.956 - 3.933	2.154 - 4.229	2.487 - 5.250	2.962 - 5.927
High School Districts	1.559 - 2.241	1.625 - 2.279	1.780 - 2.510	2.093 - 2.926	2.407 - 3.123
Community College Districts	0.258 - 0.436	0.274 - 0.467	0.278 - 0.454	0.290 - 0.465	0.338 - 0.505
Conservation District	0.173	0.178	0.196	0.219	0.248
Township and Road Districts	0.099 - 0.647	0.101 - 0.658	0.123 - 0.708	0.123 - 0.586	0.142 - 0.819
Park Districts	0.029 - 0.528	0.032 - 0.535	0.034 - 0.575	0.035 - 0.659	0.038 - 0.758
Fire Protection Districts	0.188 - 0.638	0.193 - 0.637	0.213 - 0.718	0.243 - 0.722	0.288 - 0.827
Library Districts	0.071 - 0.392	0.072 - 0.391	0.078 - 0.419	0.089 - 0.467	0.104 - 0.532
Sanitary Districts	0.056 - 0.057	0.057	0.062 - 0.066	0.070 - 0.071	0.071 - 0.083
Cemetery Districts	0.001 - 0.008	0.001 - 0.008	0.001 - 0.009	0.002 - 0.011	0.002 - 0.012
Rescue Squad District	0.199	0.200	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 2017 levy (payable in 2018), the increase was limited to the CPI increase of 0.8%.

Year Taxes Payable

2014	2015	2016	2017	2018
0.541	0.584	0.588	0.590	0.500
0.089	0.093	0.110	0.086	0.072
0.015	0.007	0.091	0.007	0.006
0.016	0.026	0.007	0.024	0.021
0.150	0.150	0.150	0.145	0.131
0.003	0.004	0.004	0.003	0.002
0.095	0.113	0.026	0.103	0.096
0.006	0.006	0.018	0.005	0.004
0.038	0.032	0.056	0.017	0.003
0.056	0.058	0.005	0.053	0.046
0.024	0.025	-	0.022	0.021
0.063	0.043	0.023	0.000	0.000
<u>1.096</u>	<u>1.141</u>	<u>1.078</u>	<u>1.054</u>	<u>0.902</u>
0.264 - 2.356	0.278 - 2.545	0.289 - 2.553	0.276 - 2.474	2.387
4.014 - 7.742	5.068 - 8.215	4.749 - 8.174	4.797 - 7.613	4.505 - 7.055
3.311 - 6.894	3.532 - 7.659	3.434 - 6.221	3.307 - 5.802	3.3214 - 5.590
2.704 - 3.486	2.887 - 3.891	2.943 - 3.792	2.749 - 3.547	2.702 - 3.440
0.359 - 0.547	0.445 - 0.668	0.424 - 0.566	0.407 - 0.572	0.385 - 0.512
0.275	0.284	0.277	0.259	0.245
0.152 - 0.851	0.157 - 0.837	0.083 - 0.268	0.070 - 0.258	0.057 - 0.522
0.042 - 0.836	0.052 - 0.903	0.049 - 0.882	0.050 - 0.836	0.046 - 0.805
0.325 - 0.936	0.345 - 0.999	0.338 - 0.991	0.324 - 1.044	0.317 - 1.013
0.119 - 0.595	0.127 - 0.638	0.129 - 0.622	0.123 - 0.596	0.119 - 0.576
0.078 - 0.091	0.071 - 0.131	0.064 - 0.094	0.058 - 0.089	0.053 - 0.086
0.002 - 0.013	0.002 - 0.014	0.002 - 0.014	0.001 - 0.013	0.002 - 0.013
0.200	0.200	0.200	0.193	0.189

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

Taxpayer	Year Taxes Payable			Year Taxes Payable		
	2018		Percentage of Total Assessed Value	2009		Percentage of Total Assessed Value
Assessed Value	Rank	Assessed Value		Rank	Assessed Value	
Nimed Corp.	\$ 17,674,644	1	0.20 %	\$ -	-	- %
Walmart Real Estate Business	17,309,478	2	0.20	18,217,227	2	0.16
Inland Crystal Point LLC	9,695,330	3	0.11	21,579,353	1	0.19
Strategic Skyridge LLC	8,657,222	4	0.10	-	-	-
DDR McHenry Sq LLC	8,551,799	5	0.10	8,956,388	8	0.08
Meijer Stores	7,915,383	6	0.09	8,641,365	9	0.08
Rubloff Alg Portfolio LLC	7,223,328	7	0.08	9,412,240	6	0.08
Sage Products LLC	6,614,375	8	0.08	-	-	-
Prairie View Acquisitions LLC	6,177,041	9	0.07	-	-	-
Centro Bradley Crystal Lake	6,037,186	10	0.07	11,061,509	3	0.10
Target Corp. (Dayton Hudson)	-	-	-	10,412,445	4	0.09
Sky Ridge Partners LP	-	-	-	10,385,450	5	0.09
Menards Inc.	-	-	-	9,024,865	7	0.08
Terra Cotta Realty Co.	-	-	-	8,371,502	10	0.07
	<u>\$ 95,855,786</u>		<u>1.10 %</u>	<u>\$ 116,062,344</u>		<u>1.02 %</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
2009	\$ 73,587,785	\$ 73,429,748	99.79 %	\$ 13,763	\$ 73,443,511	99.80 %
2010	74,443,780	74,299,194	99.81	(10,690)	74,288,504	99.79
2011	76,846,500	76,659,934	99.76	12,681	76,672,615	99.77
2012	78,285,064	78,153,090	99.83	(540)	78,152,550	99.83
2013	78,535,191	78,356,747	99.77	11,419	78,368,166	99.79
2014	78,627,451	78,505,603	99.85	(11,853)	78,493,750	99.83
2015	78,966,290	78,804,983	99.80	16,540	78,821,523	99.82
2016	76,289,016	76,098,099	99.75	(10,582)	76,087,517	99.74
2017	79,424,611	79,187,833	99.70	32,777	79,220,610	99.74
2018	71,839,960	71,673,880	99.77	-	71,673,880	99.77

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			
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	73.73
2017	9,485,000	622,568	2,155,686	-	-	-	12,263,254	0.08	39.67
2018	7,670,000	451,388	1,425,527	-	-	-	9,546,915	0.06	30.94

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements. See Demographic and Economic Statistics at page 182 for personal income and population data.

County of McHenry, Illinois
RATIOS OF OUTSTANDING GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Value of Property	Per Capita
	Debt Certificates	Debt Certificate Issuance Premiums	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt		
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	36,875,000	412,375	-	37,287,375	0.18	121.32
2016	18,245,000	794,431	-	19,039,431	0.09	61.59
2017	9,485,000	622,568	-	10,107,568	0.04	32.70
2018	7,670,000	451,388	-	8,121,388	0.03	26.32

Notes: Details regarding the County's outstanding debt can be found in the notes to financial statements.
See Assessed Value and Estimated Actual Value of Taxable Property Schedule at page 172 for property value data.
See Demographic and Economic Statistics at page 182 for population data.

County of McHenry, Illinois
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
November 30, 2018

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct			
County of McHenry	\$ 9,095,527	100% %	\$ 9,095,527
Overlapping			
Municipalities	59,800,969	6.7 - 100%	51,592,520
Unit School Districts	721,157,754	0.0-100%	329,931,707
Elementary School Districts	60,910,967	93.6-100%	59,356,258
High School Districts	31,263,335	98.6-100%	31,013,385
Community College Districts	428,730,845	0.0-95.7%	26,202,119
Conservation District	104,782,019	100%	104,782,019
Township and Road Districts	2,003,330	100%	2,003,330
Park Districts	15,922,333	31.5-100%	14,428,298
Fire Protection Districts	12,535,327	2.6-100%	9,023,244
Library Districts	15,815,000	2.5-100%	4,070,451
Rescue Squad District	90,000	100.0%	90,000
Total Overlapping			<u>632,493,331</u>
Total Direct and Overlapping Debt			<u>\$ 641,588,858</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>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>	<u>2018</u>
Debt limit	\$ 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	\$ 229,739,709
Less: total debt applicable to limit	<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>	<u>(5,950,528)</u>
Legal debt margin	\$ <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>	\$ <u>223,789,181</u>
Total debt applicable to limit as a % of debt limit	<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> %	<u>2.59</u> %

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed valuation (2017 tax year)	\$ <u>7,990,946,394</u>
Debt limitation (2.875% of assessed valuation)	<u>229,739,709</u>
Debt outstanding	
Debt Certificates	7,670,000
Capital Leases	<u>1,425,528</u>
Subtotal	9,095,528
Less: debt not subject to limitation	<u>(3,145,000)</u>
Total debt applicable to limit	<u>5,950,528</u>
Debt limit margin	\$ <u>223,789,181</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)

County of McHenry, Illinois
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) School Enrollment	(3) Number of Teachers	(4) Unemployment Rate
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	49,457	49,973	3,607	5.3
2016	307,004	15,671,668,000	48,182	49,449	3,634	5.3
2017	309,122	15,427,535,000	49,908	49,147	3,636	4.5
2018	308,570	16,557,246,000	53,658	48,228	3,630	3.5

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	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Centegra Health System	5,000	1	3.17 %	3,450	1	2.02 %
District 47	1,528	2	0.97			-
District 158	1,500	3	0.95			-
County of McHenry	1,400	4	0.89	1,400	4	0.82
Follett Library Resources	1,378	5	0.87	1,378	5	0.81
Catalent Pharma Solutions Inc.	830	6	0.53	830	6	0.49
Mercy Health System	732	7	0.46			-
Snap-On Tools, Inc.	590	8	0.37	650	8	0.38
Stryker-Sage Products	583	9	0.37	551	9	0.32
Medela	540	10	0.34			-
Walmart	-	-	-	1,700	2	0.99
Jewel Osco	-	-	-	1,400	3	0.82
Brown Printing	-	-	-	727	7	0.43
Knaack LLC	-	-	-	500	10	0.29
	<u>14,081</u>		<u>8.94 %</u>	<u>12,586</u>		<u>7.36 %</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

FUNCTION/PROGRAM	Full-time Equivalent Employees as of November 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General and administrative	208.2	207.3	205.4	206.1	207.0	206.3	194.6	185.6	187.0	206.6
Community development	27.0	28.0	26.9	26.9	30.0	24.8	24.7	23.9	24.9	25.1
Transportation	57.4	56.4	60.0	60.0	57.0	56.0	63.2	62.2	58.4	56.4
Public safety	400.1	401.0	402.7	402.8	400.2	395.7	393.7	385.0	368.8	372.3
Judiciary and court related	208.4	214.9	207.0	208.3	209.2	208.2	212.2	201.5	194.1	188.8
Public health and welfare	359.6	358.3	333.1	329.2	308.4	306.1	276.9	272.8	272.3	250.8
	<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>	<u>1,100.0</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>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>	<u>2018</u>
General and administrative										
Documents recorded	63,309	59,651	54,381	62,098	62,056	44,148	48,547	50,470	49,008	50,336
Real estate transfer declarations	3,847	3,809	3,723	4,721	6,620	6,090	6,490	7,261	7,466	7,537
Birth certificates issued	2,076	1,900	1,807	1,804	1,659	1,690	1,722	1,644	1,818	1,835
Registered deaths	1,500	1,642	1,635	1,661	1,651	1,640	1,772	1,760	1,987	1,939
Parcels assessed	148,679	149,278	149,348	149,353	149,251	149,189	149,461	149,372	148,999	148,675
Registered voters	200,205	202,033	202,494	203,225	204,129	206,197	205,178	227,452	221,003	238,290
Tax bills mailed	137,746	137,857	138,522	138,134	138,154	138,343	138,250	134,928	137,922	134,077
Passports applications processed	1,359	1,067	1,124	1,545	2,258	3,300	4,003	4,493	3,707	2,708
Teachers certified	3,648	3,456	3,438	3,369	3,634	3,695	3,607	3,634	3,636	3,630
Community development										
Building permit applications	1,246	1,086	886	899	904	1,002	1,010	996	1,174	1,056
Zoning petitions filed	58	51	51	52	48	52	40	49	30	65
Transportation										
Permits (access, facility, & utility)	90	76	105	86	64	76	91	93	96	100
Lane miles resurfaced	21.3	28.3	17.6	18.2	28.6	27.0	25.0	31.0	24.6	23.9
Public safety										
Incoming 911 calls	34,597	36,722	39,393	42,186	40,177	29,793	29,440	27,505	26,001	26,906
Citations issued	14,527	13,558	12,322	14,679	10,709	10,127	9,524	10,278	9,555	17,099
Inmates processed	10,216	8,765	8,396	7,615	6,655	6,639	6,368	6,624	6,622	7,025
Hazardous material and other emergency responses	50	39	26	30	60	48	36	34	40	26
Judiciary and court related										
Judges	16	16	19	19	19	19	19	19	19	19
Total cases filed	93,849	90,367	81,058	77,258	72,330	64,110	59,378	57,535	55,922	58,282
Jury trials	84	80	77	47	62	92	66	82	57	71
Defendants appointed to public defender	5,124	4,406	4,179	3,888	4,281	4,126	4,114	4,088	4,108	4,787
Charges disposed by public defender	10,128	9,195	8,912	8,144	8,095	8,533	8,303	8,123	7,998	8,327
Public health and welfare										
Food establishment inspections	4,205	5,612	4,899	4,612	4,811	4,746	5,446	4,352	5,368	4,599
Vision screenings	9,028	7,966	9,135	8,275	7,699	7,926	8,880	8,067	8,321	8,184
Hearing screenings	13,063	11,999	12,381	12,222	11,202	12,954	12,888	11,366	12,056	11,298
Nursing home - resident days	45,186	44,945	44,731	44,239	44,201	44,819	44,262	44,151	41,278	42,395

Sources: County Departments.

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

<u>FUNCTION/PROGRAM</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>	<u>2018</u>
General and administrative										
Primary buildings	2	2	2	2	2	2	2	2	2	2
Transportation										
Lane miles	495	497	497	518	518	522	524	525	525	525
Street lights	363	379	393	351	506	541	559	579	597	612
Traffic signals	32	32	35	35	36	40	40	42	42	43
Bridges	38	41	42	42	43	43	43	44	52	50
Vehicles	76	76	76	77	79	79	78	78	82	83
Public safety										
Jail inmate capacity	666	666	666	666	666	666	666	666	666	650
Sheriff vehicles	186	192	164	162	159	148	152	152	162	168
Sheriff boats	5	5	5	5	5	5	5	5	5	4
Judiciary and court related										
Courtrooms	16	16	18	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	4	4	4	4	4	4	4	4

Sources: County Departments.