

MACON COUNTY, ILLINOIS

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***For the fiscal year ended
November 30, 2016***

May, Cocagne & King, P.C.

Certified Public Accountants & Consultants

MACON COUNTY, ILLINOIS

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***For the fiscal year ended
November 30, 2016***

***Report prepared and issued by
the Macon County Auditor's Office***

Carol Reed, County Auditor

MACON COUNTY, ILLINOIS

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November 30, 2016

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INTRODUCTORY SECTION

CAROL A. REED



Macon County Auditor

May 16, 2017

To the Citizens of Macon County, Illinois and the Macon County Board

Ladies and Gentlemen:

We are pleased to present Macon County, Illinois' (the County) Comprehensive Annual Financial Report (CAFR) for the year ended November 30, 2016. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. The County is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. The data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the County's financial activities have been included.

This report is intended to provide informative and relevant financial information for the citizens of the County, board members, investors, creditors and other concerned readers. All are encouraged to contact me with any comments or questions concerning this report.

In accordance with requirements established by Illinois law, the County's financial statements have been audited by independent certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report and includes an unmodified opinion.

An audit was also conducted to meet the requirements of the Federal Single Audit Act Amendment of 1996 and Title 2, *U.S. Code of Federal Regulations (CFR)*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of Federal and state awards. The results of the Federal Single Audit are presented as part of the CAFR.

- i -

The role of the auditors is to audit the basic financial statements to determine if they are free of material misstatements and to assess the accounting principles used. Based on their findings, they express an opinion on the fairness of the statements and disclose any material weaknesses. Responsibility for the accuracy of the data presented as well as the completeness and fairness of the presentation of this report rests with County management.

A system of internal control consists of all measures that the management of an organization implements in order to protect the organization's assets from theft, loss, or misuse (intentional and unintentional) and to ensure the accuracy of the County's financial statements. Internal control over financial reporting has inherent limitations because it involves human diligence and judgment which can be subject to lapses or breakdowns. Internal control over financial reporting also can be circumvented by collusion or improper override, and there is thus a risk that material misstatements will not be prevented or detected on a timely basis. However, these inherent limitations are known features of the financial reporting process and every effort has been made to design safeguards to reduce, though not eliminate, this risk.

The management of Macon County is responsible for developing, monitoring and maintaining a cost beneficial system of internal control over all financial related activities of the County. This responsibility is undertaken jointly by the Audit Sub Committee of the Macon County Board, the Finance Committee of the Macon County Board, the Macon County Auditor, and the elected and appointed officials of Macon County. There is an ongoing assessment of the effectiveness of existing internal controls, taking into consideration their costs and benefits. Recommendations for improvement also consider costs and benefits.

In accordance with GAAP, this CAFR includes a narrative introduction from management, which provides an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of Macon County Illinois

Established in 1829, Macon County is 581 square miles located centrally in the State of Illinois some 150 miles south of Chicago and west of Indianapolis, 109 miles northeast of St. Louis and within 40 miles of the communities of Champaign/Urbana, Bloomington/Normal, and Springfield, Illinois. The county has a rich history of agricultural productivity, innovative manufacturing and world scale industrial agriculture. Immense acres of corn and soybean cropland cover 84% of the County's landmass.

While Macon County has lost manufacturing jobs and employers over the last 2 decades, it continues to be a major agribusiness center with a mix of agriculture, manufacturing, and other commercial based industries. Agricultural processors Archer Daniels Midland and Tate & Lyle have North American headquarters here. Caterpillar, Inc., a world leading manufacturer of construction and mining equipment has a major plant here. Akorn Pharmaceuticals, a multi-national pharmaceutical enterprise, has recently expanded to increase its manufacturing operations and development. The Mueller Company, the largest supplier of potable water distribution products in North America has a foundry and factory here. These employers serve world-wide markets and have a large impact on the economic wellness of Macon County.

The Midwest Inland Port, an intermodal shipping and customs processing facility which opened in 2014, is developing transportation connectivity which is bringing jobs and opportunities to Macon County. This facility (and associated development) utilizes Macon County's exceptional access to three major railroads, 4 interstate highways, and a regional airport to offer benefits to a variety of manufacturers and shippers. We look forward to the continued growth of this facility.

While success is seen in many areas, Macon County's population continues to decline and is an important factor in understanding Macon County's financial position. As population declines, the demand for goods and services declines, as does the demand for housing. When housing demands weaken and housing prices fall, the equalized assessed valuation falls and it becomes more difficult to fund the services required and needed by the citizens.

Unemployment in Macon County has consistently been higher than state averages. The Macon County unemployment rate has decreased this year to 5.9% from 7.3% last year. This rate is slightly above the state rate of 5.6% and above the national rate of 4.5%. Contributing to the rate decrease is a decline in overall unemployed individuals, discouraged workers ending their job search, retirements, and individuals deciding to leave the area.

Government Structure and Services

Macon County is a non-home rule county government governed by the Illinois County Code, 55 ILCS 5+ and related acts. It is composed of 24 departments, including 8 independently elected officials, the judiciary, and a twenty one member County Board elected from seven three member districts. The Board is both the legislative policy maker and the supervisor of administration for departments that report directly to the Board.

Elected officials, department heads and county board members work cooperatively together to insure the smooth functioning of county government. Macon County government also has cooperative arrangements with other governmental agencies, including the City of Decatur and various townships and villages throughout the county.

The largest portion of the County's governmental expenditures is for the administration of justice and public safety. This includes the State's Attorney, Public Defender, Circuit Clerk, Circuit Court (including Probation), and the Sheriff's functions which include Deputies, Corrections, Court Security, Emergency Management Services, and Animal Control.

Other functions mandated by state statute include the construction and maintenance of county highways and bridges, voter registration and the election system, vital records such as birth, marriage, and death certificates, the maintenance of the property tax system, and the recording of deeds and other real estate records.

Other major county responsibilities include provision of public health services, job training and workforce development, the veteran's commission, and environmental management.

Future Outlook

Due to declining population and the increasing demand for services from the remaining population, it is evident that good financial stewardship is necessary in the months ahead. The state of Illinois financial situation leaves uncertainty in planning for revenues and puts pressure on all departments to hold costs and carefully manage resources. If not for one time permits and fees associated with a new wind energy farm, FY 2016 would have marked the third consecutive year that general fund expenditures have exceeded revenues. Unrestricted fund balances are no longer able to provide an acceptable cushion and we must become even more cautious in our spending as we know that real challenges lie ahead in maintaining our stability and to continue the progress that has been made.

GFOA Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its comprehensive annual financial report for the fiscal years ended November 30, 2006 – 2015. In order to be awarded a Certificate of Achievement, a government must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Preparation of the CAFR is a very significant undertaking, and I wish to thank all of the employees of the Auditor's office and all those in other offices who helped make this possible. We are also indebted to the professionalism and commitment of our independent auditors, May, Cocagne and King, P.C. The cooperation of everyone is greatly appreciated, as is the commitment of the Macon County Board to professional financial management of Macon County for the benefit of the citizens and taxpayers of this County.

Sincerely,



Carol A. Reed
Macon County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Macon County
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

November 30, 2015

Executive Director/CEO

MACON COUNTY, ILLINOIS

LIST OF PRINCIPAL OFFICERS

November 30, 2016

COUNTY BOARD MEMBERS:

District	Representative	District	Representative
7	Kevin Greenfield (Chairman)	1	Kevin Meachum
1	Linda Little (Vice Chairman)	2	Gary Minich
3	Jay Dunn	2	William Oliver
5	Keith Ashby	3	Bryan Smith
1	Jon Baxter	2	Verzell Taylor
5	Patricia Cox	6	Matt Brown
6	Dave Drobisch	7	John Jackson
3	Tim Dudley	6	Kevin Bird
7	Phillip Hogan	4	Patricia Dawson
5	Grant Noland	3	Jerry Potts
4	Gregory Mattingley		

OTHER ELECTED OFFICIALS:

Auditor, Carol Reed

County Clerk, Stephen Bean

Treasurer, Edward Yoder

Recorder, Mary Eaton

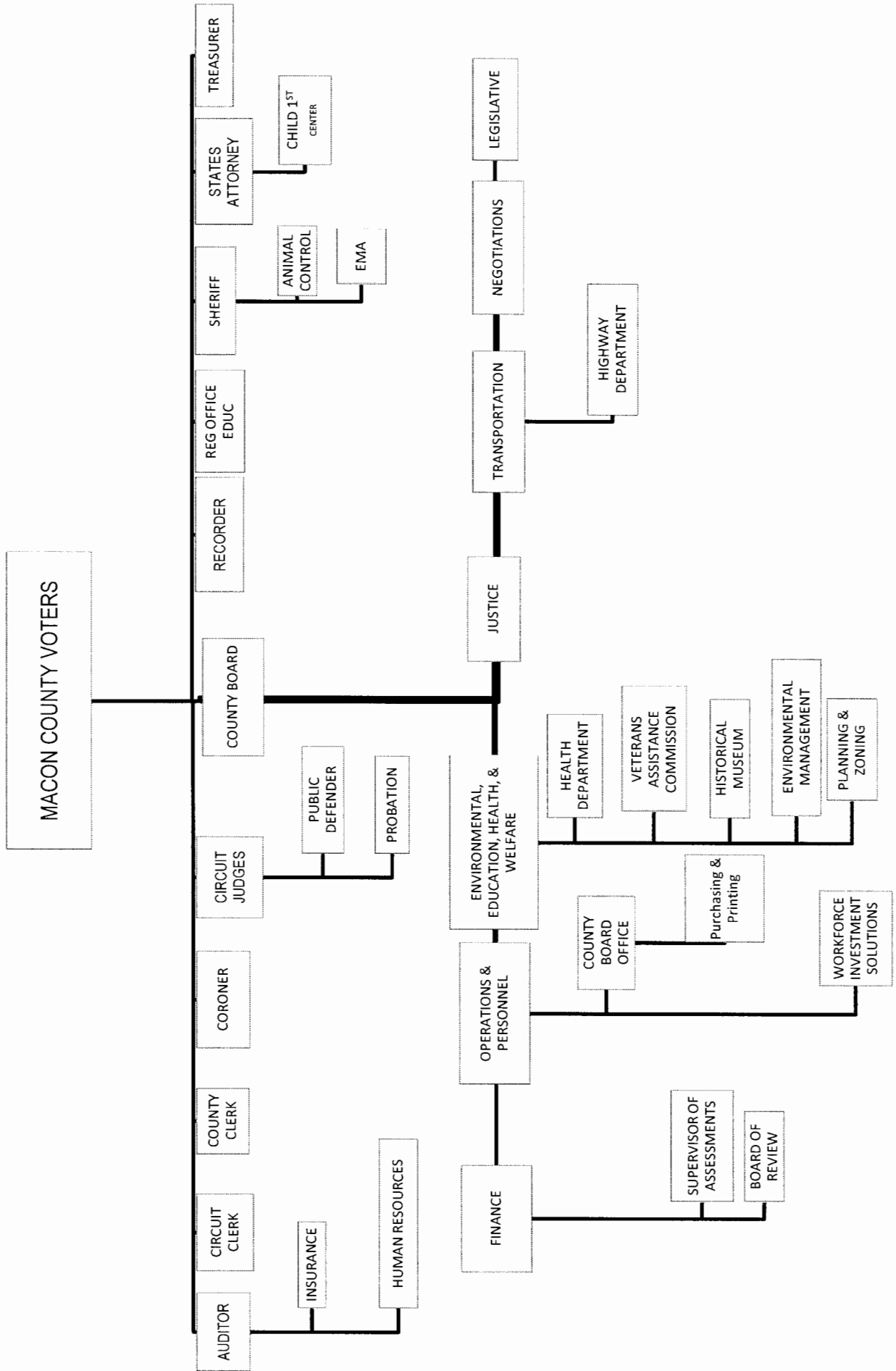
Circuit Clerk, Lois Durbin

State's Attorney, Jay Scott

Coroner, Michael Day

Regional Superintendent of Education, Matthew Snyder

Sheriff, Tom Schneider



FINANCIAL SECTION



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300 DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

ANDREW D. THOMAS
HELGA J. TOWLER
WILLIAM R. MOSS
CATHERINE J. MANSUR
STEVEN R. GROHNE
MARK S. WOOD
CHRISTIE K. STINSON
CRAIG T. NEGANGARD
DAVID S. BROWN

INDEPENDENT AUDITORS' REPORT

To the Macon County Board
Macon County, Illinois
Decatur, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois (County) as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended November 30, 2016, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macon County Emergency Telephone System Board which represents 40.6% of the assets, 72.8% of the net position and 15.9% of the revenues of the discretely presented component units. 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 Macon County Emergency Telephone System Board, 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 Decatur Public Building Commission and the Macon County Emergency Telephone System Board 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois, as of November 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, internal service, and fiduciary fund of Macon County, Illinois, as of November 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-22), budgetary comparison information (pages 92-101), schedules of net pension liabilities and employer contributions (pages 102-105), OPEB information (page 106) and related notes (pages 107-110) 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County, Illinois' basic financial statements. The introductory section, statistical section, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying individual Workforce Investment Solutions grant financial information is presented to comply with the requirements of the Illinois Department of Commerce and Economic Opportunity and is also not a required part of the financial statements.

The budgetary schedules, schedule of expenditures of federal awards, and grant financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the budgetary schedules, schedule of expenditures of federal awards and grant financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2017, on our consideration of Macon County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County, Illinois' internal control over financial reporting and compliance.



Decatur, Illinois
May 16, 2017

**MACON COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

November 30, 2016

The Macon County, Illinois' (the "County") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the County's financial activity, (3) identify changes in the County's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns. Comparisons between current year and prior year are provided. We encourage readers to consider the information presented here in conjunction with the basic financial statements and accompanying notes to those financial statements.

Macon County's governmental structure contains all three branches of government, with appropriate checks and balances between them as specified by State of Illinois Statutes. The Macon County Board serves as the legislative branch, with various responsibilities including, most importantly, responsibility for appropriating all public funds through the annual budget process. The executive branch includes eight officials responsible directly to the voters of Macon County (Sheriff, State's Attorney, Coroner, Circuit Clerk, County Clerk, Recorder, Treasurer and Auditor) as well as a number of appointed officials with duties specified by statute (County Engineer, Supervisor of Assessment and others). The judicial branch includes directly elected Circuit Judges, Associated Judges appointed by other parts of the judiciary, and officials appointed by and reporting through the Courts (Public Defender and Probation & Court Services). The County Board Chairman's position is considered part time; the County Board office consists of a single additional person. Without central administration, many of the Elected Officials have accepted significant responsibilities in addition to their statutory duties to insure the smooth operation of County Government. Department heads and employees throughout the organization are working hard to keep things going smoothly. That this decentralized approach has been successful is evidenced by the financial results we are reporting.

Financial Highlights

- The assets and deferred outflows of Macon County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$ 68,016,950 (*net position*), a decrease of \$ 420,384 over the prior year. Of the total net position of the primary government, \$ 444,690 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors, and an additional \$ 20,899,733 (*restricted net position*) is available for specific purposes. The two discretely presented component units of Macon County have a total of \$ 3,860,874 in additional net position, of which \$ 3,421,886 is unrestricted.
- Government-wide, Macon County had \$ 57,797,874 in expenses for the primary government, up \$ 4,266,799 from the prior year. Of this increase, the largest component was Public Safety which was up \$ 2,650,526.
- The primary government offset expenses with \$ 10,891,577 of charges for services, \$ 14,287,331 of operating grants and contributions, and \$ 1,706,821 of capital grants and contributions. This left a balance of \$ 30,912,145 in expenses to be covered by general revenue sources for the primary government. General revenues, including property taxes, sales taxes, income taxes and other income sources, were \$ 30,491,761 government-wide, thus creating a decrease in net position for the year of \$ 420,384.

- Macon County component units had \$ 7,018,570 in expenses, offset by \$ 229,295 of charges for services and \$ 2,769,426 of operating grants and contributions. Expenses were higher than revenues in both of the component units.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 1,787,088 or 7.65% of total General Fund expenditures. In addition, the Macon County Board committed \$ 2,706,280 for future replacement of election equipment and accounting software, \$ 1,057,137 for a reserve for possible future self-funding of employee health costs, and an economic stabilization (“rainy day”) fund, which in the end was depleted during the year. Ending fund balance is the sum of revenue minus expenditures in all prior years. Unassigned fund balance has decreased by \$ 654,342 from FY 2015 to FY 2016.
- Macon County’s total long-term debt (due in more than one year) increased \$ 7,275,444 due primarily to an adjustment to net pension liability of \$ 7,419,838 in this year’s financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Macon County’s basic financial statements. The financial statement’s focus is on both the County as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the government’s accountability. The County’s basic financial statements are comprised of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Macon County’s finances, in a manner similar to a private sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

The *statement of net position* presents information on all of Macon County’s assets and liabilities, with the difference between the two 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 in total is improving or deteriorating.

The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities, the County operations are separated as follows:

Governmental activities: Most of the County's basic services are reported in this category, including general government, public safety, transportation, public health and welfare. Property and sales taxes, user fees, interest income and state and federal grants finance most of these activities.

Business-type activities: The County charges a fee to customers to cover all or most of the cost of certain services it provides. The Decatur Public Building Commission (DPBC) is reported in this category.

The government-wide financial statements include Macon County government and two component units: the Macon County Mental Health Board (708 Board) and the Emergency Telephone System Board (ETSB Board), which are reported separately from the financial information for the primary government itself. The government-wide financial statements can be found on pages 23 through 26 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Macon County, like other units of 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.

Governmental Funds. Governmental funds, including the General Fund, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Macon County maintains 36 governmental funds, including the General Fund and 35 special revenue funds. (There are a number of additional funds for management reporting and control purposes.) Of these 36 governmental funds, 8 (including the General Fund) are major funds as defined by GASB Statement No. 34, for each of which are presented statements of revenues, expenditures, and changes in fund balances as well as fund balance sheets. Non-major governmental funds are also presented in the form of combining statements and individually in the supplemental information to this report.

Macon County government adopts annual appropriated budgets for the General Fund and most special revenue funds. Budgetary comparison schedules (original versus final) have been provided as Required Supplementary Information for the General Fund, the Illinois Municipal Retirement Fund, the County Health Fund, the County Highway Fund, the Federal Aid Matching Fund, the Special Bridge Fund, the County Motor Fuel Tax Fund, and the Multi-Facility Lease Fund to demonstrate compliance with the adopted budget. Non-major budgeted funds are also presented individually in the supplemental information to this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*. The basic governmental fund financial statements can be found on pages 27 through 32 of this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains two different types of proprietary funds; an internal service fund and an enterprise fund. The Internal Service Fund is used to report activities that provide supplies and services for other programs and activities - such as the County's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

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 Decatur Public Building Commission for which activities are financed in whole or in part by fees charged to external parties for goods or services they provide. The basic proprietary fund financial statements can be found on pages 33 through 36 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position, found on page 37 of this report. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the County's financial statements. The notes to the financial statements can be found on pages 38 through 91 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning budgetary comparison information for the general and major special revenue funds, and the County's progress in funding its obligation to provide pension benefits to its employees. Required supplemental information can be found on pages 92 through 110 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplemental information on pensions. Combining and individual statements and schedules can be found on pages 111 through 159 of this report.

The County's Government-wide Financial Analysis

Of the County's primary government total assets of \$ 87,227,740, a substantial portion (27.42%) is held in cash (\$ 23,918,403) and monetary investments (\$ 1,548). Cash and investments were up from the prior year by \$ 1,393,385 or 6.18% partially due to decreased receivables from governmental agencies. Another substantial portion of assets are capital assets, including the County's transportation infrastructure and all County buildings (\$ 47,202,577).

The government-wide balance sheet includes two component units, each of which has significant operational and/or financial relationships with the County.

Liabilities total \$ 27,541,611 for the primary government and include accounts payable, accrued salaries, liability for future compensated employee absences, bonds payable, deferred revenue, and net pension liability. A major addition to the obligation reporting last year was the net pension liability which increased from \$ 13,019,952 to \$ 20,439,790. An external obligation of the primary government is the revenue bonds payable on the County buildings totaling \$ 330,000 issued through the Decatur Public Building Commission. Macon County is approaching the point at which all debt will be paid off and is investigating a number of options for realignment of facilities.

Assets minus liabilities equal net position or assets available after satisfaction of obligations. Net position for Macon County currently stands at \$ 68,016,950 for the primary government, down 0.61% from the prior year. Unrestricted net position is down 35.22% from the prior year.

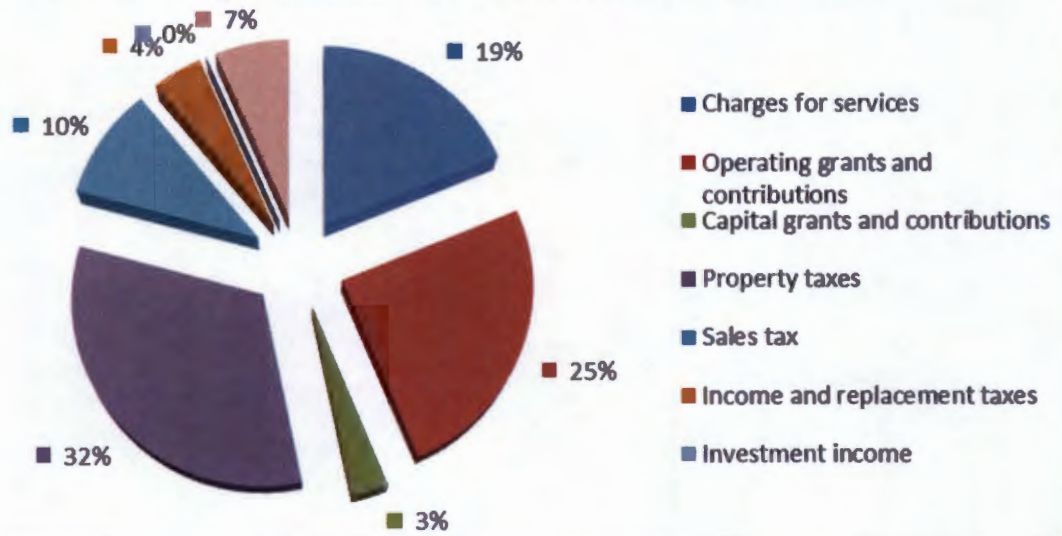
The County's net position for the primary government for fiscal year ended November 30 is summarized as follows (dollars in millions):

	Governmental Activities			Business-type Activities			Total Primary Government		
	2016	2015	\$ Change	2016	2015	\$ Change	2016	2015	\$ Change
Assets:									
Current and other assets	\$ 36.59	34.37	2.22	3.43	3.76	(0.33)	40.02	38.13	1.89
Capital assets	46.30	45.77	0.53	0.90	0.81	0.09	47.20	46.58	0.62
Total Assets	82.89	80.14	2.75	4.33	4.57	(0.24)	87.22	84.71	2.51
Deferred Outflows of Resources	12.04	6.78	5.26				12.04	6.78	5.26
Liabilities:									
Long-term liabilities	24.00	16.96	7.04				24.00	16.96	7.04
Other liabilities	3.34	5.27	(1.93)	0.20	0.14	0.06	3.54	5.41	(1.87)
Total Liabilities	27.34	22.23	5.11	0.20	0.14	0.06	27.54	22.37	5.17
Deferred Inflows of Resources	3.71	.68	3.03				3.71	.68	3.03
Net Position:									
Invested in capital assets	45.77	44.58	1.19	0.90	0.81	0.09	46.67	45.39	1.28
Restricted	18.42	18.54	(0.12)				18.42	18.54	(0.12)
Unrestricted	(0.31)	.89	(1.20)	3.23	3.62	(0.39)	2.92	4.51	(1.59)
Total Net Position	\$ 63.88	64.01	(0.13)	4.13	4.43	(0.30)	68.01	68.44	(0.43)

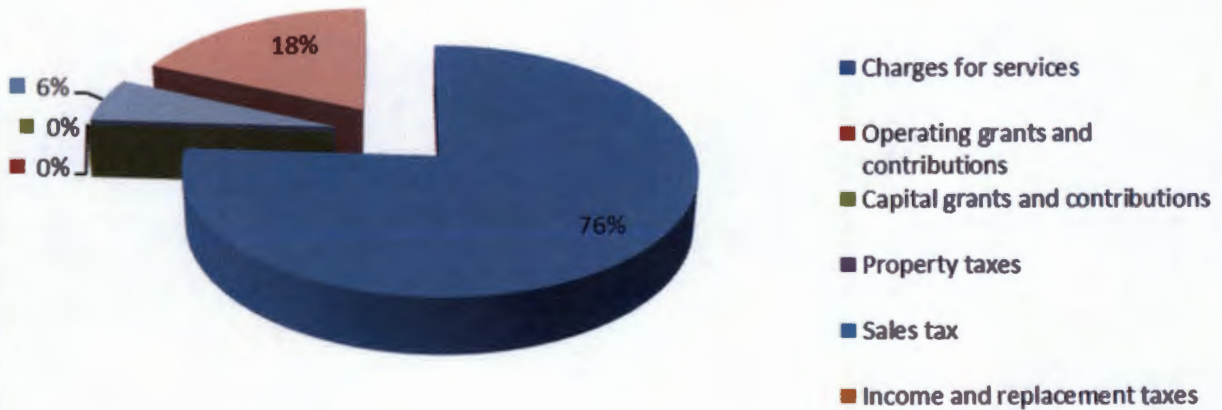
Governmental activities showed a decrease in the County's net position of \$(126,335) due to the change in net position (expenses over revenues) during the fiscal year. The business-type activities include the blended component unit, the Decatur Public Building Commission, as its only major enterprise fund. This fund showed a decrease in net position of \$(294,049). The key components of these changes for the primary government are the following (dollars in millions):

	Governmental Activities			Business-type Activities			Total Primary Government		
	2016	2015	\$ Change	2016	2015	\$ Change	2016	2015	\$ Change
Revenues:									
Program revenues:									
Charges for services	\$ 10.76	8.15	2.61	0.13	0.14	(0.01)	10.89	8.29	2.60
Operating grants and contributions	14.29	13.93	0.36		0.03	(0.03)	14.29	13.96	0.33
Capital grants and contributions	1.71	1.42	0.29				1.71	1.42	0.29
General revenues:									
Property taxes	18.57	16.81	1.76				18.57	16.81	1.76
Sales tax	5.63	5.77	(0.14)				5.63	5.77	(0.14)
Income and replacement taxes	2.52	2.70	(0.18)				2.52	2.70	(0.18)
Investment income	0.03	0.03		0.01	0.01		0.04	0.04	
Miscellaneous	3.71	2.60	1.11	0.03		0.03	3.74	2.60	1.14
Total revenues	<u>57.22</u>	<u>51.41</u>	5.81	<u>0.17</u>	<u>0.18</u>	(0.01)	<u>57.39</u>	<u>51.59</u>	5.80
Expenses:									
Current:									
General control and administration	9.10	8.42	0.68	3.66	3.25	0.41	12.76	11.67	1.09
Public safety	18.19	15.54	2.65				18.19	15.54	2.65
Judiciary and court-related	9.88	9.16	0.72				9.88	9.16	.72
Public health and welfare	9.78	10.19	(0.41)				9.78	10.19	(0.41)
Transportation	7.17	6.90	0.27				7.17	6.90	0.27
Interest on long-term debt	0.02	0.07	(0.05)				0.02	0.07	(0.05)
Total expenses	<u>54.14</u>	<u>50.28</u>	3.86	<u>3.66</u>	<u>3.25</u>	0.41	<u>57.80</u>	<u>53.53</u>	4.27
Excess (deficiency) of revenues over (under) expenses	3.08	1.13	1.95	(3.49)	(3.07)	(0.42)	(0.41)	(1.94)	1.53
Internal transfers - rent	(3.20)	(4.24)	1.04	3.20	4.24	(1.04)			
Change in net position	<u>(0.12)</u>	<u>(3.11)</u>	2.99	<u>(0.29)</u>	<u>1.17</u>	(1.46)	<u>(0.41)</u>	<u>(1.94)</u>	1.53
Net position, beginning, as previously reported	64.01	73.69	(9.68)	4.43	3.26	1.17	68.44	76.95	(8.51)
Change in accounting principle		(6.70)	6.70					(6.70)	6.70
Prior period adjustment		0.13	(0.13)					.13	(0.13)
Net position, beginning, as restated	<u>64.01</u>	<u>67.12</u>	(3.11)	<u>4.43</u>	<u>3.26</u>	1.17	<u>68.44</u>	<u>70.38</u>	(1.94)
Net position, ending	<u>\$ 63.89</u>	<u>64.01</u>	(0.12)	<u>4.14</u>	<u>4.43</u>	(0.29)	<u>68.03</u>	<u>68.44</u>	(0.41)

Revenues by Source - Governmental Activities



Revenues by Source - Business-Type Activities



Key elements of the analysis of the government-wide revenues and expenses reflect the following:

- The overall financial position of the County declined slightly during fiscal year 2016. The County continues to hold to sound financial management practices developed over the last decade but will need to reduce expenses and increase revenue in the coming year to avoid further decline. This will require continued hard work throughout the County to spend only on essential items and to find every opportunity to streamline and modernize operations.
- Government-wide, Macon County had \$ 57.8 million in expenses in its primary government functions and \$ 57.4 million in revenues. As planned, current revenue shortfalls were covered by fund reserves accumulated over previous years. In this way, Macon County coped with the economic downturn with minimal effect on operations. Wherever possible, reserves were accumulated for future needs and/or expected revenue shortfalls, as well as managing expenditures for major capital projects (primarily transportation).
- Expenses for retiree health costs (OPEB expenses) added a total of \$ 261,283 to total expense government-wide. This expense was fully attributed to general control and administration although retirees came from all parts of the government.
- Changes in the net pension liability added a total of \$ 2,814,615 to total expense government-wide. This expense is allocated among all governmental functions.
- The following summarizes changes in the major expense categories excluding the depreciation expense of \$ 3,275,008:

	<u>2016</u>	<u>2015</u>	<u>\$ Change</u>
Operating Expenses without Depreciation:			
General Control and Administration	\$ 8,865,618	8,204,321	661,297
Public Safety	17,288,877	14,622,266	2,666,611
Judiciary and Court	9,674,181	8,953,146	721,035
Public Health and Welfare	9,623,219	10,067,965	(444,746)
Transportation	5,389,095	5,132,778	256,317
Interest on Long-term Debt	19,246	65,943	(46,697)
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 50,860,236</u>	47,046,419	3,813,817

Overall, expenses grew by \$ 3,813,817 or 8.11%. The largest dollar volume of change in expenses was related to the change in net pension liability; however, the Public Safety sector showed an increase of almost \$ 1 million without taking into account the pension costs.

- The \$ 661,297 increase or 8.06% in operating expenditures in the General Control and Administration (GC&A) (without depreciation) includes \$ 570,896 of expense added for changes in pension and OPEB liabilities. Other changes resulted from modest increases in department operating expenses and contractual wage increases. Our major insurance claims are related to workers compensation cases, as we are self-insured for the bulk of the liability while we are fully insured after a \$ 25,000 deductible for all other claims.

- The \$ 2,666,611 increase or 18.24% in operating expenses government-wide for Public Safety (excluding depreciation) includes \$ 1,702,142 of expense related to the change in net pension liability. The remaining increase of \$ 964,469 was partially due to an increase of \$ 90,000 for the intergovernmental agreement with the City of Decatur for dispatch services and radio communications for FY 2016. Also fees of \$ 67,000 were expended for study fees for a potential joint communication center, while medical expenses for the jail increased by \$ 57,333. Public Safety personnel expense rose by \$ 395,177 due to contractual wage increases and the contractual agreement to buyback of a portion of unused sick-time which increased by \$ 151,002 over the previous year.
- Expenditures in the Animal Control Fund, included in the Public Safety expense category at the government-wide level, increased by \$ 82,952, or 7.7%. Part of the increase is attributable to an increase in professional services fees of \$ 12,028 due to the use of outside veterinarian services for a portion of the year. Continual efforts are being made by the department with support from the Decatur and Macon County Animal Shelter Foundation to adopt animals, with 1,211 animals adopted this year compared to 1,255 for the prior year.
- The Judiciary and Courts expenditures (excluding depreciation) increased by \$ 721,035 or 8.05% includes \$ 729,459 of expense related to the change in net pension liability. Operations were essentially unchanged from the prior year, with major grants remaining unchanged.
- Various grants in Probation continue to support the efforts of the criminal justice system to find alternatives to incarceration which will promote community repair and discourage costly recidivism. The programs addressed by these grants are especially important because Macon County has a very high rate of incarceration in the State per capita, and many of the parolees return to the community. Research shows that they are much more likely to be successful with adequate supervision and services. The Specialty Courts - Mental Health Court) and Hybrid (Drug and DUI) Court began in 2012 and graduated their first two classes in 2014. These programs continue to make an impact on and improve our community. Specialty courts are designed for high risk/high needs adult offenders who have a current nonviolent felony offense and a diagnosed mental illness or substance dependence. To date, the Hybrid Court has graduated 90 participants and the Mental Health Court has graduated 30 participants. Sending this population through a program that addresses their addictions, rather than continual incarceration continues to save the taxpayers of Macon County more than just money. It has been shown that the four years of the Hybrid Court program operation saved Macon County taxpayers over \$ 1 million by having people in the program rather than incarcerated. The 90 graduates of the Hybrid Court program had a combined criminal history of 357 felonies, 121 DUIs, 311 misdemeanors, and 1,564 traffic cases. Of even greater significance than the cost savings to Macon County is that the Specialty Courts are saving and changing the lives of our residents. People are going back to work, to school, and being reunited with their families.
- Public Health and Welfare operating expenses decreased \$ 444,746 (excluding depreciation) or 4.42%. Due to the ongoing lack of a state budget, the Macon County Health Department (MCHD) has lost several employees, primarily registered nurses, who left to seek higher paying jobs that are not grant-funded positions. The Macon County Health Department did receive most payments for 2016 through the State of Illinois stop-gap budget, but payments remain slow and non-existent in some programs. Some positions are again beginning to be filled in order to meet grant requirements.

Research continues on how the Macon County Health Department can be competitive with other local health departments. We are seeking ways to keep the dental hospital program going and to collaborate with community partners for behavioral health/substance use services, absorb the cost of electronic health record installation, and review options for a digital sign. In the past year, the MCHD has successfully implemented the Teen Pregnancy Prevention Program in the junior and senior high schools of Decatur.

- Workforce Investment Solutions continues to excel in assisting dislocated workers who have lost their jobs by offering resource room services, job search and interview skills workshops, and access to job information. Macon County unemployment statistics have again improved from the prior year, but remain among the highest in the state, fluctuating between 6% and 7%. One focus this past year was increased grants to train dislocated workers in manufacturing, transportation distribution and logistics with an emphasis on career and occupational training leading to industry recognized credentials.
- Transportation operating expenses (excluding depreciation) increased \$ 256,317 or 5.0% due to the variability and timing of construction projects. Several large projects started up in 2016. The engineering design phase of the Beltway has begun with 2 projects totaling \$ 1.5 million dollars. Funding for future construction phases of the Beltway is currently being pursued at the state and federal level. Rural transportation continued with a steady ridership with the provider searching for a permanent garage location in Macon County. Efforts continue on the “gray area” for rural transit service.
- There is continued concern for the stability of infrastructure funding. The loss of purchasing power is still the largest impediment to proper maintenance of our roads and bridges. The state legislature managed to see the wisdom of passing a full year budget for road funding as those revenues continue throughout the year. As a result, the issue of planning for projects was not impacted by interruptions in the revenue stream. There still remains a huge backlog of bridge and road needs across all road jurisdictions in the State of Illinois that will grow larger without a comprehensive funding package targeting those roads and bridges.
- Interest on long-term debt is incurred on the outstanding bonds for the County facilities issued by the Decatur Public Building Commission (DPBC). The outstanding bonds will be paid off on December 1, 2016. The prior year outstanding mortgage on the Health Department building was repaid by the DPBC on December 1, 2015 and lease payments are being made by the Health Department to the DPBC.
- For governmental activities, revenues were up in total by 11.29%. Fees for services increased by 32.05% due to increased fee charges for a full year in all areas following a fee study. Intergovernmental revenues saw a 4.17% increase partially due to donor contributions in public safety. Property taxes increased 10.47% due to increased levies for several funds, while all other sources of tax revenue showed declines. Miscellaneous revenue sources increased with the one time receipt of \$ 675,000 as compensation for road use for installing wind turbines within the County.

The government-wide balance sheet includes two discretely presented component units, each of which has significant operational and/or financial relationships with the County. In addition, activities of the DPBC are shown in the business-type activities of the primary government. Business-type activities accounted for \$ 4,133,948 of net position including \$ 2,769,889 in cash and cash equivalents, constituting 67.00% of its total assets.

Financial Analysis of Macon County's Major Funds

As noted earlier, Macon County's government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

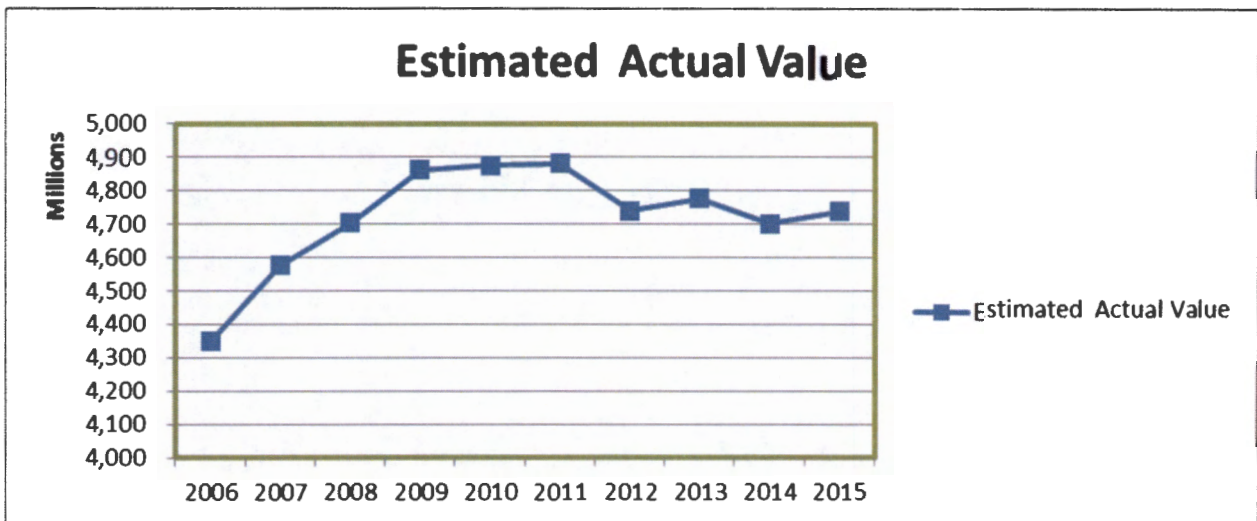
Expenditures and Program Revenues - Government Activities. Macon County's government provides a number of services to the citizens of Macon County. These include law enforcement and administration of the criminal justice system, administration of consolidated elections, property tax records and tax collection for all taxing bodies, maintenance of county roads, bridges and highways and the provision of health services.

Revenues by Source - Government Activities. Revenues to support these programs are provided by fees for services, by operating grants and other intergovernmental transfers and from general revenue.

Charges for services include a wide variety of fees for court costs, fees collected when deeds are recorded, and fees collected when vital records are recorded. Fees are also collected for County building permits and for the provision of health services among other reasons.

Operating grants include both State and Federal grants; federal grants are primarily passed through state agencies; however, some are received directly from the federal government. These revenues may be in the form of subsidies for County personnel (such as Probation, Supervisor of Assessments or State's Attorney) or in the form of grants which require certain services be provided within the term of the grant. These revenue sources are earmarked for provision of specific services and may not be used for other purposes.

Receivables from all sources (including other governments) totaled \$ 5,156,283 or 5.9% of total assets, a decrease of 10.0% from the prior year. For financial reporting purposes, we have applied generally accepted accounting principles provisions regarding modified accrual accounting for governmental funds. However, given the current circumstances, this is no longer helpful, and we use full accrual for management accounting. Continued cash flow difficulties with the State of Illinois have substantially lengthened payment times; all payments are eventually made. To apply the current rules for modified accrual essentially throws us back to cash basis accounting, which is not helpful for sound financial management. Given the current facts, we are choosing to retain full accrual for management accounting purposes but will respond to additional facts if they become available. The State cash flow situation is monitored constantly by management throughout the County, and using full accrual for management accounting purposes retains decentralized accountability for insuring that we collect all owed sums.



The primary source of general revenue government-wide is property taxes. Property taxes are collected for and recorded in separate funds, such as the General Fund, the Retirement Fund, the Highway Fund, and so forth. The Equalized Assessed Valuation, on which all property taxes are raised, has increased slightly over the past year, after showing a slight decline the prior year. This development, which is based on long-term population loss and the resulting decline in overall housing demand, affects not only Macon County but all other taxing bodies that have rate limited levies.

General Fund

The General Fund is the main operating fund of the County and the largest source of day-to-day services. The total general fund balance increased by \$ 211,248 from \$ 5,775,731 at the end of FY 2015 to \$ 5,986,979 at the end of FY 2016 (3.7%). Although a negative change in fund balance was budgeted for FY 2016, results were much better than anticipated with expenses being \$ 1 million less than budgeted while revenues were \$ 1.3 million more than expected. The higher than expected revenues are due to permit fees received for the construction of a wind farm in Macon County.

Macon County continues to lag behind in recovery from the most recent economic downturn. There were more than 14,000 manufacturing jobs in Macon County in 2000 and, in 2016; there were 10,100 - a loss of 4,000, or 28%. Illinois' economy has improved over the last few years, but that progress has not been seen in Macon County where a much higher than average share of what is produced is shipped overseas for the mining industry where demand has been lower. When the budget was developed for 2016, we were conservative in projections of revenue. Sales taxes, which are tied to the health of the Macon County economy, have been on a downward trend since July 2015 and for the fiscal year 2016 only 94% of the budgeted amount was received. Macon County's share of the state income tax received was 85% of the budgeted amount.

Overall spending in all categories was again less than budget but was higher than the prior year. Revenue performance was better than expected due to the permit fees collected, and the continued spending restraint helped to keep the General Fund from an operating deficit. Prior years of surpluses have enabled our total fund balance to stand at \$ 5,986,979, including \$ 3,763,417 which has been committed for future needs by the County Board and \$ 1,787,088 which is unassigned. The fund balance classifications are detailed in Note 12.

On the revenue side, total revenue was up by 16.6% over the prior year. Property tax revenues were 39.9%, or \$ 1.1 million greater than the prior year due to an increase in the tax levy for taxes collected in FY 16. Wind energy permit fees added \$ 2.87 million to General Fund revenues and provided a large, one-time only, boost to revenues. Fees collected by Macon County office holders were 1.6% lower overall than the previous year with Circuit Clerk Fees showing a modest increase of 1.8%. Interest income declined again because of low interest rates and increased bank fees; interest income is essentially negative for many accounts.

On the expenditure side, all General Fund department spending was once again at or below budgeted appropriations with the exception of the Coroner who faced a higher than expected expense for autopsies for the year and the Specialty Court which expended unbudgeted fees collected in FY 15. If budget was exceeded in one expenditure classification or "bucket" within a department, it was offset by spending below budget in another "bucket" for that department. Budgets were revised during the year to recognize generous private donations of vehicles and equipment for the establishment of a single purpose canine unit for the Sheriff's Department.

Reserves in the LEST fund (law enforcement safety tax) have been used, by design, over the last several years to supplement the spending which has exceeded income. We were required to use reserves again in 2016 as expenditures exceeded income by \$ 44,194 which leaves \$ 500,990 in reserves for future years.

There was a total favorable variance of \$ 1,103,254 on the spending side in the General Fund because of continuing office holder restraint. Total revenue exceeded the budgeted amount by \$ 1,293,555. If not for the wind energy permit revenue, the shortfall from the budgeted amount would have been \$ 1.6 million.

The plan for FY 2016 was to have spending exceed revenue and use reserves which had been accumulated for this "rainy day". Several unforeseen revenue sources were collected during 2016 which helped the General fund end the year with a positive change in fund balance of \$ 211,248. The change in fund balance was a significant improvement over the budget and has aided in maintaining the available unrestricted and unassigned reserves in the General Fund at \$ 1,787,088. Total unrestricted reserves increased to \$ 5,550,505 with the use of the rainy day fund reserves and collection of wind farm permit fees.

Following is the budgetary summary of the General Fund; the detailed statement of this fund is found on pages 92 through 94 of the financial report.

Budgetary Basis	2016	2015	% Change
Revenues:			
Taxes	\$ 9,540,136	8,705,702	9.58
Intergovernmental	2,951,166	3,287,566	(10.23)
Fines, fees and forfeitures	3,968,183	4,032,361	(1.59)
Licenses and permits	2,962,251	360,984	720.60
Interest on investments	11,318	15,237	(25.72)
Contributions	414,374	544,032	(23.83)
Miscellaneous revenue	2,788,949	2,408,357	15.80
Total revenues	<u>22,636,377</u>	<u>19,354,239</u>	16.96
Expenditures:			
General control and administration	5,409,471	4,850,679	11.52
Public safety	9,919,341	9,450,075	4.97
Judiciary and court related	7,665,612	7,595,833	.92
Public health and welfare	375,053	381,534	(1.70)
Total expenditures	<u>23,369,477</u>	<u>22,278,121</u>	4.90
Excess (deficiency) of revenues over (under) expenditures	(733,100)	(2,923,882)	(74.93)
Capital lease proceeds	200,050		
Transfers in	716,470	596,662	20.08
Transfers out		(150,766)	(100.00)
Net changes in fund balance	<u>\$ 183,420</u>	<u>(2,477,986)</u>	(107.40)

County Health Fund

Macon County's Health Fund collects and administers revenue from a variety of sources. These include local property taxes (the Health levy), and a large number of specialized grants for a broad range of services including environmental health, immunizations, communicable diseases, TB testing and surveillance, Women, Infants, and Children, Family Case Management, and Emergency Preparedness among others. This fund also receives and administers Medicaid funding and provides medical and dental services to underserved populations. The Macon County Health Department dental clinic and dental hospital program (for special needs children) is the only provider in Macon County that serves Medicaid clients and underserved residents of the County. The majority of the clients are children. The MCHD also provides services to neighboring counties on a contract or fee for service basis. Expenditures include salaries and benefits for approximately 16% of the County's total employees.

Following is the budgetary summary of the County Health Fund; the detailed statement of this fund is found on page 96 of the financial report.

Budgetary Basis	2016	2015	% Change
Revenues:			
Taxes	\$ 1,629,177	1,569,385	3.81
Intergovernmental	4,047,226	3,391,181	19.35
Fines, fees and forfeitures	386,449	386,680	(0.06)
Licenses and permits	315,309	240,922	30.88
Interest on investments	2,599	2,217	17.23
Contributions		4,140	(100.00)
Miscellaneous revenue	75,260	42,967	75.16
Total revenues	6,456,020	5,637,492	14.52
Expenditures:			
Public Health and Welfare:			
Personnel	3,851,822	4,445,179	(13.35)
Supplies and materials	1,120,061	1,294,720	(13.49)
Equipment	45,713	303,390	(84.93)
Debt Service	587,378	91,628	541.05
Total expenditures	5,604,974	6,134,917	(8.64)
Excess (deficiency) of revenues over (under) expenditures	851,046	(497,425)	(271.09)
Capital lease proceeds	548,950		
Transfers in	61,168		
Transfers out	(88,849)	(88,848)	
Net changes in fund balance	\$ 1,372,315	(586,273)	(334.07)

Revenues in this fund on a budget basis were \$ 6,456,020 while expenditures were \$ 5,604,974, resulting in a significant increase in fund balance. Fund balance for the Health Fund stood at \$ 3,224,065 (budget basis including modified accrual adjustment) on November 30, 2016. Since the Health Department receives many state and federal grants, slow release of grant funds because of state fiscal issues means a considerable portion of this fund balance is being held as accounts receivable. As the State grapples with its budget problems, the Health Department has managed to adjust personnel to continue to provide services and promote health throughout Macon County.

Revenues in all major categories were up by a total of 14.52%, as intergovernmental revenues increased by 19.35%, or \$ 656,045, as the restoration of some previously cut grants were restored.

Expenditures also decreased by 8.6% overall as many positions had not been filled from prior years and equipment purchases were minimal. Effective December 1, 2015 the Decatur Public Building Commission paid off the outstanding debt owed by the Board of Health in the amount of \$ 548,950, and the Health Department now has a capital lease for the building as described below.

Multi-Facility Lease Fund

Macon County's Multi-Facility Lease fund collects property taxes which are used to make lease payments to the Decatur Public Building Commission (DPBC) for rental of the Courthouse, Law Enforcement Center, Macon County Office Building, and Macon County Animal Control facility. The County has no levy limit on this fund as long as there is a valid lease in place with the DPBC, which can be of any mutually agreeable term. The present lease has a ten year term, expiring December 1, 2017 and can be renegotiated with the action of both the County and the DPBC.

The lease payment to the DPBC is composed of principal and interest payments on prior bonds; principal and interest payments on the bonds issued in 2005 for jail expansion, courthouse renovations and acquisition and renovation of the animal control facility, as well as Operating and Maintenance payments for each of the facilities. Operations and Maintenance items include those items typically included on a commercial lease, but also cover a wider range of building related expenditures not typically included in a commercial lease. The lease provides for payment of rent for the entire year in advance; should funds not be spent, they are returned to the County in the following year at the discretion of the DPBC. In recent years, the return of "surplus" has been a substantial amount, and forms the basis of an annual County Board resolution to abate taxes in this fund.

Effective on December 1, 2015, the DPBC purchased the Macon County Health Department Building at 1221 E. Condit Street from the Macon County Board of Health for the sum of \$ 1.00. The DPBC paid the \$ 548,950 outstanding debt previously held by the Board of Health. The Health Department now leases the building from the DPBC which will continue over the twenty year lease period. A new master lease agreement is in place with the Decatur Public Building Commission with first year rent of \$ 268,892. Succeeding rents will be at a 2% annual increase. The Board of Health will pay additional rent to buy back the lease premises. The buy-back price is the mortgage pay off amount paid by the Commission, \$ 548,950 plus annual interest payments on the unpaid principal at 2% over the first five-year period with interest rate adjustments every five years.

Details of this fund are shown on page 101 of the financial report. Details of the lease and its components are given in Notes 8 (Capital Assets) and 10 (Facilities Lease Agreements) to the financial statements; the latter includes analysis of the surplus account.

The lease payment is made to the Decatur Public Building Commission, shown as a blended component unit under Business-Type Activities and discussed elsewhere.

Capital Asset and Debt Administration

Capital Assets. Macon County's investment in capital assets for its governmental activities as of November 30, 2016 amounted to \$ 46,303,276 net of accumulated depreciation. This investment in capital assets includes land, buildings and related improvements, vehicles, furniture and fixtures, technology and equipment, and infrastructure. Many capital assets actually purchased during 2016 were replacements of assets removed from service. In addition to general capital assets, business-type activities include net capital assets of \$ 899,301, of which \$ 483,379 relates to land purchase, demolition, and architectural fees for future parking expansion. Component unit assets included \$ 402,479 for the ETSB where improvements were made to capital equipment. The ETSB has been working to ensure that costs for new capital equipment are shared equitably by end users.

Major capital asset additions included the purchases of computers, servers and related software throughout the County in a variety of offices. A number of copiers were purchased by the Capital Project Fund for lease back to County offices; this financing tool saves a very substantial amount on commercial lease interest charges. Numerous vehicles were purchased throughout the County with the majority being replacements for traded-in law enforcement vehicles. Financing is also available for vehicle purchases through the Capital Vehicle Fund which began in 2014 by setting aside \$ 200,000 from the General Fund balance.

A detailed schedule of capital assets and associated depreciation are shown in Note 8, pages 60 through 62 of the financial report.

Long-term Debt. The general obligation debt of the County's governmental activities is comprised of the one Revenue Bond issued by the Decatur Building Commission. The 2005 bonds were issued for certain construction projects. These projects have been successfully concluded and unspent bond proceeds were applied to the principal payment for 2015 and 2016 to reduce total interest costs. Since the DPBC is a blended component unit, the lease payable and receivable have been eliminated from the government-wide reporting, and the bonds are reported as a liability of the County's Governmental Activities since the primary revenue source for payment comes from a property tax levy.

State statutes limit the amount of net general obligation debt of the County; this should not exceed 2.875% of the total assessed valuation of the County. Total County debt falls below this limit and additional debt does not appear necessary at this time.

Details relating to long-term debt are shown in Note 9, pages 63 through 66. The terms of the Facilities Lease Agreements and its accounting treatment are covered in Note 10, pages 67 through 70.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the fiscal year 2017 period (December 1, 2016 to November 30, 2017):

- Macon County continues to be affected by the ailing Illinois downstate economy and deteriorating demographics that hamper recovery. Job growth has run well under the national average in 2016, and while the unemployment is better than two years ago, it is well above the national average. The manufacturing slump has been tough on export-oriented manufacturing centers such as Macon County. Weak overseas demand weighs heavily on industrial production and factory payrolls which continue to decline. One bright spot for Macon County in 2017 is the addition of an additional equipment line at the Decatur Caterpillar Plant, potentially bringing 500 jobs to the area. Certain job fields continue to show growth, such as health care occupations and logistics workers, but the Macon County area has consistently had one of the highest unemployment rates in the state. The area job market continues to be faced with a skills gap; a disconnect between what skills job seekers offer and what the employer needs. Workforce Investment Solutions has continued to deploy several programs and tools to assist unemployed and dislocated workers in receiving the skills needed to find employment, including on-the-job-training.
- The development of the Midwest Inland Port, a multi-modal hub that delivers both domestic and international flexibility for companies through a well-positioned transportation corridor, is leading to new opportunities for businesses in Macon County. We are beginning to see more use of the transportation connectivity for, not only products produced here in Macon County, but for products passing through via railroads, highways, or air. Some growth has been seen with warehouse and distribution expansion, and it is expected that this will continue.
- The Macon County Beltway project is beginning to move forward and will help create a freer flow of traffic and movement on the east side of Decatur and Macon County. The first phase would re-align roads and provide 6.2 miles of four-lane roadway. This project is a joint effort with the City of Decatur and is seen as a way to connect industries with better access to transportation, providing a boost to employment and economic development along the corridor.
- The estimated loss of population continues for Macon County with 3.8% estimated decrease since the last census in 2010. Property values in total have been stagnant over the last several years and will continue to be this way until the population trend is reversed. Until there is convincing evidence that long-term trends are leveling off or reversing, the prudent course is to assume that EAV will not increase for the planning period.
- After previously ranking lowest in the State of Illinois for unhealthy behaviors, Macon County's rank is now 83 out of 102 counties. This improvement has come about due to the community's collaboration through programs and leadership of the Macon County Health Department. Unhealthy behaviors such as obesity, smoking, teen births, violent crime, and children in poverty produce very high social costs, and drive demand for further services through all parts of the criminal justice system as well as the Health Department.
- Employee benefit costs continue to increase, especially the cost of health care coverage for County employees. Prior increases of 6% to 9% for several years have given way to a much lower 2% for the July 2016 and July 2017 health insurance renewals. Macon County was able to add vision care in 2015, and in 2016 added a flexible spending account plan for employees who wish to pay for health and childcare spending pre-tax. These benefits are employee funded with the only cost to the County being the administration of the benefit. The Insurance Committee continues to consider all possible options for holding insurance costs to reasonable levels and finding ways to offer new benefits to employees.

- Illinois' budget problems, an escalation of the state's fiscal problems, and weakness in the public sector will continue to plague the state in the coming year. The outlook for state and local government remains highly uncertain, and significant spending cuts, layoffs, and tax hikes are possible.
- Macon County will continue to feel a negative impact from the State's budget and fiscal woes. Grant funding awarded to Macon County has sometimes been received late, or not at all. This greatly impacts programs and budgets when salaries may have already been expended. Possible changes in revenue formulas, withdrawal of grant funds and salary subsidies, a property tax freeze, and very slow payments continue to make future budgets difficult and uncertain.
- Macon County's financial well-being is on a decline. If it were not for the one-time revenue influx of \$ 2.87 million for wind energy permits in fiscal year 2016, the picture would be much bleaker. Sales tax and income tax revenues appear to be trending downward. Holding down expenditures is a very important piece of the puzzle, and department heads are being asked to do more with less. With salaries and benefits continuing to increase modestly, many departments are already on bare bones staffing and may not be able to effectively reduce costs without affecting services provided.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in its financial structure. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Macon County Auditor, Carol A. Reed, 141 S. Main Street, Suite 312, Decatur, IL 62523; (217) 424-1385. Additional information is available on our web site: www.co.macon.il.us/auditor.php.

MACON COUNTY, ILLINOIS

STATEMENT OF NET POSITION
November 30, 2016

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Macon County Mental Health Board	Macon County ETSB
Assets					
Cash and cash equivalents	\$ 21,148,514	2,769,889	23,918,403	2,649,446	2,216,452
Investments	1,548		1,548	27,955	
Taxes receivable (net of allowance for uncollectibles)	888,975		888,975	1,115,964	
Due from governmental agencies:					
State of Illinois	3,620,648		3,620,648		
Other governmental agencies	459,183		459,183		
Internal balances	2,025,935	(2,025,935)			
Accounts receivable	184,772	2,705	187,477	394,075	300,812
Inventories	660,276	98,421	758,697		
Prepaid items	4,992,806	39,513	5,032,319	74,298	31,469
Restricted cash	2,610,475	2,547,438	5,157,913		
Capital assets:					
Land and improvements	1,141,256	483,379	1,624,635		
Other capital assets, net of depreciation	45,162,020	415,922	45,577,942	60,720	402,479
Total assets	82,896,408	4,331,332	87,227,740	4,322,458	2,951,212
Deferred Outflows of Resources					
Deferred Future Pension Costs	12,036,111		12,036,111	763,052	72,457
Liabilities					
Accounts payable	1,081,261	101,828	1,183,089	381,543	85,757
Accrued salaries	1,047,502	92,829	1,140,331	81,894	19,892
Amounts held for others	106,157		106,157		
Unearned revenue	211,282	2,727	214,009		
Accrued interest payable	7,426		7,426		
Amounts due within one year:					
Notes payable				11,628	
Capital lease payable	100,025		100,025		
Claims liabilities	445,175		445,175		
Early retirement incentive payable	13,578		13,578		
Revenue bonds payable	330,000		330,000		
Amounts due in more than one year:					
Notes payable				12,583	
Capital lease payable	100,025		100,025		
Claims liabilities	251,257		251,257		
Accrued compensated absences	1,263,220		1,263,220		
Early retirement incentive payable	54,310		54,310		
Net OPEB obligation	1,893,219		1,893,219		
Net Pension Liability	20,439,790		20,439,790	1,122,497	99,234
Total liabilities	27,344,227	197,384	27,541,611	1,610,145	204,883

(Continued)

MACON COUNTY, ILLINOIS

STATEMENT OF NET POSITION (Continued)
November 30, 2016

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental Activities Macon County Mental Health Board	Macon County ETSB
Deferred Inflows of Resources					
Amounts related to pensions	1,331,124		1,331,124	92,408	8,169
Contributions	2,374,166		2,374,166		
Deferred revenues - property taxes				2,332,700	
	<u>3,705,290</u>	<u>-</u>	<u>3,705,290</u>	<u>2,425,108</u>	<u>8,169</u>
Net Position					
Net investment in capital assets	45,773,226	899,301	46,672,527	36,509	402,479
Restricted:					
General control and administration	5,306,382		5,306,382		
Public safety	649,606		649,606		
Judiciary and court-related	1,357,481		1,357,481		
Public health and welfare	4,486,710		4,486,710		
Transportation	3,170,114		3,170,114		
Debt service	3,450,767		3,450,767		
Unrestricted	(311,284)	3,234,647	2,923,363	1,013,748	2,408,138
	<u>\$ 63,883,002</u>	<u>4,133,948</u>	<u>68,016,950</u>	<u>1,050,257</u>	<u>2,810,617</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES
Year ended November 30, 2016

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General control and administration	\$ 9,097,348	5,476,506	101,062	
Public safety	18,191,427	1,759,252	3,122,008	
Judiciary and court-related	9,879,223	2,310,462	1,703,886	
Public health and welfare	9,779,909	1,196,108	7,521,039	
Transportation	7,167,305	21,576	1,839,336	1,706,821
Interest on long-term debt	19,246			
Total governmental activities	54,134,458	10,763,904	14,287,331	1,706,821
Business-type activities:				
Decatur Public Building Commission	3,663,416	127,673		
Total primary government	57,797,874	10,891,577	14,287,331	1,706,821
Component Units:				
Governmental activities:				
Macon County Mental Health Board	5,821,790	229,295	2,769,426	
Macon County Emergency Telephone System Board (ETSB)	1,196,780			
Total component units	\$ 7,018,570	229,295	2,769,426	
General Revenues:				
Property taxes				
Sales tax				
Income and replacement tax				
Medicaid				
Telephone surcharge				
Investment income				
Miscellaneous				
Internal transfers				
Total general revenues and transfers				
Change in net position				
Net position beginning, as originally stated				
Prior period adjustment - correction of an error				
Net position beginning, as restated				
Net position ending				

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Macon County Mental Health Board	Macon County ETSB
(3,519,780)		(3,519,780)		
(13,310,167)		(13,310,167)		
(5,864,875)		(5,864,875)		
(1,062,762)		(1,062,762)		
(3,599,572)		(3,599,572)		
(19,246)		(19,246)		
(27,376,402)	-	(27,376,402)		
	(3,535,743)	(3,535,743)		
(27,376,402)	(3,535,743)	(30,912,145)		
			(2,823,069)	
				(1,196,780)
			(2,823,069)	(1,196,780)
18,568,239		18,568,239	2,327,293	
5,629,330		5,629,330		
2,517,084		2,517,084		
			18,764	
				966,109
28,927	9,623	38,550	(1,408)	3,195
3,708,200	30,358	3,738,558	31,416	43,923
(3,201,713)	3,201,713			
27,250,067	3,241,694	30,491,761	2,376,065	1,013,227
(126,335)	(294,049)	(420,384)	(447,004)	(183,553)
64,009,337	4,427,997	68,437,334	1,429,912	2,994,170
			67,349	
64,009,337	4,427,997	68,437,334	1,497,261	2,994,170
\$ 63,883,002	4,133,948	68,016,950	1,050,257	2,810,617

MACON COUNTY, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

November 30, 2016

	General Corporate Fund	Illinois Municipal Retirement Fund	County Health Fund	County Highway Fund
Assets				
Cash	\$ 4,334,511	1,594,701	2,684,634	2,043,033
Investments, at cost	505			
Taxes receivable, net of allowance or uncollectibles	187,607	125,936	77,541	71,289
Accounts receivable	164,343		17,339	
Inventory	31,000		216,009	413,267
Due from governmental agencies:				
State of Illinois	1,570,225		824,968	
Other governmental agencies	279,889			
Prepaid items	23,048			
Restricted cash	2,504,360			
Due from other funds	1,673,723	56,089	6,950	59,604
Total assets	10,769,211	1,776,726	3,827,441	2,587,193
Liabilities				
Accounts payable	284,871	306,964	27,095	58,774
Accrued salaries	678,853		94,596	30,528
Cash held for others	25,090			
Unearned revenue	685,579		339,634	
Due to other funds	850,879		64,510	217,095
Total liabilities	2,525,272	306,964	525,835	306,397
Deferred Inflows of Resources				
Unavailable revenues	2,256,960			
Fund Balances				
Nonspendable	54,048		216,009	413,267
Restricted	382,426	1,469,762	3,085,597	1,192,529
Unrestricted:				
Committed	3,763,417			
Assigned				675,000
Unassigned	1,787,088			
Total fund balances	5,986,979	1,469,762	3,301,606	2,280,796
Total liabilities, deferred inflows of resources and fund balances	\$ 10,769,211	1,776,726	3,827,441	2,587,193

See Notes to Financial Statements.

Federal Aid Matching Fund	Special Bridge Fund	County Motor Fuel Tax	Multi-Facility Lease Fund	Other Governmental Funds	Total Governmental Funds
890,995	19,891	574,487 1,042	499,612	8,453,963 1	21,095,827 1,548
35,644	24,479		235,684	130,795 3,090	888,975 184,772 660,276
346,448	63,032	131,599	2,547,938 4,969,758	747,408 115,762	3,620,648 3,006,621 4,992,806
	116,704	256,587	167,533	106,115 489,937	2,610,475 2,827,127
<u>1,273,087</u>	<u>224,106</u>	<u>963,715</u>	<u>8,420,525</u>	<u>10,047,071</u>	<u>39,889,075</u>
154,589	63,553			174,522 243,402 81,067	1,070,368 1,047,379 106,157
154,565	148,125			301,646 1,322,056	1,326,859 2,757,230
<u>309,154</u>	<u>211,678</u>	<u>-</u>	<u>-</u>	<u>2,122,693</u>	<u>6,307,993</u>
				117,206	2,374,166
963,933	12,428	963,715	4,969,758 3,450,767	6,899,903	5,653,082 18,421,060
				600,000 314,386 (7,117)	4,363,417 989,386 1,779,971
<u>963,933</u>	<u>12,428</u>	<u>963,715</u>	<u>8,420,525</u>	<u>7,807,172</u>	<u>31,206,916</u>
<u>1,273,087</u>	<u>224,106</u>	<u>963,715</u>	<u>8,420,525</u>	<u>10,047,071</u>	<u>39,889,075</u>

MACON COUNTY, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
November 30, 2016**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds	\$ 31,206,916
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,303,276
Internal service funds are used to pay for the costs of certain activities, such as insurance and leasing. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(724,658)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(7,426)
Some revenues will not be collected for several months after year end, are not considered "available" revenues and are deferred in the governmental funds.	1,115,577
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences liability	(1,263,220)
Internal balances - capital lease	(521,503)
Capital lease liability	(200,050)
Early Retirement Incentive Liability	(67,888)
Net OPEB liability	(1,893,219)
Net Pension liability	(20,439,790)
Deferred inflows of resources related to pensions	(1,331,124)
Deferred outflows of resources related to pensions	12,036,111
Revenue bonds payable	(330,000)
Net position of governmental activities	<u><u>\$ 63,883,002</u></u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS**

Year ended November 30, 2016

	General Corporate Fund	Illinois Municipal Retirement Fund	County Health Fund	County Highway Fund
Revenues:				
Taxes	\$ 9,567,964	2,631,489	1,612,837	1,489,637
Intergovernmental	2,951,166		4,047,226	76,194
Fines, fees, forfeitures	3,968,183		386,449	
Licenses and permits	2,962,251		315,309	21,576
Interest on investments	11,318	1,058	2,599	1,259
Contributions	414,374			
Miscellaneous	2,788,949		75,260	761,606
Total revenues	22,664,205	2,632,547	6,439,680	2,350,272
Expenditures:				
Current:				
General control and administration	4,786,306	259,705		
Public safety	9,619,648	1,427,766		
Judiciary and court-related	7,650,120	611,874		
Public health and welfare	352,939	61,569	4,971,883	
Transportation				1,146,760
Capital outlay	960,464		45,713	322,673
Debt service:				
Principal			575,010	
Interest			12,368	
Total expenditures	23,369,477	2,360,914	5,604,974	1,469,433
Excess (deficiency) of revenues over (under) expenditures	(705,272)	271,633	834,706	880,839
Other financing sources (uses):				
Capital lease proceeds	200,050		548,950	
Transfers in	716,470		61,168	250,000
Transfers out			(88,849)	(137,566)
Total other financing sources (uses)	916,520	-	521,269	112,434
Net change in fund balances	211,248	271,633	1,355,975	993,273
Fund balances, beginning of year	5,775,731	1,198,129	1,945,631	1,287,523
Fund balances, end of year	\$ 5,986,979	1,469,762	3,301,606	2,280,796

See Notes to Financial Statements.

Federal Aid Matching Fund	Special Bridge Fund	County Motor Fuel Tax	Multi-Facility Lease Fund	Other Governmental Funds	Total Governmental Funds
744,819	511,497		4,924,745	5,132,638	26,615,626
1,492,832	88,579	1,839,336	1,585,782	4,885,445	16,966,560
				2,465,596	6,820,228
					3,299,136
565	701	2,519		8,888	28,907
				1,127,503	1,541,877
15,000			6,000	60,575	3,707,390
2,253,216	600,777	1,841,855	6,516,527	13,680,645	58,979,724
			1,068,318	2,769,205	8,883,534
			3,172,056	4,338,843	18,558,313
			1,333,476	634,907	10,230,377
			16,697	4,303,157	9,706,245
837,699	1,520,967	1,276,362		68,340	4,850,128
		1,825,960		451,456	3,606,266
			315,000		890,010
			26,325		38,693
837,699	1,520,967	3,102,322	5,931,872	12,565,908	56,763,566
1,415,517	(920,190)	(1,260,467)	584,655	1,114,737	2,216,158
					749,000
				70,674	1,098,312
		(250,000)		(1,091,574)	(1,567,989)
-	-	(250,000)	-	(1,020,900)	279,323
1,415,517	(920,190)	(1,510,467)	584,655	93,837	2,495,481
(451,584)	932,618	2,474,182	7,835,870	7,713,335	28,711,435
963,933	12,428	963,715	8,420,525	7,807,172	31,206,916

MACON COUNTY, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year ended November 30, 2016**

Net change in fund balances - total governmental funds		\$ 2,495,481
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used to pay for the costs of certain activities, such as insurance and leasing. The net revenue of the internal service funds is reported with governmental activities in the statement of activities.		(2,648)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 2,737,476	
Donated capital assets	1,067,615	
Depreciation	<u>(3,275,008)</u>	530,083
Some revenues will not be collected for several months after year-end; they are not considered "available" revenues and are deferred in the governmental funds. The change in deferred revenue recognized is:		(184,936)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The net effect of these differences in the treatment of long-term debt is:		141,010
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds:		
Compensated absences payable change	(36,506)	
Decrease in accrued interest on debt	7,079	
Net OPEB liability change	(261,283)	
Net pension liability change	<u>(2,814,615)</u>	<u>(3,105,325)</u>
Change in net position of governmental activities		<u>\$ (126,335)</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 November 30, 2016

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
ASSETS		
Current assets:		
Cash	\$ 2,769,889	52,687
Investments		
Accounts receivable	2,447	
Restricted cash and cash equivalents	2,547,438	
Lease receivable	357,448	
Inventory	98,421	
Prepaid expenses	39,513	
Total current assets	<u>5,815,156</u>	<u>52,687</u>
Noncurrent assets:		
Capital assets, not being depreciated	483,379	
Capital assets, net of accumulated depreciation	415,922	
Lease receivable, net of current portion	494,055	
Total noncurrent assets	<u>1,393,356</u>	<u>-</u>
Total assets	<u>7,208,512</u>	<u>52,687</u>
LIABILITIES		
Current liabilities:		
Accounts payable	94,402	10,893
Claims payable - workers compensation		425,888
Claims payable - liability		19,287
Current portion of revenue bonds payable	329,742	
Lease closeout payable	1,585,781	
Accrued interest payable	7,426	
Unearned rental income	964,384	
Accrued salaries	54,346	123
Accrued compensated absences	38,483	
Due to other funds		69,897
Total current liabilities	<u>3,074,564</u>	<u>526,088</u>
Noncurrent liabilities:		
Claims payable		251,257
Total liabilities	<u>3,074,564</u>	<u>777,345</u>
NET POSITION		
Net investment in capital assets	899,301	
Unrestricted	3,234,647	(724,658)
Total net position	<u>\$ 4,133,948</u>	<u>(724,658)</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

Year ended November 30, 2016

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
Operating revenues:		
Rental income	\$ 4,334,818	
Parking lot fees	49,815	
Miscellaneous	29,861	810
	<u>4,414,494</u>	<u>810</u>
Total operating revenues		
Operating expenses:		
Salaries and benefits	1,508,234	47,410
Contractual services	1,653,066	4,789
Materials and supplies	1,505,379	
Other expenses	25,411	9,659
Depreciation	16,600	
Claim payments		255,585
Contingency for claim loss		155,712
	<u>4,708,690</u>	<u>473,155</u>
Total operating expenses		
Operating income (loss)	<u>(294,196)</u>	<u>(472,345)</u>
Nonoperating revenues (expenses):		
Interest on investments	21,991	20
Interest expense	(22,341)	
Loss on disposal of capital assets	497	
	<u>147</u>	<u>20</u>
Total non-operating revenues (expenses)		
Income before transfers	<u>(294,049)</u>	<u>(472,325)</u>
Transfers:		
Transfers in		476,977
Transfers out		(7,300)
	<u>-</u>	<u>469,677</u>
Total transfers		
Change in net position	(294,049)	(2,648)
Net position, beginning of year	<u>4,427,997</u>	<u>(722,010)</u>
Net position, end of year	<u>\$ 4,133,948</u>	<u>(724,658)</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year ended November 30, 2016

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,670,292	
Payments to suppliers	(3,169,254)	(4,789)
Payments to employees	(1,491,392)	(57,038)
Cash received from user departments and participants		62
Cash paid for claims		(404,184)
	<u>9,646</u>	<u>(465,949)</u>
Net cash flows from operating activities		
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Transfers in		476,977
Transfers out		(7,300)
		<u>469,677</u>
Net cash flows from non capital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(108,467)	
Proceeds from disposal of capital assets	497	
Proceeds from disposal of investments		202
Principal paid on bond maturities	(315,000)	
Interest paid on bonds	(26,325)	
	<u>(449,295)</u>	<u>202</u>
Net cash flows from capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	21,991	20
	<u>21,991</u>	<u>20</u>
Net cash flows from investing activities		
Net increase (decrease) in cash and cash equivalents	(417,658)	3,950
Cash and cash equivalents, beginning of year	5,734,985	48,737
Cash and cash equivalents, end of year	<u>\$ 5,317,327</u>	<u>52,687</u>

(Continued)

MACON COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (Continued)
 Year ended November 30, 2016

	Business-Type Activities Decatur Public Building Commission	Governmental Activities Internal Service Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (294,196)	(472,345)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	16,600	
(Increase) decrease in assets:		
Accounts receivable	(954)	
Lease receivable	(206,503)	
Inventory	(25,436)	
Prepaid expenses	(8,340)	
Due from other funds		4,485
Increase (decrease) in liabilities:		
Accounts payable, excluding payable for capital assets	48,377	(420)
Accrued payroll and withholdings	12,339	31
Accrued compensated absences	4,503	
Lease closeout	1,585,781	
Unearned rental income	(1,122,525)	
Claims payable		7,533
Due to other funds		(5,233)
Net cash flows from operating activities	<u>\$ 9,646</u>	<u>(465,949)</u>
Noncash investing or financing activities:		
Capital assets contributed to governmental funds	<u>\$ 1,067,615</u>	<u>-</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
November 30, 2016**

Assets

Cash	\$ 10,585,070
Investments	768,714
Accrued interest	2,160
Due from State of Illinois - allotment	<u>89,789</u>
Total assets	<u><u>11,445,733</u></u>

Liabilities

Due to other governmental agencies	1,114,724
Deposits payable	2,472,978
Due to taxing districts	7,569,193
Due to tax buyers	<u>288,838</u>
Total liabilities	<u><u>\$ 11,445,733</u></u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2016

Note 1 - Summary of Significant Accounting Policies

Macon County (County) is a municipal corporation comprising three branches of government. Primary governance is by an elected twenty-one member board holding both legislative and some executive branch powers. In addition, the executive branch is comprised of officials elected directly by the voters of the County including the Auditor, Circuit Clerk, County Clerk, Coroner, Recorder, Sheriff, State's Attorney and Treasurer. Although elected officials manage the internal operations of their respective departments, the County Board authorizes expenditures as well as serves as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The financial statements of Macon County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the County's accounting policies.

The Financial Reporting Entity: As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units. The County's financial statements include all funds, departments, boards and agencies that are not legally separate from the County. The component units are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Furthermore, their inclusion is considered necessary to avoid incomplete or misleading financial reporting.

The financial statements are formatted to allow users to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government, some component units are blended as though they are part of the primary government; others are discretely presented.

Blended Component Units - The Decatur Public Building Commission (DPBC) is a municipal corporation created under the provisions of the Public Building Commission Act of the State of Illinois. The purpose of the DPBC is to acquire or construct facilities for participating governments and to issue bonded debt to finance the acquisition or construction of such facilities. The City of Decatur organized the DPBC along with the County, and together, they appoint the five-member governing board of the DPBC. The DPBC is financially dependent on the County because the debt issued by the DPBC is paid almost entirely by the County in the form of lease payments for County facilities. As such, the County has significant influence over the DPBC and has included the organization in the reporting entity.

Discretely Presented Component Units - The following discretely presented component units are reported in separate columns in the basic financial statements to emphasize that they are legally separate from the County.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

The Financial Reporting Entity, continued:

The Macon County Mental Health Board (708 Board) is a special unit of local County government, operating under the Community Mental Health Act, Chapter 405 ILCS, Section 20/01 et seq. of the Illinois Compiled Statutes (ILCS). The 708 Board is funded through Macon County property taxes and by various state agencies through grant agreements, and distributes funds to various local nonprofit agencies that deal with the developmentally disabled and mentally ill. All members of the 708 Board are appointed by the Macon County Board. The Macon County Board has the authority to determine the 708 Board's tax levy. As such, the County has significant influence over the 708 Board and has included the organization in the reporting entity. The 708 Board's year-end for financial reporting purposes is June 30, which differs from the County. The 708 Board's June 30, 2016, financial statements are included herein.

Complete financial statements for the Macon County Mental Health Board can be obtained at 132 South Water Street, Suite 604, Decatur, Illinois 62523.

The Macon County Emergency Telephone System Board (ETSB) is a special unit of local County government, operating under the Emergency Telephone System Act, Chapter 50 ILCS, Section 750/15.4 et seq. of the Illinois Compiled Statutes (ILCS). The ETSB is funded through telephone surcharges and distributes funds to plan, coordinate, and supervise the implementation of an enhanced 9-1-1 system. All members of the ETSB are appointed by the Macon County Board. The Macon County Board may at any time change the rate of the surcharge imposed as long as the new rate does not exceed the rate specified in the referendum. As such, the County has significant influence over the ETSB and has included the organization in the reporting entity. The ETSB's year end for financial reporting purposes is November 30, 2016, the same as the County. The ETSB's November 30, 2016, financial statements are included herein.

Complete financial statements for the Macon County Emergency Telephone System Board can be obtained at 141 South Main Street, Suite 810, Decatur, Illinois 62523.

Related Organizations: The County's officials are also responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Board appoints board members of all Fire Protection Districts in Macon County, all Drainage Districts in Macon County, the Decatur Sanitary District, Macon County Conservation District, and the Macon County Mosquito Abatement District.

In addition, several legally separate tax exempt organizations have been established to benefit the County and others. These organizations include the Decatur and Macon County Animal Shelter Foundation, the Macon County Historical Society, and Friends of the Macon County Child Advocacy Center.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Payments Between the County and Component Units: Resource flows (except those that affect the statement of net position/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions - that is, as revenues and expenditures. Resource flows between the primary government and blended component units are classified as interfund transactions in the financial statements.

Basis of Presentation: The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government and its component units, except for fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses (including depreciation) are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid (including fines and fees) by the recipient of the goods or services offered by the program, and 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 are presented as general revenues of the County with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the County.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements: During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds, each presented in a separate column. All remaining funds are aggregated and presented in a single column and reported as nonmajor funds.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting: The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds: Governmental Funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

The General Fund is the government's primary operating fund and accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose, provided it is expended or transferred according to the general laws of Illinois.

The Illinois Municipal Retirement Fund accounts for revenue, including property tax levies, contributions from employees and charges to other funds restricted for expenditures to the state administered retirement system for all general service employees.

The County Health Fund accounts for a county-wide property tax levy and federal and state grants restricted for operating the Macon County Health Department and the costs of services provided to the public through the department.

The County Highway Fund accounts for a county-wide property tax levy restricted for County highway maintenance, as well as federal and state grants and subsidies restricted to expenditures for the purpose of highway improvements and maintenance.

The Federal Aid Matching Fund accounts for revenue, including project refunds from the State of Illinois, and property tax levies restricted to expenditures for the County's share of highway improvements.

The Special Bridge Fund accounts for revenue, including property tax levies, and expenditures for the County's share of bridge construction and maintenance.

The County Motor Fuel Tax Fund accounts for revenue, including the County's Motor Fuel tax allotment from the State of Illinois restricted to expenditures for the purpose of maintenance patrols and payments to the County Highway Fund.

The Multi-Facility Lease Fund accounts for property tax revenue restricted to annual lease payments and maintenance expenditures to the Decatur Public Building Commission for the Macon County Office Building, Courts Facility, Law Enforcement Center and Animal Control Facility.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Fund Accounting, continued:

The other governmental funds of the County account for county-wide property tax levies, grants and other resources whose use is restricted or committed for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds: Proprietary Funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The County's proprietary fund types consist of one Enterprise Fund and one Internal Service Fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The County's Enterprise Fund consists of activities of the Decatur Public Building Commission, its only major Enterprise Fund.

The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or agencies of the County. The County established the Self Insurance Fund for the purpose of providing for the accumulation of funds to fund the County's self-funded workmen's compensation liability insurance. This Internal Service Fund derives its funding from periodic transfers from the Insurance Liability Fund and not from any cost reimbursements from other funds. This funding is then used to pay claims when the need arises. The Internal Service Fund is included in governmental activities for government-wide reporting purposes.

Fiduciary Funds: The County's fiduciary fund types consist only of Agency Funds, which are custodial in nature and do not involve the measurement of operations. The County's Agency Funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for property taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions. Agency Funds use the accrual basis of accounting.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Measurement Focus:

Government-wide Financial Statements: The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position, including long-term assets as well as long-term debt and obligations. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Fund Financial Statements: All governmental funds are reported using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. As such, revenues are recognized when earned and expenses are recorded when the obligation has been incurred.

Basis of Accounting: Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements, proprietary funds and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Discretely Presented Component Units: Each component unit financial statement included herein is prepared using the accrual basis of accounting.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Basis of Accounting, continued:

Revenues - Exchange and Nonexchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place, regardless of the timing of the cash flows. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty (60) days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, income taxes and state-levied locally shared taxes. All other revenue items, including fines and fees, are considered to be measurable and available only when cash is received.

Unearned Revenues: Unearned revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Expenses/Expenditures: On the accrual basis, expenses are recognized at the time they are incurred, regardless of the timing of the related cash flows. On the modified accrual basis, the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are reported only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Operating Revenues and Expenses: Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the Decatur Public Building Commission. Operating revenues consist primarily of rental charges. Operating expenses include the cost of maintaining the properties for rent, administrative expenses, depreciation and amortization. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities, if any.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Fund Equity: Fund equity at the governmental fund financial reporting level is classified as “fund balance.” The following classifications describe the relative nature, extent and strength of the spending constraints placed on the County’s fund balances:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact (such as perpetual trusts).
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority, the County Board. To be reported as committed, amounts cannot be used for any other purpose unless the County Board takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the County intends to use for a specific purpose. Intent can be expressed by the County Board through formal resolution.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by County management based on County Board direction.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents/Investments: All deposits of the County are made in board designated official depositories and are secured as required by the Public Funds Investment Act. The County may designate, as an official depository, any bank insured by the Federal Deposit Insurance Corporation or credit union with the principal office located within the State of Illinois. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. The County maintains separate bank accounts for each individual fund.

Investments consist of interest-bearing deposits invested in the Illinois Funds Money Market and certificates of deposit and are stated at cost, which equals market. The County maintains separate investment accounts for each individual fund.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the County's proprietary fund considers all highly liquid investments (including restricted assets) with a maturity of three (3) months or less when purchased to be cash equivalents.

Restricted Assets: Restricted cash in the General Fund is cash set aside for the payment of expenses related to the child support maintenance program operated by the Macon County Circuit Clerk, the commissary operated at the jail by the Macon County Sheriff, and a marriage account held for judicial expenditures.

Inventories and Prepaid Items: Inventories of consumable supplies are recorded at cost (determined on a first-in, first-out basis). Inventory in the General Fund, Governmental Activities, Proprietary Funds and Business-type Activities consists of expendable supplies held for consumption. The costs are reported as expenditures when consumed. Reported inventories are equally offset by a nonspendable fund balance. Inventory recorded as an asset at year end consists of unused commodities (vaccines) received through grant programs, office supplies, and parts and operating materials.

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. The County has adopted the consumption method of accounting for prepaid items. That is, the asset is recorded when the payments to vendors are made, and the expenses are amortized in the appropriate accounting period.

Grants from Other Governments: Federal and state governmental units represent an important source of supplemental funding used to finance workforce opportunity programs, health and welfare programs, public safety and probation programs, construction programs, and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in governmental funds when the County has met all eligibility requirements. In addition, grants revenue must be considered measurable and available.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Capital Assets: General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Governmental Activities: Capital assets purchased or acquired with an original individual cost of at least \$ 5,000 and an estimated useful life of more than one year are reported at historical cost or estimated historical cost. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	25-40 years
Vehicles	5-10 years
Furniture and fixtures	5 years
Technology and equipment	3 years
Infrastructure	25 years

Business-type Activities: Capital assets of proprietary funds are stated at cost. The cost of property additions and major replacements of retired units of property is capitalized. Interest on funds used during construction of major projects has not been capitalized. The cost of maintenance, minor repairs and small tools are charged to operations. Donated capital assets, if any, are valued at their fair market value on the date donated and capitalized.

Assets capitalized have an original cost of \$ 5,000 or more. Depreciation is computed on the straight-line basis. The estimated useful lives used to compute depreciation are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	10 years
Buildings and improvements	25-40 years
Vehicles	5-10 years
Furniture and fixtures	5 years
Technology and equipment	5 years

All assets purchased by the DPBC under the provisions of the lease agreements discussed in Note 10 are considered to be assets owned by other parties, mainly the County, as ownership is transferred to the other parties upon expiration of the leases. Therefore, such purchases are not capitalized by the DPBC, but rather recorded as materials and supplies expenses on the DPBC financial statements.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Capital Assets, continued:

Macon County Emergency Telephone System Board: Capital assets result from expenditures in the governmental funds. These assets are reported only in the government-wide statement of net position.

All capital assets are capitalized at cost (or estimated historical cost), depreciated on a straight-line basis over its estimated useful life ranging from 1 to 10 years and updated for additions and retirements during the year. The Board maintains a capitalization threshold of \$ 500. The Board does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Macon County Mental Health Board: In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All purchased capital assets are valued at historical cost or estimated historical cost if actual is unavailable. All donated capital assets are valued at acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$ 5,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Vehicles	4 years
Software	3 years

Interfund Activity: Interfund activity is reported as either loans, services provided or used, reimbursements or transfers. On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used and are classified as "due to/from other funds." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers which are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in enterprise funds. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Compensated Absences: Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered, and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

County employees receive vacation and sick pay in varying amounts based upon their employment anniversary dates, officeholder policies, and the bargaining unit to which they are a part. All employees' unused sick leave is utilized according to IMRF regulations to extend retirement benefits when an employee dies or retires. The deputies or correction officers or their beneficiary in case of death, may elect to receive a sick leave buy-out payment at the rate of 50 percent of the employees' accumulated sick leave up to a maximum of 60 days, or 120 days for employees hired before 1994. Employees covered under the AFSCME 612 contract have the option of receiving a sick leave payout of 50% for up to 30 days; Circuit Clerk covered employees may elect to receive a 50% payout on a maximum of 50 days. All employees who are enrolled in IMRF have the option of having unpaid sick leave count toward their retirement by IMRF formula; many retiring employees elect this option rather than that available in the labor contract.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The County does not set aside funds in its current budget to fund liabilities incurred during the period. Rather, the County funds compensated absences on a "pay-as-you-go" basis. The noncurrent portion of the liability is not reported.

Business-type Activities: Employees can earn three weeks vacation, three floating holidays, one personal day and six sick days per year. Sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and, therefore, are not paid out at termination. Unvested accumulated sick leave of DPBC employees at November 30, 2016 totaled \$ 165,760 (2015 - \$ 154,967).

Macon County Emergency Telephone System Board: The Board does not accrue compensatory time for employees. Sick and vacation time must be used in the year earned.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 1 - Summary of Significant Accounting Policies, continued

Accrued Liabilities and Long-Term Obligations: All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are reported as other financing uses and are recognized as a liability on the fund financial statements only when due in the current period.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Net Position: Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position remaining that does not meet either of the two previous definitions is reported as unrestricted. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates: The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures. Actual results may differ from those estimates.

Bond Discount: Discounts arising as the result of the issuance of bonds are deferred and amortized over the terms of the respective issues using the straight-line method. The defeasance loss from refunding is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. Discounts and the defeasance loss are presented as a reduction of the face amount of the underlying debt whereas issuance costs are reported as expenses in the period incurred.

Related Parties: Macon County Mental Health: Woodford Homes, Inc., a related party through common management, pays a management fee to the Board for administrative services rendered. The fee was \$ 158,352 for the year ended June 30, 2016.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 2 - Deposits and Investments

Illinois Compiled statutes authorize the County to invest in obligations of the U.S. Treasury or its agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements (subject to limitations), commercial paper rated within the three highest classifications by at least two standard rating services, money market mutual funds and the Illinois Funds.

Deposits - Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy indicates that the Treasurer requires collateralization of public deposits be performed through pledging of appropriate securities by the depositories. As of November 30, 2016, the County's bank balances were \$ 41,126,064, of which \$ 325,402 was uninsured and uncollateralized. The County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

The Decatur Public Building Commission's deposits are excluded from the above due to the fact that different custodians and deposit risk policies exist for these separate accounts. At November 30, 2016, the carrying amount of the DPBC's cash deposits totaled \$ 5,349,876 including restricted cash of \$ 2,547,438. All of the DPBC's deposits were insured by federal depository insurance or collateralized by securities held by a financial institution's trust department or agent in the DPBC's name.

Macon County Emergency Telephone System Board: The Board does not have policies regarding credit risk, custodial credit risk or concentration of credit risk. At November 30, 2016, all ETSB's cash accounts and investments are covered by federal insurance or collateralized by the pledging financial institution's trust department or agent in favor of the Board.

As of November 30, 2016, the Board had the following cash and investments:

Demand deposit	<u>\$ 2,287,282</u>
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Macon County Mental Health Board: At June 30, 2016, there were no bank balances exposed to custodial credit risk due to the fact that all balances were either insured or collateralized.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 2 - Deposits and Investments, continued

Investments: The County invests in the Illinois Funds Money Market Fund external investment pool which consists of monies invested by individual participants that are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. For purposes of overall credit risk, the funds are rated AAAm by Standard and Poor's. The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore, no collateral is identified with each individual participant's account.

Investments - Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments (or related collateral securities that are held by an outside party). To limit its exposure, the County's investment policy requires assets to be secured through third party custody and safekeeping procedures. At year end, none of the County's investments were subject to custodial credit risk due to the fact that investments were part of an insured pool.

Investments - Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County's investment policy, the County limits its exposure to interest rate risk by structuring its portfolio so that operating funds are invested primarily in short-term securities or similar investment pools in order to meet cash requirements for ongoing operations. The Illinois Funds investment pool had a weighted average maturity of 20-28 days.

Investments - Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All of the County's investments are in certificates of deposit and external investment pools. The County's investment policy does not specifically address credit risk except that portfolio diversification is employed as a way to control risk.

Macon County Mental Health Board: The Board may invest in any type of security allowed by the Public Funds Investment Act of the State of Illinois.

At June 30, 2016, the Board's investments consisted of corporate stock with a fair value of \$ 27,955.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 2 - Deposits and Investments, continued

Macon County Mental Health Board, continued: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Board's policy to enter only into investments that seek to ensure the preservation of capital.

Investment income for the year ended June 30, 2016, consisted of:

Interest and dividends	\$ 5,514
Net decrease in fair value of investments	<u>(6,922)</u>
	<u><u>\$(1,408)</u></u>

The composition of the County's cash, cash equivalents and investments, including restricted cash and investments, was as follows:

	Primary Government - November 30, 2016	Component Units	
		708 Board - June 30, 2016	ETSB - November 30, 2016
Cash on hand	\$ 4,930		
Deposits in banks	28,454,530	2,649,446	2,216,452
Illinois Funds Money Market Fund	1,548		
Corporate stock		27,955	
Total	<u><u>\$ 28,461,008</u></u>	<u><u>2,677,401</u></u>	<u><u>2,216,452</u></u>

The County's cash, cash equivalents and investments for the primary government at November 30, 2016, are reported as:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 20,531,658	2,769,889	11,201,926	34,503,473
Investments	1,548		768,714	770,262
Restricted cash	2,610,475	2,547,438		5,157,913
Total	<u><u>\$ 23,143,681</u></u>	<u><u>5,317,327</u></u>	<u><u>11,970,640</u></u>	<u><u>40,431,648</u></u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 2 - Deposits and Investments, continued

Restricted Cash and Investments: Cash and investments restricted by state statute or for specific purposes are as follows:

Major governmental - General Fund:	
Circuit Clerk Separate Maintenance	\$ 123,980
Jail Commissary	105,810
Judiciary expenditures	5,910
Child Support Held in Trust	8,558
Criminal Justice restricted donations	637,576
Economic Development restricted donations	600,826
At risk services restricted donations	1,021,700
	<hr/>
	2,504,360
Nonmajor governmental - Sheriff Drug:	
Recovered assets	81,067
Animal welfare restricted donations	25,048
	<hr/>
	106,115
Major proprietary - DPBC:	
General and surplus revenue	2,547,438
	<hr/>
	\$ 5,157,913
	<hr/>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 3 - Property Taxes

The County's property tax is levied by the last Tuesday in December of each year for the following year on all taxable real property located in the County. The levy becomes an enforceable lien against the property as of the preceding January 1. Real property tax revenue received in 2016 represents collection of the 2015 taxes. Real property taxes for the 2016 levy will be collected in and are intended to finance 2017 operations.

Macon County property is assessed as of January 1 of each year by the Township Assessors. The values are adjusted by various percentages according to the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Macon County Clerk computes the annual tax rate by dividing the requested levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Macon County Collector and used as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the Macon County Collector who periodically remits to each taxing unit its respective share of the collections. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Taxes levied in one year become due and payable in two installments during the following year. The first installment is approximately June 1, and the second installment is due approximately September 1. A lien on taxable real property is effective thirty (30) days after the second installment due date.

The following are the taxes levied per \$ 100 of assessed valuation.

	Maximum Rate	2015 Levy
General Corporate	.2500	\$ 3,995,000
County Highway	.1000	1,500,000
Bridge Fund	.0500	515,000
Illinois Municipal Retirement		2,650,000
Federal Aid Matching	.0500	750,000
Historical Museum	.0020	33,000
County Health Department	.1070	1,623,861
Insurance Liability		820,000
Veterans' Assistance Commission	.0300	239,400
Mental Health (708 Board)	.1500	2,445,594
Judgment Fund		475,000
DPBC Lease Fund		4,959,306
Social Security		1,186,000
Macon County Cooperative Extension	.0500	445,136
		<u>\$ 21,637,297</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 4 - Permissive Sales and Use Tax

In 2003, the County Board, by resolution approved by the electors, imposed a one quarter of one percent (.25%) tax on all retail sales made in the County. Revenue from this tax is to be used exclusively for public safety purposes. The County Board established how the sales tax proceeds would be allocated to the various public safety-related departments and activities. In 2016, this tax supported the sheriff and emergency management activities.

Vendor collections of the tax are paid to the State Treasurer by the twentieth day of the month following collection. The State Comptroller then determines the amount of the taxes to be returned to the County. A receivable is recognized at year end for amounts that will be received from sales which occurred prior to December 1, 2016.

Note 5 - Receivables

Receivables at November 30, 2016 consisted of accounts (billings for user charged services), sales taxes, accrued interest, grants, entitlements, shared revenues, interfunds, and property taxes. All amounts due from other governments are considered collectible in full.

Receivables are recognized to the extent the amounts are determined material and substantiated, not only by supporting documentation but also by a reasonably systematic method of determining their existence, completeness, valuation, and collectability.

A summary of the principal amounts due is as follows:

<u>Fund Type/Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Taxes	\$ 1,118,511
	Grants	99,407
	Federal contract	142,419
	State salary subsidies	539,914
	Municipal contract	137,470
	Other receivables	<u>164,343</u>
Total General Fund		<u>2,202,064</u>
Special Revenue Funds	Taxes	1,224,413
	Grants	1,527,378
	Local governments	2,726,232
	Other receivables	<u>20,929</u>
Total Special Revenue Funds		<u>5,498,952</u>
Total		<u>\$ 7,701,016</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 6 - Inventories

Physical inventories of goods on hand were taken as of November 30, 2016. Inventories on hand, stated at cost or average cost at November 30, 2016, are as follows:

General Fund - consumable supplies	<u>\$ 31,000</u>	
Health Fund:		
Dental supplies	76,079	
Vaccines - purchased	28,798	
Vaccines - donated through state grant program	<u>111,132</u>	
Total Health Fund	<u>216,009</u>	
Highway Fund:		
Consumable supplies	392,868	
Fuel	<u>20,399</u>	
Total Highway Fund	<u>413,267</u>	
Total all governmental funds	<u>660,276</u>	
Proprietary Fund - consumable supplies	<u>98,421</u>	
Total government-wide	<u>\$ 758,697</u>	

Note 7 - Interfund Receivables and Payables and Transfers

Interfund receivables and payables of Governmental Funds at November 30, 2016, resulting from transactions between funds stemming from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Corporate Fund:		
Retirement	\$	23,199
County Health	48,469	6,950
Highway	61,352	350
Motor Fuel Tax		33,103
Multi-Facility Lease		167,533
Internal Service Fund	64,307	
Nonmajor governmental funds	1,499,595	619,744

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 7 - Interfund Receivables and Payables and Transfers, continued

	Interfund Receivable	Interfund Payable
Illinois Municipal Retirement Fund:		
General	\$ 23,199	
Health	682	
Internal Service Fund	1,061	
Nonmajor governmental funds	31,147	
County Health:		
General	6,950	48,469
Retirement		682
Nonmajor governmental funds		15,359
Highway:		
General	350	61,352
Motor Fuel Tax		75,359
Matching	55,026	
Internal Service Fund	4,228	
Nongovernmental funds		80,384
Matching:		
Highway		55,026
Special Bridge		99,539
Special Bridge:		
Matching	99,539	
Motor Fuel Tax		148,125
Nonmajor governmental funds	17,165	
Motor Fuel Tax:		
General	33,103	
Highway	75,359	
Special Bridge	148,125	
Multi-Facility Lease:		
General	167,533	
Nonmajor Governmental Funds	489,937	1,322,056
Internal Service Funds:		
General		64,307
Highway		4,228
Retirement		1,061
Nonmajor governmental funds		301
	<u>\$ 2,827,127</u>	<u>2,827,127</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 7 - Interfund Receivables and Payables and Transfers, continued

	Transfers Out	Transfers In
General Corporate Fund:		
County Health	\$	88,848
Highway		66,892
Internal Service Fund		7,300
Nonmajor governmental funds		553,430
Health Department:		
General	88,849	
Nonmajor governmental funds		61,168
Highway:		
General	66,892	
Motor Fuel Tax		250,000
Nonmajor governmental funds	70,674	
Motor Fuel Tax Fund:		
Highway	250,000	
Internal Service Fund:		
General	7,300	
Nonmajor governmental funds		476,977
Nonmajor Governmental Funds	1,091,574	70,674
	<u>\$ 1,575,289</u>	<u>1,575,289</u>

Transfers were made to the General Fund from other funds to support departmental operations in the amount of \$ 177,798. An additional \$ 491,030 was transferred from the Probation and Court Services Fund to the General Fund in order to support the operations of the Probation Department.

The Liability Insurance Fund transferred \$ 476,200 to the Self Insurance Fund to provide resources for the payment of workmen's compensation insurance and other insurance claims under the County's self-insurance program.

The Motor Fuel Tax fund transferred \$ 250,000 to the Highway fund to offset the costs of equipment used in the County's road maintenance patrols.

The Government-Wide internal balances presented on the Statement of Net Position of \$ 2,025,935 represent an amount due to the Governmental Activities from the Business-type Activities. Additionally, the internal transfers presented on the Statement of Activities of \$ 3,201,713 represent net transfers made by the Governmental Activities to the Business-type Activities of \$ 4,269,328 for internal lease transactions and capital asset purchases by the Business-type Activities of \$ 1,067,615 for the benefit of and used in the Governmental Activities.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 7 - Interfund Receivables and Payables and Transfers, continued

Macon County Mental Health Board: During the year ended June 30, 2016, the Board transferred \$ 60,500 from the other governmental fund to the general fund. The purpose of this transfer was to provide resources to cover expenses.

Note 8 - Capital Assets

Capital asset activity for the year ended November 30, 2016, was as follows:

	Balance December 1, 2015	Additions	Deletions	Balance November 30, 2016
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 1,141,256			1,141,256
Total nondepreciable capital assets	1,141,256	-	-	1,141,256
Depreciable capital assets:				
Buildings and building improvements	51,922,443	885,781		52,808,224
Vehicles	4,658,749	398,346	(135,579)	4,921,516
Furniture and fixtures	811,819			811,819
Technology and equipment	5,463,993	969,714	(903,517)	5,530,190
Infrastructure	45,918,896	1,551,250		47,470,146
Total depreciable capital assets	108,775,900	3,805,091	(1,039,096)	111,541,895
Less accumulated depreciation for:				
Buildings and building improvements	30,315,351	1,172,323		31,487,674
Vehicles	3,709,813	330,979	(135,579)	3,905,213
Furniture and fixtures	760,342			760,342
Technology and equipment	5,012,481	190,198	(903,517)	4,299,162
Infrastructure	24,345,976	1,581,508		25,927,484
Total accumulated depreciation	64,143,963	3,275,008	(1,039,096)	66,379,875
Total depreciable assets, net	44,631,937	530,083	-	45,162,020
Governmental activities capital assets, net	\$ 45,773,193	530,083	-	46,303,276

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 8 - Capital Assets, continued

Depreciation expense for the year ended November 30, 2016 was charged to governmental functions as follows:

Governmental activities:

General government	\$ 231,730
Judiciary and court-related	205,042
Public safety	902,550
Transportation	1,778,210
Public health and welfare	157,476

Total depreciation expense - governmental activities	\$ 3,275,008
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	Balance December 1, 2015	Additions	Disposals	Balance November 30, 2016
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 483,379			483,379
Construction in process	126,961		126,961	
<hr/>				
Total capital assets, not being depreciated	610,340	-	126,961	483,379
<hr/>				
Depreciable capital assets:				
Parking lot	416,048	235,428		651,476
Buildings and improvements	8,854			8,854
Equipment and furnishings	216,570		17,426	199,144
<hr/>				
Total depreciable capital assets	641,472	235,428	17,426	859,474
<hr/>				
Less accumulated depreciation for:				
Parking lot	268,622	7,916		276,538
Buildings and improvements	3,978	206		4,184
Equipment and furnishings	171,778	8,478	17,426	162,830
<hr/>				
Total accumulated depreciation	444,378	16,600	17,426	443,552
<hr/>				
Total depreciable assets, net	197,094	218,828	-	415,922
<hr/>				
Business-type activities capital assets	\$ 807,434	218,828	126,961	899,301

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 8 - Capital Assets, continued

Macon County Emergency Telephone System Board: Capital assets activity for the year ended November 30, 2016 was:

	Balance November 30, 2015	Additions	Deletions	Balance November 30, 2016
Capital Assets:				
E-911 equipment	\$ 1,390,485	195,657		1,586,142
Office furniture and equipment	49,029	2,683		51,712
Vehicles	33,960			33,960
Total depreciable capital assets	1,473,474	198,340	-	1,671,814
Less accumulated depreciation:				
E-911 equipment	1,022,954	193,352		1,216,306
Office furniture and equipment	39,848	3,478		43,326
Vehicles	4,851	4,852		9,703
Total accumulated depreciation	1,067,653	201,682	-	1,269,335
Total capital assets, net	\$ 405,821	(3,342)	-	402,479

Total depreciation for all governmental activities assets amounted to \$ 201,682 for the current year, all of which was charged to the General Government function in the Statement of Activities.

Macon County Mental Health Board: Capital assets activity for the year ended June 30, 2016 was:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets:				
Vehicles	\$ 78,299			78,299
Software	163,972			163,972
Total depreciable capital assets	242,271			242,271
Less accumulated depreciation	143,743	37,808		181,551
Total capital assets, net	\$ 98,528	(37,808)	-	60,720

Depreciation expense of \$ 18,727 was charged to general government functions, and \$ 19,081 was charged to combined disability services functions in the Statement of Activities.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 9 - Long-Term Debt

The following is a summary of changes in the County's long-term obligations for the year ended November 30, 2016:

	Balance November 30, 2015	Additions	Reductions	Balance November 30, 2016	Amount Due in One Year
Governmental activities:					
General obligation debt	\$ 547,562		547,562		
Compensated absences	1,226,713	1,880,327	1,843,820	1,263,220	
Termination benefits	67,888			67,888	
Claims liabilities	688,899	299,725	292,192	696,432	
1997 Public Building					
Revenue Bonds	645,000		315,000	330,000	330,000
Net OPEB liability	1,631,936	384,881	123,598	1,893,219	
Capital lease		200,050		200,050	100,025
				4,450,809	
Total governmental activities	\$ 4,807,998	2,764,983	3,122,172	4,450,809	

Compensated Absences: Compensated absences represent the estimated liability for employee's accrued vacation for which employees are entitled to be paid upon termination. These benefits are not expected to be paid from current available resources. The liability will be liquidated from the general and special revenue funds of the County, based on the assignment of an employee at termination.

Termination Benefits: On September 13, 2007, Macon County authorized an early retirement incentive (ERI) program for employees who are members of the Illinois Municipal Retirement Fund (IMRF). The County's ERI program was open to eligible employees from October 1, 2007 through October 1, 2008 and 19 employees opted for early retirement during this period. The IMRF calculated an ERI liability for the County as of December 31, 2008 of \$ 2,018,078. At that time, IMRF accrued interest on the ERI liability at a rate of 7.5%, its assumed rate of return for investments and for discounting future annuity payments. During 2016, the County paid \$ -0- from the IMRF fund on the liability, leaving a remaining balance of \$ 67,888 accrued in the governmental activities. The liability will be liquidated from the IMRF special revenue fund.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 9 - Long-Term Debt, continued

Claims Liabilities: Internal service funds primarily serve the government funds, and thus, the related long-term liabilities are included with the governmental activities above. Estimated claims payable are recognized when the loss is probable and reasonably estimable, as required by accounting standards. Any changes in estimates from one year to the next are recognized in the year of the change. Long-term liabilities for estimated claims payable are liquidated by the Self Insurance (Internal Service) Fund.

Governmental activities net other post-employment benefit obligations and net pension liability obligations, are liquidated primarily through the General Fund and IMRF Fund, respectively.

Legal Debt Margin: The Illinois Compiled Statutes provide that the net general obligation debt of the County, exclusive of certain exempt debt, should not exceed 2.875 percent of the total assessed valuation of the County. The effect of the debt limitations described above is an overall debt margin of \$ 45,440,133 at November 30, 2016.

The Illinois General Assembly enacted an amendment in 1978 to the Public Building Commission Act which limits the amount of debt a commission may issue to 5% of the chartering organization's property tax assessed valuation. The City of Decatur enacted the Commission's charter on July 21, 1980. The following is a computation of the Commission's legal debt margin at November 30, 2016:

Total assessed value of taxable property in the City of Decatur, Illinois	\$ 827,227,091
Debt limit percentage	<u>5%</u>
Statutory debt limitation	41,361,355
Amount of debt outstanding	<u>330,000</u>
Legal debt margin	<u>\$ 41,031,355</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 9 - Long-Term Debt, continued

Public Building Revenue Bonds: On July 31, 1997, the DPBC issued \$ 9,705,000 in Public Building Revenue Bonds. The bonds bear interest at varying fixed rates increasing with the length of maturity from 5.15% to 5.40%.

On June 2, 2005, in connection with the issuance of the 2005 General Obligation Lease Revenue Bonds, \$ 3,585,000 of the 1997 bonds were advance refunded. The DPBC used \$ 3,676,650 of the 2005 bond proceeds to purchase U.S. Government securities which were deposited with an escrow agent to provide for all future debt service on the refunded 1997 bonds. As a result, that portion of the 1997 bonds is considered defeased, and the DPBC has removed the liability from its accounts. The amount of debt defeased in substance and being paid by the escrow agent totaled \$ 450,000 as of November 30, 2016.

The annual requirements to amortize the remaining outstanding debt of \$ 330,000 as of November 30, 2016, assuming no early retirements, is as follows:

Year ending November 30	Principal	Interest	Total
2017	\$ 330,000	8,910	338,910

Subsequent to year end, this balance was paid off.

Since the DPBC is a blended component unit, the lease payable/receivable between the DPBC and the County has been eliminated at the government-wide reporting level, and the lease revenue bonds have been reported as a liability of the County, payable 100% from the governmental activities and the Multi-Facility Lease Special Revenue Fund.

Capital Lease Obligation: The County entered into a capital lease agreement for voting equipment. The cumulative amount of assets acquired under the lease amounted to \$ 528,850 with \$ 17,628 of accumulated depreciation at November 30, 2016. The future minimum lease obligations as of November 30, 2016, were as follows:

2017	\$ 100,025
2018	100,025
	<u>\$ 200,050</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 9 - Long-Term Debt, continued

Macon County Mental Health Board: Long-term obligations consist of the following at June 30, 2016:

TD Auto Finance:

Collateralized with vehicle

Note payable in monthly payments of \$ 473,
including interest at 2.64%, due March 2018. \$ 9,724

RBS Citizens:

Collateralized with vehicle

Note payable in monthly payments of \$ 234,
including interest at 2.76%, due March 2018. 4,812

TD Auto Finance:

Collateralized with vehicle

Note payable in monthly payments of \$ 304,
including interest at 2.69%, due March 2019. 9,675

\$ 24,211

The following is a summary of changes in long-term debt for the current year:

	Balance July 1, 2015	Additions	Retired	Balance June 30, 2016	Amount Due in One Year
Notes payable	\$ 35,535	-	(11,324)	<u>24,211</u>	11,628

The following is a summary of debt service requirements to maturity:

Year ending June 30	Principal	Interest	Total
2017	\$ 11,628	506	12,134
2018	9,863	195	10,058
2019	2,720	30	2,750
	<u>\$ 24,211</u>	<u>731</u>	<u>24,942</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 10 - Facilities Lease Agreements

The County had entered into a 30-year lease agreement in 1997 with the Decatur Public Building Commission (DPBC) for financing renovations to the Macon County Office Building and Macon County Courts Facility. In addition, the County, along with the City of Decatur (City) had entered into a noncancellable 20-year lease with the DPBC in 1986 in order to lease the Macon County Law Enforcement Facilities from the DPBC. The leases required that the County levy property taxes to make annual rental payments to the DPBC to service the DPBC revenue bonds and to pay maintenance and utility costs of the facility.

As noted previously, since the DPBC is a blended component unit, the lease payable/receivable between the DPBC and the County has been eliminated at the government-wide reporting level. At the fund level, transactions relating to the lease have not been eliminated and are therefore discussed in detail.

On June 1, 2005, the County and the DPBC entered into a Multiple Facilities Lease Agreement, encompassing the Courthouse, Office Building, Law Enforcement Facilities, and the Animal Control Facility. This lease superseded both of the prior leases. Concurrent with the execution of the lease, the DPBC issued the General Obligation Lease Revenue Bonds, Series 2005 for the purposes of paying the costs of the renovation projects and providing for the refunding of the 1997 bond issue.

The initial lease term of the Multiple Facilities Lease Agreement is twelve and one-half (12½) years and expires on December 1, 2017. Prior to the expiration of the lease, the parties can extend the lease period for an additional thirty (30) years, or such lesser period as they may agree. Lease terms related to the renewal option would need to be negotiated at the time of the renewal.

Lease payments are due each December 1 for the succeeding year and are divisible into a debt service component and a facilities rent portion. The debt service component is payable in order to retire the bonds issued by the DPBC. The facilities rent component reflects the amounts necessary to cover operations and maintenance expenditures of the buildings. The following is a schedule of the future minimum lease payments under the lease and the present value of the net minimum lease payments at November 30, 2016:

<u>November 30,</u>	<u>Facilities Rent</u>	<u>Debt Service Component</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	<u>\$ 5,914,384</u>	<u>330,000</u>	<u>8,910</u>	<u>338,910</u>

The DPBC agreed to apply \$ 1,122,605 of operating surplus towards Macon County's fiscal year 2016 rental obligation, thus reducing rent income by this amount.

A further allocation of the rent is set out in the lease agreement to show the rent by facility which allocates the use of the rent receipts by the DPBC. However, the lease agreement states that a reallocation among the facilities is allowed upon written acceptance by both parties.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 10 - Facilities Lease Agreements, continued

The initial rent allocation to each facility follows:

Courthouse and Office Building	47.25%
Law Enforcement Facilities	44.87%
Animal Control Facility	<u>7.88%</u>
	<u>100.00%</u>

The DPBC is required to pay all utilities, cleaning and other operation and maintenance costs of the multiple facilities. Operational costs not related to facilities operations are born by the lessee. If operation and maintenance costs exceed rental revenue, the DPBC may use funds from the General and Surplus Account to offset the deficiency. In the event the General and Surplus Account does not meet the deficiency, the DPBC can, by mutual consent with the lessee, reduce services or procure additional rents.

The agreement states that any amounts remaining after payment of debt service and operations and maintenance costs from the rent payments received for the year are added to a General and Surplus Revenue Account. At the written request of the County, the DPBC shall apply any or all amounts in the General and Surplus Revenue Account as a rent reduction to future rental payments received from the County. Accordingly, any amounts held in this account, including interest earned, are reported as restricted assets and unearned rental income. The Multi-Facility Lease Fund records a receivable for the surplus at year end. The change in the surplus for 2016 is as follows:

Balance at November 30, 2015	\$ 2,084,262
2016 rents applied	(1,122,605)
2016 surplus	<u>1,585,781</u>
Balance at November 30, 2016	<u>\$ 2,547,438</u>

The following is a summary of unearned rental income as of November 30, 2016:

Macon County - 2015 surplus and interest	\$ 961,657
Prepaid parking rent	<u>2,727</u>
Unearned rental income	<u>\$ 964,384</u>

At November 30, 2016, the total surplus to be refunded was \$ 1,585,781. This balance is shown on the DPBC's financial statements as lease close-out payable as this amount is due to Macon County at year end.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 10 - Facilities Lease Agreements, continued

Macon County Health Department: At December 1, 2015, the DPBC agreed to pay off debt belonging to the Macon County Health Department totaling \$ 548,950. In doing so, the DPBC purchased the Macon County Health Department facilities at that date. In addition, the agreement calls for the DPBC to subsequently lease back the facility to the Macon County Board of Health over a 20 year period.

During the lease period, the Macon County Board of Health, along with Macon County, shall pay rents to buy back the leased premises. Annual principal payments are to be \$ 27,448 with 2% interest the first five years. Interest will be adjusted for each subsequent five year period based on the weekly average yield on United States Treasury Securities, adjusted to a constant maturity for one year, as made available by the Federal Reserve Board. The interest rate shall not increase more than 4% any one five year period.

Future minimum lease payments related to the Macon County Health Board buying back Macon County Health Department facilities are as follows:

<u>Year ending</u> <u>November 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 27,448	10,430	37,878
2018	27,448	9,881	37,329
2019	27,448	9,332	36,780
2020	27,448	8,783	36,231
2021	27,448	8,235	35,683
2022-2026	137,238	32,937	170,175
2027-2031	137,238	19,213	156,451
2032-2035	109,787	5,490	115,277
Total	<u>\$ 521,503</u>	<u>104,301</u>	<u>625,804</u>

During this period, the DPBC will be responsible for all maintenance duties with regard to the Macon County Health Department facilities. As such, the Macon County Health Board and Macon County agree to make lease payments over a 20 year period beginning December 1, 2015. Lease payments due in year one totaled \$ 268,892. Lease payments will increase by 2% each subsequent year for the remaining 20 year period.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 10 - Facilities Lease Agreements, continued

Macon County Health Department, continued: Future minimum lease payments related to this operating lease are as follows:

<u>Year ending November 30</u>	<u>Principal</u>
2017	\$ 274,270
2018	279,756
2019	285,350
2020	291,058
2021	296,879
2022-2026	1,575,870
2027-2031	1,739,887
2032-2035	1,521,416
Total	<u>\$ 6,264,486</u>

The cost of land, buildings and equipment under capital leases in capital assets at November 30, 2016 include the following:

Land (nondepreciable)	\$ 1,070,382
Other assets	<u>48,237,784</u>
	49,308,166
Less accumulated depreciation	<u>(27,398,929)</u>
Total	<u>\$ 21,909,237</u>

The DPBC entered into an operating lease agreement with the City of Decatur, Illinois for the use of the dispatch center in a portion of the law enforcement center. The lease expires December 31, 2017. Future minimum lease receipts for 2017 are \$ 33,317. Rental payments cover the costs to operate and maintain a portion of the law enforcement center, as well as costs for agreed upon facility improvements to be performed by the DPBC.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 11 - Intergovernmental Revenue

A summary of intergovernmental revenue for the year ended November 30, 2016, follows:

	<u>Municipal</u>	<u>Federal and State Grants</u>	<u>Federal Government</u>	<u>State of Illinois</u>	<u>Total</u>
Major Funds:					
General	\$ 653,882	487,493	705,733	1,104,058	2,951,166
County Health		4,047,226			4,047,226
Highway	76,194				76,194
Federal Aid Matching		1,492,832			1,492,832
Special Bridge	88,579				88,579
County Motor Fuel Tax	16,323			1,823,013	1,839,336
Multi-Facility Lease	1,585,782				1,585,782
Nonmajor Funds	627,620	4,157,875	50,734	49,216	4,885,445
 Total	 \$ 3,048,380	 10,185,426	 756,467	 2,976,287	 16,966,560

In addition, the County participates in joint construction projects with the State of Illinois, whereby both entities pay a portion of the total costs incurred. The State approves the project, awards contracts, and pays contractors, then bills the County for its portion. Because the County will be ultimately responsible for maintaining the final asset, the amount paid by the State is included in intergovernmental revenue and capital asset costs in the Government-wide Statement of Net Position when construction is completed. No such projects were in place during 2016.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 12 - Fund Equity Balances

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

	Major Special Revenue Funds									
	General Corporate Fund	Illinois Municipal Retirement Fund	County Health Fund	County Highway Fund	Federal Aid Matching Fund	Special Bridge Fund	County Motor Fuel Tax Fund	Multi-Facility Lease Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable for inventory	\$ 31,000		216,009	413,267						660,276
Nonspendable for prepaid expenditures	23,048						4,969,758			4,992,806
Restricted:										
General control and administration	382,426	1,469,762							3,454,194	5,306,382
Public safety									649,606	649,606
Judiciary and court-related									1,357,481	1,357,481
Public health and welfare			3,085,597						1,401,113	4,486,710
Transportation				1,192,529	963,933	12,428	963,715		37,509	3,170,114
Debt service							3,450,767			3,450,767
Committed:										
Committed for disaster contingency									500,000	500,000
Committed for future health insurance expenditures	1,057,094									1,057,094
Committed for future capital outlay	2,706,280								100,000	2,806,280
Committed for economic stabilization	43									43
Assigned				675,000					314,386	989,386
Unassigned	1,787,088								(7,117)	1,779,971
	<u>\$ 5,986,979</u>	<u>1,469,762</u>	<u>3,301,606</u>	<u>2,280,796</u>	<u>963,933</u>	<u>12,428</u>	<u>963,715</u>	<u>8,420,525</u>	<u>7,807,172</u>	<u>31,206,916</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 12 - Fund Equity Balances, continued

Fund Balance Committed For Stabilization Arrangements: In 2007, the County Board approved Resolution G-3126-11-20-07, "Creating and Defining Use of Financial Stabilization Fund". Under the Resolution, \$ 1,500,000 of the fund balance of the General Fund is committed for emergency situations for life, health or public safety issues for which no appropriation exists. Use of the stabilization fund requires a two-thirds vote of County Board members. During 2016, the County Board approved utilizing the Financial Stabilization Fund reserves, and \$ 1,661,232 was used.

Fund Equity Deficits: The following funds reported deficit fund balances as of November 30, 2016. The Internal Service Fund deficit is created in part by recognizing claims and judgment liabilities when the loss is probable and reasonably estimable, as required by standards. These potential claims are financed with a combination of commercial insurance and self-insurance with resources transferred from the Liability Insurance Fund. As cases mature and are closed, actual claims paid tend to be less than the original estimated liability as estimated costs and final settlements are negotiated. Changes in estimates from one year to the next are recognized in the year of the change. The Workforce Investment Solutions Fund deficit results from grant recognition timing differences and is expected to be eliminated with future grant revenues. The County Clerk Automation Fund deficit results from lower fees generated than planned and will be eliminated with future cost reduction methods. The Historical Museum Fund deficit will be eliminated with future contributions.

Internal Service - Self Insurance Fund	\$ 724,658
Special Revenue Funds:	
County Clerk Automation Fund	1,048
Workforce Investment Solutions Fund	5,091
Historical Museum Fund	978

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 13 - Pension Plan

Employees of the County and its component units, the Macon County Mental Health Board and the Macon County Emergency Telephone System Board, participate in the Illinois Municipal Retirement Fund. The primary government and its component units are considered to be one employer. Amounts and disclosures that follow are for the plan as a whole, with information related to the Macon County Mental Health Board and the Macon County Emergency Telephone System Board available in the separately issued financial statements of each of the discretely presented component units. The County uses general and special revenue funds to liquidate net pension obligations.

IMRF Plan Description: The Macon County, Illinois' defined benefit pension plan for employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Macon County, Illinois' plan is an agent multiple employer plan managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided: IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 13 - Pension Plan, continued

Employees Covered by Benefit Terms: As of December 31, 2015, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>SLEP</u>	<u>ECO</u>
Retirees and beneficiaries currently receiving benefits	434	42	12
Inactive plan members entitled to but not yet receiving benefits	461	10	9
Active plan members	479	53	6
	<hr/>		
Total	<u>1,374</u>	<u>105</u>	<u>27</u>

Contributions: As set by statute, the County's Regular, SLEP and ECO plan members are required to contribute 4.50%, 7.50% and 7.50%, respectively, of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2015 for Regular, SLEP and ECO was 11.5%, 25.32% and 44.36%, respectively of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

	<u>Regular</u>	<u>SLEP</u>	<u>ECO</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset valuation method	Market Value	Market Value	Market Value
Actuarial assumptions:			
Investment rate of return	7.49%	7.47%	7.46%
Inflation	3.50%	3.50%	3.50%
Salary increases	3.75% to 14.50%	3.75 to 14.50%	3.75% to 14.50%
	including inflation	including inflation	including inflation
Price inflation	2.75%	2.75%	2.75%

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 13 - Pension Plan, continued

Actuarial Assumptions:

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table, as of December 31, 2015:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 13 - Pension Plan, continued

Single Discount Rate: The Single Discount Rate used to measure the total pension liability for the Regular, SLEP and ECO plans were 7.49%, 7.47%, and 7.46%, respectively. The Single Discount Rate used for the December 31, 2014 measurement date were 7.50%, 7.48%, and 7.46%. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and, (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rates are 7.49%, 7.47%, and 7.46%, respectively for the Regular, SLEP and ECO plans. The years ending 2089, 2086 and 2064 are the last years in the 2016-2115 projection periods for which projected benefits are fully funded for the Regular, SLEP, and ECO plans, respectively.

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<u>Regular:</u>			
Balances at December 31, 2014	\$ 98,533,698	91,863,170	6,670,528
Changes for the year:			
Service Cost	1,981,706		1,981,706
Interest on the Total Pension Liability	7,309,758		7,309,758
Changes of Benefit Terms			
Differences Between Expected and Actual Experience of the Total Pension Liability	(725,185)		(725,185)
Changes of Assumptions	133,466		133,466
Contributions - Employer		2,183,752	(2,183,752)
Contributions - Employees		874,186	(874,186)
Net Investment Income		456,655	(456,655)
Benefit Payments, including Refunds of Employee Contributions	(4,122,220)	(4,122,220)	
Other (Net Transfer)		(817,720)	817,720
Net Changes	4,577,525	(1,425,347)	6,002,872
Balances at December 31, 2015	\$ 103,111,223	90,437,823	12,673,400

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 13 - Pension Plan, continued

Changes in the Net Pension Liability, continued:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
SLEP:			
Balances at December 31, 2014	\$ 34,119,897	28,267,739	5,852,158
Changes for the year:			
Service Cost	666,698		666,698
Interest on the Total Pension Liability	2,522,485		2,522,485
Changes of Benefit Terms			
Differences Between Expected and Actual Experience of the Total Pension Liability	(425,285)		(425,285)
Changes of Assumptions	48,440		48,440
Contributions - Employer		954,049	(954,049)
Contributions - Employees		304,173	(304,173)
Net Investment Income		140,833	(140,833)
Benefit Payments, including Refunds of Employee Contributions	(1,460,375)	(1,460,375)	
Other (Net Transfer)		(504,232)	(504,232)
Net Changes	1,351,963	(565,552)	1,917,515
Balances at December 31, 2015	\$ 35,471,860	27,702,187	7,769,673
ECO:			
Balances at December 31, 2014	\$ 7,242,790	6,046,402	1,196,388
Changes for the year:			
Service Cost	121,379		121,379
Interest on the Total Pension Liability	532,677		532,677
Changes of Benefit Terms			
Differences Between Expected and Actual Experience of the Total Pension Liability	(129,129)		(129,129)
Changes of Assumptions			
Contributions - Employer		238,091	(238,091)
Contributions - Employees		40,530	(40,530)
Net Investment Income		30,113	(30,113)
Benefit Payments, including Refunds of Employee Contributions	(326,081)	(326,081)	
Other (Net Transfer)		59,243	(59,243)
Net Changes	198,846	41,896	156,950
Balances at December 31, 2015	\$ 7,441,636	6,088,298	1,353,338

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 13 - Pension Plan, continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the plan's net pension liability, calculated using a current Single Discount Rate of 7.49%, 7.47%, and 7.46%, respectively, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.50%)	Current (7.50%)	1% Higher (8.50%)
Net Pension Liability:			
Regular (6.49%, 7.49%, 8.49%)	\$ 27,212,245	12,673,400	897,032
SLEP (6.47%, 7.47%, 8.47%)	13,064,617	7,769,673	3,480,555
ECO (6.46%, 7.46%, 8.46%)	2,197,819	1,353,338	637,555

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended November 30, 2016, the County recognized pension expense of \$ 4,255,718, \$ 1,797,984, and \$ 129,138, respectively, for the Regular, SLEP and ECO plans. At November 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Regular:		
Differences between expected and actual experience	\$	1,043,316
Changes of assumptions	1,551,051	
Net difference between projected and actual earnings on pension plan investments	5,815,267	
Contributions made subsequent to the measurement date	1,691,613	
Total	<u>\$ 9,057,931</u>	<u>1,043,316</u>
SLEP:		
Differences between expected and actual experience	\$ 88,517	357,964
Changes of assumptions	362,305	
Net difference between projected and actual earnings on pension plan investments	1,787,562	
Contributions made subsequent to the measurement date	892,355	
Total	<u>\$ 3,130,739</u>	<u>357,964</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 13 - Pension Plan, continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>ECO:</i>		
Differences between expected and actual experience	\$	41,489
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	386,991	
Contributions made subsequent to the measurement date	248,646	
Total	\$ 635,637	41,489

The amounts reported as deferred outflows resulting from pension contributions made subsequent to the measurement date in the above table will be recognized as reductions in the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Regular	SLEP	ECO
	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2016	\$ 1,839,883	502,333	59,254
2017	1,832,912	502,333	100,743
2018	1,377,707	502,332	100,744
2019	1,272,500	427,212	84,761
2020		(34,863)	
Thereafter		(18,927)	
Total	\$ 6,323,002	1,880,420	345,502

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2016

Note 14 - Decatur Public Building Commission Retirement Plan

In 1998, the DPBC adopted a Savings Incentive Match Plan for Employees (SIMPLE) Individual Retirement Account (IRA) Plan under Section 408(p) of the Internal Revenue Code. The DPBC administers the SIMPLE IRA Plan as a single-employer defined contribution plan, which has been established through a trust agreement with a financial institution. Plan provisions are established and may be amended by the Board. Eligible employees are those who received at least \$ 5,000 in compensation from the DPBC during the current year. Participants may elect to make salary reduction contributions to the plan for amounts expressed either as a specific dollar amount or as a percentage of compensation. Salary reduction contributions cannot exceed \$ 12,500 (\$ 15,500 if over 50 years of age) per plan year. In addition, the DPBC is generally required to make a matching contribution on behalf of each eligible employee in an amount equal to the employee's salary reduction contributions, up to 3% of the employee's compensation for the applicable calendar year. A participant's interest in the plan, including that attributable to the DPBC's matching contribution, is nonforfeitable. For the year ended November 30, 2016, the DPBC's total matching contributions to the plan were \$ 18,955.

Note 15 - Deferred Compensation Plan

The County offers all full-time employees a deferred compensation plan established in accordance with the requirements of the Internal Revenue Code Section 457. Participants authorize the County to withhold funds from their salaries which are invested, within a range of options, in individual accounts as directed by the individual. The assets are administered by ICMA-RC. The assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The deferred compensation is not available to the participants until termination, retirement, death or unforeseeable emergency. The County made no contributions to the plan.

Macon County Mental Health Board: The Board offers various employees a deferred compensation plan established in accordance with the requirements of Internal Revenue Code Section 457. The assets of the plan are held in trust for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian of the trust holds the custodial account for the beneficiaries of the Section 457 plan, and the assets may not be diverted to any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Board's financial statements.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 16 - Other Leases

During 2015, the County entered into a three year lease agreement for office space at 800 East Clay for use by the State's Attorney for a Child Advocacy Center. The lease period is November 1, 2015 through October 31, 2018 and calls for monthly rental payments of \$ 1,300. Total rent paid was \$ 16,900 for the year ended November 30, 2016. Future minimum lease payments are as follows:

2017	\$ 15,600
2018	<u>14,300</u>
	<u>\$ 29,900</u>

Macon County Emergency Telephone System Board: The Board leases office space located on the eighth floor of the Macon County Office Building from the DPBC under a five year operating lease that expires May 31, 2018. Total rent expense was \$ 19,758 for the year ended November 30, 2016. Future minimum lease payments are as follows:

2017	\$ 19,776
2018	<u>10,082</u>
	<u>\$ 29,858</u>

Macon County Mental Health Board: The Board is committed under various leases for office space and other equipment expiring through 2020. These leases are considered for accounting purposes to be operating leases. Lease expense for the year ended June 30, 2016, amounted to \$ 52,500. Future minimum lease payments for these leases are as follows:

2017	\$ 54,028
2018	55,108
2019	56,211
2020	57,335
2021	<u>19,237</u>
	<u>\$ 241,919</u>

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 17 - Risk Management

Property and Liability: The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance coverage for liability, property, and crime insurance. The program has a \$ 25,000 deductible per occurrence. The list below is a general description of insurance coverage in effect at November 30, 2016; not all policy terms, conditions, restrictions, exclusions, etc. are included.

Liability:

General (per occurrence/aggregate)	\$ 1,000,000/\$ 2,000,000
Law Enforcement (each wrongful act limit/aggregate)	\$ 1,000,000/\$ 2,000,000
Auto	\$ 1,000,000
Public Entity Employment Related Practices	\$ 1,000,000
Public Entity Management Liability (each wrongful act limit/aggregate)	\$ 1,000,000/\$ 2,000,000
Crime	\$ 500,000
Umbrella Excess Liability aggregate	\$ 14,000,000
Employee Benefit Plans Liability aggregate/each employee	\$ 3,000,000/\$ 1,000,000
Cyberfirst	\$ 25,000

Aggregate:

Property	\$ 6,844,500
Inland Marine (scheduled equipment)	\$ 1,684,660
Unscheduled equipment	\$ 10,000
Earthquake	\$ 10,990,800

The County pays all elected officials' bonds by statute.

The other County building and contents are insured under the Decatur Public Building Commission's policy. The boiler/machine is covered by the Decatur Public Building Commission. Settled claims have not exceeded this commercial coverage in any of the past three years.

Unemployment Insurance: Under provisions of the Illinois Unemployment Insurance Act, the County has elected to self-insure for unemployment compensation benefits. Rather than contribute to the Illinois Unemployment Insurance Fund, the County has agreed to reimburse the State of Illinois for any unemployment benefits paid by the State on behalf of the County. The unemployment compensation program is funded totally by the County.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 17 - Risk Management, continued

Workers' Compensation: The County has elected to self-insure for workers' compensation. The worker's compensation program is funded 90 percent by the County, with the remaining 10 percent being covered by an insurance carrier. The program is insured for amounts above the self-insured retention limits of \$ 500,000 (\$ 600,000 for police) with a statutory maximum limit of indemnity per occurrence. After these limits, the County is insured for amounts up to \$ 1,000,000.

The County's self-insurance program is funded by property tax receipts. Proceeds from property taxes are initially recorded in the Insurance Liability Fund and subsequently transferred to the Internal Service Fund (Self Insurance Fund) as the need arises. At November 30, 2016, the Internal Service Fund had a deficit fund balance of \$ 724,658 due to the year end financial statement recording of pending claims and potential claims. Assets to cover these potential liabilities are held in the Insurance Fund until claims have matured to actual, at which point assets are transferred to the Internal Service Fund for payment of the claims.

Claims and Judgments: When a probable claim liability has been incurred at year end and the amount of the loss can be reasonably estimated, the County records the estimated loss under its self-insurance program. The claim liability includes claims incurred and estimation for claims incurred but not reported (IBNR), based on historical data pursuant to the self-funded workmen's compensation and unemployment compensation programs. This estimated liability for claims reported to date has been recorded in the Self-Insurance Internal Service Fund.

Changes in the balances of the claims liabilities amount for the two most recent fiscal years are as follows:

	<u>Workers' Compensation</u>		<u>Liability</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Claims liability, beginning of year	\$ 627,658	682,167	61,241	79,015
Claims incurred and changes in estimates	204,521	149,726	95,203	6,070
Claim payments	(264,328)	(204,235)	(27,863)	(23,844)
Claims liability, end of year	<u>\$ 567,851</u>	<u>627,658</u>	<u>128,581</u>	<u>61,241</u>

Liabilities for unpaid claims are based on recommendations by third party administrators. There have been no significant reductions in insurance coverage from coverage in prior years. The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

There was no liability reported for claims incurred but not reported (IBNR) as of November 30, 2016.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 18 - Commitments and Contingencies

Federally Assisted Grant Programs: The County participated in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representative. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be insignificant.

Pending Litigation: The County is a defendant in several lawsuits, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the County for property damage and personal injury and other alleged violations of state and federal laws. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, such loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued nor can such an amount be estimated at year end. The outcome of the remaining claims cannot be determined at this time. Based upon past experience, management believes that the insurance coverage maintained by the County is sufficient to cover any potential claims over the amount of loss accrued.

Construction Commitments: The County has active engineering and construction projects as of November 30, 2016, consisting mainly of road and bridge construction and resurfacing projects. At year end, the County's major project commitments are as follows:

Project	Total Contract	Spent-to-Date	Remaining Construction Commitment	Expected Completion Date
South and East Beltway				
Engineering Feasibility Study	\$ 2,462,689	2,272,588	190,101	2017
Lost Bridge/Baltimore Trail	250,000	246,166	3,834	2017
Baltimore - Lost Bridge to Rte 36	280,885	242,431	38,454	2017
Spacemark Road Extension	743,839	671,068	72,771	2017
Kenny Road Bridge	128,200	108,888	19,312	2017
Elwin and Wyckles Road Connector	763,315	303,250	460,065	2017
Reas Bridge Road Bridge Replacement	1,154,976	385,419	769,557	2018
Brush College Road South Alignment	430,382	249,284	181,098	2018

The Beltway Feasibility Study is funded primarily by motor fuel tax proceeds, and state and federal grant proceeds. The outcome of the study will determine whether additional construction commitments will be accepted.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2016

Note 18 - Commitments and Contingencies, continued

Contract Commitments: During 2015, the County entered into a forty-eight month contract for the County Clerk to obtain electronic services supplies, equipment preparation and support in connection with the 2016, 2017, 2018 and 2019 election cycles. Monthly payments of \$ 17,845 are due based on a total contract price of \$ 856,560. The County paid \$ 214,020 during 2016. Total remaining on the contract at November 30, 2016 was \$ 642,060.

The County also entered into a three year contract in connection with the license and support of the property tax administration software. The three year agreement calls for annual payments of \$ 53,479 each. The County paid \$ 53,479 during 2016. The total remaining on the agreement at November 30, 2016 was \$ 106,959.

The County contracts with vendors to provide service and support to the Sheriff's Department. A vendor was retained to provide medical services for inmates of the Macon County Jail at a cost of \$ 22,969 per month. Another vendor was retained to provide dietary services at a per-meal price also for inmates of the jail. Total amounts paid under these arrangements during 2016 were \$ 317,908 and \$ 391,573, respectively.

During 2016, the County entered into an intergovernmental agreement with Peoria County Juvenile Detention Center to provide beds for juvenile inmates, since Macon County currently has no facility of its own to serve this population. The agreement was for three years beginning January 1, 2016 at an annual fee of \$ 224,706 and can be extended an additional year with an increase based on the Consumer Price Index. The total amount paid under this contract during 2016 was \$ 205,981 plus an additional \$ 95,819 for bed space not contemplated in the contract.

During 2015, the County entered into an intergovernmental cooperation agreement with the City of Decatur Police Department for communications and dispatch services. The five year agreement calls for annual payments of \$ 350,000 each, with the first year prorated in the amount of \$ 260,000. The County paid \$ 350,000 during 2016. The total remaining on the agreement at November 31, 2016 was \$ 1,050,000.

Macon County Emergency Telephone System Board: During the fiscal year ended November 30, 2012, the Board committed with Pictometry Economic Alliance Partnership for three flights to be done over six years to produce pictometry images. The commitment was separated into three segments connected to the three flights, and each segment is payable in two installments. The first and second segments have been completed and paid in previous years. The third segment is priced at \$ 135,526 and is to be paid over the fiscal years ending November 30, 2016 and 2017. \$ 67,763 was paid during fiscal year 2016, and the remaining \$ 67,763 was included in accounts payable as of November 30, 2016.

During the fiscal year ended November 30, 2013, the Board committed with Motorola Solutions, Inc. to purchase the Intrado 911 Solution with a total contract price of \$ 802,392, including \$ 494,916 for the system, \$ 290,056 for five-year maintenance services and \$ 17,420 for sentry remote monitoring services. As of November 30, 2014, the Board had paid \$ 494,916 for the system, which is included in capital assets on the Statement of Net Position. During the fiscal year ended November 30, 2016, the Board paid \$ 61,704 for the third year of contract maintenance and monitoring services. The following payments are due for the remainder of the maintenance and monitoring services contract: \$ 68,402 in year four and \$ 68,746 in year five.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 19 - Other Postemployment Benefits Other than Pensions (OPEB)

Plan Description: The County provides for the continuance of medical, prescription drug and dental insurance benefits for retired employees and their spouses under 65 years of age through a single employer defined benefit plan by allowing them to remain in the County's healthcare plan after retirement. Once retirees reach 65 years of age, they are eligible for Medicare enrollment and are no longer eligible to participate in the County's health insurance program. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The retirees pay 100% of the required premium, which is equal to the employee and employer costs for each plan year. For deputies and their spouses, the first three months of benefit continuation requires no premium payments from the retired deputy. Amounts paid by retirees are recorded as revenue when received, and the premium paid by the County is recorded as expenditures when paid. The benefits, benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the County's governmental activities.

Plan Membership: At December 1, 2014 (the date of the latest actuarial valuation), membership consisted of:

Actives (fully eligible)	369
Actives (not yet fully eligible)	-
Retirees and dependents	<u>24</u>
Total	<u><u>393</u></u>

A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet plan obligations. The latest actuarial valuation was made December 1, 2014. The postemployment benefit plan does not issue stand-alone financial reports.

Funding Policy: The County is not required to, and currently does not, advance fund the cost of benefits that will become due and payable in the future. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to pre-fund benefits as determined annually. Expenditures for these insurance premiums are prorated between the general fund and other funds where the personnel are located. All retirees contribute 100% of the blended premium to the plan to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended November 30, 2016, retirees contributed \$ 158,054. Active employees do not contribute to the plan until retirement.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 19 - Other Postemployment Benefits Other than Pensions (OPEB), continued

Annual OPEB Cost and Net OPEB Obligation: The County first had an actuarial valuation performed for the plan as of December 1, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2009. For the year ended November 30, 2016, the County estimated the cost of providing retiree healthcare benefits through the December 1, 2014 actuarial valuation. The County's annual OPEB cost, the annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2016 was as follows:

Annual required contribution (ARC)	\$ 413,979
Interest on net OPEB obligation (NOO)	65,277
Adjustment to annual required contribution	<u>(94,375)</u>
Annual OPEB costs	384,881
Contributions made	<u>(123,598)</u>
Change in net OPEB obligation	261,283
Net OPEB obligation, beginning of year	<u>1,631,936</u>
Net OPEB obligation, end of year	<u><u>\$ 1,893,219</u></u>

Trend Information:

Fiscal Year Ending	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
11/30/14	\$ 256,493	111,911	43.60%	1,346,663
11/30/15	389,968	104,706	26.85%	1,631,936
11/30/16	384,881	123,598	32.11%	1,893,219

The funded status of the plan as of December 1, 2014, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 3,350,320
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 3,350,320</u></u>
Funded ratio (actuarial value of plan assets / AAL)	0.00%
Covered payroll (active plan members)	\$ 23,077,111
UAAL as a percentage of covered payroll	14.52%

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2016

Note 19 - Other Postemployment Benefits Other than Pensions (OPEB), continued

Annual OPEB Cost and Net OPEB Obligation, continued: Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 1, 2014 actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a discount rate of 4.00% per year (based on 2.50% inflation, 0.75% real GDP growth and 0.75% medical technology), a participation rate of 75%, and a lapse rate for current and future retirees of 15%. Mortality calculations were done using RP-2014 Combined Healthy Mortality Table - Projected with Scale MP-2014 fully generational, and a marriage assumption that 50% of males and females be married with husbands three years older than wives. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized on an open, level dollar basis over the maximum allowable period of 30 years.

The annual healthcare and contribution trend rate for 2016 was 6.85% initial and ultimately grades down to 4.0% in 2034.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued) November 30, 2016

Note 20 - Non-Commitment Debt

On May 1, 2000, the County issued Series 2000 Adjustable Rate Demand Revenue Bonds in the amount of \$ 8,700,000. Net proceeds of the issuance were deposited by Decatur Family YMCA, Illinois for the construction of a new facility. During 2011, the County issued Economic Development Revenue Refunding Bonds (Decatur Family YMCA School Project) Series 2011 in the amount of \$ 2,400,000. The net proceeds of this issue, along with additional funds from the YMCA, were used to pay all outstanding Series 2000 bonds, accrued interest and closing costs. The Series 2011 bonds were purchased by Hickory Point Bank in exchange for a tax exempt loan to the YMCA. The YMCA has signed a promissory note payable to the bank, securing all principal and interest due under the loan. As the intent of all parties is that the YMCA will provide funds for all debt payments, the liability has not been recorded on the County's balance sheet. The outstanding balance on this obligation was \$ 1,791,800 at December 31, 2016.

During 2010, the County issued Series 2010 Revenue Bonds in the amount of \$ 13,750,000. Net proceeds of the issuance were deposited by Millikin University, Illinois for the repayment of long-term debt. As the intent of all parties is that the University will provide for all debt payments, the liability has not been recorded in the County's financial statements. The outstanding balance on this obligation was \$ 11,725,000 at June 30, 2016.

During 2013, the County issued Series 2012 Revenue Refunding Bonds in the amount of \$ 9,680,000. Net proceeds of the bonds were used to repay a 1998 bond series. As the intent of all parties is that the University will provide for all debt payments, the liability has not been recorded in the County's financial statements. The outstanding balance on this obligation was \$ 6,265,000 at June 30, 2016.

During 2014, the County issued Series 2014 Revenue Bonds in the amount of \$ 10,000,000. Net proceeds of the issuance were deposited by Millikin University, Illinois for construction and renovation projects. As the intent of all parties is that the University will provide funds for all debt payments, the liability has not been recorded in the County's financial statements. The outstanding balance on this obligation was \$ 10,000,000 at June 30, 2016.

Note 21 - Significant Estimates and Concentrations

The current economic environment presents governmental organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in grant revenue, tax revenue, etc., constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the County. A significant decline in grant revenue and tax revenue could have an adverse impact on the County's future operating results. In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values, etc. that could negatively impact the County's ability to maintain liquidity. Long-term gradual population losses in Macon County mean that inevitably EAV will gradually decline, and in fact, the first signs of this have been observed in some areas of Macon County. This long-term development will also impact Macon County's ability to raise property taxes.

MACON COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
November 30, 2016

Note 22 - Restatement of Net Position

Macon County Mental Health Board: The beginning net position reported in the government-wide fund financial statements has been restated to reflect a correction of an error in calculating the net pension liability and certain other errors as follows:

Beginning net position, as previously reported	\$ 1,429,912
Net pension liability	59,990
Deferred outflow of resources related to pensions	(21,514)
Corrections	<u>28,873</u>
Beginning net position, as restated	<u><u>\$ 1,497,261</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
GENERAL CORPORATE FUND
Year ended November 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	Original	Final				
Revenues:						
Taxes	\$ 10,428,145	10,428,145	9,540,136	27,828	9,567,964	(888,009)
Intergovernmental	3,389,252	3,468,734	2,951,166		2,951,166	(517,568)
Fines, fees, forfeitures	3,885,513	3,905,013	3,968,183		3,968,183	63,170
Licenses and permits	115,000	115,000	2,962,251		2,962,251	2,847,251
Interest on investments	9,218	9,218	11,318		11,318	2,100
Contributions	225,000	300,000	414,374		414,374	114,374
Miscellaneous revenue	3,049,058	3,116,712	2,788,949		2,788,949	(327,763)
Total revenues	21,101,186	21,342,822	22,636,377	27,828	22,664,205	1,293,555
Expenditures:						
General Control and Administration:						
County Clerk:						
Personnel	303,156	303,778	303,778		303,778	
Supplies and materials	44,750	48,416	45,798		45,798	2,618
County Clerk - Elections:						
Personnel	206,968	245,632	245,514		245,514	118
Supplies and materials	299,000	337,335	337,335		337,335	
Equipment		531,000	533,238		533,238	(2,238)
County Recorder:						
Personnel	226,749	226,749	226,749		226,749	
Supplies and materials	7,955	7,955	7,814		7,814	141
County Treasurer:						
Personnel	310,139	312,175	312,175		312,175	
Supplies and materials	79,000	76,963	75,917		75,917	1,046
Auditor:						
Personnel	312,195	312,196	311,716		311,716	480
Supplies and materials	28,800	29,601	28,823	1,010	29,833	778
Equipment	1,100	300				300
Equipment		89,000	78,022		78,022	10,978
Auditor - Human Resources:						
Personnel	51,321	51,321	50,556		50,556	765
Supplies and materials	6,300	6,300	819		819	5,481
Equipment	500	500				500
County Board:						
Personnel	292,719	295,022	295,022		295,022	
Supplies and materials	2,575,300	2,652,996	2,203,937		2,203,937	449,059
Equipment	12,000	12,249	11,717		11,717	532
Supervisor of Assessments:						
Personnel	262,304	262,304	232,416		232,416	29,888
Supplies and materials	45,025	45,025	33,865		33,865	11,160
Equipment	1,000	1,000	188		188	812

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 GENERAL CORPORATE FUND (Continued)

Year ended November 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	Original	Final				
Expenditures, continued:						
General Control and Administration, continued:						
Board of Review:						
Personnel	\$ 67,608	67,608	67,608		67,608	
Supplies and materials	23,700	23,700	6,464		6,464	17,236
Equipment	150	150				150
Public Safety:						
County Sheriff:						
Personnel	3,922,850	4,012,628	4,009,437		4,009,437	3,191
Supplies and materials	777,253	851,249	696,810		696,810	154,439
Equipment	40,000	62,004	194,146		194,146	(132,142)
Coroner:						
Personnel	183,170	184,137	185,385		185,385	(1,248)
Supplies and materials	46,686	61,903	61,943		61,943	(40)
Equipment	1,065	880	880		880	
Law Facilities Center:						
Personnel	3,867,095	4,156,847	4,155,723		4,155,723	1,124
Supplies and materials	456,700	394,232	393,860		393,860	372
Equipment	100,000	104,667	104,667		104,667	
Jail - Commissary Supplies			116,490		116,490	(116,490)
Judiciary and Court-Related:						
Circuit Clerk:						
Personnel	1,363,685	1,117,452	1,107,919		1,107,919	9,533
Supplies and materials	146,470	191,210	180,551		180,551	10,659
Equipment	5,000	5,794	5,794		5,794	
State's Attorney:						
Personnel	1,780,288	1,780,288	1,660,958		1,660,958	119,330
Supplies and materials	84,805	91,407	91,733		91,733	(326)
Equipment	3,900	1,762	1,762		1,762	
State's Attorney, Title IV-D, Public Aid:						
Personnel	293,485	293,485	261,095		261,095	32,390
Supplies and materials						
Circuit Court:						
Personnel	498,640	498,640	484,853		484,853	13,787
Supplies and materials	271,550	271,551	234,552		234,552	36,999
Equipment	1,000	1,000				1,000
Public Defender:						
Personnel	998,030	998,030	985,410		985,410	12,620
Supplies and materials	78,700	82,024	71,638		71,638	10,386
Equipment	9,908	6,584	6,008		6,008	576

(Continued)

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
GENERAL CORPORATE FUND (Continued)
Year ended November 30, 2016**

	Budgeted Original	Amounts Final	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
Expenditures, continued:						
Judiciary and Court-Related, continued:						
Probation Officers:						
Personnel	2,145,498	2,199,148	2,017,642		2,017,642	181,506
Supplies and materials	417,500	473,677	460,267		460,267	13,410
Equipment	2,000	2,000	1,928		1,928	72
Probation - Drug Court:						
Personnel	36,166	62,000	62,000		62,000	
Supplies and materials	19,000	24,000	31,502		31,502	(7,502)
Public Health and Welfare:						
Superintendent, Regional Office of Education:						
Personnel	107,685	106,702	106,702		106,702	
Supplies and materials	38,308	39,291	39,324		39,324	(33)
Environmental Management:						
Personnel	145,653	145,653	129,090		129,090	16,563
Supplies and materials	103,211	103,211	77,823		77,823	25,388
Equipment	30,000	30,000	22,114		22,114	7,886
Capital Vehicles Fund:						
Equipment	180,000	180,000				180,000
Total expenditures	23,313,040	24,472,731	23,369,477	1,010	23,370,487	1,103,254
Excess (deficiency) of revenues over (under) expenditures	(2,211,854)	(3,129,909)	(733,100)	26,818	(706,282)	2,396,809
Other financing sources (uses):						
Capital lease proceeds			200,050		200,050	200,050
Transfers in	933,440	933,440	716,470		716,470	(216,970)
Transfers out	(95,000)	(95,000)				95,000
Total other financing sources (uses)	838,440	838,440	916,520	-	916,520	78,080
Net change in fund balance	\$ (1,373,414)	(2,291,469)	183,420	26,818	210,238	2,474,889
Budgetary fund balance, beginning of year			5,615,952			
Budgetary fund balance, end of year			\$ 5,799,372			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 ILLINOIS MUNICIPAL RETIREMENT FUND
 Year ended November 30, 2016

	Budgeted Amounts		Actual	Budget to	Actual	
	Original	Final	Amounts	GAAP	Amounts	
			Budgetary	Differences	GAAP	Variance
			Basis	Over (Under)	Basis	
Revenues:						
Property taxes	\$ 2,650,000	2,650,000	2,657,732	(26,243)	2,631,489	7,732
Interest on investments	200	200	1,058		1,058	858
Total revenues	2,650,200	2,650,200	2,658,790	(26,243)	2,632,547	8,590
Expenditures:						
General Control and Administration:						
Personnel - IMRF Agent Trust Fund	299,903	299,903	259,705		259,705	40,198
Public Safety:						
Personnel - IMRF Agent Trust Fund	1,653,721	1,653,721	1,427,766		1,427,766	225,955
Judiciary and Court-Related:						
Personnel - IMRF Agent Trust Fund	708,708	708,708	611,874		611,874	96,834
Public Health and Welfare:						
Personnel - IMRF Agent Trust Fund	71,312	71,312	61,569		61,569	9,743
Total expenditures	2,733,644	2,733,644	2,360,914	-	2,360,914	372,730
Net change in fund balance	\$ (83,444)	(83,444)	297,876	(26,243)	271,633	381,320
Budgetary fund balance, beginning of year			1,045,950			
Budgetary fund balance, end of year			\$ 1,343,826			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 COUNTY HEALTH FUND
 Year ended November 30, 2016

	Budgeted Amounts Original	Final	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
Revenues:						
Taxes	\$ 1,623,861	1,623,261	1,629,177	(16,340)	1,612,837	5,916
Intergovernmental	4,243,501	4,301,772	4,047,226		4,047,226	(254,546)
Fines, fees, forfeitures	437,500	437,500	386,449		386,449	(51,051)
Licenses and permits	235,000	305,000	315,309		315,309	10,309
Interest on investments	4,000	4,600	2,599		2,599	(2,001)
Miscellaneous revenue	21,060	21,260	75,260		75,260	54,000
Total revenues	6,564,922	6,693,393	6,456,020	(16,340)	6,439,680	(237,373)
Expenditures:						
Current:						
Public Health and Welfare:						
Personnel	4,632,373	4,696,098	3,851,822		3,851,822	844,276
Supplies and materials	1,185,088	1,501,191	1,120,061		1,120,061	381,130
Equipment	315,150	98,973	45,713		45,713	53,260
Debt Service:						
Principal	62,000	29,234	575,010		575,010	(545,776)
Interest	26,002	17,367	12,368		12,368	4,999
Total expenditures	6,220,613	6,342,863	5,604,974	-	5,604,974	737,889
Excess (deficiency) of revenues over (under) expenditures	344,309	350,530	851,046	(16,340)	834,706	500,516
Other financing sources (uses):						
Capital lease proceeds			548,950		548,950	548,950
Transfers in			61,168		61,168	61,168
Transfers out	(88,848)	(98,691)	(88,849)		(88,849)	9,842
Total other financing sources (uses)	(88,848)	(98,691)	521,269	-	521,269	619,960
Net change in fund balance	\$ 255,461	251,839	1,372,315	(16,340)	1,355,975	1,120,476
Budgetary fund balance, beginning of year			1,851,750			
Budgetary fund balance, end of year			\$3,224,065			

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
COUNTY HIGHWAY FUND
Year ended November 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	Original	Final				
Revenues:						
Taxes	\$ 1,500,000	1,500,000	1,504,489	(14,852)	1,489,637	4,489
Intergovernmental	400,200	400,200	76,194		76,194	(324,006)
Licenses and permits	15,000	15,000	21,576		21,576	6,576
Interest on investments	2,200	2,200	1,259		1,259	(941)
Miscellaneous revenue	39,200	39,200	761,606		761,606	722,406
Total revenues	1,956,600	1,956,600	2,365,124	(14,852)	2,350,272	408,524
Expenditures:						
Current:						
Transportation:						
Personnel	906,816	906,816	720,700		720,700	186,116
Supplies and materials	731,400	732,400	426,060		426,060	306,340
Equipment	773,000	772,000	322,673		322,673	449,327
Total expenditures	2,411,216	2,411,216	1,469,433	-	1,469,433	941,783
Excess (deficiency) of revenues over (under) expenditures	(454,616)	(454,616)	895,691	(14,852)	880,839	1,350,307
Other financing sources (uses):						
Transfers in	410,000	410,000	250,000		250,000	(160,000)
Transfers out	(137,566)	(137,566)	(137,566)		(137,566)	
Total other financing sources (uses)	272,434	272,434	112,434	-	112,434	(160,000)
Net change in fund balance	\$ (182,182)	(182,182)	1,008,125	(14,852)	993,273	1,190,307
Budgetary fund balance, beginning of year			1,201,382			
Budgetary fund balance, end of year			\$ 2,209,507			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 FEDERAL AID MATCHING FUND
 Year ended November 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	Original	Final				
Revenues:						
Taxes	\$ 750,000	750,000	734,446	10,373	744,819	(15,554)
Intergovernmental	1,603,000	1,603,000	1,492,832		1,492,832	(110,168)
Interest on investments	500	500	565		565	65
Miscellaneous revenue	1,000	1,000	15,000		15,000	14,000
Total revenues	<u>2,354,500</u>	<u>2,354,500</u>	<u>2,242,843</u>	<u>10,373</u>	<u>2,253,216</u>	<u>(111,657)</u>
Expenditures:						
Current:						
Transportation:						
Supplies and materials	2,350,000	2,350,000	837,699		837,699	1,512,301
Net change in fund balance	<u>\$ 4,500</u>	<u>4,500</u>	<u>1,405,144</u>	<u>10,373</u>	<u>1,415,517</u>	<u>1,400,644</u>
Budgetary fund balance, beginning of year			<u>(476,855)</u>			
Budgetary fund balance, end of year			<u>\$ 928,289</u>			

MACON COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 SPECIAL BRIDGE FUND
 Year ended November 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
	Original	Final				
Revenues:						
Taxes	\$ 515,000	515,000	516,599	(5,102)	511,497	1,599
Intergovernmental	41,000	83,051	88,579		88,579	5,528
Interest on investments	2,100	2,100	701		701	(1,399)
Miscellaneous revenue	5,000	5,000				(5,000)
Total revenues	563,100	605,151	605,879	(5,102)	600,777	728
Expenditures:						
Current:						
Transportation:						
Supplies and materials	1,490,000	1,513,361	1,520,967		1,520,967	(7,606)
Total expenditures	1,490,000	1,513,361	1,520,967	-	1,520,967	(7,606)
Net change in fund balance	\$ (926,900)	(908,210)	(915,088)	(5,102)	(920,190)	(6,878)
Budgetary fund balance, beginning of year			903,037			
Budgetary fund balance, end of year			\$ (12,051)			

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
COUNTY MOTOR FUEL TAX FUND
Year ended November 30, 2016**

	Budgeted Amounts Original	Final	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
Revenues:						
Intergovernmental	\$ 2,070,100	2,070,100	1,839,336		1,839,336	(230,764)
Interest on investments	5,100	5,100	2,519		2,519	(2,581)
Miscellaneous revenue	500	500				(500)
Total revenues	2,075,700	2,075,700	1,841,855	-	1,841,855	(233,845)
Expenditures:						
Current:						
Transportation:						
Personnel	953,000	928,185	827,507		827,507	100,678
Supplies and materials	1,100,000	1,100,000	448,855		448,855	651,145
Equipment	1,000,000	1,024,815	1,825,960		1,825,960	(801,145)
Total expenditures	3,053,000	3,053,000	3,102,322	-	3,102,322	(49,322)
Excess (deficiency) of revenues over (under) expenditures	(977,300)	(977,300)	(1,260,467)	-	(1,260,467)	(283,167)
Other financing sources (uses):						
Transfers out	(400,000)	(400,000)	(250,000)		(250,000)	150,000
Total other financing sources (uses)	(400,000)	(400,000)	(250,000)	-	(250,000)	150,000
Net change in fund balance	\$ (1,377,300)	(1,377,300)	(1,510,467)	-	(1,510,467)	(133,167)
Budgetary fund balance, beginning of year			2,474,182			
Budgetary fund balance, end of year			<u>\$ 963,715</u>			

MACON COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
MULTI-FACILITY LEASE FUND
Year ended November 30, 2016**

	Budgeted Amounts Original	Final	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Variance
Revenues:						
Taxes	\$ 5,920,963	4,959,306	4,964,604	(39,859)	4,924,745	5,298
Intergovernmental		961,657	1,585,782		1,585,782	624,125
Interest on investments	200	200				(200)
Miscellaneous	6,000	6,000	6,000		6,000	
Total revenues	5,927,163	5,927,163	6,556,386	(39,859)	6,516,527	629,223
Expenditures:						
Current:						
General Control and Administration:						
Public Building Commission lease payments	1,068,797	1,068,797	1,068,318		1,068,318	479
Public Safety:						
Public Building Commission lease payments	3,173,479	3,173,479	3,172,056		3,172,056	1,423
Judiciary and Court-Related:						
Public Building Commission lease payments	1,334,074	1,334,074	1,333,476		1,333,476	598
Public Health and Welfare:						
Public Building Commission lease payments	16,697	16,697	16,697		16,697	-
Debt Service:						
Principal	315,000	315,000	315,000		315,000	
Interest	26,325	26,325	26,325		26,325	
Total expenditures	5,934,372	5,934,372	5,931,872	-	5,931,872	2,500
Net change in fund balance	\$ (7,209)	(7,209)	624,514	(39,859)	584,655	631,723
Budgetary fund balance, beginning of year			<u>7,560,327</u>			
Budgetary fund balance, end of year			<u>\$ 8,184,841</u>			

MACON COUNTY, ILLINOIS

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS - REGULAR
Last Two Calendar Years**

Calendar Year Ended December 31	2015	2014
Total Pension Liability		
Service Cost	\$ 1,981,706	2,070,364
Interest on the Total Pension Liability	7,309,758	6,793,095
Benefit Changes	-	-
Differences Between Expected and Actual Experience	(725,185)	(1,011,858)
Assumption Changes	133,466	2,914,291
Benefit Payments and Refunds	(4,122,220)	(3,543,227)
Net Change in Total Pension Liability	4,577,525	7,222,665
Total Pension Liability - Beginning	98,533,698	91,311,033
Total Pension Liability - Ending (A)	\$ 103,111,223	98,533,698
Plan Fiduciary Net Position		
Employer Contributions	\$ 2,183,752	2,116,053
Employees Contributions	874,186	957,595
Pension Plan Net Investment Income	456,655	5,310,297
Benefit Payments and Refunds	(4,122,220)	(3,543,227)
Other	(817,720)	(266,392)
Net Change in Plan Fiduciary Net Position	(1,425,347)	4,574,326
Plan Fiduciary Net Position - Beginning	91,863,170	87,288,844
Plan Fiduciary Net Position - Ending (B)	\$ 90,437,823	91,863,170
Net Pension Liability - Ending (A) - (B)	\$ 12,673,400	6,670,528
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.71%	93.23%
Covered Valuation Payroll	\$ 19,071,323	18,287,558
Net Pension Liability as a Percentage of Covered Valuation Payroll	66.45%	36.48%

Notes to Schedule:

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

MACON COUNTY, ILLINOIS

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS - SLEP
Last Two Calendar Years**

Calendar Year Ended December 31	2015	2014
Total Pension Liability		
Service Cost	\$ 666,698	663,543
Interest on the Total Pension Liability	2,522,485	2,361,818
Benefit Changes	-	-
Differences Between Expected and Actual Experience	(425,285)	130,099
Assumption Changes	48,440	472,581
Benefit Payments and Refunds	(1,460,375)	(1,418,653)
Net Change in Total Pension Liability	1,351,963	2,209,388
Total Pension Liability - Beginning	34,119,897	31,910,509
Total Pension Liability - Ending (A)	\$ 35,471,860	34,119,897
Plan Fiduciary Net Position		
Employer Contributions	\$ 954,049	883,773
Employee Contributions	304,173	254,735
Pension Plan Net Investment Income	140,833	1,631,474
Benefit Payments and Refunds	(1,460,375)	(1,418,653)
Other	(504,232)	30,861
Net Change in Plan Fiduciary Net Position	(565,552)	1,382,190
Plan Fiduciary Net Position - Beginning	28,267,739	26,885,549
Plan Fiduciary Net Position - Ending (B)	\$ 27,702,187	28,267,739
Net Pension Liability - Ending (A) - (B)	\$ 7,769,673	5,852,158
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.10%	82.85%
Covered Valuation Payroll	\$ 3,705,705	3,368,412
Net Pension Liability as a Percentage of Covered Valuation Payroll	209.67%	173.74%

Notes to Schedule:

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

MACON COUNTY, ILLINOIS

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS - ECO
Last Two Calendar Years**

Calendar Year Ended December 31	2015	2014
Total Pension Liability		
Service Cost	\$ 121,379	146,690
Interest on the Total Pension Liability	532,677	505,802
Benefit Changes	-	-
Differences Between Expected and Actual Experience	(129,129)	(9,236)
Assumption Changes	-	57,061
Benefit Payments and Refunds	(326,081)	(292,494)
Net Change in Total Pension Liability	198,846	407,823
Total Pension Liability - Beginning	7,242,790	6,834,967
Total Pension Liability - Ending (A)	\$ 7,441,636	7,242,790
Plan Fiduciary Net Position		
Employer Contributions	\$ 238,091	326,528
Employee Contributions	40,530	42,157
Pension Plan Net Investment Income	30,113	343,956
Benefit Payments and Refunds	(326,081)	(292,494)
Other	59,243	25,720
Net Change in Plan Fiduciary Net Position	41,896	445,867
Plan Fiduciary Net Position - Beginning	6,046,402	5,600,535
Plan Fiduciary Net Position - Ending (B)	\$ 6,088,298	6,046,402
Net Pension Liability - Ending (A) - (B)	\$ 1,353,338	1,196,388
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.81%	83.48%
Covered Valuation Payroll	\$ 536,726	491,495
Net Pension Liability as a Percentage of Covered Valuation Payroll	252.15%	243.42%

Notes to Schedule:

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

MACON COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Two Calendar Years

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
Regular:					
2014	\$ 2,093,925	2,116,053	(22,128)	18,287,558	11.57%
2015	2,193,202	2,183,752	9,450	19,071,323	11.45%
SLEP:					
2014	877,471	883,773	(6,302)	3,368,412	26.24%
2015	938,285	954,049	(15,764)	3,705,705	25.75%
ECO:					
2014	287,770	326,528	(38,758)	491,495	66.44%
2015	238,092	238,091	1	536,726	44.36%

Notes to Schedule:

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

MACON COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS - POSTEMPLOYMENT BENEFITS

November 30, 2016

Schedule of Funding Progress - Postemployment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/1/14	\$ -	3,350,320	3,350,320	0%	\$ 23,077,111	14.52%
12/1/14	-	3,350,320	3,350,320	0%	22,404,962	14.95%
12/1/13	-	2,273,385	2,273,385	0%	Not Available	Not Available

See Notes to Required Supplementary Information.

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION November 30, 2016

Note 1 - Budgetary Process

The budget and appropriations ordinance is prepared on the budgetary basis of accounting. The appropriations ordinance is the County Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Board.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. These appropriations were made before the end of the prior year and before the year end fund balances were known. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended budget as of November 30, 2016.

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

- 1) An appropriations budget is legally adopted through the budgetary process on an annual fiscal year basis for the General Fund; Special Revenue Funds (except for the Working Cash Fund, Public Education Government Fund, State's Attorney Drug Fund, State's Attorney Forfeited Federal Fund, States Attorney Automation Fund, Sheriff's Drug Fund, and Probation and Court Services Fund); Capital Project Funds and the Internal Service Fund.
- 2) Officeholders prepare their original appropriated budget requests in June and July.
- 3) The officeholders meet with their respective oversight committees and revise the original appropriated budget amounts during July through August.
- 4) The various committees present their revised appropriated budget requests to the Finance Committee at a series of budget hearings held during August through October.
- 5) As approved by the Finance Committee, a display budget is prepared in October for a mandatory 15 day public display.
- 6) The appropriated budget is reviewed and legally adopted by the Macon County Board in a regular or special session held in November preceding the new fiscal year. The fiscal year 2016 budget was passed by resolution on November 12, 2015.
- 7) The appropriated budget is prepared under the modified accrual basis of accounting as required by generally accepted accounting principles (GAAP) except for property tax revenue, which is budgeted on the cash basis, and encumbrances, which are recorded as expenditures for budgetary reporting. The Budget Basis of Accounting footnote shows the nature and amounts of basis and timing differences necessary to reconcile the Non-GAAP actual to GAAP actual at the fund type level.
- 8) Transfers of budgeted amounts between funds or any amendments to the originally approved budget by means of an emergency or supplemental appropriation require approval by two-thirds of the County Board members. Budget amendments are typically made if a new revenue source had been secured or identified. Several budget amendments were approved by the County Board throughout the fiscal year.

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued) November 30, 2016

Note 1 - Budgetary Process, continued

- 9) Expenditures are classified into three broad categories - personnel, supplies and materials, and equipment. Transfers of budgeted line items may be made within an expenditure category of a fund by the elected official or department head without seeking approval of the County Board. Transfers or any budget amendments made during the year are reflected in the budget information included in the financial statements.
- 10) Formal budgetary integration is employed as a management control device during the year through an internal reporting basis for all budgeted funds. It is budgetary control policy that expenditures do not exceed appropriations. The legal level of budgetary control (level at which disbursements may not exceed budgets) is at the "three broad categories" level (personnel, supplies and materials, and equipment); however, budgetary control is also maintained with each department at the line item level. The County uses an encumbrance accounting system.
- 11) All nonencumbered appropriations lapse at year end, requiring reappropriation the following fiscal year.

Note 2 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures, and Changes in Fund Balance (Non-GAAP) - Budget and Actual for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Property tax revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)
November 30, 2016

Note 2 - Budgetary Basis of Accounting, continued

The adjustments necessary to reconcile the GAAP and budgetary basis statements are as follows:

	General Fund	Illinois Municipal Retirement	County Health	County Highway	Federal Aid Matching	Special Bridge	Multi- Facility Lease
Net change in fund balance:							
GAAP basis, November 30, 2016	\$ 211,248	271,633	1,355,975	993,273	1,415,517	(920,190)	584,655
Taxes receivable at November 30, 2015	159,779	152,179	93,881	86,141	25,271	29,581	275,543
Taxes receivable at November 30, 2016	(187,607)	(125,936)	(77,541)	(71,289)	(35,644)	(24,479)	(235,684)
Budget basis	\$ 183,420	297,876	1,372,315	1,008,125	1,405,144	(915,088)	624,514

Note 3 - Excess of Expenditures over Appropriations

Excess of expenditures over appropriations for the year ended November 30, 2016 are as follows:

	Expenditures	Appropriations	Variance
Nonmajor Funds:			
County Clerk Automation Fund	\$ 54	-	(54)

MACON COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

November 30, 2016

Note 4 - Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate *

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	28-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2013, actuarial valuation; note two year lag between valuation and rate setting.

COMBINING AND INDIVIDUAL FUND INFORMATION

GENERAL CORPORATE FUND

The General Corporate Fund is used to account for resources traditionally associated with government which are not required legally, or by sound financial management, to be accounted for in another fund.

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
BALANCE SHEET
November 30, 2016

Assets

Cash	\$ 4,334,511
Investments, at cost	505
Taxes receivable	187,607
Accounts receivable	164,343
Inventory	31,000
Due from governmental agencies:	
State of Illinois	1,570,225
Other governmental agencies	279,889
Prepaid items	23,048
Restricted cash	2,504,360
Due from other funds	1,673,723
	<hr/>
Total assets	10,769,211
	<hr/> <hr/>

Liabilities

Accounts payable	284,871
Accrued salaries	678,853
Cash held for others	25,090
Unearned revenue	685,579
Due to other funds	850,879
	<hr/>
Total liabilities	2,525,272
	<hr/> <hr/>

Deferred Inflows of Resources

Unavailable revenues	2,256,960
	<hr/>

Fund Balances

Nonspendable	54,048
Restricted	382,426
Unrestricted:	
Committed	3,763,417
Unassigned	1,787,088
	<hr/>
Total fund balances	5,986,979
	<hr/> <hr/>

Total liabilities and fund balances	\$ 10,769,211
	<hr/> <hr/>

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year ended November 30, 2016

Revenues:	
Taxes	\$ 9,567,964
Intergovernmental	2,951,166
Fines, fees, forfeitures	3,968,183
Licenses and permits	2,962,251
Interest on investments	11,318
Contributions	414,374
Miscellaneous revenue	2,788,949
	<hr/>
Total revenues	22,664,205
Expenditures:	
Current:	
General control and administration	4,786,306
Public safety	9,619,648
Judiciary and court-related	7,650,120
Public health and welfare	352,939
Capital outlay	960,464
	<hr/>
Total expenditures	23,369,477
Excess (deficiency) of revenues over (under) expenditures	<hr/> (705,272)
Other financing sources (uses):	
Capital lease proceeds	200,050
Transfers in	716,470
	<hr/>
Total other financing sources (uses)	916,520
Net change in fund balance	211,248
Fund balance, beginning of year	<hr/> 5,775,731
Fund balance, end of year	<hr/> <u>\$ 5,986,979</u>

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 3,995,000	3,892,303	(102,697)
Retailers' occupational tax	3,444,404	3,229,776	(214,628)
Illinois State income tax	2,141,141	1,712,476	(428,665)
Illinois personal property replacement tax	847,600	705,581	(142,019)
Total revenues, taxes	<u>10,428,145</u>	<u>9,540,136</u>	<u>(888,009)</u>
Intergovernmental:			
Contracts, municipalities	650,000	644,540	(5,460)
State Board of Elections	95,000	30,053	(64,947)
Salary reimbursements	1,347,036	1,079,078	(267,958)
Sheriff training reimbursement	28,000	24,980	(3,020)
Federal prisoner contract	880,000	705,733	(174,267)
Death certificate reimbursement	4,700	4,865	165
Illinois Department of Human Services, IV-D:			
Circuit Clerk IV-D	28,008	33,152	5,144
State's Attorney Child Support Enforcement	292,435	284,824	(7,611)
Township assessor contracts	3,500	9,342	5,842
State's Attorney Grants:			
Attorney General Victim Witness	27,850	34,813	6,963
708 Board Deferred Prosecution	24,605	14,260	(10,345)
Public Defender Grants:			
Mental Health Board Grant	10,600	8,650	(1,950)
Probation:			
708 Board Drug Court	62,000	62,720	720
Mental Health Board Grant	15,000	14,156	(844)
Total revenues, intergovernmental	<u>3,468,734</u>	<u>2,951,166</u>	<u>(517,568)</u>

(Continued)

MACON COUNTY, ILLINOIS

**GENERAL CORPORATE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
Year ended November 30, 2016**

	Budget	Actual	Variance
Revenues (continued):			
Fines, fees, forfeitures:			
Circuit Clerk	\$ 1,520,940	1,555,974	35,034
State's Attorney	380,100	213,379	(166,721)
County Recorder	410,000	447,956	37,956
County Sheriff	332,000	283,487	(48,513)
County Coroner	29,573	33,866	4,293
County Collector	405,000	465,087	60,087
County Clerk	500,000	447,546	(52,454)
County Board	17,000		(17,000)
Jury Demand fees	23,000	31,413	8,413
Probation Court fees	20,400	21,342	942
Court Appointed Special Advocate Fee	12,000	17,534	5,534
Disposal fees	5,000	4,500	(500)
Mortgage Mediation fees		8,892	8,892
General Host Fee	250,000	437,207	187,207
Total revenues, fines, fees, forfeitures	<u>3,905,013</u>	<u>3,968,183</u>	<u>63,170</u>
Licenses and permits:			
Building, rezoning permits	110,000	87,690	(22,310)
Wind energy permits		2,868,601	2,868,601
Liquor license	5,000	5,960	960
Total revenues, licenses and permits	<u>115,000</u>	<u>2,962,251</u>	<u>2,847,251</u>
Interest on investments	<u>9,218</u>	<u>11,318</u>	<u>2,100</u>
Contributions:			
Sheriff		117,000	117,000
Economic Development Corporation	300,000	297,374	(2,626)
Total revenues, contributions	<u>300,000</u>	<u>414,374</u>	<u>114,374</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2016

	Budget	Actual	Variance
Revenues (continued)			
Miscellaneous revenues:			
Miscellaneous receipts and refunds	\$ 47,242	341,499	294,257
Copy and fax	500	131	(369)
State's Attorney		298	298
Planning and Zoning	2,000	11,901	9,901
Probation		270	270
Sheriff sales and commissions	1,137,000	431,348	(705,652)
Health insurance premiums received	1,725,000	1,668,517	(56,483)
Commissary revenue		125,954	125,954
Gaming revenue	50,000	44,111	(5,889)
Lease revenue	4,970	4,920	(50)
Franchise fees	150,000	160,000	10,000
Total miscellaneous revenues	3,116,712	2,788,949	(327,763)
Total revenues	21,342,822	22,636,377	1,293,555
Expenditures:			
General Control and Administration:			
County Clerk:			
Salaries	244,954	244,954	
Hospitalization	58,824	58,824	
	303,778	303,778	-
Postage	6,793	6,772	21
Telephone	1,554	1,554	
Copy machine	1,225	1,225	
Supplies	14,206	13,535	671
Legal advertising	100	15	85
EDP	20,000	18,267	1,733
Miscellaneous	4,538	4,430	108
	48,416	45,798	2,618
Total County Clerk	352,194	349,576	2,618
County Clerk - Elections:			
Salaries	226,024	225,906	118
Hospitalization	19,608	19,608	
	245,632	245,514	118
Rental polling places	5,920	5,920	
Postage	14,250	14,250	
Legal advertising	29,262	29,262	
Supplies	276,130	276,130	
Miscellaneous drayage	11,773	11,773	
	337,335	337,335	-
Total County Clerk - Elections	582,967	582,849	118

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
County Recorder:			
Salaries	\$ 197,337	197,337	
Hospitalization	29,412	29,412	
	<u>226,749</u>	<u>226,749</u>	-
Travel	1,731	1,731	
Postage	416	416	
Dues	345	345	
Telephone	2,392	2,392	
Copy machine	1,419	1,419	
Supplies	1,652	1,511	141
	<u>7,955</u>	<u>7,814</u>	<u>141</u>
Total County Recorder	<u>234,704</u>	<u>234,563</u>	<u>141</u>
County Treasurer:			
Salaries	263,155	263,155	
Hospitalization	49,020	49,020	
	<u>312,175</u>	<u>312,175</u>	-
Postage	38,140	38,140	
Telephone	2,725	2,725	
Legal advertising	5,347	5,279	68
Dues	600	500	100
Copy machine	416	221	195
EDP	20,701	20,701	
Maintenance of equipment	225	225	
Travel	1,068	1,068	
Training	625	625	
Supplies	1,575	892	683
Printing	5,541	5,541	
	<u>76,963</u>	<u>75,917</u>	<u>1,046</u>
Total County Treasurer	<u>389,138</u>	<u>388,092</u>	<u>1,046</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
Auditor:			
Salaries	\$ 263,176	262,696	480
Hospitalization	49,020	49,020	
	<u>312,196</u>	<u>311,716</u>	<u>480</u>
Postage	2,604	2,604	
Telephone	2,300	2,157	143
Travel	600	593	7
Supplies	4,206	4,206	
Legal advertising	95	95	
EDP	13,846	13,837	9
Training	600	300	300
Dues	850	725	125
Copy machine	900	796	104
Professional services	3,600	3,510	90
	<u>29,601</u>	<u>28,823</u>	<u>778</u>
Total Auditor	<u>341,797</u>	<u>340,539</u>	<u>1,258</u>
Auditor - Human Resources:			
Salaries	41,517	40,752	765
Hospitalization	9,804	9,804	
	<u>51,321</u>	<u>50,556</u>	<u>765</u>
Travel	500	245	255
Supplies	500	145	355
Training	4,000	204	3,796
Dues	300	225	75
Contractual	1,000		1,000
	<u>6,300</u>	<u>819</u>	<u>5,481</u>
Total Auditor - Human Resources	<u>57,621</u>	<u>51,375</u>	<u>6,246</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
County Board:			
Salaries	\$ 216,590	216,590	
Hospitalization	78,432	78,432	
	<u>295,022</u>	<u>295,022</u>	-
Travel	2,100	280	1,820
Postage	1,000	578	422
Library	750		750
Telephone	2,848	2,303	545
Legal advertising	2,000	756	1,244
Copy machine	800	636	164
Contractual services	45,000	19,159	25,841
Dues	4,600	2,125	2,475
Training	3,348	60	3,288
Supplies	2,500	1,895	605
Car expense	4,000	982	3,018
Economic development	4,000	4,000	
Nuisance expense	2,000	142	1,858
Demolition and mitigation expense	15,305	305	15,000
Zoning board of appeals	6,000	2,719	3,281
Safety commission expense	2,000	781	1,219
Codification project	1,695	1,280	415
	<u>99,946</u>	<u>38,001</u>	<u>61,945</u>
Total County Board	<u>394,968</u>	<u>333,023</u>	<u>61,945</u>
Supervisor of Assessments:			
Salaries	203,480	183,396	20,084
Hospitalization	58,824	49,020	9,804
	<u>262,304</u>	<u>232,416</u>	<u>29,888</u>
Travel	1,500	293	1,207
Training	4,000	1,842	2,158
Dues	375	375	
Legal advertising	19,000	14,630	4,370
Copy machine	2,500	1,835	665
Supplies	3,813	2,173	1,640
Car expense, field assessors	2,500	1,380	1,120
Postage	10,000	10,000	
Telephone	1,337	1,337	
	<u>45,025</u>	<u>33,865</u>	<u>11,160</u>
Total Supervisor of Assessments	<u>307,329</u>	<u>266,281</u>	<u>41,048</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
General Control and Administration (continued):			
Board of Review:			
Salaries	\$ 48,000	48,000	
Hospitalization	19,608	19,608	
	<u>67,608</u>	<u>67,608</u>	-
Travel	500		500
Training	1,000	90	910
Supplies	200	102	98
Postage	1,500	837	663
Appraisal research	20,000	5,435	14,565
Legal advertising	500		500
	<u>23,700</u>	<u>6,464</u>	<u>17,236</u>
Total Board of Review	91,308	74,072	17,236
Miscellaneous:			
Telephone	500		500
CPA	105,000	97,175	7,825
Supplies	21,000	11,752	9,248
Network - EDP	63,000	59,994	3,006
Postage	11,949	4,690	7,259
Miscellaneous	7,501	6,748	753
Hospitalization	2,040,000	1,687,338	352,662
Economic Development Corporation Grant	300,100	298,239	1,861
Sick bank expense	4,000		4,000
	<u>2,553,050</u>	<u>2,165,936</u>	<u>387,114</u>
Total Miscellaneous	2,553,050	2,165,936	387,114
Total General Control and Administration	<u>5,305,076</u>	<u>4,786,306</u>	<u>518,770</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Public Safety:			
County Sheriff:			
Salaries	\$ 4,012,628	4,009,437	3,191
	4,012,628	4,009,437	3,191
Travel	719	719	
Investigation	2,481	2,433	48
Law enforcement training	25,575	24,882	693
Postage	3,900	3,855	45
Communications	350,000	350,000	
Evidence technician	7,863	7,314	549
Cars - gas, oil, tires	61,960	61,959	1
Copy machine	15,700	15,144	556
Telephone	30,676	30,676	
Youth Advocate service grant	6,000	6,000	
Legal advertising	300	276	24
Supplies	158,395	6,127	152,268
Supplies - K9	3,380	3,380	
Community Outreach	117,100	117,045	55
Community Center Study Fees	67,000	67,000	
Merit commission	200		200
	851,249	696,810	154,439
Total County Sheriff	4,863,877	4,706,247	157,630
Coroner:			
Salaries	154,725	155,973	(1,248)
Hospitalization	29,412	29,412	
	184,137	185,385	(1,248)
Travel	1,000	997	3
Investigation	3,717	3,717	
Autopsy - medical	49,274	49,297	(23)
Postage	429	429	
Maintenance of equipment	1,024	1,024	
Dues	490	490	
Supplies	3,888	3,905	(17)
Telephone	2,081	2,084	(3)
	61,903	61,943	(40)
Total Coroner	246,040	247,328	(1,288)

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Public Safety (continued):			
Law Facilities Center:			
Salaries and payroll	\$ 4,156,847	4,155,723	1,124
	4,156,847	4,155,723	1,124
Training	29,700	29,679	21
Transport prisoners	2,900	2,854	46
Maintenance of equipment	88	88	
Supplies	325,342	325,160	182
Supplies, law enforcement	5,000	4,877	123
Uniforms and related items	31,202	31,202	
	394,232	393,860	372
Total Law Facilities Center	4,551,079	4,549,583	1,496
Jail - Commissary:			
Commissary supplies		116,490	(116,490)
Total Jail - Commissary	-	116,490	(116,490)
Total Public Safety	9,660,996	9,619,648	41,348
Judiciary and Court-Related:			
Circuit Clerk:			
Salaries	852,744	843,211	9,533
Hospitalization	264,708	264,708	
	1,117,452	1,107,919	9,533
Travel	1,500	620	880
Supplies	74,563	67,232	7,331
Postage	31,252	31,252	
Telephone	9,087	9,087	
Training	3,206	2,852	354
E-Citation Expenses	44,400	43,649	751
EDP	6,300	6,118	182
Dues	470	470	
Jury fees		2,527	(2,527)
Jury meals	1,932	1,196	736
Jury parking	7,200	7,200	
General	5,000	2,048	2,952
Legal advertising	6,300	6,300	
	191,210	180,551	10,659
Total Circuit Clerk	1,308,662	1,288,470	20,192

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Judiciary and Court-Related (continued):			
State's Attorney:			
Salaries	\$ 1,505,776	1,394,529	111,247
Hospitalization	274,512	266,429	8,083
	<u>1,780,288</u>	<u>1,660,958</u>	<u>119,330</u>
Supplies	840	840	
Court costs, transcripts, appeals	9,363	9,363	
Investigations	7,937	7,937	
Appellate services	24,000	24,000	
Postage	6,279	6,279	
Telephone	20,057	20,212	(155)
State's Attorney's library	9,950	9,950	
Copy machine	8,517	8,517	
Contractual	4,464	4,464	
Sex Offender expenditures		171	(171)
	<u>91,407</u>	<u>91,733</u>	<u>(326)</u>
Total State's Attorney	<u>1,871,695</u>	<u>1,752,691</u>	<u>119,004</u>
State's Attorney, Title IV-D, Public Aid:			
Salaries	219,689	192,046	27,643
Hospitalization	73,796	69,049	4,747
	<u>293,485</u>	<u>261,095</u>	<u>32,390</u>
Total State's Attorney, Title IV-D, Public Aid	<u>293,485</u>	<u>261,095</u>	<u>32,390</u>
Probation Officers:			
Salaries	1,884,116	1,710,771	173,345
Hospitalization	315,032	306,871	8,161
	<u>2,199,148</u>	<u>2,017,642</u>	<u>181,506</u>
Travel	1,500	898	602
Postage	4,930	4,452	478
Telephone	14,077	13,686	391
Supplies	3,141	3,141	
Gas and oil	9,859	6,380	3,479
Electronic monitoring	1,956	740	1,216
Offender services	42,153	37,928	4,225
EDP	21,814	21,814	
Institute training	1,070	1,070	
Contractual services	17,000	15,203	1,797
Juvenile detention	356,177	354,955	1,222
	<u>473,677</u>	<u>460,267</u>	<u>13,410</u>
Total Probation Officers	<u>2,672,825</u>	<u>2,477,909</u>	<u>194,916</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Judiciary and Court-Related (continued):			
Public Defender - Specialty Court:			
Salaries	\$ 53,500	53,500	
Hospitalization	8,500	8,500	
	<u>62,000</u>	<u>62,000</u>	-
Contractual services	12,000	11,380	620
Court Appointed Special Advocate	12,000	20,122	(8,122)
	<u>24,000</u>	<u>31,502</u>	<u>(7,502)</u>
Total Public Defender - Specialty Court	<u>86,000</u>	<u>93,502</u>	<u>(7,502)</u>
Public Defender:			
Salaries	860,774	849,788	10,986
Hospitalization	137,256	135,622	1,634
	<u>998,030</u>	<u>985,410</u>	<u>12,620</u>
Telephone	3,000	2,726	274
Postage	1,000	934	66
EDP	3,500	2,638	862
Contractual services	41,700	41,341	359
Publications	2,000	1,917	83
Supplies	1,000	707	293
Investigations	5,500	2,141	3,359
Witness expense	8,824	8,824	
Mental exams, court costs	12,500	8,650	3,850
Transcripts	3,000	1,760	1,240
	<u>82,024</u>	<u>71,638</u>	<u>10,386</u>
Total Public Defender	<u>1,080,054</u>	<u>1,057,048</u>	<u>23,006</u>
Circuit Court:			
Salaries, Circuit Court	380,992	377,009	3,983
Hospitalization	117,648	107,844	9,804
	<u>498,640</u>	<u>484,853</u>	<u>13,787</u>
Mortgage Mediation	484	1,084	(600)
Transcripts	6,000	5,383	617
Jury fees	180,000	149,694	30,306
Postage	1,000	824	176
Interpreters	4,516	3,382	1,134
Pro rata share of Circuit and Associate Judges' salaries	4,300	3,613	687

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Judiciary and Court-Related (continued):			
Circuit Court (continued):			
Attorney fees - Court of Appeals	\$ 30,698	30,698	
Telephone	9,443	8,399	1,044
Maintenance of equipment	750	713	37
Supplies	4,000	3,138	862
Supplies, automation	351	131	220
Court and judge law library	25,509	25,509	
Training	1,000	64	936
Legal advertising	2,000	920	1,080
Circuit Court Chief Justice	1,500	1,000	500
	<u>271,551</u>	<u>234,552</u>	<u>36,999</u>
Total Circuit Court	<u>770,191</u>	<u>719,405</u>	<u>50,786</u>
Total Judiciary and Court-Related	<u>8,082,912</u>	<u>7,650,120</u>	<u>432,792</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)

Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Public Health and Welfare:			
Superintendent, Regional Office of Education:			
Salaries	\$ 89,418	89,418	
Hospitalization	17,284	17,284	
	<u>106,702</u>	<u>106,702</u>	<u>-</u>
Superintendent travel	2,768	2,768	
Utilities	3,560	3,560	
Postage	791	791	
Telephone	1,582	1,582	
Building maintenance, lease	27,652	27,685	(33)
Copy machine	790	790	
Unemployment insurance	2,148	2,148	
	<u>39,291</u>	<u>39,324</u>	<u>(33)</u>
Total Superintendent, Regional Office of Education	<u>145,993</u>	<u>146,026</u>	<u>(33)</u>
Environmental Management:			
Salaries	126,045	109,482	16,563
Hospitalization	19,608	19,608	
	<u>145,653</u>	<u>129,090</u>	<u>16,563</u>
Grants, Municipal	16,750	15,835	915
Recycling programs	33,250	24,399	8,851
Environmental Management sundry	21,800	21,461	339
Supplies	2,600	2,475	125
Maintenance equipment	4,311	641	3,670
Travel	7,250	4,631	2,619
Education expense	4,750	(428)	5,178
Telephone	2,200	1,947	253
Training	2,500	1,126	1,374
Postage and printing	3,100	1,578	1,522
Promotional materials	4,700	4,158	542
	<u>103,211</u>	<u>77,823</u>	<u>25,388</u>
Total Environmental Management	<u>248,864</u>	<u>206,913</u>	<u>41,951</u>
Total Public Health and Welfare	<u>394,857</u>	<u>352,939</u>	<u>41,918</u>

(Continued)

MACON COUNTY, ILLINOIS

GENERAL CORPORATE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures (continued):			
Capital Outlay:			
County Administration	12,249	11,717	532
Circuit Clerk	5,794	5,794	
Coroner	880	880	
State's Attorney	1,762	1,762	
Supervisor of Assessments	1,000	188	812
Board of Review	150		150
Public Defender	6,584	6,008	576
Probation	2,000	1,928	72
Circuit Courts	1,000		1,000
Environmental Management	30,000	22,114	7,886
Sheriff Vehicles	44,004	44,004	
Sheriff Equipment	18,000	150,142	(132,142)
Sheriff Jail Equipment	39	39	
Sheriff Jail Technology Equipment	104,628	104,628	
Vehicles	180,000		180,000
Wind Energy Permit Equipment (County Clerk)	531,000	533,238	(2,238)
Wind Energy Permit Software (Auditor)	89,000	78,022	10,978
Auditor	800		800
Total Capital Outlay	<u>1,028,890</u>	<u>960,464</u>	<u>68,426</u>
Total expenditures	<u>24,472,731</u>	<u>23,369,477</u>	<u>1,103,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,129,909)</u>	<u>(733,100)</u>	<u>2,396,809</u>
Other financing sources (uses):			
Capital lease proceeds		200,050	200,050
Transfers in:			
Fund administration fees	177,798	177,798	
Transfer from other funds	5,642	5,642	
Transfer from County Clerk Automation	42,000	42,000	
Probation and court services reimbursement	708,000	491,030	(216,970)
	<u>933,440</u>	<u>916,520</u>	<u>(16,920)</u>
Transfers out:			
Transfer to Animal Control	<u>(95,000)</u>		<u>95,000</u>
Total other financing sources (uses)	<u>838,440</u>	<u>916,520</u>	<u>78,080</u>
Net changes in fund balance	<u>\$ (2,291,469)</u>	<u>183,420</u>	<u>2,474,889</u>
Budgetary fund balance, beginning of year		<u>5,615,952</u>	
Budgetary fund balance, end of year		<u>\$ 5,799,372</u>	

COMBINING STATEMENTS

Nonmajor Governmental Funds

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS
November 30, 2016

	Special Revenue Funds				
	Law Enforcement Safety Tax Fund	Social Security Fund	Insurance Liability Fund	Judgment Repayment Fund	PEG Fund
Assets					
Cash	\$ 466,407	898,999	526,710	1,536,050	41,854
Investments, at cost					
Taxes receivable, net of allowance for uncollectibles		56,363	38,968	22,580	
Accounts receivable					60
Due from governmental agencies:					
State of Illinois	396,511				
Other governmental agencies			17,275		
Restricted cash					
Due from other funds	140,320	139,395		124,571	
Total assets	1,003,238	1,094,757	582,953	1,683,201	41,914
Liabilities					
Accounts payable	25,357	605	1,155	9,188	
Accrued salaries	129,707		776	7,605	
Cash held for others					
Unearned revenue					
Due to other funds	347,184	122,783	30,698	100,000	
Total liabilities	502,248	123,388	32,629	116,793	-
Deferred Inflows of Resources					
Unavailable revenues					
Fund Balances					
Restricted	990	971,369	550,324	1,466,408	41,914
Unrestricted:					
Committed	500,000			100,000	
Assigned					
Unassigned					
Total fund balances	500,990	971,369	550,324	1,566,408	41,914
Total liabilities, deferred inflows of resources and fund balances	\$ 1,003,238	1,094,757	582,953	1,683,201	41,914

(Continued)

Special Revenue Funds

Working Cash Fund	Regional Planning Commission Fund	State-Township Bridge Fund	Circuit Clerk Automation Fund	Circuit Clerk Document Storage Fund	State's Attorney Drug Fund	State's Attorney Forfeited Federal Funds	State's Attorney Automation Fund
314,386	41,769	119,247	149,938	85,843	190,304	50,225	3,238
					626		
314,386	41,769	119,247	149,938	85,843	190,930	50,225	3,238
	38,062	3,950	887 5,041	11,153	2,352		
		60,623 17,165		5,719	1,175		3,198
-	38,062	81,738	5,928	16,872	3,527	-	3,198
<hr/>							
	3,707	37,509	144,010	68,971	187,403	50,225	40
<hr/>							
314,386							
<hr/>							
314,386	3,707	37,509	144,010	68,971	187,403	50,225	40
<hr/>							
314,386	41,769	119,247	149,938	85,843	190,930	50,225	3,238

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS (Continued)
November 30, 2016

	Special Revenue Funds				
	County Clerk Automation Fund	Treasurer Automation Fund	GIS Automation Fund	Sheriff's Drug Fund	Animal Control Fund
Assets					
Cash	\$ 40,952	41,966	225,480	304,457	369,301
Investments, at cost					
Taxes receivable, net of allowance for uncollectibles					
Accounts receivable					3,030
Due from governmental agencies:					
State of Illinois					
Other governmental agencies					98,487
Restricted cash				81,067	25,048
Due from other funds					4,968
Total assets	40,952	41,966	225,480	385,524	500,834
Liabilities					
Accounts payable		5,233	7,650		7,761
Accrued salaries		460	2,963		30,931
Cash held for others				81,067	
Unearned revenue					
Due to other funds	42,000	3,757			777
Total liabilities	42,000	9,450	10,613	81,067	39,469
Deferred Inflows of Resources					
Unavailable revenues					117,206
Fund Balances					
Restricted		32,516	214,867	304,457	344,159
Unrestricted:					
Committed					
Assigned					
Unassigned	(1,048)				
Total fund balances	(1,048)	32,516	214,867	304,457	344,159
Total liabilities, deferred inflows of resources and fund balances	\$ 40,952	41,966	225,480	385,524	500,834

(Continued)

Special Revenue Funds

Historical Museum Fund	Law Library Fund	Probation and Court Services Fund	Automation Fund	Environmental Management Fund	Veterans Assistance Commission Fund	Sheriff's Grant Fund	State's Attorney Grant Fund
11,957	203,973	1,197,680	185,355	338,076	155,877 1	779,231	48,362
1,499					11,385		
				11,514		31,582	135,982
			3,192	161		1,246	19,692
13,456	203,973	1,197,680	188,547	349,751	167,263	812,059	204,036
1,406	2,747 1,044		415 2,566	1,267	1,996 3,131	8,043 11,444	7,960 9,970
13,028		491,030	12,477	94	512	8	118,324 450
14,434	3,791	491,030	15,458	1,361	5,639	19,495	136,704
	200,182	706,650	173,089	348,390	161,624	792,564	67,332
(978)							
(978)	200,182	706,650	173,089	348,390	161,624	792,564	67,332
13,456	203,973	1,197,680	188,547	349,751	167,263	812,059	204,036

MACON COUNTY, ILLINOIS

COMBINING BALANCE SHEET FOR NONMAJOR GOVERNMENTAL FUNDS (Continued)
November 30, 2016

	Special Revenue Funds		Special Revenue Funds	Capital Projects Funds	Total
	Probation Grant Fund	Workforce Investment Solutions Fund	Total	Health Capital Improvements Fund	Nonmajor Governmental Funds
Assets					
Cash	\$ 80,310	46,016	8,453,963		8,453,963
Investments, at cost			1		1
Taxes receivable, net of allowance for uncollectibles			130,795		130,795
Accounts receivable			3,090		3,090
Due from governmental agencies:					
State of Illinois	12,916	158,903	747,408		747,408
Other governmental agencies			115,762		115,762
Restricted cash			106,115		106,115
Due from other funds		55,766	489,937		489,937
Total assets	93,226	260,685	10,047,071	-	10,047,071
Liabilities					
Accounts payable		51,161	174,522		174,522
Accrued salaries	1,033	22,905	243,402		243,402
Cash held for others			81,067		81,067
Unearned revenue		122,699	301,646		301,646
Due to other funds	60,990	69,011	1,322,056		1,322,056
Total liabilities	62,023	265,776	2,122,693	-	2,122,693
Deferred Inflows of Resources					
Unavailable revenues			117,206		117,206
Fund Balances					
Restricted	31,203		6,899,903		6,899,903
Unrestricted:					
Committed			600,000		600,000
Assigned			314,386		314,386
Unassigned		(5,091)	(7,117)		(7,117)
Total fund balances	31,203	(5,091)	7,807,172	-	7,807,172
Total liabilities, deferred inflows of resources and fund balances	\$ 93,226	260,685	10,047,071	-	10,047,071

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2016**

	Special Revenue Funds				
	Law Enforcement Safety Tax Fund	Social Security Fund	Insurance Liability Fund	Judgment Repayment Fund	PEG Fund
Revenues:					
Taxes	\$ 2,399,554	1,177,753	814,282	471,822	
Intergovernmental	96,993				
Fines, fees, forfeitures	151,741				12,282
Interest on investments	498	772	570	1,712	43
Contributions	20				
Miscellaneous			19,286	35,533	
Total revenues	<u>2,648,806</u>	<u>1,178,525</u>	<u>834,138</u>	<u>509,067</u>	<u>12,325</u>
Expenditures:					
Current:					
General control and administration		1,136,884	724,452	459,767	
Public safety	2,669,341				
Judiciary and court-related					
Public health and welfare					
Transportation					
Capital outlay	23,659			26,458	
Total expenditures	<u>2,693,000</u>	<u>1,136,884</u>	<u>724,452</u>	<u>486,225</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,194)</u>	<u>41,641</u>	<u>109,686</u>	<u>22,842</u>	<u>12,325</u>
Other financing sources (uses):					
Transfers in			70,674		
Transfers out			(476,200)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(405,526)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(44,194)	41,641	(295,840)	22,842	12,325
Fund balances (deficit), beginning of year	545,184	929,728	846,164	1,543,566	29,589
Fund balances (deficit), end of year	<u>\$ 500,990</u>	<u>971,369</u>	<u>550,324</u>	<u>1,566,408</u>	<u>41,914</u>

(Continued)

Special Revenue Funds

Working Cash Fund	Regional Planning Commission Fund	State-Township Bridge Fund	Circuit Clerk Automation Fund	Circuit Clerk Document Storage Fund	State's Attorney Drug Fund	State's Attorney Forfeited Federal Funds	State's Attorney Automation Fund
		49,216					
315	51	114	295,001 175	289,876 101	76,177 209	65	4,081 5
					660		
315	51	49,330	295,176	289,977	77,046	65	4,086
120							
			253,579	265,528	34,836		7,331
		68,340					
			7,585	5,986	16,202		
120	-	68,340	261,164	271,514	51,038	-	7,331
195	51	(19,010)	34,012	18,463	26,008	65	(3,245)
-	-	-	-	-	-	-	-
195	51	(19,010)	34,012	18,463	26,008	65	(3,245)
314,191	3,656	56,519	109,998	50,508	161,395	50,160	3,285
314,386	3,707	37,509	144,010	68,971	187,403	50,225	40

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year ended November 30, 2016

	Special Revenue Funds				
	County Clerk Automation Fund	Treasurer Automation Fund	GIS Automation Fund	Sheriff's Drug Fund	Animal Control Fund
Revenues:					
Taxes	\$				
Intergovernmental				283,725	573,208
Fines, fees, forfeitures	50,619	37,358	223,562	24,058	545,383
Interest on investments	23	42	247		660
Contributions					35,545
Miscellaneous			923	126	47
Total revenues	50,642	37,400	224,732	307,909	1,154,843
Expenditures:					
Current:					
General control and administration	54	9,080	195,226		
Public safety				544,251	1,125,251
Judiciary and court-related					
Public health and welfare					
Transportation					
Capital outlay		13,651	411		15,267
Total expenditures	54	22,731	195,637	544,251	1,140,518
Excess (deficiency) of revenues over (under) expenditures	50,588	14,669	29,095	(236,342)	14,325
Other financing sources (uses):					
Transfers in					
Transfers out	(42,000)				(19,600)
Total other financing sources (uses)	(42,000)	-	-	-	(19,600)
Net change in fund balances	8,588	14,669	29,095	(236,342)	(5,275)
Fund balances (deficit), beginning of year	(9,636)	17,847	185,772	540,799	349,434
Fund balances (deficit), end of year	\$ (1,048)	32,516	214,867	304,457	344,159

(Continued)

Special Revenue Funds

Historical Museum Fund	Law Library Fund	Probation and Court Services Fund	Automation Fund	Environmental Management Fund	Veterans Assistance Commission Fund	Sheriff's Grant Fund	State's Attorney Grant Fund	Probation Grant Fund
31,354					237,873			
25,000				46,261		97,369	696,764	312,351
	104,749	361,990	236,076				52,643	
12	190	1,062	209	440	108	1,106	100	27
					17,841	890,081	184,016	
				500		3,500		
56,366	104,939	363,052	236,285	47,201	255,822	992,056	933,523	312,378
62,499			181,123					
	73,507	126		60,490	169,602	428,392	702,239	257,796
	7,500			16		326,309	2,649	
62,499	81,007	126	181,123	60,506	169,602	754,701	704,888	257,796
(6,133)	23,932	362,926	55,162	(13,305)	86,220	237,355	228,635	54,582
(800)		(491,030)					(776)	
(800)	-	(491,030)	-	-	-	-	(776)	-
(6,933)	23,932	(128,104)	55,162	(13,305)	86,220	237,355	227,859	54,582
5,955	176,250	834,754	117,927	361,695	75,404	555,209	(160,527)	(23,379)
(978)	200,182	706,650	173,089	348,390	161,624	792,564	67,332	31,203

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 Year ended November 30, 2016

	Special Revenue Funds		Capital Projects Funds	Total Nonmajor Governmental Funds
	Workforce Investment Solutions Fund	Total	Health Capital Improvements Fund	
Revenues:				
Taxes	\$	5,132,638		5,132,638
Intergovernmental	2,704,558	4,885,445		4,885,445
Fines, fees, forfeitures		2,465,596		2,465,596
Interest on investments	32	8,888		8,888
Contributions		1,127,503		1,127,503
Miscellaneous		60,575		60,575
Total revenues	2,704,590	13,680,645	-	13,680,645
Expenditures:				
Current:				
General control and administration		2,769,205		2,769,205
Public safety		4,338,843		4,338,843
Judiciary and court-related		634,907		634,907
Public health and welfare	2,684,638	4,303,157		4,303,157
Transportation		68,340		68,340
Capital outlay	5,763	451,456		451,456
Total expenditures	2,690,401	12,565,908	-	12,565,908
Excess (deficiency) of revenues over (under) expenditures	14,189	1,114,737	-	1,114,737
Other financing sources (uses):				
Transfers in		70,674		70,674
Transfers out		(1,030,406)	(61,168)	(1,091,574)
Total other financing sources (uses)	-	(959,732)	(61,168)	(1,020,900)
Net change in fund balances	14,189	155,005	(61,168)	93,837
Fund balances (deficit), beginning of year	(19,280)	7,652,167	61,168	7,713,335
Fund balances (deficit), end of year	\$ (5,091)	7,807,172	-	7,807,172

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenue from specific taxes or other earmarked revenue sources, which by statute, charter provision, or local ordinance, are designated to finance particular functions or activities of the government.

The Law Enforcement Safety Tax Fund (LEST) accounts for sales tax revenue restricted to expenditures for public safety issues.

The Social Security Fund accounts for revenue, including property tax levies and contributions from employees, and expenditures to the federal government for payroll taxes.

The Insurance Liability Fund accounts for a county-wide property tax levy used to pay the cost of providing liability insurance coverage for the entire entity.

The Judgment Repayment Fund accounts for a county-wide property tax levy for judgments against the County, arbitrators for union negotiations and special prosecutors.

The Public Education and Government (PEG) Access Fund (non-budgeted) accounts for fees collected to support capital costs of broadcasting for public education.

The Working Cash Fund (non-budgeted) provides for short-term loans to other funds.

The Regional Planning Commission Fund (non-budgeted) accounts for proceeds of grant revenue and expenditures for planning purposes.

The State-Township Bridge Fund accounts for revenue from the State of Illinois and expenditures to townships for bridge repairs and construction.

The Circuit Clerk Automation Fund accounts for fees collected by the Circuit Clerk and expenditures designated for the computerization of the Circuit Clerk's office.

The Circuit Clerk Document Storage Fund accounts for fees collected for the Circuit Clerk's storage of various documents and expenditures for electronic document storage.

The State's Attorney Drug Fund (non-budgeted) accounts for revenue, including court ordered forfeitures and expenditures for professional services.

The State's Attorney Forfeited Funds Fund (non-budgeted) accounts for revenue obtained in federal cases whereby some of the monies are distributed to the State's Attorney.

The State's Attorney Automation Fund (non-budgeted) accounts for fees collected by the State's Attorney and expenditures made by the State's Attorney for hardware, software, research and development costs and personnel.

The County Clerk Automation Fund accounts for fees collected by the County Clerk for the filing of various documents and expenditures designated for the computerization of the document storage system of this department.

MACON COUNTY, ILLINOIS

SPECIAL REVENUE FUNDS (Continued)

The Treasurer Automation Fund accounts for fees collected by the Treasurer for the filing of various documents and expenditures designated for the computerization of this department.

The Geographic Information Systems (GIS) Automation Fund accounts for fees collected by the recorder's office and expenditures for computerization of the County offices.

The Sheriff's Drug Fund (non-budgeted) accounts for revenues, including fees collected through the Circuit Clerk and court ordered forfeitures and expenditures for drug enforcement.

The Animal Control Fund accounts for revenue, including fees collected by the Animal Shelter and a contract with the City of Decatur, and expenditures relating to Animal Control for the County.

The Historical Museum Fund accounts for revenue, including reimbursements received from the Macon County Historical Society and property tax levies, and expenditures relating to the operation of the Macon County Historical Museum.

The Law Library Fund accounts for revenue, including fees through the Circuit Clerk, and expenditures relating to purchases of law reference material.

The Probation and Court Services Fund (non-budgeted) accounts for fees collected through the Circuit Clerk in order to supplement County appropriations for probation and court services.

The Automation Fund accounts for fees collected by the Recorder for the filing of various documents and expenditures designated for the computerization of the document storage system of this department.

The Environmental Management Fund accounts for revenue and expenditures relating to solid waste education, plans and study.

The Veterans Assistance Commission Fund accounts for revenue, including property tax levies, and expenditures relating to services for veterans.

The Sheriff's Grant Fund accounts for revenue, including federal and state grants, and expenditures fulfilling the grants purposes.

The State's Attorney Grant Fund accounts for revenue, including federal and state grants restricted to expenditures fulfilling the grant purposes for grants under the direction of the Macon County State's Attorney.

The Probation Grant Fund accounts for revenue, including federal and state grants restricted to expenditures fulfilling the grants purposes for grants under the direction of the Macon County Probation Department.

Workforce Investment Solutions Fund accounts for federal and state grant revenues and expenditures to support employment opportunities for grant participants.

MACON COUNTY, ILLINOIS

**LAW ENFORCEMENT SAFETY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2016**

	Budget	Actual	Variance
Revenues:			
Illinois Safety tax	\$ 2,423,016	2,399,554	(23,462)
Interest on investments	1,201	498	(703)
Fines, fees, forfeitures:			
Court security fees	141,000	151,741	10,741
Intergovernmental:			
Building Commission share of security	19,994	19,412	(582)
City Emergency Management fee	10,000	10,000	
Nuclear Safety Block Grant	8,000	9,125	1,125
FEMA Grants	46,500	58,456	11,956
Donations		20	20
Miscellaneous	1,000		(1,000)
Total revenues	2,650,711	2,648,806	(1,905)
Expenditures:			
Public Safety:			
County Sheriff:			
Salaries	379,930	55,150	324,780
Group hospitalization	1,441,188	1,401,972	39,216
Dietary	391,573	391,573	
Radio fees and maintenance	40,427	35,760	4,667
Supplies	22,500	11,096	11,404
Auto expense	100,000	58,719	41,281
Uniforms	17,500	6,105	11,395
Total County Sheriff	2,393,118	1,960,375	432,743
Court Security:			
Salaries	496,793	473,701	23,092
Special studies	5,000		5,000
Supplies	6,000	203	5,797
Travel	500		500
Uniforms	2,500	202	2,298
Total Court Security	510,793	474,106	36,687

(Continued)

MACON COUNTY, ILLINOIS

LAW ENFORCEMENT SAFETY TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures, continued:			
Public Safety, continued:			
Emergency Management Agency:			
Salaries	160,805	146,296	14,509
Fringes, retirement, FICA	45,050	38,229	6,821
Group hospitalization	19,608	19,608	
Maintenance of equipment	6,675	4,690	1,985
Radios	7,450	6,334	1,116
Telephone	6,500	4,520	1,980
Travel	1,052	1,052	
Postage and printing	2,800	2,353	447
Training	1,085	1,086	(1)
Dues	200	90	110
Nuclear Safety Block Grant	7,263	6,942	321
Supplies	2,000	521	1,479
Car - gas and oil	5,000	1,697	3,303
Miscellaneous	2,500	1,442	1,058
Total Emergency Management Agency	<u>267,988</u>	<u>234,860</u>	<u>33,128</u>
Total Public Safety expenditures	<u>3,171,899</u>	<u>2,669,341</u>	<u>502,558</u>
Capital Outlay:			
County Sheriff	<u>45,000</u>	<u>23,659</u>	<u>21,341</u>
Total Capital Outlay	<u>45,000</u>	<u>23,659</u>	<u>21,341</u>
Total expenditures	<u>3,216,899</u>	<u>2,693,000</u>	<u>523,899</u>
Net change in fund balance	<u>\$ (566,188)</u>	<u>(44,194)</u>	<u>521,994</u>
Budgetary fund balance, beginning of year		<u>545,184</u>	
Budgetary fund balance, end of year		<u>\$ 500,990</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

SOCIAL SECURITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,186,000	1,189,496	3,496
Interest on investments	100	772	672
Total revenues	<u>1,186,100</u>	<u>1,190,268</u>	<u>4,168</u>
Expenditures:			
General Control and Administration:			
Personnel - payroll taxes	1,166,116	1,136,884	29,232
Service charge	100		100
Total expenditures	<u>1,166,216</u>	<u>1,136,884</u>	<u>29,332</u>
Net change in fund balance	<u>\$ 19,884</u>	53,384	<u>33,500</u>
Budgetary fund balance, beginning of year		<u>861,622</u>	
Budgetary fund balance, end of year		<u>\$ 915,006</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

INSURANCE LIABILITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 820,000	823,548	3,548
Interest on investments	500	570	70
Miscellaneous	15,500	19,286	3,786
Total revenues	836,000	843,404	7,404
Expenditures:			
General Control and Administration:			
Salaries	32,975	32,861	114
Fringes, retirement, FICA	3,573	3,381	192
Group hospitalization	9,804	9,804	
Unemployment	2,652	2,652	
Supplies and materials - insurance expense	700,300	675,754	24,546
Total expenditures	749,304	724,452	24,852
Excess of revenues over expenditures	86,696	118,952	32,256
Other financing sources (uses):			
Transfers in - Highway Fund	70,674	70,674	
Transfers out - Self Insurance Fund	(476,200)	(476,200)	
Total other financing sources (uses)	(405,526)	(405,526)	-
Net change in fund balance	\$ (318,830)	(286,574)	32,256
Budgetary fund balance, beginning of year		797,930	
Budgetary fund balance, end of year		\$ 511,356	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

JUDGMENT REPAYMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 475,000	476,518	1,518
Interest on investments	1,740	1,712	(28)
Miscellaneous	43,000	35,533	(7,467)
Total revenues	519,740	513,763	(5,977)
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	259,087	247,660	11,427
Fringes, retirement, FICA	48,838	47,107	1,731
Hospitalization	49,020	49,020	
Supplies and materials:			
Contractual	125,000	55,843	69,157
Special prosecutor	7,500		7,500
Payments of judgments	400,000	60,137	339,863
Total General Control and Administration	889,445	459,767	429,678
Capital Outlay	45,000	26,458	18,542
Total expenditures	934,445	486,225	448,220
Net change in fund balance	<u>\$ (414,705)</u>	27,538	<u>442,243</u>
Budgetary fund balance, beginning of year		<u>1,516,290</u>	
Budgetary fund balance, end of year		<u>\$ 1,543,828</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**STATE-TOWNSHIP BRIDGE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016**

	Budget	Actual	Variance
Revenues:			
State of Illinois	\$ 185,000	49,216	(135,784)
Interest on investments	200	114	(86)
Miscellaneous	15,000		(15,000)
			<hr/>
Total revenues	200,200	49,330	(150,870)
Expenditures:			
Transportation:			
Supplies and materials - Township bridges	300,000	68,340	231,660
			<hr/>
Net change in fund balance	<u>\$ (99,800)</u>	(19,010)	<u>80,790</u>
Budgetary fund balance, beginning of year		<u>56,519</u>	
Budgetary fund balance, end of year		<u>\$ 37,509</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

CIRCUIT CLERK AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Circuit Clerk automation fees	\$ 295,000	295,001	1
Interest on investments		175	175
Total revenues	295,000	295,176	176
Expenditures:			
Judiciary and Court-Related:			
Personnel:			
Court technology administrator	153,714	154,463	(749)
Fringes, retirement, FICA	28,976	26,581	2,395
Group Hospitalization	19,608	19,608	
Supplies and materials:			
Circuit Clerk - EDP	125,000	40,066	84,934
Circuit Courts - EDP	24,000	12,861	11,139
Total Judiciary and Court-Related	351,298	253,579	97,719
Capital Outlay		7,585	(7,585)
Total expenditures	351,298	261,164	90,134
Net change in fund balance	<u>\$ (56,298)</u>	34,012	<u>90,310</u>
Budgetary fund balance, beginning of year		<u>109,998</u>	
Budgetary fund balance, end of year		<u>\$ 144,010</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

CIRCUIT CLERK DOCUMENT STORAGE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Document storage fees	\$ 295,000	289,876	(5,124)
Interest on investments		101	101
Total revenues	<u>295,000</u>	<u>289,977</u>	<u>(5,023)</u>
Expenditures:			
Judiciary and Court-Related:			
Personnel:			
Salaries	185,092	148,405	36,687
Fringes, retirement, FICA	34,628	26,298	8,330
Hospitalization	49,020	49,020	
Supplies and materials:			
Circuit Clerk - EDP	<u>95,000</u>	<u>41,805</u>	<u>53,195</u>
Total Judiciary and Court-Related	363,740	265,528	98,212
Capital Outlay		<u>5,986</u>	<u>(5,986)</u>
Total expenditures	<u>363,740</u>	<u>271,514</u>	<u>92,226</u>
Net change in fund balance	<u>\$ (68,740)</u>	18,463	<u>87,203</u>
Budgetary fund balance, beginning of year		<u>50,508</u>	
Budgetary fund balance, end of year		<u>\$ 68,971</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

COUNTY CLERK AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
County Clerk automation fees	\$ 42,000	50,619	8,619
Interest on investments		23	23
Total revenues	<u>42,000</u>	<u>50,642</u>	<u>8,642</u>
Expenditures:			
Judiciary and Court-Related:			
Miscellaneous		54	(54)
Excess of revenues over expenditures	42,000	50,588	8,588
Other financing sources (uses):			
Transfers out - General Fund administration	<u>(42,000)</u>	<u>(42,000)</u>	
Net change in fund balance	<u>\$ -</u>	<u>8,588</u>	<u>8,588</u>
Budgetary fund balance (deficit), beginning of year		<u>(9,636)</u>	
Budgetary fund balance (deficit), end of year		<u>\$ (1,048)</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

TREASURER AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Treasurer automation fees	\$ 36,000	37,358	1,358
Interest on investments	30	42	12
Total revenues	<u>36,030</u>	<u>37,400</u>	<u>1,370</u>
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	3,000	1,867	1,133
Personnel - payroll taxes	230	11	219
Supplies and materials:			
Treasurer - EDP	1,025		1,025
Tax sale license	6,000	5,069	931
Automation expense	7,000	2,133	4,867
Guardian ad litem	600		600
Postage	795		795
Total General Control and Administration	<u>18,650</u>	<u>9,080</u>	<u>9,570</u>
Capital Outlay	<u>17,380</u>	<u>13,651</u>	<u>3,729</u>
Total expenditures	<u>36,030</u>	<u>22,731</u>	<u>13,299</u>
Net change in fund balance	<u>\$ -</u>	<u>14,669</u>	<u>14,669</u>
Budgetary fund balance, beginning of year		<u>17,847</u>	
Budgetary fund balance, end of year		<u>\$ 32,516</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

GIS AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
GIS automation fees	\$ 172,000	223,562	51,562
Interest on investments	300	247	(53)
Miscellaneous income	500	923	423
Total revenues	<u>172,800</u>	<u>224,732</u>	<u>51,932</u>
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	106,000	96,707	9,293
Group hospitalization	29,412	26,961	2,451
Fringes, retirement, FICA	21,500	17,435	4,065
Supplies and materials:			
Consulting fees	5,000	2,559	2,441
Training	1,500	222	1,278
EDP	53,000	50,890	2,110
Supplies	1,060	452	608
Total General Control and Administration	<u>217,472</u>	<u>195,226</u>	<u>22,246</u>
Capital Outlay	<u>1,000</u>	<u>411</u>	<u>589</u>
Total expenditures	<u>218,472</u>	<u>195,637</u>	<u>22,835</u>
Net change in fund balance	<u>\$ (45,672)</u>	<u>29,095</u>	<u>74,767</u>
Budgetary fund balance, beginning of year		<u>185,772</u>	
Budgetary fund balance, end of year		<u>\$ 214,867</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

ANIMAL CONTROL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
City-County contract	\$ 570,133	572,270	2,137
Municipality contract	1,000	938	(62)
Fines, fees and forfeitures:			
Pet registration tags	440,000	423,036	(16,964)
Impound fees, destruction	35,000	41,127	6,127
Euthanasia	5,000	5,248	248
Animal adoptions	60,000	69,803	9,803
Warden		130	130
Avid chip fee	100		(100)
Citations	5,000	1,945	(3,055)
Rabies vaccination and observation	200	76	(124)
Owner release	6,000	3,263	(2,737)
Disposal fee	2,000	755	(1,245)
Interest on investments	205	660	455
Contributions	57,200	35,592	(21,608)
Total revenues	1,181,838	1,154,843	(26,995)
Expenditures:			
Public Safety:			
Personnel:			
Salaries	706,733	680,075	26,658
Fringes, retirement, FICA	139,664	129,998	9,666
Group hospitalization and fringes	163,400	163,400	
Supplies and materials:			
Vehicle maintenance, gas, and insurance	25,455	25,455	
Contractual services - building	2,000	1,166	834
Dues	200	200	
Supplies	67,332	65,984	1,348
Telephone	3,500	3,036	464

(Continued)

MACON COUNTY, ILLINOIS

ANIMAL CONTROL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures, continued:			
Public Safety, continued:			
Supplies and materials, continued:			
Radio fees	4,000	3,780	220
Postage	500	400	100
Printing	250	158	92
Maintenance of equipment	300	271	29
Computer/software	12,200	12,110	90
Training	2,000	573	1,427
Professional services	18,168	18,168	
Drug testing	450	368	82
Spay/neuter	3,600	3,513	87
Avid chip	7,000	5,445	1,555
Rabies vaccination	100		100
Uniforms	5,000	4,969	31
Miscellaneous	6,355	6,182	173
Total Public Safety	1,168,207	1,125,251	42,956
Capital Outlay	25,000	15,267	9,733
Total expenditures	1,193,207	1,140,518	52,689
Excess (deficiency) of revenues over (under) expenditures	(11,369)	14,325	25,694
Other financing sources (uses):			
Transfer in - General Fund	95,000		(95,000)
Transfers out - General Fund administration	(19,600)	(19,600)	
Total other financing sources (uses)	75,400	(19,600)	(95,000)
Net change in fund balance	\$ 64,031	(5,275)	(69,306)
Budgetary fund balance, beginning of year		349,434	
Budgetary fund balance, end of year		\$ 344,159	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

HISTORICAL MUSEUM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 33,000	31,656	(1,344)
Interest on investments		12	12
Payroll refund, Historical Society	35,820	25,000	(10,820)
Total revenues	<u>68,820</u>	<u>56,668</u>	<u>(12,152)</u>
Expenditures:			
General Control and Administration:			
Personnel:			
Salaries	44,727	44,726	1
Fringes, retirement, FICA	8,384	7,969	415
Group hospitalization	9,804	9,804	
Supplies and materials:			
Miscellaneous	100		100
Total expenditures	<u>63,015</u>	<u>62,499</u>	<u>516</u>
Excess (deficiency) of revenues over (under) expenditures	5,805	(5,831)	(11,636)
Other financing sources (uses):			
Transfer out - General Fund	<u>(800)</u>	<u>(800)</u>	
Net change in fund balance	<u>\$ 5,005</u>	<u>(6,631)</u>	<u>(11,636)</u>
Budgetary fund balance, beginning of year		<u>4,154</u>	
Budgetary fund balance (deficit), end of year		<u>\$ (2,477)</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

LAW LIBRARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Law Library fees	\$ 86,000	104,749	18,749
Interest on investments		190	190
Total revenues	<u>86,000</u>	<u>104,939</u>	<u>18,939</u>
Expenditures:			
Judiciary and Court-Related:			
Personnel:			
Law librarian	33,944	33,430	514
Group hospitalization	9,804	9,804	
Fringes, retirement, FICA	6,399	5,409	990
Supplies and materials:			
Election research	28,041	24,353	3,688
Supplies	118		118
Service charge	132	132	
Copy machine	379	379	
Total Judiciary and Court-Related	<u>78,817</u>	<u>73,507</u>	<u>5,310</u>
Capital Outlay	<u>7,500</u>	<u>7,500</u>	
Total expenditures	<u>86,317</u>	<u>81,007</u>	<u>5,310</u>
Net change in fund balance	<u>\$ (317)</u>	<u>23,932</u>	<u>24,249</u>
Budgetary fund balance, beginning of year		<u>176,250</u>	
Budgetary fund balance, end of year		<u>\$ 200,182</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

AUTOMATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Recorder automation fees	\$ 190,016	236,076	46,060
Interest on investments	400	209	(191)
Miscellaneous	420		(420)
Total revenues	<u>190,836</u>	<u>236,285</u>	<u>45,449</u>
Expenditures:			
General Control and Administration:			
Personnel:			
Recorder salaries	92,288	92,288	
Personnel - payroll taxes	17,357	14,446	2,911
Employee benefits	39,216	39,216	
Supplies and materials:			
Recorder automation expense	35,288	35,173	115
Total General Control and Administration	<u>184,149</u>	<u>181,123</u>	<u>3,026</u>
Net change in fund balance	<u>\$ 6,687</u>	55,162	<u>48,475</u>
Budgetary fund balance, beginning of year		<u>117,927</u>	
Budgetary fund balance, end of year		<u>\$ 173,089</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

ENVIRONMENTAL MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
IEPA Solid Waste Enforcement grant	\$ 46,265	46,261	(4)
Interest on investments	550	440	(110)
Miscellaneous	2,000	500	(1,500)
Total revenues	48,815	47,201	(1,614)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	41,572	41,493	79
Fringes, retirement, FICA	8,600	7,566	1,034
Group hospitalization	11,764	9,804	1,960
Supplies and materials:			
Travel	236	9	227
Telephone	1,000	572	428
Vehicle gas, oil tires	1,250	337	913
Postage	14	14	
Training	500	359	141
Supplies	700	336	364
Total Public Health and Welfare	65,636	60,490	5,146
Capital Outlay	1,000	16	984
Total expenditures	66,636	60,506	6,130
Net change in fund balance	\$ (17,821)	(13,305)	4,516
Budgetary fund balance, beginning of year		361,695	
Budgetary fund balance, end of year		\$ 348,390	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

VETERANS ASSISTANCE COMMISSION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 239,400	235,108	(4,292)
Contributions		17,841	17,841
Interest on investments	100	108	8
Total revenues	<u>239,500</u>	<u>253,057</u>	<u>13,557</u>
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	102,279	102,050	229
Fringes, retirement, FICA	18,350	18,247	103
Group hospitalization	19,608	19,608	
Supplies and materials:			
Dues	400	350	50
Supplies	2,100	2,035	65
EDP	600	454	146
Copy machine	2,040	1,406	634
Veterans burial	1,000	798	202
Bus transportation	12,400	12,397	3
Emergency assistance	20,000	7,875	12,125
Maintenance of equipment	200		200
Travel	2,240	1,875	365
Telephone	1,367	1,366	1
Postage	900	748	152
Miscellaneous	500	393	107
Total Public Health and Welfare	<u>183,984</u>	<u>169,602</u>	<u>14,382</u>
Capital Outlay	<u>500</u>		<u>500</u>
Total expenditures	<u>184,484</u>	<u>169,602</u>	<u>14,882</u>
Net change in fund balance	<u>\$ 55,016</u>	83,455	<u>28,439</u>
Budgetary fund balance, beginning of year		<u>66,784</u>	
Budgetary fund balance, end of year		<u>\$ 150,239</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

SHERIFF'S GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
U.S. Marshall's Grant	\$ 25,000	15,830	(9,170)
US Marshall Gas reimbursement	1,500		(1,500)
Local Law Enforcement Block Grant - City of Decatur	11,000	17,038	6,038
Traffic Safety	10,000		(10,000)
Liquor Sting Grant	10,500	22,900	12,400
Sheriff Jail Drug Grant	12,000	6,697	(5,303)
SSA Incentive and SCAAP reimbursements	40,000	34,904	(5,096)
Contributions	1,573,338	890,081	(683,257)
Miscellaneous - Community Revenue	5,000	3,500	(1,500)
Interest income		1,106	1,106
Total revenues	1,688,338	992,056	(696,282)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	287,045	263,811	23,234
Retirement	52,194	45,961	6,233
Fringes	17,816	16,641	1,175
Hospitalization	39,216	37,582	1,634
Supplies and materials:			
Liquor Sting Grant	8,244	8,244	
US Marshall gas, oil expenditures	1,500		1,500
Sheriff Jail Drug Grant	12,000		12,000
Grant expense	30,000	16,366	13,634
Community expenditures	4,683	677	4,006
OP Supplies Law	20,000		20,000
Training	3,750		3,750
Counseling	52,600	600	52,000
Drug testing supplies	25,000	21,619	3,381
Fuel	4,000		4,000
Contractual	650,000	16,891	633,109
Total Public Health and Welfare	1,208,048	428,392	779,656
Capital Outlay	355,000	326,309	28,691
Total expenditures	1,563,048	754,701	808,347
Net change in fund balance	<u>\$ 125,290</u>	<u>237,355</u>	<u>112,065</u>
Budgetary fund balance, beginning of year		<u>555,209</u>	
Budgetary fund balance, end of year		<u>\$ 792,564</u>	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

STATE'S ATTORNEY GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
Child Advocacy Center:			
Department of Children and Family Services	\$ 133,520	135,507	1,987
Attorney General	15,100	17,617	2,517
National Children's Alliance	9,000	4,670	(4,330)
Juvenile Justice Council	35,000	18,759	(16,241)
IDOT DUI Grant	42,645	74,801	32,156
Truancy Court Grant	50,000	24,414	(25,586)
Adult Replot	350,358	403,164	52,806
Macon County Mental Health Board	25,350	16,935	(8,415)
Other	1,200	897	(303)
Circuit Clerk fees	48,839	52,643	3,804
Contributions	215,394	184,016	(31,378)
Interest on investments		100	100
Total revenues	926,406	933,523	7,117
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	509,160	384,084	125,076
Group hospitalization	79,929	65,215	14,714
Fringes, retirement, FICA	78,977	57,864	21,113
Supplies and materials:			
Phone	5,318	4,836	482
Travel	5,588	4,780	808
Training	3,050	1,050	2,000
Utilities	2,800	1,599	1,201
Building lease/Occupancy	15,600	16,900	(1,300)
Postage	700	133	567
Printing	1,550	1,550	

(Continued)

MACON COUNTY, ILLINOIS

STATE'S ATTORNEY GRANT FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL (Continued)
 Year ended November 30, 2016

	Budget	Actual	Variance
Expenditures, continued:			
Public Health and Welfare, continued:			
Supplies and materials:			
Liability insurance	4,962	6,203	(1,241)
Other	8,350	8,389	(39)
Grant specific expenditures	6,350		6,350
Copy machine	300		300
Supplies	9,517	4,408	5,109
Contractual services	186,187	145,228	40,959
Total Public Health and Welfare	918,338	702,239	216,099
Capital Outlay	518	2,649	(2,131)
Total expenditures	918,856	704,888	213,968
Excess of revenues over expenditures	7,550	228,635	221,085
Other financing sources (uses):			
Transfers out - General Fund	(2,219)	(776)	1,443
Net change in fund balance	\$ 5,331	227,859	222,528
Budgetary fund balance (deficit), beginning of year		(160,527)	
Budgetary fund balance, end of year		\$ 67,332	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**PROBATION GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
Year ended November 30, 2016**

	Budget	Actual	Variance
Revenues:			
Intergovernmental:			
Redeploy Illinois Grant	\$ 319,029	152,309	(166,720)
Department of Justice Drug Court Enhancement	83,333	92,735	9,402
Highway Safety Grant	77,709	67,307	(10,402)
Interest on investments		27	27
	<hr/>		
Total revenues	480,071	312,378	(167,693)
<hr/>			
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	67,668	56,934	10,734
Fringes	10,944	9,982	962
Hospitalization	8,620	8,870	(250)
Supplies and materials:			
Travel	1,000		1,000
Contractual	118,333	94,694	23,639
Substance Abuse	109,000	36,335	72,665
Home intervention	109,180	35,067	74,113
Training and education	22,749		22,749
CRB Coordinator	24,818	15,914	8,904
Supplies	2,779		2,779
	<hr/>		
Total Public Health and Welfare	475,091	257,796	217,295
	<hr/>		
Capital Outlay	4,980		4,980
	<hr/>		
Total expenditures	480,071	257,796	222,275
	<hr/>		
Net change in fund balance	\$ -	54,582	54,582
	<hr/>		
Budgetary fund balance (deficit), beginning of year		(23,379)	
	<hr/>		
Budgetary fund balance, end of year		\$ 31,203	
	<hr/>		

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE (NON-GAAP) - BUDGET AND ACTUAL
 Year ended November 30, 2016

	Budget	Actual	Variance
Revenues:			
Intergovernmental - Workforce Grants	\$ 3,616,535	2,704,558	(911,977)
Interest on investments	50	32	(18)
Miscellaneous	2,000		(2,000)
Total revenues	3,618,585	2,704,590	(913,995)
Expenditures:			
Public Health and Welfare:			
Personnel:			
Salaries	599,647	456,157	143,490
Group hospitalization	87,919	86,931	988
Payroll taxes, retirement, fringes	84,231	78,593	5,638
Supplies and materials:			
Telephone	10,344	8,566	1,778
Workforce Investment Board expenses	8,844	10,029	(1,185)
Travel	20,487	11,040	9,447
Marketing	4,858	2,158	2,700
Vocational training	1,397,051	1,203,433	193,618
On-the-job training	333,296	149,738	183,558
Facility costs	90,011	79,744	10,267
SDA Contracts	347,935	295,509	52,426
Child care and transportation expenses	178,269	140,517	37,752
Liability	2,651	2,651	
Payroll processing	4,410	4,663	(253)
Work experience stipends	147,255	99,491	47,764
Supplies	22,004	15,377	6,627
Miscellaneous	40,041	40,041	
Total Public Health and Welfare	3,379,253	2,684,638	694,615
Capital Outlay	14,305	5,763	8,542
Total expenditures	3,393,558	2,690,401	703,157
Net change in fund balance	\$ 225,027	14,189	(210,838)
Budgetary fund balance (deficit), beginning of year		(19,280)	
Budgetary fund balance (deficit), end of year		\$ (5,091)	

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

AGENCY FUNDS

Agency Funds are used to account for resources received and held by the County as agent or trustee for individuals, private organizations, and other governmental units. The resources are expended or invested in accordance with the fiduciary agreement or applicable legislative enactment for each fund.

COUNTY COLLECTOR'S FUND -

The County Collector's Fund accounts for property tax collections and disbursements to taxing authorities.

COUNTY TREASURER'S FUND -

The Trust Fund accounts for wage deductions, monies for condemnation suits, and court ordered deposits. Warrants are issued based on court orders.

COUNTY CLERK'S FUND -

The Trust Fund accounts for deposits from delinquent taxpayers for the portion of the tax bill that is for tax buyers. Warrants are then issued to tax buyers after tax sales.

CIRCUIT CLERK'S FUNDS -

The Trust Fund charges and collects fees incurred from court cases and distributes the proceeds to the applicable governmental agencies and funds.

The Support Fund accounts for monies collected for child support and disbursed on court order.

COUNTY SHERIFF'S FUNDS -

The County Sheriff's Trust Fund is used only for reimbursements for overpayments on warrant billing, sheriff sale, and civil process fees.

The Correctional Center Resident Trust Fund accounts for monies held by the Sheriff as trustee for jail detainees that can be used for commissary purchases. Any balance remaining is returned to the detainees upon release or transfer.

TOWNSHIP ROAD FUND -

The Township Road Fund - Motor Fuel Tax provides for disbursements to Township in Macon County for road repairs. The Highway Department is custodian of funds provided by state motor fuel tax designed for each township.

MACON COUNTY, ILLINOIS

COMBINING STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUNDS

November 30, 2016

	County Collector's Fund	County Treasurer's Funds	County Clerk's Fund	Circuit Clerk's Funds	County Sheriff's Funds	Township Road Fund	Total
Assets							
Cash	\$ 7,371,920	114,492	304,693	1,729,314	59,682	1,004,969	10,585,070
Investments	268,714			500,000			768,714
Accrued interest receivable				2,160			2,160
Due from State of Illinois - allotment						89,789	89,789
Total assets	7,640,634	114,492	304,693	2,231,474	59,682	1,094,758	11,445,733
Liabilities							
Due to other governmental agencies				19,966		1,094,758	1,114,724
Deposits payable	71,441	114,492	15,855	2,211,508	59,682		2,472,978
Due to taxing districts	7,569,193						7,569,193
Due to tax buyers			288,838				288,838
Total liabilities	\$ 7,640,634	114,492	304,693	2,231,474	59,682	1,094,758	11,445,733

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

COUNTY COLLECTOR'S FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2016

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
Assets				
Cash	\$ 8,812,485	144,417,087	145,857,652	7,371,920
Investments	248,400	2,385,036	2,364,722	268,714
Total assets	9,060,885	146,802,123	148,222,374	7,640,634
Liabilities				
Due to other funds		483,288	483,288	
Deposits payable	204,415	747,173	880,147	71,441
Due to taxing districts	8,856,470	145,571,662	146,858,939	7,569,193
Total liabilities	\$ 9,060,885	146,802,123	148,222,374	7,640,634

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

COUNTY TREASURER'S FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2016

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
Trust Fund				
Assets				
Cash	\$ 95,005	48,428	28,941	114,492
Investments	612		612	
Total assets	95,617	48,428	29,553	114,492
Liabilities				
Deposits payable	\$ 95,617	48,428	29,553	114,492

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

COUNTY CLERK'S FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2016

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
<hr/>				
<u>Trust Fund</u>				
Assets				
Cash	\$ 99,075	2,251,405	2,045,787	304,693
				<hr/>
Liabilities				
Deposits payable	15,584	271		15,855
Due to tax buyers	83,491	2,251,134	2,045,787	288,838
				<hr/>
Total liabilities	\$ 99,075	2,251,405	2,045,787	304,693
				<hr/>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

CIRCUIT CLERK'S FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2016

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
Trust Fund				
Assets				
Cash	\$ 1,560,446	6,576,901	6,426,931	1,710,416
Certificates of deposit	500,000			500,000
Accrued interest	3,757	2,160	3,757	2,160
Total assets	2,064,203	6,579,061	6,430,688	2,212,576
Liabilities				
Deposits payable	2,045,116	2,969,678	2,822,184	2,192,610
Due to other governmental agencies	19,087	357,968	357,089	19,966
Due to other funds		3,251,415	3,251,415	
Total liabilities	2,064,203	6,579,061	6,430,688	2,212,576
Support Fund				
Assets				
Cash	23,444	1,151,378	1,155,924	18,898
Liabilities				
Deposits payable	23,444	1,066,151	1,070,697	18,898
Due to other funds		85,227	85,227	
Total liabilities	23,444	1,151,378	1,155,924	18,898
Total Circuit Clerk's Funds				
Assets				
Cash	1,583,890	7,728,279	7,582,855	1,729,314
Certificates of deposit	500,000			500,000
Accrued interest	3,757	2,160	3,757	2,160
Total assets	2,087,647	7,730,439	7,586,612	2,231,474
Liabilities				
Deposits payable	2,068,560	4,035,829	3,892,881	2,211,508
Due to other governmental agencies	19,087	357,968	357,089	19,966
Due to other funds		3,336,642	3,336,642	
Total liabilities	\$ 2,087,647	7,730,439	7,586,612	2,231,474

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

COUNTY SHERIFF'S FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year ended November 30, 2016

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
<u>County Sheriff's Trust Fund</u>				
Assets				
Cash	\$ 4,196	3,157	2,857	<u>4,496</u>
Liabilities				
Deposits payable	4,196	3,157	2,857	<u>4,496</u>
<u>Correctional Center Resident Trust Fund</u>				
Assets				
Cash	62,691	1,077,860	1,085,365	<u>55,186</u>
Liabilities				
Deposits payable	62,691	1,077,860	1,085,365	<u>55,186</u>
<u>Total Sheriff's Funds</u>				
Assets				
Cash	66,887	1,081,017	1,088,222	<u>59,682</u>
Liabilities				
Deposits payable	\$ 66,887	1,081,017	1,088,222	<u>59,682</u>

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**TOWNSHIP ROAD FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2016**

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
<u>Township Road Fund - Motor Fuel Tax</u>				
Assets				
Cash	\$ 842,071	962,293	799,395	1,004,969
Investment	184		184	
Due from State of Illinois - allotment	443,676	89,788	443,675	89,789
	<hr/>			
Total assets	1,285,931	1,052,081	1,243,254	1,094,758
	<hr/>			
Liabilities				
Accounts payable	26,584		26,584	
Due to other governmental agencies	1,259,347	1,052,081	1,216,670	1,094,758
	<hr/>			
Total liabilities	\$ 1,285,931	1,052,081	1,243,254	1,094,758
	<hr/>			

See Notes to Financial Statements.

MACON COUNTY, ILLINOIS

**TOTAL ALL AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended November 30, 2016**

	Balance November 30, 2015	Additions	Deductions	Balance November 30, 2016
Assets				
Cash	\$ 11,499,413	156,488,509	157,402,852	10,585,070
Investments	749,196	2,385,036	2,365,518	768,714
Accrued interest receivable	3,757	2,160	3,757	2,160
Due from State of Illinois - allotment	443,676	89,788	443,675	89,789
	<hr/>			
Total assets	12,696,042	158,965,493	160,215,802	11,445,733
<hr/>				
Liabilities				
Accounts payable	26,584		26,584	
Due to other governmental agencies	1,278,434	1,410,049	1,573,759	1,114,724
Due to other funds		3,819,930	3,819,930	
Deposits payable	2,451,063	5,912,718	5,890,803	2,472,978
Due to taxing districts	8,856,470	145,571,662	146,858,939	7,569,193
Due to tax buyers	83,491	2,251,134	2,045,787	288,838
	<hr/>			
Total liabilities	\$ 12,696,042	158,965,493	160,215,802	11,445,733
<hr/>				

See Notes to Financial Statements.

**STATISTICAL SECTION
(Unaudited)**

MACON COUNTY, ILLINOIS

STATISTICAL SECTION

This part of Macon County, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help readers understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help readers assess the County's most significant local revenue source - its property tax.

Debt Capacity

These schedules present information to help readers assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Except where noted, the information in these schedules is derived from Macon County, Illinois' comprehensive annual financial reports for the relevant year.

MACON COUNTY, ILLINOIS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Prepared using the accrual basis of accounting)

	2016	2015	2014	2013
Governmental activities:				
Net invested in capital assets	\$ 45,773,226	44,580,631	46,312,558	48,405,141
Restricted	18,421,060	18,536,827	17,380,481	16,706,457
Unrestricted	(311,284)	891,882	10,001,171	12,566,406
	<hr/>			
Total governmental activities net position	63,883,002	64,009,340	73,694,210	77,678,004
	<hr/>			
Business-type activities:				
Net invested in capital assets	899,301	807,434	694,903	442,355
Restricted				
Unrestricted	3,234,647	3,620,563	2,557,400	1,793,086
	<hr/>			
Total business-type activities net position	4,133,948	4,427,997	3,252,303	2,235,441
	<hr/>			
Primary government:				
Net invested in capital assets	46,672,527	45,388,065	47,007,461	48,847,496
Restricted	18,421,060	18,536,827	17,380,481	16,706,457
Unrestricted	2,923,363	4,512,445	12,558,571	14,359,492
	<hr/>			
Total primary government net position	\$ 68,016,950	68,437,337	76,946,513	79,913,445
	<hr/>			

Note: The Decatur Public Building Commission is considered a Blended Component Unit beginning in fiscal year 2010. Comparative data for 2009 is included as the Commission restated the 2009 financial statements to retroactively report the change in reporting. Information for prior years is not presented.

Note: Fiscal year 2015 includes the implementation of GASB Statement 68, which required the recognition of deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to the County's pension plan. The net effect of these changes decreased net position by \$ 6.7 million in fiscal year 2015. Prior years have not been restated to reflect the changes required by GASB Statement 68.

2012	2011	2010	2009	2008	2007
46,496,975	40,900,206	46,932,054	25,165,706	26,844,685	28,636,255
17,261,200	19,698,652		61,553	91,352	106,493
13,102,623	11,656,481	26,415,656	32,779,098	34,537,452	34,603,813
<u>76,860,798</u>	<u>72,255,339</u>	<u>73,347,710</u>	<u>58,006,357</u>	<u>61,473,489</u>	<u>63,346,561</u>
463,794	274,093	74,356	88,534		
			307,495		
1,904,829	1,918,394	2,084,177	1,507,640		
<u>2,368,623</u>	<u>2,192,487</u>	<u>2,158,533</u>	<u>1,903,669</u>	-	-
46,960,769	41,174,299	47,006,410	25,254,240	26,844,685	28,636,255
17,261,200	19,698,652		369,048	91,352	106,493
15,007,452	13,574,875	28,499,833	34,286,738	34,537,452	34,603,813
<u>79,229,421</u>	<u>74,447,826</u>	<u>75,506,243</u>	<u>59,910,026</u>	<u>61,473,489</u>	<u>63,346,561</u>

MACON COUNTY, ILLINOIS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Prepared using the accrual basis of accounting)

	2016	2015	2014
Expenses:			
Governmental activities:			
General control and administration	\$ 9,097,348	8,416,560	7,663,100
Public safety	18,191,427	15,540,901	14,457,846
Judiciary and court-related	9,879,223	9,161,779	8,983,962
Public health and welfare	9,779,909	10,190,041	11,127,181
Transportation	7,167,305	6,902,501	7,364,004
Interest on long-term debt	19,246	65,943	80,287
Total governmental activities expenses	<u>54,134,458</u>	<u>50,277,725</u>	<u>49,676,380</u>
Business-type activities:			
Decatur Public Building Commission	<u>3,663,416</u>	<u>3,253,350</u>	<u>3,309,450</u>
Total business-type activities expenses	<u>3,663,416</u>	<u>3,253,350</u>	<u>3,309,450</u>
Total primary government expenses	<u>57,797,874</u>	<u>53,531,075</u>	<u>52,985,830</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	5,476,506	2,733,424	2,325,150
Public safety	1,759,252	1,807,407	1,651,348
Judiciary and court-related	2,310,462	2,284,529	2,471,123
Other activities	1,217,684	1,325,837	1,142,485
Operating grants and contributions	14,287,331	13,933,885	14,417,867
Capital grants and contributions	1,706,821	1,419,339	292,966
Total governmental activities program revenues	<u>26,758,056</u>	<u>23,504,421</u>	<u>22,300,939</u>
Business-type activities:			
Decatur Public Building Commission:			
Charges for services	127,673	141,936	338,316
Capital grants and contributions		32,116	158,414
Total business-type activities program revenues	<u>127,673</u>	<u>174,052</u>	<u>496,730</u>
Total primary government program revenues	<u>\$ 26,885,729</u>	<u>23,678,473</u>	<u>22,797,669</u>

Note: The Decatur Public Building Commission is considered a Blended Component Unit beginning in fiscal year 2010. Comparative data for 2009 is included as the Commission restated the 2009 financial statements to retroactively report the change in reporting. Information for prior years is not presented.

(Continued)

2013	2012	2011	2010	2009	2008	2007
7,391,989	7,465,827	7,184,382	9,697,557	9,269,751	9,160,744	9,421,696
14,142,826	13,742,754	13,367,326	11,539,009	13,748,618	14,054,775	13,637,829
8,700,375	8,810,365	8,448,670	7,634,752	9,074,775	9,115,238	8,037,076
11,486,680	10,493,149	10,251,619	10,926,305	11,636,433	11,497,511	9,637,112
6,454,652	5,335,827	6,599,454	7,918,036	8,445,713	6,962,170	6,897,914
111,075	159,640	227,944	296,242	38,132	50,442	42,247
48,287,597	46,007,562	46,079,395	48,011,901	52,213,422	50,840,880	47,673,874
3,339,575	3,327,133	3,462,329	3,339,612	3,650,280		
3,339,575	3,327,133	3,462,329	3,339,612	3,650,280	-	-
51,627,172	49,334,695	49,541,724	51,351,513	55,863,702	50,840,880	47,673,874
2,139,484	2,209,660	2,092,862	2,121,306	2,117,617	2,354,360	2,195,857
1,672,860	1,661,515	1,531,731	1,547,196	1,489,165	1,581,616	1,380,536
2,842,079	2,747,891	2,822,799	2,891,779	2,993,428	2,637,566	2,674,929
1,232,322	1,190,285	1,011,329	859,130	997,452	761,205	733,117
15,009,122	13,338,712	12,442,302	14,188,230	14,005,544	14,737,366	13,519,377
2,327,371	4,971,150	453,195	47,673	732,095		
25,223,238	26,119,213	20,354,218	21,655,314	22,335,301	22,072,113	20,503,816
638,209	565,475	573,764	18,883	3,633,235		
119,021						
757,230	565,475	573,764	18,883	3,633,235	-	-
25,980,468	26,684,688	20,927,982	21,674,197	25,968,536	22,072,113	20,503,816

MACON COUNTY, ILLINOIS

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Continued)
(Prepared using the accrual basis of accounting)**

	2016	2015	2014
Net (expense) revenue:			
Governmental activities	\$ (27,376,402)	(26,773,304)	(27,375,441)
Business-type activities	<u>(3,535,743)</u>	<u>(3,079,298)</u>	<u>(2,812,720)</u>
Total primary government net (expense) revenues	<u><u>(30,912,145)</u></u>	<u><u>(29,852,602)</u></u>	<u><u>(30,188,161)</u></u>
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	18,568,239	16,808,301	16,333,375
Sales taxes	5,629,330	5,771,051	5,829,801
Other taxes	2,517,084	2,696,066	2,440,621
Investment earnings	28,927	30,415	34,075
Miscellaneous	3,708,200	2,598,100	2,602,033
Internal transfers - rent	<u>(3,201,713)</u>	<u>(4,245,926)</u>	<u>(3,848,258)</u>
Total governmental activities	<u>27,250,067</u>	<u>23,658,007</u>	<u>23,391,647</u>
Business-type activities:			
Investment earnings	9,623	10,779	9,178
Miscellaneous	30,358	(1,713)	2,781
Loss on disposal of capital assets			
Internal transfers - rent	<u>3,201,713</u>	<u>4,245,926</u>	<u>3,848,258</u>
Total business-type activities	<u>3,241,694</u>	<u>4,254,992</u>	<u>3,860,217</u>
Total primary government	<u><u>30,491,761</u></u>	<u><u>27,912,999</u></u>	<u><u>27,251,864</u></u>
Change in net position:			
Governmental activities	(126,335)	(3,115,297)	(3,983,794)
Business-type activities	<u>(294,049)</u>	<u>1,175,694</u>	<u>1,047,497</u>
Total primary government change in net position	<u><u>\$ (420,384)</u></u>	<u><u>(1,939,603)</u></u>	<u><u>(2,936,297)</u></u>

2013	2012	2011	2010	2009	2008	2007
(23,064,359)	(19,888,349)	(25,725,177)	(26,356,587)	(29,878,121)	(28,768,767)	(27,170,058)
(2,582,345)	(2,761,658)	(2,888,565)	(3,320,729)	(17,045)		
(25,646,704)	(22,650,007)	(28,613,742)	(29,677,316)	(29,895,166)	(28,768,767)	(27,170,058)
15,757,702	16,877,262	17,149,602	17,001,022	16,248,038	15,759,831	14,956,074
5,627,356	5,899,908	5,976,995	5,883,667	5,564,180	6,010,009	5,905,221
2,323,433	2,301,989	2,014,766	2,262,050	2,281,553	2,522,896	2,409,412
54,295	54,749	102,321	169,650	252,218	700,547	1,294,699
2,558,733	2,348,401	2,284,679	2,675,427	2,065,000	1,902,412	1,971,218
(2,439,954)	(2,917,262)	(2,895,557)	(3,546,428)			
23,881,565	24,565,047	24,632,806	24,445,388	26,410,989	26,895,695	26,536,624
9,898	19,134	26,387	39,542	46,918		
(689)	1,398	575	333	942		
			(10,710)	(35,051)		
2,439,954	2,917,262	2,895,557	3,546,428			
2,449,163	2,937,794	2,922,519	3,575,593	12,809	-	-
26,330,728	27,502,841	27,555,325	28,020,981	26,423,798	26,895,695	26,536,624
817,206	4,676,698	(1,092,371)	(1,911,199)	(3,467,132)	(1,873,072)	(633,434)
(133,182)	176,136	33,954	254,864	(4,236)		
684,024	4,852,834	(1,058,417)	(1,656,335)	(3,471,368)	(1,873,072)	(633,434)

MACON COUNTY, ILLINOIS

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(Prepared using the modified accrual basis of accounting)

	2016	2015	2014
General Fund:			
Reserved	\$		
Unreserved			
Nonspendable	54,048	46,895	66,305
Restricted	382,426	569,778	106,225
Committed	3,763,417	2,717,628	2,713,909
Assigned			
Unassigned	1,787,088	2,441,430	5,303,262
Total general fund	<u>5,986,979</u>	<u>5,775,731</u>	<u>8,189,701</u>
All Other Governmental Funds:			
Reserved			
Unreserved, reported in:			
Special revenue funds			
Capital projects funds			
Nonspendable	5,599,034	5,033,061	4,746,856
Restricted	18,038,634	17,967,049	17,274,256
Committed	600,000	600,000	600,000
Assigned	989,386		
Unassigned	(7,117)	(664,406)	(374,099)
Total all other governmental funds	<u>\$ 25,219,937</u>	<u>22,935,704</u>	<u>22,247,013</u>

Note: During 2011, the County adopted GASB Statement No. 54 which changed reporting standards for governmental fund balances.

2013	2012	2011	2010	2009	2008	2007
			223,566	247,728	301,915	320,873
			8,725,715	8,549,767	8,252,424	6,467,445
41,802	34,884	47,725				
106,225	6,535	21,198				
2,710,154	2,705,579	2,700,820				
7,427,958	7,477,691	7,173,566				
10,286,139	10,224,689	9,943,309	8,949,281	8,797,495	8,554,339	6,788,318
			6,537,996	5,196,210	4,953,122	5,313,756
			18,861,173	21,374,170	23,947,602	23,227,450
			61,786	61,553	91,352	106,493
4,858,311	4,556,092	4,416,341				
16,600,232	17,254,665	19,677,454				
600,000	600,000	600,000				
(90,597)	(194,584)	(353,736)				
21,967,946	22,216,173	24,340,059	25,460,955	26,631,933	28,992,076	28,647,699

MACON COUNTY, ILLINOIS

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Prepared using the modified accrual basis of accounting)**

	2016	2015	2014
Revenues:			
Taxes	\$ 26,615,626	25,275,418	24,603,797
Intergovernmental	16,966,560	14,876,875	16,558,097
Fines, fees and forfeitures	6,820,228	6,919,367	6,797,389
Licenses and permits	3,299,136	638,531	352,166
Investment earnings	28,907	30,382	33,989
Contributions	1,541,877	1,150,487	
Miscellaneous revenues	3,707,390	2,596,577	2,651,092
Total revenues	58,979,724	51,487,637	50,996,530
Expenditures:			
General control and administration	8,883,534	8,744,679	8,414,221
Public safety	18,558,313	17,342,703	16,407,545
Judiciary and court-related	10,230,377	10,163,276	9,871,838
Public health and welfare	9,706,245	9,876,700	11,013,079
Transportation	4,850,128	4,609,449	4,747,868
Capital outlay	3,606,266	1,822,060	1,457,340
Debt service:			
Principal	890,010	356,822	647,101
Interest	38,693	72,527	91,092
Total expenditures	56,763,566	52,988,216	52,650,084
Excess (deficiency) of revenues over (under) expenditures	2,216,158	(1,500,579)	(1,653,554)
Other financing sources (uses):			
Capital lease proceeds	749,000		
Transfers in	1,098,312	1,295,095	1,394,806
Transfers out	(1,567,989)	(1,519,795)	(1,558,623)
Total other financing sources (uses)	279,323	(224,700)	(163,817)
Net change in fund balances	\$ 2,495,481	(1,725,279)	(1,817,371)
Capitalized capital outlay	\$ 2,737,476	861,058	294,077
Debt service as a percentage of noncapital expenditures	1.72%	0.82%	1.41%
Debt service as a percentage of total expenditures	1.64%	0.81%	1.40%
Ratio of capital outlay to total expenditures	4.82%	1.62%	0.56%

2013	2012	2011	2010	2009	2008	2007
23,938,960	25,073,722	25,141,364	25,146,739	24,093,771	24,292,736	23,270,707
18,966,469	18,207,473	14,071,449	14,717,277	15,113,852	15,053,144	13,875,412
6,876,612	6,946,660	6,620,209	6,617,717	6,888,443	6,643,508	6,388,513
303,431	287,305	287,576	279,007	213,712	241,622	239,891
54,231	54,716	102,243	169,552	252,045	699,688	1,294,021
2,885,999	2,404,283	2,309,131	2,692,602	2,117,751	2,005,191	1,948,249
53,025,702	52,974,159	48,531,972	49,622,894	48,679,574	48,935,889	47,016,793
7,729,685	7,240,456	6,908,101	9,262,094	8,927,804	8,725,566	8,591,866
15,800,584	15,229,973	14,792,916	12,983,804	13,437,092	13,204,313	13,049,148
9,549,287	9,581,919	9,410,941	8,729,505	9,206,354	8,433,313	7,872,428
10,926,389	10,175,379	10,082,133	10,885,605	11,528,447	10,911,602	9,317,880
5,770,956	8,182,396	4,098,831	3,897,990	3,837,905	3,479,896	5,277,127
2,112,045	1,577,934	1,490,449	3,016,529	3,496,728	2,331,931	1,959,107
1,032,985	1,254,945	1,454,825	1,923,029	61,935	87,797	66,369
131,479	178,581	227,944	296,242	38,132	50,442	42,247
53,053,410	53,421,583	48,466,140	50,994,798	50,534,397	47,224,860	46,176,172
(27,708)	(447,424)	65,832	(1,371,904)	(1,854,823)	1,711,029	840,621
1,197,540	1,160,757	663,458	758,006	843,811	738,772	1,833,529
(1,356,609)	(1,409,662)	(856,158)	(1,008,006)	(1,105,975)	(888,772)	(2,028,529)
(159,069)	(248,905)	(192,700)	(250,000)	(262,164)	(150,000)	(195,000)
(186,777)	(696,329)	(126,868)	(1,621,904)	(2,116,987)	1,561,029	645,621
2,459,651	5,561,196	358,535	999,744	530,419	845,907	1,858,448
2.30%	3.00%	3.50%	4.44%	0.20%	0.30%	0.25%
2.19%	2.68%	3.47%	4.35%	0.20%	0.29%	0.24%
4.64%	10.41%	0.74%	1.96%	1.05%	1.79%	4.02%

MACON COUNTY, ILLINOIS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Prepared using the modified accrual basis of accounting)

Fiscal year ended November 30	Property	Retailer's Occupational	Other	Total
2007	\$ 14,956,074	5,905,221	2,409,412	23,270,707
2008	15,759,831	6,010,009	2,522,896	24,292,736
2009	16,248,038	5,564,180	2,281,553	24,093,771
2010	17,001,022	5,883,667	2,262,050	25,146,739
2011	17,149,602	5,976,995	2,014,766	25,141,363
2012	16,877,262	5,899,908	2,301,989	25,079,159
2013	15,757,702	5,857,825	2,323,433	23,938,960
2014	16,333,375	5,829,801	2,440,621	24,603,797
2015	16,808,301	5,771,051	2,696,066	25,275,418
2016	18,568,239	5,629,330	2,418,057	26,615,626

MACON COUNTY, ILLINOIS

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUATION
LAST TEN TAX LEVY YEARS**

Year Property Assessed	Fiscal Year Ended	Real Estate		Railroads	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	2007	\$ 1,435,141,676	4,305,425,028	14,270,070	42,810,210
2007	2008	1,508,990,727	4,526,972,181	16,226,554	48,679,662
2008	2009	1,548,760,053	4,646,280,159	18,914,828	56,744,484
2009	2010	1,596,487,575	4,789,462,725	23,571,226	70,713,678
2010	2011	1,600,599,923	4,801,799,769	23,986,508	71,959,524
2011	2012	1,600,754,394	4,802,263,182	25,969,869	77,909,607
2012	2013	1,553,894,906	4,661,684,718	26,098,255	78,294,765
2013	2014	1,567,614,064	4,702,842,192	24,595,559	73,786,677
2014	2015	1,542,896,304	4,628,688,912	24,275,091	72,825,273
2015	2016	1,553,259,886	4,659,779,658	25,813,782	77,441,346

Source: Macon County Clerk's Office

Note: Property in the County of Macon, Illinois is reassessed every year. The County assesses property at approximately 33.3% of actual value. Estimated actual value is calculated by dividing taxable value by that percentage. Assessed value includes tax-exempt property.

Total Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
1,449,411,746	4,348,235,238	33 1/3	1.1983
1,525,217,281	4,575,651,843	33 1/3	1.2032
1,567,674,881	4,703,024,643	33 1/3	1.2067
1,620,058,801	4,860,176,403	33 1/3	1.2209
1,624,586,431	4,873,759,293	33 1/3	1.2278
1,626,724,263	4,880,172,789	33 1/3	1.2211
1,579,993,161	4,739,979,483	33 1/3	1.1906
1,592,209,623	4,776,628,869	33 1/3	1.2255
1,567,171,395	4,701,514,185	33 1/3	1.2589
1,579,073,668	4,737,221,004	33 1/3	1.3622

MACON COUNTY, ILLINOIS

**SCHEDULE OF PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS
(Per \$ 100 of Assessed Valuation)**

Governmental Unit	Year of Levy				
	2015	2014	2013	2012	2011
County of Macon, direct rates:					
General Corporate Fund	0.25000	0.17755	0.17750	0.17611	0.25000
County Highway Fund	0.09500	0.09572	0.09569	0.09494	0.09221
Special Bridge Fund	0.03262	0.03287	0.03286	0.03260	0.03166
Illinois Municipal Retirement Fund	0.16782	0.16910	0.14672	0.13292	0.11762
Federal Aid Matching Fund	0.04750	0.02808	0.02807	0.02785	0.02705
Historical Museum Fund	0.00200	0.00200	0.00200	0.00200	0.00200
County Health Department Fund	0.10275	0.10354	0.10348	0.10260	0.09981
Insurance Liability Fund	0.05193	0.05360	0.04785	0.04431	0.02459
Veterans Commission Fund	0.01517	0.00958	0.00957	0.00950	0.00923
708 Board Fund	0.15000	0.15000	0.15000	0.15000	0.14192
Judgment Repayment Fund	0.03009	0.03031	0.03031	0.02057	0.01537
Social Security Tax Fund	0.07511	0.07568	0.07566	0.07088	0.06884
Decatur Public Building Commission Lease Fund	0.31407	0.30618	0.30109	0.30181	0.31701
Macon County Coop Extension	0.02817	0.02468	0.02467	0.02446	0.02376
Total direct rates	1.36223	1.25889	1.22547	1.19055	1.22107
City of Decatur	1.6350	1.4353	1.4061	1.3604	1.2905
Conservation District	0.1172	0.1141	0.1103	0.1071	0.1013
Decatur Park District	1.1504	1.1205	1.1172	1.0972	1.0399
Decatur Sanitary District	0.3466	0.3484	0.3312	0.3142	0.2752
Decatur Township	0.3593	0.3601	0.3523	0.3403	0.3132
Hickory Point Township	0.3657	0.3583	0.3545	0.3470	0.3368
Richland Community College	0.5406	0.4924	0.4908	0.4829	0.4780
Decatur School District	4.6727	4.4202	4.3325	4.3912	4.3155
Mt. Zion School District	3.9485	3.9070	3.8962	3.8637	3.8266

Note: Taxes are collected during the year following the year taxes are levied.

Source: Macon County Clerk's Office

Year of Levy				
2010	2009	2008	2007	2006
0.2500	0.2443	0.2321	0.2386	0.2500
0.0923	0.0926	0.0957	0.0852	0.0897
0.0317	0.0318	0.0328	0.0321	0.0338
0.1509	0.1575	0.1588	0.1410	0.0690
0.0271	0.0272	0.0281	0.0272	0.0286
0.0020	0.0020	0.0019	0.0020	0.0020
0.1023	0.1024	0.1042	0.0921	0.0821
0.0092	0.0000	0.0000	0.0066	0.0138
0.0092	0.0093	0.0051	0.0052	0.0062
0.1422	0.1425	0.1416	0.1397	0.1500
0.0000	0.0000	0.0000	0.0164	0.0207
0.0673	0.0674	0.0697	0.0794	0.0669
0.3198	0.3208	0.3128	0.3131	0.3596
0.0238	0.0231	0.0239	0.0246	0.0259
1.2278	1.2209	1.2067	1.2032	1.1983
1.2435	1.2167	1.2064	1.2324	1.2418
0.1015	0.1002	0.1026	0.1035	0.1056
1.0379	1.0379	1.0382	1.0280	1.0288
0.2610	0.2601	0.2640	0.2727	0.2644
0.2965	0.2819	0.2739	0.2745	0.2691
0.3231	0.3070	0.3006	0.2948	0.3009
0.4325	0.3947	0.3943	0.3941	0.3868
4.2872	4.3487	4.3361	4.3615	4.3107
4.0338	4.0108	3.9553	3.9824	3.9197

MACON COUNTY, ILLINOIS

**PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business Property	2016 Equalized Assessed Valuation	Percentage of Total 2016 Equalized Assessed Valuation	2016 Rank
Archer Daniels Midland Co.	Industrial	\$ 17,560,369	1.11%	1
Wal-Mart Stores, Inc.	Retail	7,717,231	0.49%	2
Caterpillar, Inc.	Industrial	7,053,289	0.45%	3
Hickory Point, LLC	Retail	6,988,533	0.44%	4
Fair Haven Christian Home	Senior Living	3,592,600	0.23%	5
Brettwood Village Associates	Retail	3,297,041	0.21%	6
Fuyao Asset Management	Industrial	3,288,493	0.21%	7
Ventas, Inc.	Medical Buildings	3,137,053	0.20%	8
Westfield Distributing N Dakota	Industrial	3,135,574	0.20%	9
Millikin University	University Apartments	2,967,801	0.19%	10
		\$ 58,737,984	3.73%	

Total 2016 County assessed valuation

\$ 1,579,073,668

Taxpayer	Type of Business Property	2007 Equalized Assessed Valuation	Percentage of Total 2007 Equalized Assessed Valuation	2007 Rank
Archer Daniels Midland Co.	Industrial	\$ 27,570,853	1.90%	1
Hickory Point, LLC	Retail	14,078,955	0.97%	2
Wal-Mart Stores, Inc.	Retail	8,723,607	0.60%	3
Caterpillar, Inc.	Industrial	6,817,402	0.47%	4
Tate & Lyle North America	Industrial	5,594,599	0.39%	5
Pittsburg Plate Glass Co.	Industrial	4,107,245	0.28%	6
Decatur Memorial Foundation	Medical Buildings	4,093,588	0.28%	7
Northgate Limited Partnership	Retail	3,859,768	0.27%	8
Brettwood Village Association	Retail	3,655,847	0.25%	9
Millikin University	Education	3,308,058	0.23%	10
		\$ 81,809,922	5.64%	

Total 2007 County assessed valuation

\$ 1,449,411,746

Source: Macon County Supervisor of Assessments

MACON COUNTY, ILLINOIS

**PROPERTY TAX LEVIES AND COLLECTIONS - COUNTY FUNDS
LAST TEN TAX LEVY YEARS**

	Tax Levy Year Fiscal Year Ended	2015 2016	2014 2015	2013 2014
Tax Extensions:				
General Corporate Fund	\$	3,947,685	2,782,513	2,782,515
County Highway Fund		1,500,120	1,500,096	1,500,050
Special Bridge Fund		515,094	515,129	515,118
Illinois Municipal Retirement Fund		2,650,002	2,650,087	2,300,003
Federal Aid Matching Fund		750,060	440,062	440,028
Historical Museum Fund		31,581	31,343	31,352
County Health Department Fund		1,624,092	1,624,078	1,623,968
Insurance Liability Fund		820,013	840,004	750,103
Veterans Commission Fund		239,546	150,135	150,021
708 Board Fund		2,370,938	2,352,827	2,354,031
Judgment Repayment Fund		475,143	475,010	475,144
Social Security Tax Fund		1,186,042	1,186,035	1,186,057
Decatur Public Building Commission Lease Fund		4,959,397	4,798,365	4,719,929
Macon County Cooperative Extension		445,234	387,092	387,136
Total	\$	21,514,947	19,732,776	19,215,455
Collections within the Fiscal Year of the Levy	\$	19,047,566	18,969,162	19,027,042
Percentage of Extensions Collected		88.53%	96.13%	99.02%
Collections in Subsequent Years	\$		3,804	82,208
Total Collections to Date	\$	19,047,566	18,972,966	19,109,250
Percentage of Extensions Collected		88.53%	96.15%	99.45%

Note: Taxes are collected during the year following the year taxes are levied.

Subsequent year collections are not presented because there was no subsequent adjustment to the levy.

Source: Macon County Clerk's Office and Macon County Treasurer's Office

2012	2011	2010	2009	2008	2007	2006
2013	2012	2011	2010	2009	2008	2007
2,782,526	4,066,810	4,061,467	3,958,452	3,638,887	3,638,864	3,623,529
1,500,045	1,500,002	1,500,143	1,500,012	1,500,108	1,300,095	1,300,122
515,078	515,021	515,156	515,017	515,138	489,137	489,032
2,100,127	1,913,353	2,452,151	2,552,079	2,488,684	2,150,099	1,000,094
440,028	440,029	440,100	440,008	440,046	415,012	415,111
31,600	32,534	32,492	32,401	29,002	30,504	28,988
1,624,064	1,626,359	1,662,310	1,660,575	1,635,688	1,407,190	1,190,950
700,095	400,011	150,112			100,054	200,019
150,099	150,147	150,112	150,017	80,108	80,074	90,009
2,374,363	2,312,522	2,312,440	2,312,474	2,223,361	2,135,853	2,176,708
325,005	250,027				250,136	300,028
1,119,899	1,119,837	1,092,535	1,092,568	1,092,513	1,211,023	970,091
4,768,577	5,156,878	5,194,941	5,196,662	4,904,157	4,775,913	5,211,504
387,158	387,135	387,225	375,896	375,848	375,846	375,671
18,818,664	19,870,665	19,951,184	19,786,161	18,923,540	18,359,800	17,371,856
18,093,157	19,455,541	19,801,348	19,661,553	18,810,379	18,240,818	17,372,975
96.14%	97.91%	99.25%	99.37%	99.40%	99.35%	100.01%
24,328	21,753	74,672	32,405	13,412	24,745	4,608
18,117,485	19,477,294	19,876,020	19,693,958	18,823,791	18,265,563	17,377,583
96.27%	98.02%	99.62%	99.53%	99.47%	99.49%	100.03%

MACON COUNTY, ILLINOIS

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Total Primary Government	Estimated Actual Value	Percentage of General Bonded Debt to	Percentage of Personal Income (1)	Population	General Bonded Debt Per Capita
	General Obligation Debt	Revenue Bonds			Estimated Actual Value			
2007	\$ 1,052,002		1,052,002	4,348,235,238	0.02%	0.04%	108,732	9.68
2008	964,205		964,205	4,575,651,843	0.02%	0.04%	108,328	8.90
2009	902,270		902,270	4,703,024,643	0.02%	0.03%	108,204	8.34
2010	846,815	5,015,458	5,862,273	4,860,176,403	0.12%	0.21%	110,768	52.92
2011	786,990	3,697,425	4,484,415	4,873,759,293	0.09%	0.16%	110,715	40.50
2012	727,045	2,502,425	3,229,470	4,880,172,789	0.07%	0.11%	110,122	29.33
2013	664,060	1,532,425	2,196,485	4,739,979,483	0.05%	0.08%	109,278	20.10
2014	609,383	940,000	1,549,383	4,702,842,192	0.03%	0.05%	108,350	14.30
2015	547,562	645,000	1,192,562	4,701,514,185	0.03%	0.04%	107,303	11.11
2016	-	330,000	330,000	4,737,221,004	0.01%	0.01%	106,550	3.10

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of demographic and economic statistics for personal income data.

Population estimates for 2007-2009 are based on the 2000 census per the U.S. Census Bureau, with 2010-2016 population based on the 2010 Census.

During 2010, a change in reporting entity was made to include the Commission as a blended component unit of the County, making the debt that of the County.

Additional details of this lease agreement can be found in Note 10 to the current financial statements.

MACON COUNTY, ILLINOIS

DIRECT AND OVERLAPPING DEBT

As of November 30, 2016

Governmental Unit	Total Debt Outstanding	Percentage Applicable to County	Debt Applicable to County
Direct Debt:			
County	\$ 330,000	100.0%	<u>330,000</u>
Overlapping Debt:			
City of Decatur	162,046,614	100.0%	162,046,614
Decatur Park District	7,926,458	100.0%	7,926,458
Decatur School District #61	133,094,715	100.0%	133,094,715
Argenta School District #1	6,711,108	99.7%	6,690,975
Meridian School District #15	18,797,393	94.2%	17,707,144
Mt. Zion School District #3	48,407,791	97.8%	47,342,820
Richland Community College	19,773,062	70.2%	13,880,690
Warrensburg School District #11	11,836,211	92.1%	10,901,150
Maroa-Forsyth School District #2	19,110,639	96.2%	18,384,435
Village of Mt. Zion	2,633,261	100.0%	<u>2,633,261</u>
Total overlapping debt			<u>420,608,262</u>
Total debt applicable to County			<u><u>\$ 420,938,262</u></u>

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 Macon County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

MACON COUNTY, ILLINOIS

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (1)	Personal Per Capita Income (1)	Personal Income (in thousands)	Median Age (1)	School Enrollment (2)	Unemployment Rates (3)		
						County	State	United States
2007	108,732	\$ 22,512	\$ 2,447,775	39.3	18,303	5.7	5.0	4.6
2008	108,328	24,125	2,613,413	39.3	17,744	7.2	6.5	5.8
2009	108,204	25,151	2,721,439	39.4	18,272	11.4	10.1	9.3
2010	110,768	25,044	2,774,074	39.7	17,906	11.8	10.3	9.6
2011	110,715	24,726	2,737,539	40.3	17,392	9.9	9.2	8.9
2012	110,122	25,797	2,840,817	40.3	17,371	10.1	8.2	8.1
2013	109,278	25,948	2,835,546	40.5	16,997	12.2	8.5	7.4
2014	108,350	26,232	2,842,237	39.7	17,133	7.9	6.0	6.2
2015	107,303	26,259	2,817,669	41.2	17,157	7.3	6.0	5.3
2016	106,550	26,895	2,865,662	40.6	17,116	6.4	5.6	4.9

(1) U.S. Census Bureau

(2) Macon-Piatt Regional Office of Education

(3) US Department of Labor, Bureau of Labor Statistics

MACON COUNTY, ILLINOIS

**PRINCIPAL EMPLOYERS IN THE COUNTY
CURRENT YEAR AND NINE YEARS AGO**

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Archer Daniels Midland Co.	4,199	1	7.04%	4,000	2	7.57%
Decatur Memorial Hospital	2,200	2	3.69%	2,266	3	4.29%
Decatur Public School District	1,812	3	3.04%	1,500	4	2.84%
Caterpillar, Inc.	1,650	4	2.76%	4,100	1	7.76%
St. Mary's Hospital	987	5	1.65%	1,100	6	2.08%
Tate and Lyle North America	975	6	1.63%	700	8	1.32%
Ameren Illinois	683	7	1.14%	1,250	5	2.36%
Mueller Company	600	8	1.01%	737	7	1.39%
Macon County	536	9	0.90%	**	**	**
Norfolk Southern	522	10	0.87%	600	10	1.14%
Millikin University				600	9	1.14%
Star Tek				600	11	1.14%
Total	14,164		23.73%	17,453		33.03%
Total County employment			59,686			52,860

Includes 10 largest employers

Source: The Economic Development Corporation of Decatur and Macon County

** Employer not included in top 10 employers in 2007.

MACON COUNTY, ILLINOIS

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function/Program										
General Government:										
Management services	21	21	21	20	27	21	22	21	20	22
Finance	23	22	21	22	20	21	20	21	19	20
Other	26	22	20	20	23	27	28	27	27	29
Public Safety:										
Officers	45	47	48	50	50	51	51	49	51	51
Civilians	143	144	145	147	140	140	145	147	145	147
Judiciary	102	106	111	113	118	113	114	111	105	105
Public Health	93	97	117	117	114	113	122	123	129	124
Transportation	24	24	23	25	26	23	25	26	30	25
Total	477	483	506	514	518	509	527	525	526	523

Source: Macon County Payroll Records

MACON COUNTY, ILLINOIS

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Accounts payable checks issued	7,043	7,027	7,870	7,429	8,427	7,640	8,206	7,380	6,912	5,985
Payroll checks and direct deposits issued	13,510	14,393	14,656	14,990	15,763	15,435	15,737	15,483	15,285	15,442
Births	1,502	1,563	1,588	1,595	1,642	1,541	1,738	1,742	1,736	1,572
Deaths	1,290	1,325	1,398	1,276	1,279	1,237	1,246	1,158	1,341	1,189
Marriage licenses	552	616	692	605	646	723	695	619	660	744
Public Safety:										
Jail bookings	5,018	5,125	5,343	5,693	5,692	6,027	6,286	6,793	6,817	6,206
Year end inmate population	284	307	302	327	311	270	262	288	262	265
Calls for service	32,549	31,005	28,883	33,051	19,740	17,456	18,340	17,626	19,455	20,245
Health:										
Dental Clinic - patients seen	6,913	7,326	9,138	10,199	9,086	8,259	7,641	15,677	12,976	12,976
Women, Infants and Children Program - active clients	2,800	2,400	2,500	3,208	3,208	3,290	3,152	3,281	3,152	3,267
TB skin tests administered	1,588	1,772	1,991	1,885	2,262	2,155	2,434	2,353	2,474	2,982
Influenza immunizations	1,610	2,182	2,231	3,030	3,985	3,553	4,283	4,278	4,516	5,254
Judicial:										
Juvenile probation caseload	178	181	118	162	146	200	159	228	225	302
Adult probation caseload	2,167	2,226	1,481	1,606	1,932	1,842	1,848	1,728	1,148	954
Divorce cases filed	527	559	527	535	663	577	635	616	564	570
Small claims filed	2,084	2,146	2,286	2,649	2,227	2,358	2,684	2,719	2,810	3,168
Highway:										
Lane miles of road resurfaced	11	7	25	8		2	46	18	6	2
Chip and seal general road maintenance	20	18	22	24	25	49	70	23	28	34
New signs installed	655	645	650	720	700	750	800	750	750	750
Bridges rebuilt	3	2	2	3	3	3	5	3	1	4
Roadside culverts installed	40	45	35	45	80	55	50	80	100	100
Planning and Zoning/Environmental Management:										
Residential construction building permits	105	108	113	76	70	62	73	95	129	190
Commercial construction building permits	7	14	33	15	13	12	5	11	28	18
Gallons of Paint Recycled	6,850	6,700	3,950	4,300	2,000	5,550	4,550	3,900	4,850	4,450

Sources: Various County departments

MACON COUNTY, ILLINOIS

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Land area (square miles)	581	581	581	581	581	581	581	581	581	581
Animal Control vehicles	9	9	9	8	8	8	8	6	6	5
Environmental Management vehicles	3	3	3	3	3	3	4	3	3	3
Environmental Management recycling boxes	14	14	11	9	9	10	7	6	6	6
Environmental Management recycling trailers	3	3	5	5	5	3	4	5	5	5
Planning and Zoning vehicles	1	2	2	2	2	2	2	2	2	2
Public Defender vehicles	1	1	1	1	1	1	1	1	1	1
State's Attorney vehicles	4	4	3	3	3	3	3	3	3	3
Supervisor of Assessments vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Sheriff - marked patrol units	30	24	24	17	19	17	17	19	19	20
Sheriff - non-patrol units	15	17	16	15	16	16	13	7	7	7
Probation - vehicles	6	6	6	7	7	8	9	11	11	11
Emergency Management - vehicles	2	2	2	3	3	3	4	4	4	4
Coroner - vehicles	1	1	1	1	1	1	1	1	1	1
Highway:										
Miles of streets or roads	250	250	250	250	250	250	250	250	250	250
Bridges	63	63	63	63	63	63	63	63	63	63
Highway - vehicles	9	9	9	9	9	9	9	9	9	9
Highway - trucks, tractors	25	25	25	25	25	25	25	25	25	25
Public Health and Welfare:										
Health - vehicles	7	8	9	9	9	9	9	9	9	7

Sources: Various county departments

FEDERAL AWARDS - COMPLIANCE SECTION

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended November 30, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Deferred Revenue at November 30 2015	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30 2016	Passed Through to Subrecipients
Major Program								
U.S. Department of Labor:								
Passed Through Illinois Department of Commerce and Economic Opportunity:								
WIA Formula Youth, Adult, Dislocated Worker	17.258	14-681019	\$ 1,483,213	46,537	89,213	135,750		
WIA Youth, Adult, Dislocated Worker Incentive	17.258	13-632019	7,699		2,168	2,168		
WIOA Formula Youth, Adult, Dislocated Worker	17.258	15-681019	1,596,840	(90,737)	1,366,000	1,156,433	118,830	205,664
WIOA Formula Youth, Adult, Dislocated Worker	17.258	16-681019	1,334,932		356,000	504,701	(148,701)	90,928
				(44,200)	1,813,381	1,799,052	(29,871)	296,592
WIA Youth, Adult, Dislocated Worker Incentive	17.259	13-632019			2,301	2,301		
				-	2,301	2,301	-	
WIA Youth, Adult, Dislocated Worker Incentive	17.278	13-632019			3,230	3,230		
WIA Rapid Response OJT	17.278	13-654119	263,433	500	111,968	112,468		
WIA Rapid Response Layoffs & Closings	17.278	14-651019	199,409	17,924	14,010	31,934		
WIOA Rapid Response Talent Pipeline	17.278	14-654036	318,430	(35,812)	178,430	138,749	3,869	
WIOA Rapid Response - Innovative Projects	17.278	14-654037	350,000		343,762	343,762		
WIOA Trade Case Management	17.278	15-653119	13,258		3,600	6,280	(2,680)	
				(17,388)	655,000	636,423	1,189	
Major Program Total		<i>WIA/WIOA cluster total</i>		(61,588)	2,470,682	2,437,776	(28,682)	296,592
WIA TAA Training	17.261	12-113019	960,025	9,236	(178)	9,058		
WIA National Emergency Grant Dislocate Worker	17.277	13-671019	130,350	44		44		
WIOA NEG Sector Partnership LWDAS	17.277	15-672019	450,000		161,000	161,483	(483)	
WIOA Rapid Response Layoffs and Closings	17.245	14-661019	94,564		75,849	75,849		
WIOA Rapid Response Layoffs and Closings	17.245	15-661019	65,978			7,040	(7,040)	
Total U.S. Department of Labor				9,280	236,671	253,474	(7,523)	

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year ended November 30, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Deferred Revenue at November 30 2015	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30 2016	Passed Through to Subrecipients
U.S. Department of Agriculture:								
Passed Through Illinois Department of Public Health:								
Summer Food Inspection Program	10.559	55280026	\$ 3,050		1,875	1,875		
				-	1,875	1,875	-	
Passed through Illinois Department of Human Services:								
Supplemental Nutrition Program for Women, Infants and Children	10.557	FCSUQ01054	420,412	(102,730)	308,392	205,662		
WIC Breastfeeding Peer Counselor	10.557	FCSUQ01193	22,400	(5,364)	17,607	12,243		
Supplemental Nutrition Program for Women, Infants and Children	10.557	FCSVQ01054	429,850		137,770	226,745	(88,975)	
WIC Breastfeeding Peer Counselor	10.557	FCSVQ01193	36,000		3,284	10,762	(7,478)	
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		Non-cash Food Instruments		1,229,804	1,229,804		
				(108,094)	1,696,857	1,685,216	(96,453)	
WIC Farmers Market-admin	10.572	FCAAQ01266	1,000		1,000	1,000		
Total U.S. Department of Agriculture				(108,094)	1,699,732	1,688,091	(96,453)	
U.S. Department of Transportation:								
Passed through Illinois Department of Transportation:								
Feasibility Study-Decatur Beltway	20.205	P-95-042-99	1,970,152	(1,317)	26,536	30,505	(5,286)	
				(1,317)	26,536	30,505	(5,286)	
Highway Safety Project-LAP DUI Court	20.616	AP-16-0051	93,251	(10,427)	58,501	48,074		
Highway Safety Project-LAP DUI Court	20.616	AP-15-0100	40,000	(8,805)	8,805			
Highway Safety Project-Non Law Enforcement	20.616	AP-15-0097	84,670	(32,156)	32,156			
Highway Safety Project-Non Law Enforcement	20.616	AP-16-0212	42,645	(8,119)	37,349	34,526	(5,296)	
Highway Safety Project-Non Law Enforcement	20.616	AP-17-0138	58,770			8,877	(8,877)	
				(59,507)	136,811	91,477	(14,173)	
Passed through Illinois Emergency Management Agency:								
Hazardous Materials Emergency Preparedness Grant Program	20.703	614HMEPMACON	10,440		5,866	8,013	(2,147)	
Hazardous Materials Emergency Preparedness Grant Program	20.703	4HMEPMACO12	13,800	(2,918)			(2,918)	
				(2,918)	5,866	8,013	(5,065)	
Total U.S. Department of Transportation				(63,742)	169,213	129,995	(24,524)	

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended November 30, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Deferred Revenue at November 30 2015	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30 2016	Passed Through to Subrecipients
U.S. Department of Justice:								
Bureau of Justice Assistance:								
Drug Court Enhancement Grant	16.585	2014-DC-BX-0066	\$ 200,000		92,735	92,735		
Passed through Illinois Department of Human Services:								
Juvenile Accountability Block Grant	16.523	FCSSR03271	31,000	610	(610)			
Juvenile Accountability Block Grant	16.523	FCSUR03271	50,000	(2,918)	35,141	32,223		
				(2,308)	34,531	32,223	-	
Passed through Illinois Department of Human Services:								
Juvenile Justice Planning Formula	16.540	FCSSR03506	12,089	(18,470)			(18,470)	
Juvenile Justice Planning Formula	16.540	FCSUR03506	35,000	(2,014)	20,773	18,759		
				(20,484)	20,773	18,759	(18,470)	
Passed through Illinois State's Attorney Appellate Prosecutor:								
Local Drug Prosecution Support Grant	16.738	413025	28,200	(2,350)	21,150	18,800		
Local Drug Prosecution Support Grant	16.738	414025	28,200			2,350	(2,350)	
				(2,350)	21,150	21,150	(2,350)	
Passed through City of Decatur								
Justice Assistance Grant - Disparity	16.738	2014-H3359-IL-DJ	13,187			7,325	(7,325)	
Justice Assistance Grant - Disparity	16.738	2015-H3359-IL-DJ	13,187			9,413	(9,413)	
				-	-	16,738	(16,738)	
				(2,350)	21,150	37,888	(19,088)	
Juvenile Justice and Delinquency Prevention:								
Passed through National Children's Alliance:								
Child Advocacy Program Support	16.758	DECA-IL-SA16	9,000			9,000	(9,000)	
Child Advocacy Program Support	16.758	DECA-IL-SA15	9,000	(8,080)	8,080			
				(8,080)	8,080	9,000	(9,000)	
Total U.S. Department of Justice					(33,222)	177,269	190,605	(46,558)
Environmental Protection Agency								
Passed Through Illinois Department of Public Health:								
Water testing	66.605	65380172D			650	650		

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended November 30, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Deferred Revenue at November 30 2015	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30 2016	Passed Through to Subrecipients
U.S. Department of Health and								
Human Services:								
Passed through Illinois Department of Healthcare and Family Services:								
Title IV D, Child Support Enforcement	93.563	2015-55-013-K3F	\$ 286,635	(65,502)	168,820	104,907	(1,589)	
Title IV D, Child Support Enforcement	93.563	2016-55-013-K3F	286,635			56,280	(56,280)	
Title IV D, Child Support Enforcement	93.563	2016-55-007-KF	28,008	(7,890)	17,819	9,929		
Title IV D, Child Support Enforcement	93.563	2015-55-007-KF	26,848			4,061	(4,061)	
				(73,392)	186,639	175,177	(61,930)	
Medical Assistance Program (Title XIX)	93.778	none	N/A	(110,492)	110,492			
Passed Through Illinois Department of Human Services:								
MIECHV Formula	93.505	FCSUS03077	111,317	1,229		567	662	
MIECHV Formula	93.505	FCSVS04103	225,079		62,116	105,755	(43,639)	
MIECHV Formula	93.505	FCSUS03572	278,602	(42,667)	206,784	164,117		
				(41,438)	268,900	270,439	(42,977)	
Personal Responsibility Educ Prog-TPP	93.092	FCSVP01838	180,000		29,723	43,117	(13,394)	
Personal Responsibility Educ Prog-TPP	93.092	FCSUP01838	248,919	(17,195)	174,336	157,141		
				(17,195)	204,059	200,258	(13,394)	
Maternal Child Health	93.994	FCSUU03044	45,000	(3,750)	3,750			
				(3,750)	3,750	-	-	
Passed Through Illinois Department of Public Health:								
Dental Sealant Grant	93.994	63480123D	9,500		7,332	7,332		
Teen Pregnancy Prevention	93.994	66380066D	50,000	(11,876)	50,000	69,862	(31,738)	
				(11,876)	57,332	77,194	(31,738)	
Passed Through Illinois Department of Children and Family Services								
Child Abuse and Neglected State Grants	93.669	0645539016	133,484		102,136	102,136		
Child Abuse and Neglected State Grants	93.669	0645539017	133,484		33,371	52,407	(19,036)	
				-	135,507	154,543	(19,036)	
Passed Through Illinois Department of Public Health:								
Bioterrorism Preparedness	93.074	77180053E	77,201			17,118	(17,118)	
Bioterrorism Preparedness	93.074	EBOLA		(1,126)	5,881	5,197	(442)	
Bioterrorism Preparedness	93.074	67180053D	83,077	(14,482)	76,642	62,160		
				(15,608)	82,523	84,475	(17,560)	

(Continued)

MACON COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year ended November 30, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grant Number	Program or Award Amount	Deferred Revenue at November 30 2015	Receipts/ Revenue Recognized	Federal Expenditures	Deferred Revenue at November 30 2016	Passed Through to Subrecipients
U.S. Department of Health and Human Services, continued:								
Passed Through Illinois Department on Aging:								
Passed Through East Central Illinois Area Agency on Aging:								
Title III D Medication Management DSMP	93.043	16-06 III-D	\$ 9,948	(1,637)	2,463	5,909	(5,083)	
Title III B Coordinated Point of Entry	93.044	16-06 III-B	41,461	(2,522)	8,768	104,025	(97,779)	
Title III E Caregiver Services	93.052	16-06 III-E	38,389	(5,941)	10,584	15,772	(11,129)	
Total U.S. Department of Health and Human Services				(283,851)	1,071,017	1,087,792	(300,626)	
U.S. Department of Homeland Security, Office of Domestic Preparedness:								
Passed through Illinois Emergency Management Agency:								
Emergency Management Preparedness	97.042	514EMAMACON	36,156		50,443	50,443		
Total U.S. Department of Homeland Security				-	50,443	50,443	-	
Total Expenditures of Federal Awards				\$ (541,217)	5,875,677	5,838,826	(504,366)	296,592

See accompanying notes to schedule of expenditures of federal awards.

MACON COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS November 30, 2016

Note 1 - Single Audit Reporting Entity

The report on Federal Awards includes the federal awards of Macon County, Illinois. The County includes expenditures in its Schedule of Expenditures of Federal Awards for all federal programs administered by the same funds, agencies, boards, and commissions included in the County's reporting entity used for its basic financial statements. The component units included in the financial statements did not receive federal awards during the year.

Note 2 - Basis of Accounting

The Schedule of Expenditures of Federal Awards has been presented on the accrual basis of accounting. Accordingly, expenditures are recorded when incurred rather than when paid. The County has chosen to apply the de minimis 10% indirect cost rate.

Note 3 - Non-Cash Payments

As an agent of the Illinois Department of Human Services, the County is required to determine eligibility and initiate the payment process from the State of Illinois' Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The noncash expenditures of \$ 1,229,804 reported under CFDA No. 10.557, WIC, represent the dollar value retail WIC Food Instruments redemptions for WIC benefits issued by the County. This value represents the amount of WIC benefits redeemed, net of rebates issued by the County on behalf of individuals determined to be eligible. The Illinois Department of Human Services issues statements of non-cash transactions for the state fiscal year ending June 30, 2016. The amount included in the schedule represents the state fiscal year non-cash transaction figures.

There were no federal awards expended in the form of insurance in effect during the year, or loans or loan guarantees, including interest subsidies outstanding at year end.

Note 4 - Categorization of Expenditures

The Schedule of Expenditures of Federal Awards reflects federal expenditures for all individual grants which were active during the year. The categorization of expenditures by program included in the schedule is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued in June and December of each year. When preparing the Schedule of Expenditures of Federal Awards, the County uses the most current information available from pass-through entities to determine whether funding is state or federal. Due to a different fiscal year than some pass-through entities, situations can arise where funding reported as federal is ultimately determined to be nonfederal and vice versa. Under these circumstances, the reclassified amount is reported on the current year Schedule of Expenditures of Federal Awards.



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300 DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

ANDREW D. THOMAS
HELGA J. TOWLER
WILLIAM R. MOSS
CATHERINE J. MANSUR
STEVEN R. GROHNE
MARK S. WOOD
CHRISTIE K. STINSON
CRAIG T. NEGANGARD
DAVID S. BROWN

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Macon County Board
Macon County, Illinois
Decatur, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County, Illinois, as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise Macon County, Illinois' basic financial statements and have issued our report thereon dated May 16, 2017. Our report includes a reference to other auditors who audited the financial statements of one of the discretely presented component units, Macon County Emergency Telephone System Board, as described in our report on the Macon County, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Decatur Public Building Commission and Macon County Emergency Telephone System Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Macon County, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Macon County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Macon County, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2016-001).

Compliance and Other Matters

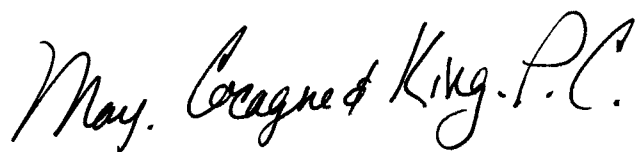
As part of obtaining reasonable assurance about whether Macon County, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Macon County, Illinois Response to Findings

Macon County, Illinois' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Macon County, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Decatur, Illinois
May 16, 2017



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300 DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Macon County Board
Macon County, Illinois
Decatur, Illinois

Report on Compliance for Each Major Federal Program

We have audited Macon County, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Macon County, Illinois' major federal programs for the year ended November 30, 2016. Macon County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Macon County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Macon County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Macon County, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Macon County, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

Macon County, Illinois' response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Macon County, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

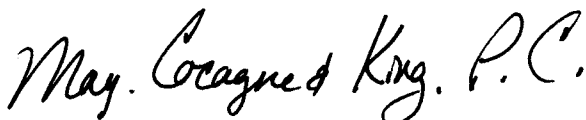
Management of Macon County, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Macon County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Macon County, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-002, that we consider to be significant deficiencies.

Macon County, Illinois' response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Macon County, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Decatur, Illinois
May 16, 2017

MACON COUNTY, ILLINOIS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
November 30, 2016**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified? X yes _____ none reported

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

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

Identification of major programs:

CFDA #17.258, 17.259 and 17.278,
Workforce Investment Act Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

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

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
November 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

2016-001 Internal Controls over Preparation of Schedule of Expenditures of Federal Awards

Criteria: The County Auditor's office is responsible for preparing the Schedule of Expenditures of Federal Awards (SEFA) in accordance with Section 200.510 of the Uniform Guidance, and for including all identified federal awards, based on the grant information obtained from the financial accounting records and other information provided by each department.

Condition: The County does not have an adequate system of controls in place to properly identify the federal awards received and expended. The County did not provide a complete listing of all fiscal year expenditures of federal awards. It is the responsibility of the County Auditor to monitor all direct or indirect federal monies received and spent by all departments and divisions within the County. A review of the Auditor's files determined that grant award letters, grant applications, grant budgets, financial reports and other grant documents are not obtained from all departments. These documents, or a summary of them, are necessary for the Auditor's office to obtain required information for the SEFA to assist in identifying federal awards and accumulate accurate expenditures of federal awards to be reported.

Context: During our audit, we noted that, while the County does identify most federal source funds within the chart of accounts, not all of the program managers are communicating new or changed federal funding sources. The current process of dealing with grants is decentralized, and each department obtaining grants is responsible for their particular grant, as well as reporting and monitoring those grants. The various County departments lack the understanding of the importance of providing timely information for the SEFA. The lack of accurate information provided to the Auditor's office weakens internal controls over grant reporting and hinders the ability of the Auditor's office to accurately prepare the SEFA.

Effect: There is greater opportunity for error in the preparation of the SEFA and no assurance that errors will be prevented or detected and corrected on a timely basis.

Recommendation: Each County department is responsible for overseeing the grants it received. As such, we recommend that department staff responsible for administration and reporting of federal awards provide a reconciliation of (1) the revenues and expenditures reported to grantors to (2) the revenues and expenditures recorded in the County's records. This will allow the Auditor's office to review the data collected, assure all federal awards are captured, and accumulate the information for preparation of the SEFA.

County's Response: Macon County, Illinois agrees with the finding. The decentralized nature of the County's grant system means that the County Auditor devotes a great deal of time tracking, compiling and monitoring grant information received from the departments. The County is currently implementing a new accounting system. In addition, the Accounts Receivable system has been modified to capture CFDA numbers from any source. Additional information is solicited from funders about the ultimate source of grant funding. The Auditor's office will assist each department in reconciling federal expenditures on a fiscal year as well as a grant year basis.

Corrective Action Plan: Person responsible - Carol Reed, Macon County Auditor

MACON COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

November 30, 2016

SECTION III - FEDERAL AWARDS FINDINGS

2016-002 Internal Controls over Preparation of Schedule of Expenditures of Federal Awards

Significant deficiency: The significant deficiency at Finding 2016-001 also applies to all federal awards.

MACON COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
November 30, 2016

None

**INFORMATION REQUIRED BY THE ILLINOIS
DEPARTMENT OF COMMERCE AND ECONOMIC
OPPORTUNITY FOR WORKFORCE INVESTMENT ACT FUNDS**

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY - COMPLETED
BY NOVEMBER 30, 2016

Year ended November 30, 2016 and
Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>Workforce Innovation Program-Regional Partnerships (ATIM), Grant Number 12-113019</u>			
Revenue:			
Grant funds	\$ 1,528,313	654,822	14,043
Expenditures:			
Personnel and fringes	133,535	110,775	
Contractual	130,000	124,383	9,167
Travel	13,000	11,158	366
Supplies	2,500	1,220	(1,197)
Other	89,250	83,633	7,809
Training	579,230	310,987	(2,102)
Supportive services	12,510	12,666	
Leveraged resources	568,288		
Total expenditures	1,528,313	654,822	14,043
<u>WIA National Emergency Grant Dislocated Worker Training, Grant Number 13-671019</u>			
Revenue:			
Grant funds	130,350	130,350	45
Expenditures:			
Administration	7,255	7,255	
Training	121,395	121,922	
Other	1,700	1,173	45
Total expenditures	130,350	130,350	45
<u>WIA Rapid Response Layoffs and Closings, Grant Number 14-651019</u>			
Revenue:			
Grant funds	199,409	189,010	14,010
Expenditures:			
Case management	50,000	29,981	8,692
Direct training	123,410	151,253	23,017
Supportive services	18,885	7,776	225
Program overhead	7,114		
Total expenditures	\$ 199,409	189,010	31,934

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY - COMPLETED
BY NOVEMBER 30, 2016 (Continued)

Year ended November 30, 2016 and
Cumulative from Beginning of Grant

	Budget	Cumulative	Current Year
<u>WIA Rapid Response Layoffs and Closings, Grant Number 14-661019</u>			
Revenue:			
Grant funds	\$ 94,564	75,849	75,849
Expenditures:			
Payment processing	5,000	5,000	5,000
Training	89,564		
Occupational and classroom		53,531	53,531
Transportation		15,370	15,370
Out of area relocation		1,948	1,948
Total expenditures	94,564	75,849	75,849
<u>WIA Youth, Adult, Dislocated Worker Formula Funds, Grant Number 14-681019</u>			
Revenue:			
Grant funds	1,483,213	1,483,213	135,751
Expenditures:			
Administration	148,320	148,320	54,549
Youth - in school	141,333	95,647	
Youth - out of school	225,744	271,430	
Adult	396,421	396,421	2,106
Dislocated worker	534,361	534,361	42,062
WIOA Transition activities	37,034	37,034	37,034
Total expenditures	\$ 1,483,213	1,483,213	135,751

(Continued)

MACON COUNTY, ILLINOIS

WORKFORCE INVESTMENT SOLUTIONS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY - COMPLETED
BY NOVEMBER 30, 2016 (Continued)**

**Year ended November 30, 2016 and
Cumulative from Beginning of Grant**

	Budget	Cumulative	Current Year
<u>WIA Rapid Response OJT Innovative Projects, Grant Number 13-654119</u>			
Revenue:			
Grant funds	\$ 263,433	256,968	112,468
Expenditures:			
Personnel and fringe	82,631	87,204	33,864
Training	161,582	155,507	72,573
Travel	500	237	
Supportive services	500	373	184
Other	18,220	13,647	5,847
Total expenditures	263,433	256,968	112,468
<u>WIA Rapid Response Innovative Projects (Manufacturing Talent Pipeline), Grant Number 14-654037</u>			
Revenue:			
Grant funds	350,000	343,762	343,762
Expenditures:			
Personnel and fringe	7,618	1,380	1,380
Training	342,382	342,382	342,382
Total expenditures	350,000	343,762	343,762
<u>WIOA Local Incentive, Grant Number 13-632019</u>			
Revenue:			
Grant funds	7,699	7,699	7,699
Expenditures:			
Local incentive	7,699	7,699	7,699
Total expenditures	\$ 7,699	7,699	7,699

MACON COUNTY, ILLINOIS

**WORKFORCE INVESTMENT SOLUTIONS
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
 ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
 OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2016
 Year ended November 30, 2016 and
 Cumulative from Beginning of Grant**

	Budget	Cumulative	Current Year
<u>WIOA Local Incentive, Grant Number 15-653119</u>			
Revenue:			
Grant funds	\$ 13,258	6,280	6,280
Expenditures:			
Case management	13,258	6,280	6,280
Total expenditures	13,258	6,280	6,280
<u>WIOA National Emergency Grant - Sector Partnership, Grant Number 15-672019</u>			
Revenue:			
Grant funds	450,000	161,483	161,483
Expenditures:			
Career services	100,582	54,434	54,434
Work experience	32,406		
Training excl work based learning	105,800	66,251	66,251
Work based learning-on the job training	121,680	31,384	31,384
Other training and work based learning	10,000	2,395	2,395
Program staff training	38,575	1,341	1,341
Supportive services	10,000	1,251	1,251
Administration	30,957	4,427	4,427
Total expenditures	450,000	161,483	161,483
<u>WIA Rapid Response Innovative Projects (Manufacturing Talent Pipeline), Grant Number 14-654036</u>			
Revenue:			
Grant funds	318,430	314,561	138,749
Expenditures:			
Personnel and fringe	7,618	2,039	2,039
Training	310,812	312,522	136,710
Total expenditures	\$ 318,430	314,561	138,749

(Continued)

MACON COUNTY, ILLINOIS

**WORKFORCE INVESTMENT SOLUTIONS
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL, PROGRAMS PASSED THROUGH
ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC
OPPORTUNITY - NOT COMPLETED BY NOVEMBER 30, 2016 (Continued)
Year ended November 30, 2016 and
Cumulative from Beginning of Grant**

	Budget	Cumulative	Current Year
<u>WIA Youth, Adult, Dislocated Worker Formula Funds, Grant Number 16-681019</u>			
Revenue:			
Grant funds	\$ 1,334,932	504,700	504,700
Expenditures:			
Administration	133,492	22,070	22,070
Youth - in school	48,982	3,134	3,134
Youth - out of school	307,798	163,139	163,139
Adult	476,625	227,315	227,315
Dislocated worker	368,035	89,042	89,042
Total expenditures	1,334,932	504,700	504,700
<u>WIOA Youth, Adult, Dislocated Worker Formula Funds, Grant Number 15-681019</u>			
Revenue:			
Grant funds	1,596,840	1,445,170	1,156,433
Expenditures:			
Administration	159,683	63,087	49,456
Youth - in school	112,157	73,982	60,356
Youth - out of school	336,472	374,647	345,467
Adult	661,921	624,584	439,602
Dislocated worker	326,607	308,870	261,552
Total expenditures	1,596,840	1,445,170	1,156,433
<u>WIA Rapid Response Layoffs and Closings, Grant Number 15-661019</u>			
Revenue:			
Grant funds	65,978	7,040	7,040
Expenditures:			
Payment processing	2,020	659	659
Training	63,958		
Occupational and classroom		976	976
Transportation		5,405	5,405
Total expenditures	\$ 65,978	7,040	7,040