

# **NOTICE OF SPECIAL SHELBY COUNTY BOARD MEETING**

February 18, 2026

## **SHELBY COUNTY BOARD SPECIAL MEETING AGENDA**

**March 3, 2026 @ 6:00 P. M. in Courtroom A**

1. Call to Order – Pledge of Allegiance
2. Roll Call
3. Public Body Comment
4. Fiscal year 2023 audit presentation by Lauterbach & Amen
5. Discussion and vote to approve the FY 23 audit report as presented
6. Public Body Comment
7. Adjournment

Please silence cell phones during the Board meeting.

**SPECIAL MEETING OF THE SHELBY COUNTY BOARD**  
**March 3, 2026 @ 6:00 PM**

Video archive of entire meeting can be found at [shelbycounty-il.gov](http://shelbycounty-il.gov) under You Tube

The Shelby County Board met on Tuesday, March 3, 2026, at 6:00 P. M. in Courtroom A of the Courthouse in Shelbyville, Illinois for a special board meeting.

Chairman Mayhall called the meeting to order and all those present recited the Pledge of Allegiance.

County Clerk Jessica Fox called the roll. McCormick, Mitchell, Price, Pritchard, Strohl, Syfert, and Tate were absent.

Chairman Mayhall called for Public Body Comment.

A comment was made about the need to leave things to the professionals.

Brad Porter from the auditing firm of Lauterbach & Amen addressed the board virtually. Porter thanked the county staff that assisted in helping with the audit, as well as the board for the opportunity, and Anna Cadmus and her team as Sikich for the phenomenal audit-prep work. Porter explained that the audit prep work handled by Sikich involves all of the necessary entry to the county general ledge to ensure balances are audit ready for the cash basis of accounting, reconciliation, grant summarization and compiling all of the documents necessary for audit testing by Lauterbach & Amen.

Porter informed the board there was 4 pieces of required communication he planned to address with the board.

The first is the SAS 114 letter which states Lauterbach and Amen encountered no disagreements or difficulties in the course of performing the audit. (Letter attached to these minutes).

The second is SAS letter 115, which is a letter to the board identifying significant deficiencies or material weaknesses. The county received a qualified or modified audit opinion for fiscal year ending August 30, 2022, where a prior auditor indicated that certain balances or items in the audit were not materially correct, or they were unable to obtain sufficient audit evidence to support certain balances. Lauterbach and Amen sought to clean up a number of these items in the 2023 audit process and did so. Porter stated he would not expect the county to receive another SAS 115 letter for the 2024 audit. (SAS 115 letter attached to these minutes).

Summarizing some of annual financial report, Porter wanted to key intangible components of the audit. He first addressed pages 1-3 which is the independent auditor's report. Porter reported the firm has issued an unmodified opinion, which is the cleanest form of opinion that any entity can receive.

On page 9(statement of revenues, expenditures, and changes in fund balances) there was an increase in general fund balance of almost \$1.45 million dollars ending the year with just over \$5,626,815, which was a 35% increase over the previous fiscal year. The county as of 11/30/2023 has just over 7.5 months of operating expenses in general fund or unassigned fund balances. (County audit posted on website).

Best practice recommendations made in the management letter included a policy and procedure manual, grant administration, outstanding check write-off policy, capital asset policy, fund balance policy, timeliness of audit, off-balance sheet accounts, and funds over budget. (Management letter with recommendations attached to these minutes). Porter stated they have several sample policies the board may want to implement in the future.

Matlock made motion to approve the audit as presented. Boehm seconded said motion. Discussion was held.

Mayhall thanked Porter and the team at Lauterbach and Amen, Sikich and the county department heads on their work in finalizing the FY 2023 audit. Mayhall stated the BAL committee will look at the policy recommendations suggested, and he would be in touch to get sample policies. Mayhall will also work with those departments who receive various grants to develop some cohesiveness to help streamline the audit prep process.

Matlock questioned the ARPA funds and asked if they encountered any issues with grant testing under the fiscal year audited.

Gregg thanked the auditors and stated the board will use the recommendations provided to establish some consistency in accounting principles so that things are clear.

**SPECIAL BOARD MEETING**

**March 3, 2026**

Porter recommended the board reach out to other counties as procedures vary from county to county. Porter also stated that a policy and procedure manual should be reviewed annually.

Mayhall thanked Lauterbach & Amen, Sikich, and department heads for all of their work in getting this audit wrapped up. The budget/audit/legislative committee will work on creating policies for the various items recommended such as a policy and procedure manual, grant reporting, budgeting of all funds, and other ways to streamline the auditing process to help expedite the gathering of information.

Matlock asked about any issues with ARPA funds and reporting. Porter state there were no issue with grant testing under fiscal year 2023.

Gregg thanked the auditors, asked about examples of policy/procedure manuals, and the need for the board to establish some consistency in accounting principle that makes it clear for all involved.

Chairman Mayhall again called for public body comment. There was none.

There was no further business to come before the county board.

Boehm made motion to adjourn the special meeting. Wood seconded said motion, which passed by voice vote (14 yes, 0 no). The special meeting was adjourned at 6:30 PM.

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Jessica Fox  
Shelby County Clerk and Recorder

STATE OF ILLINOIS

ROLL CALL VOTES IN COUNTY BOARD

SHELBY COUNTY

March 3, 2026 SPECIAL MEETING

		ROLL CALL			QUESTIONS							
			3/3/2026		Approve FY ON MOTIONS TO 2023 Audit		ON MOTIONS TO		ON MOTIONS TO		ON MOTIONS TO	
COUNTY BOARD MEMBERS	MILEAGE	P.M.	P.M.	AYE		NAY	AYE	NAY	AYE	NAY	AYE	NAY
BOEHM, TERESA		✓		✓								
BROWN, TIM		✓		✓								
COLE, CAROL		✓		✓								
EDWARDS, JULIE		✓		✓								
GRANT, CHRISSY		✓		✓								
GREGG, JEFF	0	✓		✓								
HARDY, CLAY	20	✓		✓								
McCORMICK, HEATH		A										
MATLOCK, CHRISTINE		✓		✓								
MAYHALL, TAD	14	✓		✓								
MILLER, TRICIA	0	✓		✓								
MITCHELL, JAMES		A										
MORSE, TIM		✓		✓								
PRICE, GENE		A										
PRITCHARD, AUSTIN		A										
STROHL, JOHN	24	A										
SYFERT, LARRY		A										
TATE, DON	40	A										
WAFFORD, CHRISTY		✓		✓								
WALLACE, BRENT	50	✓		✓								
WOOD, JUDY	0	✓		✓								



Lauterbach & Amen

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Naperville, IL 60563  
630.393.1483

lauterbachamen.com

February 17, 2026

Members of the County Board  
Shelby County  
Shelbyville, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shelby County, (the County) Illinois, as of and for the fifteen months ended November 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the County's system of internal control over financial reporting (internal control) as a basis for designing our auditing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the County's internal control to be a material weakness: The County audit resulted in a material restatement to fund balance/net position that was detected by auditing procedures.

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. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

This communication is intended solely for the information and use of management, Shelby County's County Board, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

FILED  
FEB 25 2026  
*Jessie Fox*  
SHELBY COUNTY CLERK

484



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February 17, 2026

Members of the County Board  
Shelby County  
Shelbyville, Illinois

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*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

FILED  
FEB 25 2026

*Jessie Joy*  
SHELBY COUNTY CLERK



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February 17, 2026

Members of the County Board  
Shelby County  
Shelbyville, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shelby County (the County), Illinois for the fifteen months ended November 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in the Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fifteen months ended November 30, 2023. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities' financial statements are noted below.

Management's estimates of the:

- Depreciation expense on capital assets is based on estimated useful lives of the underlying capital assets
- Acquisition value of donated capital assets is based on estimated fair value for the assets in question

We evaluated the key factors and assumptions used to develop the above estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- Net pension related accounts are based on estimated assumptions used by the actuary in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Shelby County, Illinois  
February 17, 2026  
Page 2

### Significant Audit Findings - Continued

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Any material misstatements detected as a result of audit procedures were corrected by management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 17, 2026.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We were engaged to report on the other supplementary information, as listed in the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Shelby County, Illinois  
February 17, 2026  
Page 3

Restrictions on Use

This information is intended solely for the use of the County Board and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our gratitude to the County Board and staff (in particular the Finance Department) of the Shelby County, Illinois for their valuable cooperation throughout the audit engagement.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

SHELBY COUNTY, ILLINOIS  

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MANAGEMENT LETTER



FILED  
FEB 25 2026

*Jessie Fox*  
SHELBY COUNTY CLERK

FOR THE FIFTEEN MONTHS ENDED  
NOVEMBER 30, 2023

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February 17, 2026

Members of the County Board  
Shelby County  
Shelbyville, Illinois

In planning and performing our audit of the financial statements of Shelby County (the County), Illinois, for the fifteen months ended November 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board and senior management of Shelby County, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire County staff.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## CURRENT RECOMMENDATIONS

### 1. POLICY AND PROCEDURE MANUAL

#### Comment

During our current year-end audit procedures, the County does not have a policy and procedure manual. Written procedures, instructions and assignments of duties will prevent or reduce misunderstanding, error; inefficient or wasted effort duplicated or omitted procedures and other situations that can result in inaccurate or untimely accounting records. A policy and procedure manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions that management currently performs.

A policy and procedure manual will require a substantial investment of time and effort for management to develop. However, we believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures, for the purpose of developing the manual, management may discover procedures that can be eliminated or improved to make the system more efficient and effective

#### Recommendation

We understand that the County has begun the preliminary process of writing a procedure manual. A sample of areas that should be covered as the accounting portion of the procedure manual is as follows:

- Job descriptions
- Flow charts and descriptions of the accounting cycles, such as:
  - Cash receipts process - collections, deposits, bank reconciliations, etc.
  - Accounts receivable process - billing, recording, write-offs, etc.
  - Cash disbursements and accounts payable process - approvals, coding, purchasing, check preparation, invoice cancellation, general ledger posting, etc.
  - Payroll process - hiring, employee files, timecards, distribution, etc.
- Chart of accounts
- Description of standard entries and allocations
- Description of other specific accounting areas of unusual nature

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

## **CURRENT RECOMMENDATIONS - Continued**

### **2. GRANT ADMINISTRATION**

#### Comment

During our current year-end audit procedures, we noted that the County did not have adequate procedures in place for tracking and monitoring grant activities. Any department within the County may apply for, and be awarded, grant funding from a variety of State and Federal sources. Each grant has unique reporting and compliance requirements. It is the County's responsibility to track and properly account for all grant monies received and to monitor the County's compliance with grant requirements. In practice, often but not always, this responsibility is assumed by the department receiving the grant.

When responsibility for tracking and monitoring grant activity is not clearly delineated, grant compliance cannot be assured. In addition, when federal grants received by the County exceed a threshold set by OMB Circular A-133, the County is subject to Single Audit requirements. The County had not established a central tracking mechanism to monitor all grant activity so that the County is aware of when the Single Audit threshold has been exceeded.

#### Recommendation

In order for the County to assure compliance with individual grant requirements, we recommend the County develop specific policies and procedures for tracking and monitoring grant activities and to clearly delineate responsibility for monitoring the County's compliance with applicable requirements. In addition, to assure compliance with the Single Audit Act, we recommend the County establish a central tracking mechanism to monitor total grant activity and develop additional policies and procedures to assure the County's compliance, as an entity as a whole, with the Single Audit Act.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

### **3. OUTSTANDING CHECK WRITE-OFF POLICY**

#### Comment

During our current year-end audit procedures, we noted that the County does not have a formal policy for following up and processing old outstanding checks, which has resulted in several old outstanding checks being included in the bank reconciliations.

#### Recommendation

We recommend the County develop and implement an outstanding check policy that includes procedures to follow-up and subsequently how to process the outstanding checks. This policy should be in written form and should set specific instructions for these procedures including steps to be in compliance with State unclaimed property statutes. State unclaimed property statutes note that all checks that are greater than three years old are to be sent to the State of Illinois Treasurer along with the required forms.

#### Management Response

In 2024 the treasurer's office started processing uncashed checks that we were aware of through this office and submitting the unclaimed funds to the state as required by law. We reported in November of 24 and 25 all checks greater than three years old.

## CURRENT RECOMMENDATIONS - Continued

### 4. **CAPITAL ASSET POLICY**

#### Comment

During our current year-end audit procedures, we noted the County does not have a formal capital asset policy to provide guidance on the financial aspects and stewardship of capital assets. With respect to the financial aspects, guidance should be provided on the minimum dollar amount and minimum useful life for an item to be capitalized as a capital asset. Stewardship issues include the physical custody of capital assets.

#### Recommendation

We recommend that the County adopt a capital asset policy, which addresses both financial, and stewardship issues. As part of developing the capital asset policy, a review of the current capitalization amount and estimated useful life should be performed for both financial reporting and stewardship. The capital asset policy should also establish standard depreciation methods and useful lives to be applied to specific categories of assets. With respect to stewardship, the policy should address location of assets, tagging, physical access and security and frequency of periodic inventories. Once the policy has been established, we recommend the Library undertake a complete inventory and valuation of capital assets to create detail capital asset records that are in compliance with the new policy. Additionally, as part of this process we recommend land be inventoried and valued at its estimated fair value on the date donated.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

### 5. **FUND BALANCE POLICY**

#### Comment

During our current year-end audit procedures, we noted that the County does not have a formal fund balance policy. A fund balance policy establishes a minimum level at which the projected end-of-year fund balance/net position should be maintained, taking into account the constraints imposed upon the resources reported by the governmental and proprietary funds. A fund balance policy assists in providing financial stability, cash flow for operations, and the assurance that the County will be able to respond to emergencies with fiscal strength.

It is essential to maintain adequate levels of funds balance/net position to mitigate current and future risks and to ensure tax rates. Fund balance/net position levels are also crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of fund balance/net position and unassigned fund balance in the General Fund to evaluate the County's continued creditworthiness.

#### Recommendation

We recommend the County create and adopt a fund balance policy to be in compliance with GASB Statement No. 54. The County should address fund balance reporting categories (nonspendable, restricted, committed, assigned, and unassigned) as well as review minimum fund balance policies.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

**CURRENT RECOMMENDATIONS - Continued**

6. **TIMELINESS OF AUDIT**

Comment

During our current year-end audit procedures, we noted the County was not in compliance with the State of Illinois audit requirement, which states that local governments are required to submit their financial statement audit within 180-days of their fiscal year-end.

Recommendation

We recommend that the County communicates an action plan to the State Comptroller, which should outline the anticipated completion dates for the fiscal year 2024 and 2025 audits.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

7. **OFF-BALANCE SHEET ACCOUNTS**

Comment

During our current year-end audit procedures, we noted that the County had certain funds and accounts that were not consistently recorded, monitored, or reconciled within the County's ERP system. Historically, these accounts have been maintained or reconciled by the department heads for the necessary fund and accounts, rather than being recorded by the appropriate departments throughout the year. The decentralized approach of assigning reconciliation responsibilities to the appropriate department increases the risk of errors or omissions of the County's financial records. It also limits the County's ability to monitor financial activity and may delay the identification and correction of such discrepancies.

Additionally, we noted that the County did not formally approve a budget for the following funds reported within the County's audit: Township MFT, State's Attorney Automation, Circuit Clerk, Circuit Clerk Marriage, Circuit Clerk Trust, Circuit Clerk Court, Sheriff Special, Inmate Commissary, Local Bridge, Township Construction, Shop with a Cop, Collector Accounts, and County Clerk Tax Redemption.

Recommendation

We recommend that the County establish internal control procedures to ensure that all accounts are regularly recorded, monitored, and reconciled by the County Treasurer's office. This includes assigning responsibility for each account, implementing a reconciliation schedule, and maintaining adequate documentation to support account balances. Strengthening internal oversight will enhance the accuracy and reliability of the County's financial reporting.

Additionally, we recommend that budgets be established for all funds that are reported within the County's audit to reinforce the County's commitment to public transparency and responsible stewardship of resources.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

**CURRENT RECOMMENDATIONS - Continued**

**8. FUNDS OVER BUDGET**

Comment

During our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Social Security	\$ 44,002
States Attorney Forfeited	500
Sale in Error	9,860
Drainage	103,846

Recommendation

We recommend the County investigate the causes of the funds over budget and adopt appropriate future funding measures.

Management Response

The Treasurer's office holds the drainage district money and pays the claims for each drainage district as they are submitted. This fund has never been budgeted as we would not know the plans of the compiled districts. Starting in FY27, this office will submit a budget based on available funds so that the fund is not over budgeted moving forward.

There were more than the average sale in errors processed in FY23 as it did not get adjusted for the extra 3 months. In FY24, the budget for this fund was raised considerably so that it will not be over again.

## UPCOMING STANDARDS

### 1. **GASB STATEMENT NO. 100 ACCOUNTING CHANGES AND ERROR CORRECTIONS**

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, *Accounting Changes and Error Corrections*, which establishes accounting and financial reporting requirements for (a) accounting changes, and (b) the correction of an error in previously issued financial statements (error correction). Accounting changes are (a) changes in accounting principle, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity. Error corrections are (a) errors from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued, or (b) a change from (i) applying an accounting principle that is not generally accepted to transactions or other events that previously were significant to (ii) applying a generally accepted accounting principle to those transactions or other events is an error correction. GASB Statement No. 100 requires that (a) changes in accounting principal and error corrections are reported retroactively, (b) changes in accounting estimates are reported prospectively, and (c) changes to or within the financial reporting entity should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. GASB Statement No. 100, *Accounting Changes and Error Corrections* is applicable to the County's financial statements for the year ended November 30, 2024.

### 2. **GASB STATEMENT NO. 101 COMPENSATED ABSENCES**

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, which establishes standards of accounting and financial reporting for (a) compensated absences, and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other post-employment benefits (OPEB). The statement requires that a liability should be recognized for any type of leave that has not been used at year-end if (a) The leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Examples of leave that should be reviewed, and potentially measured under GASB Statement No. 101 are vacation leave, paid time off leave, holiday leave, and sick leave. Examples of leave that are excluded from GASB Statement No. 101 are parental leave, military leave, and jury duty leave. GASB Statement No. 101, *Compensated Absences* is applicable to the County's financial statements for the year ended November 30, 2025.

### 3. **GASB STATEMENT NO. 102 CERTAIN RISK DISCLOSURES**

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*, which establishes the requirements for disclosing, in the notes to the financial statements, the risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. Governments may be vulnerable to risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. Concentration risk is a lack of diversity related to an aspect of a significant inflow of resources (revenues) or outflow of resources (expenses). Constraint risk is a limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority. GASB Statement No. 102, *Certain Risk Disclosures* is applicable to the County's financial statements for the year ended November 30, 2025.

SHELBY COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT



FILED  
FEB 25 2026  
*Jerrin Fox*  
SHELBY COUNTY CLERK

FOR THE FIFTEEN MONTHS ENDED  
NOVEMBER 30, 2023

301 E. Main St.  
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Phone: 217.246.3592  
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[www.shelbycounty-il.gov](http://www.shelbycounty-il.gov)

Complete documents listed below can be found on the County Clerk's page of the county website at [www.shelbycounty-il.gov](http://www.shelbycounty-il.gov) in the files with the heading of "AUDITS"

SAS Letter 114 from Lauterbach and Amen, LLP

SAS Letter 115 from Lauterbach and Amen, LLP

Management Letter

Annual Financial Report for the fifteen months ended November 30, 2023