

**SHELBY COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2014**

**F I L E D**

APR 08 2015

*Jessie Doy*  
**SHELBY COUNTY CLERK**

**MOSE, YOCKEY, BROWN & KULL, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
SHELBYVILLE, ILLINOIS**

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# Financial Section

230 N. Morgan Street  
P.O. Box 317  
Shelbyville, IL 62565  
Tel: 217.774.9587  
Fax: 217.774.9589  
Email: mybkcpas@consolidated.net



ROBIN R. YOCKEY, CPA  
HOPE M. BROWN, CPA  
KENT D. KULL, CPA

WILLIAM R. MOSE, CPA

## INDEPENDENT AUDITOR'S REPORT

To the County Board Members  
Shelby County  
Shelbyville, Illinois

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and aggregate remaining fund information of Shelby County, Illinois as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 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.

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.

### ***Basis for Qualified Opinion on Governmental Activities***

The county has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Shelby County, Illinois as of August 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with the modified cash basis of accounting.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois, as of August 31, 2014, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### **Supplementary Information and Single Audit**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Illinois' basic financial statements. The items included in the "Supplementary Information" sections of the report and the "Single Audit" section of the report, including the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

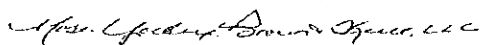
The items included in the "Supplementary Information" sections of the report and the "Single Audit" section of the report, including the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records 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. In our opinion, the items included in the "Supplementary Information" sections of the report and the "Single Audit" section of the report, including the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Information**

The IMRF Schedule of Funding Progress included as "Other Information" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated April 8, 2015 on our consideration of Shelby 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 Shelby County, Illinois' internal control over financial reporting and compliance.



Mose, Yockey, Brown & Kull, LLC  
Certified Public Accountants  
Shelbyville, Illinois

April 8, 2015

230 N. Morgan Street  
P.O. Box 317  
Shelbyville, IL 62565  
Tel: 217.774.9587  
Fax: 217.774.9589  
Email: mybkcpas@consolidated.net



**MOSE, YOCKEY, BROWN & KULL, LLC**

*Certified Public Accountants*

ROBIN R. YOCKEY, CPA  
HOPE M. BROWN, CPA  
KENT D. KULL, CPA

WILLIAM R. MOSE, CPA

**INDEPENDENT AUDITOR'S 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 County Board Members  
Shelby County, Illinois  
Shelbyville, 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 modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois as of and for the fiscal year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise Shelby County Illinois' basic financial statements, and have issued our report thereon dated April 8, 2015. Our opinion on the governmental activities was qualified because the county has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Shelby 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 Shelby County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Shelby County, Illinois' 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 described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 deficiency described in the accompanying schedule of findings and questioned costs and referenced as finding 2014-001 to be a material weakness.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shelby 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 2014-002.

We noted certain matters that we reported to management of Shelby County, Illinois in a separate letter dated April 8, 2015.

## Shelby County Illinois' Response to Findings

Shelby County, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Shelby 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 result of that testing, and not to provide an opinion on the effectiveness of the County'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.



Mose, Yockey, Brown & Kull, LLC  
Certified Public Accountants  
Shelbyville, Illinois

April 8, 2015

230 N. Morgan Street  
P.O. Box 317  
Shelbyville, IL 62565  
Tel: 217.774.9587  
Fax: 217.774.9589  
Email: mybkcpas@consolidated.net



ROBIN R. YOCKEY, CPA  
HOPE M. BROWN, CPA  
KENT D. KULL, CPA

WILLIAM R. MOSE, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the County Board Members  
Shelby County, Illinois  
Shelbyville, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Shelby County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Shelby County, Illinois' major federal programs for the year ended August 31, 2014. Shelby 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Shelby 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Shelby 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 Shelby County, Illinois' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Shelby 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 August 31, 2014.

### **Report on Internal Control Over Compliance**

Management of Shelby 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 Shelby 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 OMB Circular A-133, 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 Shelby 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, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Mose, Yockey, Brown, & Kull, LLC  
Certified Public Accountants  
Shelbyville, Illinois

April 8, 2015

**Supplementary Information  
(Part 1 of 2)**

## SHELBY COUNTY, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB No. 34), which established new requirements and a new reporting model for the annual financial reports of governments. The objective of the MD&A section is to enhance the understandability and usefulness of the basic financial statements. The MD&A should be read as an addendum to other information presented in the financial statements such as the Notes to the Financial Statements.

The financial statements incorporate the Shelby County Office of Tourism as a discretely presented component unit per GASB Statement No. 14. The Shelby County Airport Commission is included as a unit of the County. The Shelby County Airport Commission is considered a non-major governmental fund of the County.

Condensed financial statements shown in the MD&A are presented for the primary government only, and exclude the component unit. Therefore, the primary government referred to in the MD&A statements for Governmental activities is comprised of the County and the Airport Commission.

### FINANICAL HIGHLIGHTS

- One County Bridge was replaced with a new bridge on Towbruff Road.
- Two Township Bridges were replaced with new bridges: Ash Grove Township and Lakewood Township.
- Replaced one closed bridge in Holland Township with a Tank Car.
- Improved County Highway Findlay-Assumption intersection (DCEO Grant).
- County Highway received additional Illinois Jobs Now funds of \$130,518 to be used for the maintenance of County Highways.
- The Rural Transportation program was the recipient of three vehicles valued at \$286,804.
- The Supervisor of Assessment's office acquired new aerial photography and image formatting which:
  - Allows taxpayers, realtors and appraisers to view all Shelby County parcels (<http://shelby.il.bhamaps.com>)
  - Provides an accurate basis for mapping maintenance (splits, farmland assessments, name/address changes) all done in this office
  - Helps with locating building not currently on the tax rolls
  - Combined with [www.fikeandfike.com/propertytax/](http://www.fikeandfike.com/propertytax/) allows all assessment/tax information to be viewed on-line

The new aerials were purchased with GIS funds collected when deeds/documents are recorded in the County Clerk/Recorder's Office. Which could also be described as a "user" based fund.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements include 1) government-wide financial statements, 2) governmental and fiduciary fund financial statements, and 3) notes to the financial statements. The basic financial statements also contain required and other supplementary information.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The two government-wide statements are prepared on the modified cash basis of accounting and are explained below. Any internal activities within activity type in the government-wide financial statements have been eliminated or reclassified.

**The Statement of Net Position – Modified Cash Basis** includes the County's total assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the County is improving or deteriorating. A condensed version of this statement for Governmental activities is presented in the MD&A.

**The Statement of Activities – Modified Cash Basis** reports how the County's net position changed during the fiscal year. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues. Governmental activities of the County include general government, public safety, corrections, judiciary, public works/transportation, and health and welfare.

### FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about significant funds available for appropriation. Fund accounting ensures compliance with finance-related legal requirements. The County has the following two types of funds:

**Governmental Funds** – Most of the County's basic services are included in governmental funds. The fund statement focuses on (1) cash and financial assets that can readily be converted to cash flow and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view. The General Fund is the main operating account of the County and the largest of the governmental funds. Fund income is comprised of various sources for non-dedicated purposes. Other major governmental funds include the County Health Fund, the County Highway Fund, the Municipal Retirement Fund, the Mental Health Fund and the Rural Transportation Fund. Remaining governmental funds, which include special revenue funds and capital projects funds, are considered non-major governmental funds.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds consist of agency funds, which are used to account for monies received, held and disbursed, as required by statute.

## NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

On the following condensed statement, net position is calculated as total assets less total liabilities. Assets are distinguished as capital assets and the remainder as current and other assets. Liabilities are classified as long-term (average maturity of greater than one year) and the remainder as other liabilities. Per generally accepted accounting principles, net position is subdivided into three categories; net position invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The County reported \$7,257,925 and \$7,030,225 of restricted net position as of August 31, 2014 and 2013, respectively. Net position may serve over time as a useful indicator of a government's financial position. The Governmental net position was \$26,973,336 and \$24,875,946 as of August 31, 2014 and 2013, respectively.

Following is a separate Summary of Net Position – modified cash basis as of August 31, 2014 and 2013 for Governmental Activities:

#### Summary of Net Position – Modified Cash Basis Governmental Activities August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Current and other assets	\$11,220,778	\$10,651,196
Capital assets, net of accumulated depreciation	<u>16,009,698</u>	<u>14,505,894</u>
Total Assets	<u>\$27,230,476</u>	<u>\$25,157,090</u>
Short-term liabilities	\$ 220,122	\$ 208,675
Long-term liabilities	<u>37,018</u>	<u>72,469</u>
Total Liabilities	<u>\$ 257,140</u>	<u>\$ 281,444</u>
 Net Position:		
Invested in capital assets, net of related debt	\$15,937,031	\$14,398,893
Restricted for Inventory	6,337	4,735
Restricted for Insurance	904,168	901,316
Restricted for Employees' Retirement	1,613,525	1,719,991
Restricted for Public Safety	456,412	449,855
Restricted for Public Works and Transportation	1,142,036	847,132
Restricted for Economic Development	504,087	504,087
Restricted for Health and Welfare	1,871,825	1,847,699
Restricted for Other Purposes	759,535	755,410
Unrestricted	<u>3,778,380</u>	<u>3,446,828</u>
Total Net Position	<u>\$26,973,336</u>	<u>\$24,875,946</u>

Fifty-nine percent of the County's Government-wide total net position reflect investment in capital assets such as land, buildings, machinery, and equipment, less any related outstanding debt used to acquire those assets as of August 31, 2014 compare to 58% as of August 31, 2013. The County uses these capital assets in operations and, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position may be used to meet the County's ongoing obligations. As of August 31, 2014 and 2013, the County had positive balances in all categories of net position for the governmental activities. The County's overall financial position improved with net position increasing \$2,097,390 during fiscal year 2014.

The following statement is a condensed version of the Changes in Net Position – modified cash basis for Governmental Activities:

**Changes in Net Position – Modified Cash Basis**  
**Year Ended August 31, 2014 and 2013**

Receipts:	<u>2014</u>	<u>2013</u>
Program Receipts:		
Fines, fees, & charges for services	\$ 1,502,586	\$ 1,416,649
Operating grants and contributions	2,954,082	2,225,812
Capital grants and contributions	1,973,902	265,400
General Receipts:		
Property taxes	4,209,483	4,090,727
Sales and other taxes	2,184,753	2,134,522
Unrestricted investment earnings	15,819	20,616
Transfers	17,781	30,801
Other receipts	<u>105,991</u>	<u>274,071</u>
Total Receipts	<u>\$12,964,397</u>	<u>\$ 10,458,598</u>
Disbursements:		
General government	\$ 2,933,911	\$ 2,834,348
Indemnity	2,128	--
Public safety	2,385,939	2,470,712
Corrections	143,303	146,274
Judiciary	549,856	513,624
Public works/transportation	3,393,618	3,072,529
Health and welfare	1,454,574	1,442,112
Interest on long-term debt	<u>3,678</u>	<u>194</u>
Total Disbursements	<u>\$10,867,007</u>	<u>\$10,479,793</u>
Change in net position	\$ 2,097,390	\$ (21,195)
Net position – September 1,	<u>24,875,946</u>	<u>24,897,141</u>
Net position – August 31,	<u>\$26,973,336</u>	<u>\$24,875,946</u>



## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County's Governmental Funds provide information on near-term inflows, outflows, and balances of spendable resources. The unreserved fund balance indicates the net resources available for spending at the end of the fiscal year. It is a particularly useful indicator of net resources. When coupled with future resources, these resources shape the programs and the disbursements in future years. Per the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance, the County's Governmental Funds reported a combined fund balance of \$10,985,931 and \$10,408,785 as of August 31, 2014 and 2013, respectively. Of these amounts, \$7,201,214 is restricted due to external limitations on its use, such as by debt covenants, legal restrictions, or intention of grantors, donors, or trustees. A total of \$6,337 of fund balance is considered unspendable because it has been used for advances, inventory, and prepaid items. Committed fund balances total \$214,702 and represent amounts that have been committed by formal action of the County Board. A total of \$1,423,277 has been assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, payment of debt service, and for other purposes. The remaining \$2,140,401 is unassigned and can be used for any lawful purpose.

The fund balance for all Governmental Funds at the fiscal years ended August 31, 2014 and 2013 had a positive net change of \$577,146 and a negative net change of \$873,949, respectively.

Per the Statement of Revenues Received, Expenditures Disbursed and Change in Fund Balance, total Governmental receipts for the fiscal years 2014 and 2013 were \$10,990,608 and \$10,440,159, respectively and total disbursements were \$10,431,243 and \$11,451,910, respectively.

### GENERAL FUND

The County Board concentrates its financial oversight on the General Fund because it is the core operating fund and allows the most discretion in allocations. At the end of the current fiscal year, unassigned fund balance of the general fund is \$2,162,928, while total fund balance is \$3,406,981. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing sources. Unassigned fund balances represents 56 percent of total general fund expenditures and other financing sources, while total fund balance represented 71 percent of that same amount. For the year ended August 31, 2014, receipts of \$5,069,141 less disbursements of \$4,712,981 resulted in a increase in fund balance of \$356,160. After the net transfers of (\$91,557), the result was a net increase in the General Fund fund balance of \$264,603. For the year ended August 31, 2013, receipts of \$4,966,019 less disbursements of \$5,652,269 and net transfers of (\$63,589) resulted in a net decrease in fund balance of \$749,839.

The largest receipt sources for the General Fund are property taxes, sales taxes, and income taxes which account for 68 and 67 percent of receipts for the years ended August 31, 2014 and 2013, respectively. General government and public safety are the primary operations of the general fund. Approximately 81 and 68 percent of the General Fund's disbursements are for general government and public safety activities for the years ended August 31, 2014 and 2013, respectively.

### COUNTY HEALTH FUND

The largest source of revenues received for the County Health Fund are property taxes, federal and state grant receipts from State of Illinois agencies which account for 85 and 88 percent of receipts for the years ended August 31, 2014 and 2013, respectively. The County Health Fund's basic purpose is the protection and improvement of the public health in the County.

## **COUNTY HIGHWAY FUND**

The largest source of revenues received for the County Highway Fund are property taxes, federal and state grants and Motor Fuel Tax which accounts for 95 and 90 percent of receipts for the years ended August 31, 2014 and 2013, respectively. The County Highway Fund accounts for the maintenance and construction of roads and bridges in the County.

## **MUNICIPAL RETIREMENT**

The largest source of revenues received for the Municipal Retirement Fund is property taxes which accounts for 96 and 96 percent of receipts for the years ended August 31, 2014 and 2013, respectively.

## **MENTAL HEALTH FUND**

The largest source of revenues received for the Mental Health Fund is property taxes which accounts for 96 and 96 percent of receipts for the years ended August 31, 2014 and 2013, respectively. The Mental Health Fund's basic purpose is to provide for the community health facilities and services for the mentally challenged in the County.

## **RURAL TRANSPORTATION**

The largest sources of revenues received for the Rural Transportation Fund are federal and state grants which account for 100 percent of receipts for the years ended August 31, 2014 and 2013. The Rural Transportation Fund provides public transportation for the residents of the county.

## **BUDGETARY HIGHLIGHTS**

The County prepares an estimate of revenues and a budget for the General Fund and all of the Special Revenue Funds using the modified cash basis of accounting. The County's Fiduciary Funds are not required to prepare budgets. The General Fund's actual receipts were more than budgeted amounts by \$499,541 and actual disbursements were less than budgeted amounts by \$289,859, resulting in a positive budget variance of \$789,400. The other Information section contains the Budgetary Comparison Schedule – Modified Cash Basis for the General Fund, County Health Fund, County Highway Fund, Municipal Retirement Fund, Mental Health Fund, and Rural Transportation Fund.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **CAPITAL ASSETS**

The County's investments in capital assets as of August 31, 2014 and 2013 (net of accumulated depreciation), are summarized below for Governmental-Type Activities:

**Capital Assets  
Governmental Activities  
(Net of Depreciation)  
August 31, 2014 and 2013**

	2014	2013
Land	\$ 3,414,046	\$ 3,414,046
Work in Process	49,141	71,571
Buildings and Improvements	3,873,282	3,998,186
Vehicles	652,964	562,247
Maintenance Vehicles	84,379	121,480
Infrastructure	7,522,638	6,048,014
Equipment	396,969	270,559
Law Enforcement & Canine	16,279	19,791
 Total Capital Assets, net of depreciation	 \$16,009,698	 \$14,505,894

During fiscal years 2014 and 2013, total capital assets for the County had a net increase (including additions, decreases, and depreciation) of \$1,503,804 and \$973,945, respectively. These increases reflect the current additions for vehicles, equipment, building and highway infrastructure and other miscellaneous equipment. The County recorded \$733,686 and \$711,211 of depreciation expense for the fiscal years 2014 and 2013, respectively and the amounts of accumulated depreciation are \$7,512,274 and \$6,870,730 as of August 31, 2014 and 2013, respectively.

More detailed information is presented in Note 5 to the financial statements.

**DEBT**

The County has a statutorily imposed legal general obligation bond limit of 5.75% of its total assessed valuation. That limit is approximately 18.8 million dollars, and is substantially greater than current outstanding debt principal.

The following is a summary of the County's gross outstanding short-term debt as of August 31, 2014 and 2013:

**Outstanding Long-Term Debt  
Governmental Activities  
August 31, 2014 and 2013**

Debt Description	2014	2013
Bank Loans	\$ 72,667	\$ 107,001

More detailed information about the County's long-term debt is presented in Note 6 to the financial statements.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and pass through agencies with a general overview of the County's finances and to show the County's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Ms. Debra Ramey, Shelby County Treasurer, Shelby County Courthouse, Shelbyville, Illinois, 62565.

# Basic Financial Statements

# Government-Wide Financial Statements (GWFS)

SHELBY COUNTY, ILLINOIS  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
AUGUST 31, 2014

	Primary Governmental Activities	Component Unit
<b>ASSETS:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 10,918,382	\$ 24,415
Certificates of Deposit	245,686	--
Notes Receivable		
Due Within One Year	18,442	--
Inventory	6,336	--
Total Current Assets	\$ 11,188,846	\$ 24,415
<b>Noncurrent Assets:</b>		
Notes Receivable		
Due In More Than One Year	\$ 31,932	\$ --
Capital Assets		
Land	3,414,046	--
Work in Process	49,141	--
Buildings & Improvements	5,749,236	--
Vehicles	2,359,284	--
Maintenance Vehicles	780,602	--
Infrastructure	8,928,675	--
Equipment	2,217,988	4,820
Law Enforcement Canine	23,000	--
Less: Accumulated Depreciation	(7,512,274)	(4,820)
Total Noncurrent Assets	\$ 16,041,630	\$ --
TOTAL ASSETS	\$ 27,230,476	\$ 24,415
<b>LIABILITIES:</b>		
Withholding Payable	\$ 117,914	\$ 1,220
Due to Other Governmental Units	65,766	--
Due to Agency Fund	793	--
Debt Due Within One Year	35,649	--
Debt Due In More Than One Year	37,018	--
TOTAL LIABILITIES	\$ 257,140	\$ 1,220
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 15,937,031	\$ --
Restricted for:		
Inventory	6,337	--
Insurance	904,168	--
Employees' Retirement	1,613,525	--
Public Safety	456,412	--
Public Works and Transportation	1,142,036	--
Economic Development	504,087	--
Health and Welfare	1,871,825	--
Other Purposes	759,535	--
Unrestricted	3,778,380	23,195
TOTAL NET POSITION	\$ 26,973,336	\$ 23,195

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2014

Activities	Disbursements	PROGRAM RECEIPTS			Net (Disbursements) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities					
General Government	\$ 2,933,911	\$ 1,070,480	\$ 487,059	\$ -	\$ (1,376,372)
Indemnity	2,128	3,960	-	-	1,832
Public Safety	2,385,939	120,043	52,617	-	(2,213,279)
Corrections	143,303	-	-	-	(143,303)
Judiciary	549,856	24,168	-	-	(525,688)
Public Works/Transportation	3,397,296	136,253	1,992,881	1,973,902	705,740
Health and Welfare	1,454,574	147,682	421,525	-	(885,367)
Total Governmental Activities	\$ 10,867,007	\$ 1,502,586	\$ 2,954,082	\$ 1,973,902	\$ (4,436,437)
TOTAL PRIMARY GOVERNMENT	\$ 10,867,007	\$ 1,502,586	\$ 2,954,082	\$ 1,973,902	\$ (4,436,437)
Component Unit:					
Shelby County Tourism	\$ 84,062	\$ 19,215	\$ 18,275	\$ -	\$ (46,572)
General Receipts:					
Taxes - Property				\$ 4,209,483	\$ -
Taxes - Sales				676,793	-
Taxes - Income				986,394	-
Taxes - Motor Fuel				385,061	-
Taxes - Replacement & Other				136,505	51,800
Unrestricted Interest				15,819	1
County Farm				17,176	-
Transfers				17,781	-
Miscellaneous				88,815	355
Total General Receipts and Transfers				\$ 6,533,827	\$ 52,156
Change in Net Position				\$ 2,097,390	\$ 5,584
Net Position - September 1, 2013				24,875,946	17,611
Net Position - August 31, 2014				\$ 26,973,336	\$ 23,195

The accompanying notes are an integral part of these financial statements.

# Fund Financial Statements



SHELBY COUNTY, ILLINOIS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
AUGUST 31, 2014

	General Fund	County Health Fund	County Highway Fund	Municipal Retirement Fund	Mental Health Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 3,484,572	\$ 1,260,515	\$ 1,157,754	\$ 1,348,383	\$ 1,451,787	\$ 4,464	\$ 2,210,907	\$ 10,918,382
Certificates of Deposit	10,000	125,000	—	—	—	—	110,686	245,686
Interfund Loans Receivable	91,326	3,800	30,000	—	—	—	780	125,906
Inventory	6,336	—	—	—	—	—	—	6,336
<b>TOTAL ASSETS</b>	<b>\$ 3,592,234</b>	<b>\$ 1,389,315</b>	<b>\$ 1,187,754</b>	<b>\$ 1,348,383</b>	<b>\$ 1,451,787</b>	<b>\$ 4,464</b>	<b>\$ 2,322,373</b>	<b>\$ 11,296,310</b>
<b>LIABILITIES</b>								
Withholding Payable	\$ 117,914	—	—	—	—	—	—	\$ 117,914
Interfund Loans Payable	1,573	3,800	30,793	59,516	—	—	31,017	126,699
Due to Other Governmental Units	65,766	—	—	—	—	—	—	65,766
<b>TOTAL LIABILITIES</b>	<b>\$ 185,253</b>	<b>\$ 3,800</b>	<b>\$ 30,793</b>	<b>\$ 59,516</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 31,017</b>	<b>\$ 310,379</b>
<b>FUND BALANCE</b>								
Fund Balance:								
Nonspendable:								
Inventory	\$ 6,337	—	—	—	—	—	—	\$ 6,337
Restricted for:								
Insurance	904,168	—	—	—	—	—	—	904,168
Rescue Squad	9,402	—	—	—	—	—	—	9,402
Sheriff	1,371	—	—	—	—	—	—	1,371
Capital Improvement	79,024	—	—	—	—	—	—	79,024
Indemnity	—	—	—	—	—	—	96,503	96,503
Employees Retirement	—	—	—	1,283,653	—	—	329,872	1,613,525
Public Safety	—	—	—	—	—	—	456,412	456,412
Judiciary	—	—	—	—	—	—	82,641	82,641
Automation	—	—	—	—	—	—	61,464	61,464
Recording	—	—	—	—	—	—	144,069	144,069
Public Works/Transportation	—	—	1,142,036	—	—	—	—	1,142,036
GIS	—	—	—	—	—	—	244,899	244,899
Document Storage	—	—	—	—	—	—	40,162	40,162
Economic Development	—	—	—	—	—	—	453,713	453,713
Health and Welfare	—	208,260	—	—	1,433,149	—	230,416	1,871,825
Committed	—	—	—	—	—	—	—	—
Capital Improvement	214,702	—	—	—	—	—	—	214,702
Assigned	29,049	1,177,255	14,925	5,214	18,638	—	178,196	1,423,277
Unassigned	2,162,928	—	—	—	—	4,464	(26,991)	2,140,401
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,406,981</b>	<b>\$ 1,385,515</b>	<b>\$ 1,156,961</b>	<b>\$ 1,288,867</b>	<b>\$ 1,451,787</b>	<b>\$ 4,464</b>	<b>\$ 2,291,356</b>	<b>\$ 10,985,931</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>								
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,592,234</b>	<b>\$ 1,389,315</b>	<b>\$ 1,187,754</b>	<b>\$ 1,348,383</b>	<b>\$ 1,451,787</b>	<b>\$ 4,464</b>	<b>\$ 2,322,373</b>	<b>\$ 11,296,310</b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
 ASSETS, LIABILITIES AND FUND BALANCE - MODIFIED CASH BASIS  
 TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
AUGUST 31, 2014

<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 10,985,931</b>
Total net position reported for governmental activities in the statement of net position is different because:	
Notes Receivable are not financial resources; therefore, they are not reported in the funds.	50,374
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds:	
Land	3,414,046
Other Capital Assets	12,595,652
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(72,667)</u>
 <b>Net Position of Governmental Activities</b>	 <b><u>\$ 26,973,336</u></b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2014

	General Fund	County Health Fund	County Highway Fund	Municipal Retirement Fund	Mental Health Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES RECEIVED:</b>								
Property Taxes	\$ 1,805,026	\$ 339,531	\$ 641,400	\$ 520,193	\$ 505,463	\$ -	\$ 397,870	\$ 4,209,483
Sales Taxes	676,793	-	-	-	-	-	-	676,793
Intergovernmental Revenue:								
State Sources:								
Income Taxes	986,394	-	-	-	-	-	-	986,394
Motor Fuel Taxes	-	-	385,061	-	-	-	-	385,061
Replacement Tax	41,958	9,613	41,200	-	-	-	-	92,771
Other State Sources	376,412	209,706	430,959	20,245	18,895	-	4,594	1,059,811
Federal Sources	107,747	211,819	85,548	-	-	925,167	986	1,943,230
County Farm	17,176	-	-	-	-	534,047	18,854	958,015
Loan Repayments	-	-	-	-	-	-	-	17,176
Charges for Services	83,519	133,476	82,034	-	-	-	17,894	316,923
Licenses and Permits	6,287	-	-	-	-	-	54,219	60,506
Fines, Fees and Forfeits	696,451	-	-	-	-	-	189,044	885,495
Penalties, Interest and Costs	93,935	-	-	-	-	-	-	93,935
Sales of Real Estate Stamps	163,621	-	-	-	-	-	-	163,621
Interest	7,022	2,024	1,274	137	2,133	1	3,228	15,819
Miscellaneous	6,800	2,500	1,442	-	-	-	130,910	141,652
<b>Total Revenues Received</b>	<b>\$ 5,069,141</b>	<b>\$ 908,869</b>	<b>\$ 1,668,918</b>	<b>\$ 540,575</b>	<b>\$ 526,491</b>	<b>\$ 1,459,215</b>	<b>\$ 817,599</b>	<b>\$ 10,990,608</b>
<b>EXPENDITURES DISBURSED:</b>								
Current:								
General Government	\$ 1,808,426	\$ -	\$ -	\$ 676,760	\$ -	\$ -	\$ 357,672	\$ 2,842,858
Indemnity	-	-	-	-	-	-	2,128	2,128
Public Safety	2,006,519	-	-	-	-	-	180,854	2,187,373
Corrections	143,303	-	-	-	-	-	-	143,303
Judiciary	525,433	-	-	-	-	-	-	525,433
Public Works/Transportation	10,895	-	1,331,955	-	-	1,406,796	24,423	2,953,773
Health and Welfare	53,405	858,888	-	-	477,294	-	60,767	1,450,354
Capital Outlay	165,000	-	-	-	-	34,660	63,927	263,587
Debt Service	-	-	3,678	-	-	-	-	3,678
Interest on Long Term Debt	-	-	34,333	-	-	-	-	34,333
Principal on Long Term Debt	-	-	-	-	-	-	-	-
<b>Total Expenditures Disbursed</b>	<b>\$ 4,712,981</b>	<b>\$ 858,888</b>	<b>\$ 1,369,966</b>	<b>\$ 676,760</b>	<b>\$ 477,294</b>	<b>\$ 1,441,456</b>	<b>\$ 893,898</b>	<b>\$ 10,431,243</b>
Revenues Received Over (Under) Expenditures Disbursed	\$ 356,160	\$ 49,781	\$ 298,952	\$ (136,185)	\$ 49,197	\$ 17,759	\$ (76,299)	\$ 559,365
Other Financing Sources (Uses):								
Operating Transfers In	619,597	1,371	473,329	22,142	-	500	123,848	1,240,787
Operating Transfers Out	(711,154)	-	(476,116)	-	-	(7,027)	(28,709)	(1,223,006)
Net Change in Fund Balance	\$ 264,603	\$ 51,152	\$ 296,165	\$ (114,043)	\$ 49,197	\$ 11,232	\$ 18,840	\$ 577,146
Fund Balance - September 1, 2013	3,142,378	1,334,363	860,796	1,402,910	1,402,590	(6,768)	2,272,516	10,408,785
Fund Balance - August 31, 2014	\$ 3,406,981	\$ 1,385,515	\$ 1,156,961	\$ 1,288,867	\$ 1,451,787	\$ 4,464	\$ 2,291,356	\$ 10,985,931

The accompanying notes are an integral part of these financial statements.

**SHELBY COUNTY, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES**  
**DISBURSED AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**YEAR ENDED AUGUST 31, 2014**

<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$</b>	<b>577,146</b>
<p>The Change in Net Position reported for governmental activities in the Statement of Activities - modified cash basis is different because:</p>		
<p>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.</p>		
Current year principal retirement		34,333
<p>Governmental funds report capital outlays as disbursements. However, in the Statement of Activities - modified cash basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and infrastructure depreciation (\$733,684) exceed additions \$263,587 in the current period.</p>		
		(470,097)
<p>Federal and State on-behalf payments for mini vans and road infrastructure are reported as capital grants and contributions in the Statement of Activities - modified cash basis; however, they are not recognized as receipts in the governmental funds.</p>		
		1,973,902
<p>Principal payments received on Notes Receivable reduce Notes Receivable and do not affect the Statement of Activities - modified cash basis</p>		
		<u>(17,894)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,097,390</u></b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION -  
MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2014

	Private - Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,437,420	\$ 3,765,843
Interfund Loans Receivable	793	--
<b>TOTAL ASSETS</b>	<b>\$ 2,438,213</b>	<b>\$ 3,765,843</b>
<b>LIABILITIES</b>		
Due to Others		
<b>TOTAL LIABILITIES</b>	<b>\$ 3,705</b>	<b>\$ 3,765,843</b>
	<b>\$ 3,705</b>	<b>\$ 3,765,843</b>
<b>NET POSITION</b>		
Restricted for Other Purposes	\$ 2,434,508	\$ --
<b>TOTAL NET POSITION</b>	<b>\$ 2,434,508</b>	<b>\$ --</b>

The accompanying notes are an integral part of these financial statements.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2014

	Private - Purpose Trust Funds
<b>ADDITIONS:</b>	
Property Taxes	\$ 75,572
Intergovernmental Revenue:	
State Sources	
Motor Fuel Taxes	1,557,902
Other State Sources	1,692,346
Fines and Fees	280
Cash Bail	26,495
Interest	1,984
Miscellaneous	16,429
	\$ 3,371,008
<b>DEDUCTIONS:</b>	
Distributions	\$ 2,464,953
Miscellaneous	1,228
	\$ 2,466,181
Change in Net Position before Other Financing Sources (Uses)	\$ 904,827
Other Financing Sources (Uses):	
Operating Transfers In	4,158
	\$ 908,985
Change in Net Position	\$ 908,985
Net Position - September 1, 2013	1,525,523
Net Position - August 31, 2014	\$ 2,434,508

The accompanying notes are an integral part of these financial statements.

**Notes to Basic Financial Statements**

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 - Summary of Significant Accounting Policies

Shelby County, Illinois was created on January 23, 1827 by an act of state legislature. The County is governed by an elected 22 member board and provides the following services: public safety, tax collection, highways and streets, health and social services, public improvements, planning and zoning, airport operations, corrections, public records, and general administration.

A. Reporting Entity

The accompanying financial statements present the County's primary government and component units over which the County exercises significant influence. Component units are legally separate organizations for which the elected officials of Shelby County are financially accountable. Shelby County would be considered financially accountable if it appoints a voting majority of the organization's government body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on Shelby County (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on Shelby County, the County is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The County's reporting entity includes the County's governing board and its component units for which the County is financially accountable under the definition described above. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Blended Units

Shelby County Airport Commission (SCAC)

Financial reporting for the Shelby County Airport Commission (SCAC) is blended with the primary government financial statements. The SCAC operates a landing field. Three members of the Shelby County Board serve as trustees of the SCAC. SCAC assets and activities are reported in the Airport Special Revenue Fund.

Shelby County Health Department (SCHD)

The County Board members appoint the Shelby County Health Board and approve the appropriations for the SCHD. In addition, the County Treasurer's office maintains the accounting records of the SCHD. The payroll of the SCHD is included with and processed with the County's payroll. The SCHD funds have been included in the County's reporting entity as special revenue funds.



SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

Discretely Presented Component Unit

The discretely presented component unit included in the County's financial statements is the Shelby County Office of Tourism (SCOT). The SCOT encourages and promotes tourism in the Shelby County area. All members of the SCOT board are selected by the chairman of the Shelby County Board and approved by the Shelby County board members. SCOT employees manage the assets and maintain the accounting records and payroll records for SCOT. The SCOT does not issue separate financial statements.

B. Related Organizations

The County Board Chairman and County Board make appointments of the governing boards of a number of fire protection, drainage and other districts. Even though the County Board may appoint a majority of the members of the respective districts, the members do not serve at the discretion of the County Board, that is, they can be removed only for cause. There are no indications that the County Board can impose its will over these districts and, therefore, has no financial accountability. These units are not considered units of Shelby County, Illinois.

C. Basis of Presentation

The County's basic financial statements include both the government-wide and fund financial statements. The County's general and special revenue funds are classified as governmental activities. The County does not have any enterprise or internal service funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary fund assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government.

The government-wide financial statements (i.e., the statement of net position-modified cash basis and the statement of activities-modified cash basis) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *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. Shelby County does not have any business-type activities. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *Direct* disbursements are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

D. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is on determination of "financial flow". The county's major governmental funds are:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *County Health Fund* is used to account for receipts and disbursements pertaining to the general operation of the Shelby County Health Department. The basic purpose of the Department is the protection and improvement of the public health in the County.

The *County Highway Fund* is used to account for receipts and disbursements pertaining to the general operation in the Shelby County Highway Department. The basic purpose of the Department is the maintenance and construction of roads and bridges in the County.

The *Municipal Retirement Fund* is used to account for receipts and disbursements pertaining to the retirement of the County's employees.

The *Mental Health Fund* is used to account for receipts and disbursements pertaining to the Mental Health Fund. The basic purpose of the Department is to provide for the community health facilities and services for the mentally challenged in the County.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

The *Rural Transportation Fund* is used to account for receipts and disbursements pertaining to Rural Transportation. The basic purpose of the fund is to provide public transportation for the residents of the county.

Fiduciary Funds

Fiduciary funds include private-purpose trust and agency funds. Private-Purpose Trust Funds are used to report all trust agreements under which principal and income benefit individuals, private organizations, or other governments. Agency funds are purely custodial (assets equal liabilities) and thus, do not involve measurement of results of operations. Agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, an/or other funds.

E. Basis of Accounting

Basis of accounting refers to when receipts and disbursements are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The *government-wide financial statements* are reported using the economic resources measurement focus and the modified cash basis of accounting. Receipts are recorded when received and disbursements are recorded when checks are written. Capital assets are capitalized when purchased and depreciation is recognized over the estimated useful lives of the assets. Long-term liabilities are recognized when cash proceeds are received or the liabilities are incurred.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified cash basis of accounting. Receipts are recorded when received and expenditures are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities.

Financial statements prepared on the modified cash basis of accounting are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance as the County does not have any business-type activities and enterprise funds as of August 31, 2014.

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

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

F. Budgets and Budgetary Accounting

Shelby County follows these procedures in establishing the budgetary data reflected in these financial statements.

1. Prior to September 1, a proposed operating budget is prepared for the general fund and special revenue funds. This operating budget includes proposed disbursements for each line item in the general fund and major disbursement categories in the special revenue funds, and the proposed amount of real estate taxes to levy. No formal budgets are prepared for any funds other than the general fund and special revenue funds.
2. Public hearings are conducted through July and August to obtain taxpayer comments.
3. In September, the budget is legally enacted through the passage of an appropriation ordinance and a tax levy ordinance.
4. Budgets are adopted on the modified cash basis of accounting.
5. Budgets lapse at year end. Shelby County reappropriates the following year any unperformed contracts, commitments or any other encumbrances.
6. The County Board determines any amendments that may be made to the budget. Evaluation and financial control is also determined at the County Board level.
7. Formal budgetary integration is employed as a management control device during the year.

The original budget was adopted on September 11, 2013, the final budget on July 9, 2014. Both original and final amended budgets are presented as approved by the County Board.

G. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

H. Certificates of Deposit

Certificates of deposits are stated at cost and held for investment purposes and have original maturities exceeding three months.

I. Inventory

The County does not maintain inventories of supplies and materials with the exception of the value of the Real Estate Tax Stamps as held by the County Clerk's office. The tax stamp inventory is reported at cost using the specific identification method.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

J. Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from funds" on the governmental funds statement of assets, liabilities and fund balance - modified cash basis.

K. Notes Receivable

The County has two notes receivable that are recorded as an asset on the government-wide statement of net assets-modified cash basis. In the fund financial statements, principal and interest payments are recorded as receipts in the statement of revenues received, expenditures disbursed and changes in fund balance.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, and similar items) are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, and equipment of the County, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-50
Land Improvements	15
Equipment and Vehicles	3-10
Infrastructure - Highways, Bridges, etc.	20-50
Law Enforcement Canine	8
Orthoimagery	5

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, if applicable.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statements of net assets-modified cash basis. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

N. Capital Leases

Leases, which are in effect financing agreements under the provisions of FASB Statement 13, are recorded as capital leases. The present value of the asset and liability at the inception of the lease are recorded on the County's statement of net assets - modified cash basis.

O. Interfund Transfers

The interfund transfers shown in the financial statements are categorized as operating transfers. Operating interfund transfers are those routine kinds of transfers made between funds due to the unique relationships between the funds involved. These transfers have not been recorded as loans with interfund repayment requirements.

P. Use of Estimates

The preparation of financial statements with the modified cash basis of accounting requires the County to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues received and expenditures disbursed during the reporting period. Actual results could differ from these estimates.

Q. Fund Equity

Fund Balances

Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," requires fund balances on the governmental fund financial statements to be classified into five major classifications: Nonspendable Fund Balance; Restricted Fund Balance; Committed Fund Balance; Assigned Fund Balance; and Unassigned Fund Balance.

1. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

2. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 1 – Summary of Significant Accounting Policies (continued)

3. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the County Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The County Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

4. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the County Board itself or (b) by an official or body to which the governing body delegates the authority.

5. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the individual funds.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Prior to implementation of GASB 54, fund balances of special revenue fund types were reported as "unreserved". These amounts were reclassified as to the appropriate GASB 54 category as of September 1, 2010.

Net Position

In the government-wide financial statements, net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, less outstanding principal of related debt. Restricted net position has a limited use due to restrictions imposed by outside third-parties, such as creditors or grantors, or restrictions imposed by law through enabling legislation.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 2 - Property Taxes

Property taxes are levied by the Shelby County Board and are collected by the Shelby County Treasurer.

Property tax revenues are recognized when they are received on the modified cash basis of accounting. Taxes levied and uncollected are not carried as an asset of the related fund.

Property taxes collected in calendar years 2013 and 2012 attached as an enforceable lien on property as of January 1, 2012 and 2013, respectively. These taxes were required to be levied by the County prior to the last Tuesday in December. The 2012 and 2013 levies were adopted by the County in September, 2012 and October, 2013. Property taxes were due from property owners in two installments in August and October. The property tax receipts for the year ending August 31, 2014, as shown in the financial statements, consist of two distributions from the 2012 levy and one distribution from the 2013 levy. Property taxes are distributed from August through February.

Taxes become a lien against property if not paid by the date of the tax sale. Shelby County's tax sale was held on December 9, 2013.

The following are the assessed valuations and tax rates applicable to the various levies per \$100 of assessed valuation for the property tax collections included in these financial statements:



SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 2 - Property Taxes (continued)

	2013 <u>Maximum</u>	<u>2013 Levy</u>	<u>2012 Levy</u>
Assessed Valuation		<u>\$327,175,979</u>	<u>\$328,874,060</u>
Property Tax Rates:			
Extension Education	.05000	.02242	.02230
County	Unlimited	.46366	.45595
County Highway	.20000	.09786	.09572
County Bridge	.25000	.04370	.04274
Federal Aid	.05000	.05000	.05000
County Health	.17500	.10402	.09572
Municipal Retirement	Unlimited	.15588	.15204
Airport	.25000	.01270	.01264
Mental Health	.15000	.15000	.15000
Social Security	Unlimited	.09017	.08970
Tort Immunity Insurance	Unlimited	.03393	.03497
Workers' Comp. Insurance Tax	Unlimited	.02385	.02585
Unemployment Insurance Act	Unlimited	<u>.01620</u>	<u>.01582</u>
Total County Rate		<u>1.26439</u>	<u>1.24345</u>
Ambulance	.25000	<u>0.01973</u>	<u>0.01913</u>

Extension Education tax levy is a part of the total County rate. The revenues are paid directly to the Extension Education Office and are not included in the County property tax total.

Note 3 - Cash and Investments

Cash and Cash Equivalents and Certificates of Deposit as of August 31, 2014 consist of the following:

	<u>Primary Government</u>	<u>Component Unit</u>
Cash on Hand	\$ 9,363	\$ 250
Deposits with financial institutions	<u>11,154,705</u>	<u>24,165</u>
Sub-Total Governmental Activities	\$ 11,164,068	\$ 24,415
Fiduciary Funds	<u>6,203,263</u>	--
Total	<u>\$ 17,367,331</u>	<u>\$ 24,415</u>

**Investments Authorized by Illinois Compiled Statutes and the County's Investment Policy**

The County is allowed to invest in securities as authorized by 30ILCS 235/2 and 235/6 of the *Illinois Compiled Statutes*. The County's investment policy is consistent with *Illinois Compiled Statutes*.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 3 - Cash and Investments (Continued)

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy does not specifically address interest rate risk; however, one of the ways that the County manages its exposure to interest rate risk is by limiting its purchases of long term investments. At August 31, 2014 the County's investments were deposits in financial institutions. The deposits are all demand deposits with the exception of the following:

		<u>Maturity Date</u>
Certificate of Deposit	\$ 21,242	November 19, 2014
Certificate of Deposit	10,000	January 8, 2015
Certificate of Deposit	45,000	February 7, 2015
Certificate of Deposit	125,000	February 12, 2015
Certificate of Deposit	23,635	February 15, 2014
Certificate of Deposit	<u>20,809</u>	February 19, 2015
	<u>\$ 245,686</u>	

None of the County's investments are highly sensitive to interest rate fluctuations.

**Disclosure Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy requires the Treasurer to use investments approved for governmental units as set forth in the most current issue of the Illinois Compiled Statutes including Securities Exchange Commission registered and AAA rated by Fitch and Standard & Poor's mutual funds consisting of U.S. Government Treasuries. As the County's investments are all deposits with financial institutions, the investments are not subject to credit risk rating.

**Concentration of Credit Risk**

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Deposits with financial institutions are not subject to credit risk rating.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 3 - Cash and Investments (Continued)

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. *Illinois Compiled Statutes* and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits. The County's investment policy leaves to the discretion of the Treasurer whether or not collateral will be required of financial institutions receiving County funds.

As of August 31, 2014, \$15,903,689 of the County's deposits with financial institutions in excess of federal depository insurance limits were held in accounts collateralized by securities held by the pledging financial institution.

**Illinois Funds**

The County is a voluntary participant in the Illinois Funds Money Market Fund, a money market fund created in 1975 by the Illinois General Assembly to permit participants to pool their investment funds. The Illinois Funds Money Market Fund invests in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury and in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The time deposits are collateralized 105% over FDIC or FSLIC \$250,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency. The individual participant's 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. The value of the County's investment in this pool is reported at cost, which approximates market. Investors are not required to maintain minimum account balances. The fair value of the County's position in the pool is the same as the value of the pool shares.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. None of the County's investments are directly subject to foreign currency risk. The County's investment policy does not address foreign currency risk.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

**Note 4 - Notes Receivable**

The County has the following two notes receivable outstanding at August 31, 2014:

	<u>Due Within One Year</u>	<u>Due Over One Year</u>	<u>Total</u>
<u>Whitetail Crossing, Inc</u>			
The terms of this loan agreement require 10 annual installments of \$7,048.77 including interest of 3% commencing on June 1, 2007 until June 1, 2016.			
	\$ 6,639	\$ 7,274	\$ 13,913
 <u>Willow Ridge Vineyards and Winery</u>			
The original terms of this loan agreement require four annual installments of \$15,272, including interest at 3%, and a final payment of \$85,132. Payments began on May 26, 2007 with the final payment due May 26, 2011. On May 26, 2011, the terms of this loan agreement were modified requiring six annual installments of \$12,898, including interest at 3% commencing on May 26, 2012 until May 27, 2017.			
	<u>11,803</u>	<u>24,658</u>	<u>36,461</u>
	<u>\$ 18,442</u>	<u>\$ 31,932</u>	<u>\$ 50,374</u>

**Note 5 – Capital Assets**

Capital assets activity for the year ended August 31, 2014 was as follows:

	<u>Balance September 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2014</u>
<b>Primary Government</b>				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,414,046	\$ --	\$ --	\$ 3,414,046
Work In Process	71,571	34,660	57,090	49,141
	<u>\$ 3,485,617</u>	<u>\$ 34,660</u>	<u>\$ 57,090</u>	<u>\$ 3,463,187</u>

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 5 – Capital Assets (continued)

	<u>Balance September 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2014</u>
Capital assets being depreciated:				
Buildings & Improvements	\$ 5,722,630	\$ 26,606	\$ --	\$ 5,749,236
Vehicles	2,119,822	331,604	92,142	2,359,284
Maintenance Vehicles	780,602	--	--	780,602
Infrastructure	7,241,576	1,687,099	--	8,928,675
Equipment	2,003,377	214,611	--	2,217,988
Law Enforcement Canine	<u>23,000</u>	<u>--</u>	<u>--</u>	<u>23,000</u>
 Total Capital Assets Being Depreciated	 <u>\$17,891,007</u>	 <u>\$ 2,259,920</u>	 <u>\$ 92,142</u>	 <u>\$ 20,058,785</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	\$(1,724,444)	\$ (151,510)	\$ --	\$ (1,875,954)
Vehicles	(1,557,575)	(240,887)	(92,142)	(1,706,320)
Maintenance Vehicles	(659,122)	(37,101)	--	(696,223)
Infrastructure	(1,193,562)	(212,475)	--	(1,406,037)
Equipment	(1,732,818)	(88,201)	--	(1,821,019)
Law Enforcement Canine	<u>(3,209)</u>	<u>(3,512)</u>	<u>--</u>	<u>(6,721)</u>
 Total Accumulated Depreciation	 <u>\$(6,870,730)</u>	 <u>\$ (733,686)</u>	 <u>\$ (92,142)</u>	 <u>\$ (7,512,274)</u>
 Total Capital Assets being Depreciated, net	 <u>\$ 11,020,277</u>	 <u>\$ 1,526,234</u>	 <u>\$ --</u>	 <u>\$ 12,546,511</u>
 Governmental Activities Capital Assets, net	 <u>\$14,505,894</u>	 <u>\$ 1,560,894</u>	 <u>\$ 57,090</u>	 <u>\$ 16,009,698</u>

Depreciation expense was charged to the functions/programs of the Primary Government as follows:

Governmental activities:	
General Government	\$ 91,053
Public Safety	198,566
Public Works/Transportation	439,847
Health and Welfare	4,220
	<u>\$ 733,686</u>

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 5 – Capital Assets (continued)

**Component Unit**

Capital assets activity of Shelby County Office of Tourism for the year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Increase	Decrease	Balance August 31, 2014
Capital assets being Depreciated:				
Equipment	\$ 4,820	\$ --	\$ --	\$ 4,820
Less: Accumulated Depreciation Equipment	\$ (4,820)	\$ --	\$ --	\$ (4,820)
Capital assets, net	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Note 6 – Long-Term Liabilities

Changes in Long-Term Debt

The following is a summary of changes in Long-Term Debt of Shelby County for the year ended August 31, 2014.

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014	Due Within One Year
Governmental activities:					
Loan – Dump Truck	\$ 107,001	\$ --	\$ 34,334	\$ 72,667	\$ 35,649

Dump Truck

The loan was obtained on April 23, 2013 to finance the purchase of a 2014 International Dump Truck. The note is secured by the dump truck and requires three annual payments of \$38,011, including interest at the rate of 3.25%.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 6 – Long-Term Liabilities (continued)

At August 31, 2014, the annual cash flow requirements of principal and interest were as follows:

Year Ending August 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 35,649	\$ 2,362	\$ 38,011
2016	<u>37,018</u>	<u>1,203</u>	<u>38,221</u>
	<u>\$ 72,667</u>	<u>\$ 3,565</u>	<u>\$ 76,232</u>

The debt is paid from the County Highway Fund.

Legal Debt Margin

The County has a statutorily imposed legal general obligation bond limit of 5.75% of its total assessed valuation. That limit is approximately 18.8 million dollars leaving 18.7 million remaining.

Note 7 - Retirement Plans

Shelby County participates in two retirement systems; the Illinois Municipal Retirement (IMRF) and Social Security. Employees who meet prescribed annual hourly standards are members of IMRF.

A. Illinois Municipal Retirement Fund

Plan Description

The County's defined benefit pension plan for Regular employees, Elected County Officials (ECO) and Sheriff's Law Enforcement Personnel (SLEP) provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Funding Policy

Regular Plan Members

As set by statute, Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires 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 2013 used by the employer was 13.65 percent. Shelby 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.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 7 - Retirement Plans (continued)

ECO Plan

As set by statute, Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires 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 2013 was 129.22 percent. Shelby 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.

SLEP Plan

As set by statute, Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employer 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 2013 was 13.92 percent. Shelby 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.

Annual Pension Cost

The required contribution for calendar year 2013 was \$430,184 (Regular Plan), \$39,181 (ECO) and \$97,626 (SLEP).

Trend Information:

<u>Regular Plan</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 430,184	100%	\$0
12/31/12	412,853	100%	0
12/31/11	407,386	100%	0

<u>ECO Plan</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 39,181	100%	\$0
12/31/12	155,943	100%	0
12/31/11	84,434	100%	0



SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 7 - Retirement Plans (Continued)

<u>SLEP Plan</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 97,626	100%	\$0
12/31/12	87,121	100%	0
12/31/11	80,388	100%	0

Annual Pension Cost-Regular Plan

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Shelby County's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis

Funded Status and Funding Progress-Regular Plan

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 77.21 percent funded. The actuarial accrued liability for benefits was \$9,531,288 and the actuarial value of assets was \$7,359,260, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,171,968. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$3,151,531 and the ratio of the UAAL to the covered payroll was 69 percent.

Annual Pension Cost-ECO Plan

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Elected County Official plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Shelby County's Elected County Official plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 7 - Retirement Plans (Continued)

Funded Status and Funding Progress-ECO Plan

As of December 31, 2013, the most recent actuarial valuation date, the Elected County Official plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$596,181 and the actuarial value of assets was (\$2,016,093), resulting in an underfunded actuarial accrued liability (UAAL) of \$2,612,274. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$30,321 and the ratio of the UAAL to the covered payroll was 8615 percent.

Annual Pension Cost-SLEP Plan

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Shelby County's Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress-SLEP Plan

As of December 31, 2013, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 98.49 percent funded. The actuarial accrued liability for benefits was \$2,285,435 and the actuarial value of assets was \$2,250,884, resulting in an underfunded actuarial accrued liability (UAAL) of \$34,551. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$701,336 and the ratio of the UAAL to the covered payroll was 5 percent.

The schedule of funding progress, presented as Other Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Social Security

All employees, including those covered by IMRF, are covered under Social Security. Shelby County paid \$302,534, the total required contribution for the year ended August 31, 2014.

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 8 – Required Individual Fund Disclosures

Accounting principles generally accepted in the United States of America require disclosure, as part of the financial statements, of certain information concerning individual funds including:

A. Excess of Expenditures over Budgets in Individual Funds

The following instances of overexpending the budget were noted:

<u>Fund</u>	<u>Expenditures</u>	<u>Budgeted Amounts</u>	<u>Overexpenditure</u>
GIS	\$ 61,658	\$ 60,800	\$ 858
Indemnity	2,128	--	2,128
Recording	20,293	20,000	293
Municipal Retirement	676,760	635,000	41,760
Sheriff Trust	38,385	--	38,385

B. Deficit Fund Balances of Individual Funds

The following funds have deficit balances at August 31, 2014:

Court Security	\$ 24,721
Law Library	2,270

C. Individual Fund Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at August 31, 2014 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>MAJOR FUNDS:</b>		
<b>GENERAL FUND:</b>		
Other than Fee Offices	\$ 91,326	\$ 1,573
<b>COUNTY HEALTH FUNDS:</b>		
Miscellaneous County Health	\$ --	\$ 3,800
Home Nursing	3,800	--
Total County Health Fund	\$ 3,800	\$ 3,800
IMRF	\$ --	\$ 59,516
<b>COUNTY HIGHWAY FUNDS:</b>		
County Motor Fuel	\$ 30,000	\$ --
County Bridge	--	793
State DECO Grant Program	--	30,000
Total County Highway	\$ 30,000	\$ 30,793

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 8 - Required Individual Fund Disclosures (Continued)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>NONMAJOR FUNDS:</b>		
<b>SPECIAL REVENUE FUNDS:</b>		
Court Security	\$ --	\$ 27,471
Law Library	--	3,546
GIS	<u>780</u>	<u>--</u>
Total Special Revenue Funds	<u>\$ 780</u>	<u>\$ 31,017</u>
 <b>FIDUCIARY FUND:</b>		
Local Bridge Program	<u>\$ 793</u>	<u>\$ --</u>
Total	<u>\$ 126,699</u>	<u>\$ 126,699</u>

The above interfunds receivable and payables are due to loans between funds and posting errors.

D. Transfers within the Reporting Entity

The composition of interfund transfers for the year ended August 31, 2014 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>MAJOR FUNDS:</b>		
<b>GENERAL FUND:</b>		
Other than Fee Offices	\$ 612,741	\$ 22,642
County Clerk	--	295,885
Circuit Clerk	--	111,191
Sheriff	--	95,503
States Attorney	--	183,833
Supervisor of Assessments	--	2,100
Rural Transportation	<u>6,856</u>	<u>--</u>
Total General Fund	<u>\$ 619,597</u>	<u>\$ 711,154</u>
 <b>COUNTY HEALTH FUND:</b>		
Misc. County Health	<u>\$ 1,371</u>	<u>\$ --</u>
Total County Health Fund	<u>\$ 1,371</u>	<u>\$ --</u>
 <b>COUNTY HIGHWAY FUND:</b>		
County Highway	\$ 351,371	\$ 4,158
County Motor Fuel Tax Fund	121,958	350,000
FASM	<u>--</u>	<u>121,958</u>
Total County Highway Fund	<u>\$ 473,329</u>	<u>\$ 476,116</u>
 <b>IMRF</b>		
	<u>\$ 22,142</u>	<u>\$ --</u>
 <b>CEFS Rural Transportation</b>		
	<u>\$ 500</u>	<u>\$ 7,027</u>

SHELBY COUNTY, ILLINOIS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

**Note 8 - Required Individual Fund Disclosures (Continued)**

**NONMAJOR FUNDS:**

**SPECIAL REVENUE FUNDS:**

Sheriff's Trust	\$ --	\$ 7,686
Animal Control	1,371	--
Emergency Management	--	6,856
Fees to Assist Court	--	14,167
Recording	15,214	--
Drug Traffic Prevention	4,017	--
Court Security	13,735	--
GIS	82,786	--
DUI Equipment	6,725	--
Total Special Revenue Funds	<u>\$ 123,848</u>	<u>\$ 28,709</u>

**FIDUCIARY FUNDS:**

Inmate Commissary	\$ --	\$ 21,939
Township Motor Fuel Tax	4,158	--
Total Fiduciary Funds	<u>\$ 4,158</u>	<u>\$ 21,939</u>

Total	<u>\$ 1,244,945</u>	<u>\$ 1,244,945</u>
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The above transfers are made primarily for reimbursement of eligible expenditures and to supplement other fund resources.

**Note 9 - Insurance**

In accordance with PA91-0628, an analysis of the County's tort immunity activity is as follows:

<b>Tort Immunity Receipts:</b>	
Property Tax Collected	\$ 252,223
Mobile Home Tax Collected	558
Interest	38
	<u>\$ 252,819</u>
<b>Tort Expenditures:</b>	
Commercial Liability Insurance	\$ 123,842
Unemployment tax	37,928
Workers' Compensation Insurance	88,197
Total Expenditures	<u>\$ 249,967</u>
Receipts over expenditures	\$ 2,852
Restricted at September 1, 2013	<u>901,316</u>
Restricted at August 31, 2014	<u>\$ 904,168</u>

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

**Note 10 - Risk Management**

The County is exposed to various risks of loss including but not limited to, general liability, property casualty, auto liability, workers' compensation, and public official liability. To limit exposure to these risks the County purchased commercial insurance for all coverage's except for workers' compensation.

Shelby County participates in The Illinois Public Risk Fund (IPRF), Illinois' largest self-insured pool, for workers' compensation coverage. The County has pooled their workers' compensation exposures with over 500 public entities and governmental agencies. Members of the pool must be public entities or governmental agencies located within the State of Illinois, are required to participate in a loss prevention and claims management program, and must have favorable loss experience and be approved by the Board of Trustees of the Fund. A Board of Trustees elected by Fund participants oversees the operation of the Fund and governs it in accordance with State of Illinois rules and guidelines. Eighty percent of each IPRF premium dollar is added to the loss fund while 20% is allocated to the purchase of excess insurance and administration costs. All investment earnings accrue to the fund. Profits are based on the underwriting surplus realized by the group and members share in the surplus based upon individual and overall member claims experience.

There has not been a significant reduction in the County's insurance coverage as of August 31, 2014. Also, there have been no settlement amounts which exceeded insurance coverage in the past three years.

**Note 11- Due to Other Governmental Units**

The Due to Other Governmental Units shown in the Primary Government column in the Statement of Net Position-Modified Cash Basis and in the General Fund column of the Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis in the amount of \$65,766 represents fines and fees collected by the County Circuit Clerk's Office. These funds are assessed by the Court on individuals, and remitted to applicable external government units in the subsequent month.

**Note 12 - CEFS Agreement**

Shelby County is the grant recipient of a Rural Transportation Program Section 18 Operating Assistance Grant. The grant represents federal funding from the Urban Mass Transportation Administration and is passed through the Illinois Department of Transportation to the County. There is a third party agreement between Shelby County and five other participating counties - Clay, Montgomery, Fayette, Moultrie, and Douglas.

The Section 18 Operating Grant allows Fayette, Clay, Shelby, Montgomery, Moultrie, and Douglas counties to provide, via CEFS Economic Opportunity Corporation (a service provider), rural public transportation service.

The Section 18 Operating Grant proceeds and related purchased transportation service expenditures are accounted for in the "Rural Transportation" Special Revenue Fund.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 13 - Commitments and Contingencies

Highway Department

The Shelby County Board approves township petitions and commits county funds on a cost-sharing basis for sundry projects. The amount committed for projects at August 31, 2014, is not reflected in the financial statements but is estimated to be \$617,994.

Lease Agreement - County Health Building

On July 10, 1996, the Shelby County Board approved the County Health Department to become a party to a 25 year lease with SCCS Enterprises, Inc. for the lease of a structure to house the operations of the County Health Department. The lease provides for a minimum annual rent of \$36,000 payable in twelve monthly installments of \$3,000. The County paid \$42,000 in rental payments to SCCS Enterprises, Inc. during the year ended August 31, 2014.

Grant Audits

The County receives state and federal grants for specific purposes that are subject to review and audit by State agencies. Such audits could result in a request for reimbursement by the State for expenditures disallowed under the terms and conditions of the appropriate agency. Management expects such disallowances, if any, will not be significant to the financial statements.

Compensated Absences

County employees are entitled to paid vacations depending on job classification, length of service and other factors. The computed amounts of compensation for future absences at August 31, 2014, was \$120,260. This liability is not included in the County's financial statements as they are prepared on the modified cash basis of accounting.

Lease Agreement – County Farm

In February 2014 the County extended the lease agreement for the Shelby County Farmland. This lease provides for minimum annual rent of \$34,352 payable in semi-yearly installments of \$17,176. The County received \$17,176 in rent income during the year ended August 31, 2014.

Other Post Employment Benefits

The County has committed to provide eleven months of the former Sheriff's surviving spouse's health insurance annually. The benefit is being provided in accordance with Illinois statutes regarding disability of law enforcement officers disabled in the line of duty. When the parties become Medicare eligible, the provided coverage shall be reduced to a Medicare supplement. If the former sheriff or his wife secure employment that provides health insurance, Shelby County's insurance coverage of the former Sheriff or his wife will terminate.

The benefits are not advance funded; therefore, they are expensed in the period paid. The County recognized expenditures of \$7,331 in the General fund during the year ended August 31, 2014, for this benefit. The benefit commenced in September, 2006.

SHELBY COUNTY, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2014

Note 13 - Commitments and Contingencies (Continued)

Subscription Agreement

The County has a five year subscription agreement with Fike & Fike, Inc, for property tax software, training and support on a per parcel basis. The agreement commenced on September 1, 2008, and expires on August 31, 2013. During fiscal year 2014, Shelby County paid \$26,637 under terms of the agreement. Upon expiration of the contract the County will continue year by year.

Lease Agreement – C.E.F.S. Economic Opportunity Corporation

On April 27, 2013, the County entered into a triple net lease agreement of \$1 per year with C.E.F.S. Economic Opportunity Corporation to lease the property at 1505 W.S. 1st Street. The lease terminates June 30, 2014, with the option to renew on the same term and conditions for the next fifteen successive one-year periods. The lease was renewed as is on May 14, 2014.

Note 14 – Subsequent Events

Management evaluated subsequent events through April 8, 2015, the date which the financial statements were available to be issued, and concluded that the following met the criteria for disclosure.

Highway Department

- The County Highway Department received in October 2014 a \$173,000 initial payment from DCEO for the Oklahoma Bridge.
- In the December 10, 2014 meeting, the County awarded the contract for the Clarksburg Township/County Highway Railroad Crossing Project to County Contractors for \$278,289.
- In the January 14, 2015, meeting, it was announced that the County will receive a grant of \$214,000 through the Truck Access Road Program to resurface the Oconee Road.



**Supplementary Information  
(Part 2 of 2)**

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES RECEIVED:</b>				
Property Taxes	\$ 1,505,600	\$ 1,505,600	\$ 1,805,026	\$ 299,426
Sales Taxes	597,000	597,000	676,793	79,793
Intergovernmental Revenue:				
State Sources:				
Income Taxes	900,000	900,000	986,394	86,394
Replacement Tax	41,000	41,000	41,958	958
Other State Sources	423,000	423,000	376,412	(46,588)
Federal Sources	25,000	25,000	107,747	82,747
County Farm	31,000	31,000	17,176	(13,824)
Charges for Services	85,000	85,000	83,519	(1,481)
Licenses and Permits	6,000	6,000	6,287	287
Fines, Fees and Forfeits	750,000	750,000	696,451	(53,549)
Penalties, Interest and Costs	82,000	82,000	93,935	11,935
Sales of Real Estate Stamps	110,000	110,000	163,621	53,621
Interest	6,000	6,000	7,022	1,022
Miscellaneous	8,000	8,000	6,800	(1,200)
<b>Total Revenues Received</b>	<b>\$ 4,569,600</b>	<b>\$ 4,569,600</b>	<b>\$ 5,069,141</b>	<b>\$ 499,541</b>
<b>EXPENDITURES DISBURSED:</b>				
Current:				
General Government	\$ 1,877,812	\$ 1,890,978	\$ 1,808,426	\$ 82,552
Public Safety	2,122,391	2,122,391	2,006,519	115,872
Corrections	182,521	182,521	143,303	39,218
Judiciary	524,575	552,575	525,433	27,142
Public Works/Transportation	12,500	12,500	10,895	1,605
Health and Welfare	66,875	66,875	53,405	13,470
Capital Outlay	175,000	175,000	165,000	10,000
<b>Total Expenditures Disbursed</b>	<b>\$ 4,961,674</b>	<b>\$ 5,002,840</b>	<b>\$ 4,712,981</b>	<b>\$ 289,859</b>
<b>Revenues Received Over (Under) Expenditures Disbursed</b>	<b>\$ (392,074)</b>	<b>\$ (433,240)</b>	<b>\$ 356,160</b>	<b>\$ 789,400</b>
Other Financing Sources (Uses):				
Operating Transfers In	--	--	619,597	619,597
Operating Transfers Out	--	--	(711,154)	(711,154)
<b>Net Change in Fund Balance</b>	<b>\$ (392,074)</b>	<b>\$ (433,240)</b>	<b>\$ 264,603</b>	<b>\$ 697,843</b>
<b>Fund Balance - September 1, 2013</b>			<b>3,142,378</b>	
<b>Fund Balance - August 31, 2014</b>			<b>\$ 3,406,981</b>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 SCHEDULE OF APPROPRIATIONS AND EXPENDITURES DISBURSED - MODIFIED CASH BASIS  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2014

	Budget		Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES DISBURSED:</b>				
General Government:				
Operating Expenses Pertaining to the Office of:				
County Clerk	\$ 370,659	\$ 370,659	\$ 351,100	\$ 19,559
Circuit Clerk	283,905	256,114	256,114	27,791
Supervisor of Assessments	265,970	265,970	223,848	42,122
County Treasurer	241,988	251,446	232,169	19,277
County Coroner	70,590	70,590	62,007	8,583
Regional Superintendent of Schools	42,778	46,486	46,172	314
Board of Review	36,150	36,150	30,267	5,883
Farmland Assessment	150	150	27	123
Board of Appeals	2,825	2,825	354	2,471
Planning Commission	2,450	2,450	244	2,206
Zoning Administrator	23,622	23,622	21,981	1,641
Utilities	45,200	45,200	23,926	21,274
Maintenance, Repairs and Improvement	40,000	40,000	47,421	(7,421)
Insurance	268,000	268,000	249,967	18,033
Employee Insurance	17,000	17,000	2,715	14,285
County Board Expenses	80,975	80,975	60,963	20,012
Services, Supplies and Miscellaneous	78,150	78,150	54,674	23,476
County Farm	7,400	7,400	4,686	2,714
State Rental Housing Fee	--	--	29,943	(29,943)
Purchase of Real Estate Tax Stamps	--	--	109,848	(109,848)
<b>Total General Government</b>	<b>\$ 1,877,812</b>	<b>\$ 1,890,978</b>	<b>\$ 1,808,426</b>	<b>\$ 82,552</b>
Public Safety:				
Operating Expenses Pertaining to the Office of:				
County Sheriff	\$ 1,985,731	\$ 1,985,731	\$ 1,875,862	\$ 109,849
Rescue Squad	20,500	20,500	18,359	2,141
ESDA	33,167	33,167	27,057	6,110
911 Emergency Services	40,000	40,000	49,001	(9,001)
Courthouse Security	32,240	32,240	31,105	1,135
Merit Commission	10,753	10,753	5,115	5,638
<b>Total Public Safety</b>	<b>\$ 2,122,391</b>	<b>\$ 2,122,391</b>	<b>\$ 2,006,519</b>	<b>\$ 115,872</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 SCHEDULE OF APPROPRIATIONS AND EXPENDITURES DISBURSED - MODIFIED CASH BASIS (CONTINUED)  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2014

	Budget		Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
Corrections:				
Operating Expenses Pertaining to the Office of: Probation Office	\$ 182,521	\$ 182,521	\$ 143,303	\$ 39,218
Judiciary:				
Operating Expenses Pertaining to the Office of:				
States Attorney	\$ 321,700	\$ 321,700	\$ 305,476	\$ 16,224
Public Defender	153,875	154,875	151,653	3,222
Appointed Counsel Fee	30,000	57,000	57,760	(760)
Circuit Judge Expenses	19,000	19,000	10,544	8,456
Total Judiciary	\$ 524,575	\$ 552,575	\$ 525,433	\$ 27,142
Public Works/Transportation:				
Rural Transportation	\$ 12,500	\$ 12,500	\$ 10,895	\$ 1,605
Health and Welfare:				
Operating Expenses Pertaining to the Office of:				
Animal Control	\$ 66,875	\$ 66,875	\$ 53,405	\$ 13,470
Capital Outlay:				
General Government	\$ 175,000	\$ 175,000	\$ 165,000	\$ 10,000
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>\$ 4,961,674</b>	<b>\$ 5,002,840</b>	<b>\$ 4,712,981</b>	<b>\$ 289,859</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
YEAR ENDED AUGUST 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES RECEIVED:</b>				
Property Taxes	\$ 353,480	\$ 353,480	\$ 339,531	\$ (13,949)
Intergovernmental Revenue:				
State Sources:				
Replacement Tax	10,008	10,008	9,613	(395)
Other State Sources	218,321	218,321	209,706	(8,615)
Federal Sources	220,521	220,521	211,819	(8,702)
Charges for Services	138,960	138,960	133,476	(5,484)
Interest	2,107	2,107	2,024	(83)
Miscellaneous	2,603	2,603	2,500	(103)
Total Revenues Received	<u>\$ 946,000</u>	<u>\$ 946,000</u>	<u>\$ 908,669</u>	<u>\$ (37,331)</u>
<b>EXPENDITURES DISBURSED:</b>				
Current:				
Health and Welfare	\$ 1,240,000	\$ 1,244,646	\$ 858,888	\$ 385,758
Total Expenditures Disbursed	<u>\$ 1,240,000</u>	<u>\$ 1,244,646</u>	<u>\$ 858,888</u>	<u>\$ 385,758</u>
Revenues Received Over (Under) Expenditures Disbursed	\$ (294,000)	\$ (298,646)	\$ 49,781	\$ 348,427
Other Financing Sources (Uses):				
Transfers In	--	--	1,371	1,371
Net Change in Fund Balance	<u>\$ (294,000)</u>	<u>\$ (298,646)</u>	\$ 51,152	<u>\$ 349,798</u>
Fund Balance - September 1, 2013			<u>1,334,363</u>	
Fund Balance - August 31, 2014			<u>\$ 1,385,515</u>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND  
 YEAR ENDED AUGUST 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES RECEIVED:</b>				
Property Taxes	\$ 622,600	\$ 622,600	\$ 641,400	\$ 18,800
Intergovernmental Revenue:				
State Sources:				
Motor Fuel Tax	373,774	373,774	385,061	11,287
Replacement Taxes	39,992	39,992	41,200	1,208
Other State Sources	418,327	418,327	430,959	12,632
Federal Source	83,040	83,040	85,548	2,508
Charges for Services	79,629	79,629	82,034	2,405
Interest	1,238	1,238	1,274	36
Miscellaneous	1,400	1,400	1,442	42
<b>Total Revenues Received</b>	<b>\$ 1,620,000</b>	<b>\$ 1,620,000</b>	<b>\$ 1,668,918</b>	<b>\$ 48,918</b>
<b>EXPENDITURES DISBURSED:</b>				
Current:				
Public Works/Transportation	\$ 1,613,130	\$ 1,773,130	\$ 1,331,955	\$ 441,175
Debt Service	--	--	34,333	(34,333)
Principal	--	--	3,678	(3,678)
Interest	--	--	--	--
<b>Total Expenditures Disbursed</b>	<b>\$ 1,613,130</b>	<b>\$ 1,773,130</b>	<b>\$ 1,369,966</b>	<b>\$ 403,164</b>
Revenues Received Over (Under) Expenditures Disbursed	\$ 6,870	\$ (153,130)	\$ 298,952	\$ 452,082
Other Financing Sources (Uses):				
Transfers In	--	--	473,329	473,329
Transfers Out	--	--	(476,116)	(476,116)
<b>Net Change in Fund Balance</b>	<b>\$ 6,870</b>	<b>\$ (153,130)</b>	<b>\$ 296,165</b>	<b>\$ 449,295</b>
<b>Fund Balance - September 1, 2013</b>			<b>860,796</b>	
<b>Fund Balance - August 31, 2014</b>			<b>\$ 1,156,961</b>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 MUNICIPAL RETIREMENT FUND - SPECIAL REVENUE MAJOR FUND  
 YEAR ENDED AUGUST 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES RECEIVED:</b>				
Property Taxes	\$ 481,148	\$ 481,148	\$ 520,193	\$ 39,045
Intergovernmental Revenue:				
State Sources:				
Replacement Taxes	18,725	18,725	20,245	1,520
Interest	127	127	137	10
Total Revenues Received	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 540,575</u>	<u>\$ 40,575</u>
<b>EXPENDITURES DISBURSED:</b>				
Current:				
General Government	<u>\$ 615,000</u>	<u>\$ 635,000</u>	<u>\$ 676,760</u>	<u>\$ (41,760)</u>
Total Expenditures Disbursed	<u>\$ 615,000</u>	<u>\$ 635,000</u>	<u>\$ 676,760</u>	<u>\$ (41,760)</u>
Revenues Received Over (Under) Expenditures Disbursed	\$ (115,000)	\$ (135,000)	\$ (136,185)	\$ (1,185)
Other Financing Sources (Uses):				
Transfers In	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,142</u>	<u>\$ 22,142</u>
Net Change in Fund Balance	<u>\$ (115,000)</u>	<u>\$ (135,000)</u>	(114,043)	<u>\$ 20,957</u>
Fund Balance - September 1, 2013			<u>1,402,910</u>	
Fund Balance - August 31, 2014			<u>\$ 1,288,867</u>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 MENTAL HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
YEAR ENDED AUGUST 31, 2014

	Original (Final) Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES RECEIVED:</b>			
Property Taxes	\$ 499,231	\$ 505,463	\$ 6,232
Intergovernmental Revenue:			
State Sources:			
Replacement Taxes	18,662	18,895	233
Interest	2,107	2,133	26
	<u>\$ 520,000</u>	<u>\$ 526,491</u>	<u>\$ 6,491</u>
<b>EXPENDITURES DISBURSED:</b>			
Current:			
Health and Welfare	\$ 505,124	\$ 477,294	\$ 27,830
Total Expenditures Disbursed	<u>\$ 505,124</u>	<u>\$ 477,294</u>	<u>\$ 27,830</u>
Net Change in Fund Balance	<u>\$ 14,876</u>	\$ 49,197	<u>\$ 34,321</u>
Fund Balance - September 1, 2013		1,402,590	
Fund Balance - August 31, 2014		<u>\$ 1,451,787</u>	

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 RURAL TRANSPORTATION FUND - SPECIAL REVENUE MAJOR FUND  
 YEAR ENDED AUGUST 31, 2014

	Budget			Actual			Variance with Final Budget Positive (Negative)
	Original	Final		Final	Actual		(Negative)
<b>REVENUES RECEIVED:</b>							
Intergovernmental Revenue:							
Other State Sources	\$ 692,490	\$ 692,490	\$	925,167	\$ 925,167	\$	232,677
Federal Sources	399,736	399,736		534,047	534,047		134,311
Interest	1	1		1	1		--
Total Revenues Received	\$ 1,092,227	\$ 1,092,227	\$	1,459,215	\$ 1,459,215	\$	366,988
<b>EXPENDITURES DISBURSED:</b>							
Current:							
Public Works/Transportation	\$ 1,045,997	\$ 1,500,000	\$	1,441,456	\$ 1,441,456	\$	58,544
Total Expenditures Disbursed	\$ 1,045,997	\$ 1,500,000	\$	1,441,456	\$ 1,441,456	\$	58,544
Revenues Received Over (Under) Expenditures Disbursed	\$ 46,230	\$ (407,773)	\$	17,759	\$ 17,759	\$	425,532
Other Financing Sources (Uses):							
Transfers In	--	\$ --	\$	500	\$ 500	\$	500
Transfers Out	--	--		(7,027)	(7,027)		(7,027)
Net Change in Fund Balance	\$ 46,230	\$ (407,773)	\$	11,232	\$ 11,232	\$	419,005
Fund Balance - September 1, 2013				(6,768)			
Fund Balance - August 31, 2014			\$	4,464		\$	4,464

SHELBY COUNTY, ILLINOIS  
 NOTE TO BUDGETARY COMPARISON SCHEDULES  
AUGUST 31, 2014

Note – Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on the modified cash basis of accounting for all governmental funds. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. The Board holds public hearings and a final budget must be prepared and adopted no later than November 30.

The appropriated budget is prepared by fund. Budgetary control over expenditures is exercised by the County Board. The legal level of budgetary control is at the fund level.

B. Excess of Expenditures Disbursed Over Appropriations in Budgeted Major Funds

	<u>Expenditures</u>	<u>Budgeted Amounts</u>	<u>Overexpenditure</u>
Municipal Retirement	676,760	635,000	41,760

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
 - MODIFIED CASH BASIS  
 GENERAL FUND  
 AUGUST 31, 2014

	Other than Fee Offices	Fee Offices						Total
		County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	(Coal Rights) Capital Improvements	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 3,044,386	\$ 26,714	\$ 82,507	\$ 8,134	\$ --	\$ 56	\$ 322,775	\$ 3,484,572
Certificates of Deposit	--	--	10,000	--	--	--	--	10,000
Interfund Loans Receivable	91,326	--	--	--	--	--	--	91,326
Inventory	--	6,336	--	--	--	--	--	6,336
<b>TOTAL ASSETS</b>	<b>\$ 3,135,712</b>	<b>\$ 33,050</b>	<b>\$ 92,507</b>	<b>\$ 8,134</b>	<b>\$ --</b>	<b>\$ 56</b>	<b>\$ 322,775</b>	<b>\$ 3,592,234</b>
<b>LIABILITIES</b>								
Withholding Payable	\$ 117,914	--	--	--	--	--	--	\$ 117,914
Interfund Loans Payable	1,573	--	--	--	--	--	--	1,573
Due to Other Governmental Units	--	--	65,766	--	--	--	--	65,766
<b>TOTAL LIABILITIES</b>	<b>\$ 119,487</b>	<b>\$ --</b>	<b>\$ 65,766</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 185,253</b>
<b>FUND BALANCES</b>								
Fund Balances:								
Nonspendable:								
Inventory	\$ --	\$ 6,337	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,337
Restricted for:								
Insurance	904,168	--	--	--	--	--	--	904,168
Rescue Squad	9,402	--	--	--	--	--	--	9,402
Sheriff	1,371	--	--	--	--	--	--	1,371
Capital Improvement	--	--	--	--	--	--	79,024	79,024
Committed:								
Capital Improvement	--	--	--	--	--	--	214,702	214,702
Assigned	--	--	--	--	--	--	29,049	29,049
Unassigned	2,101,284	26,713	26,741	8,134	--	56	--	2,162,928
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,016,225</b>	<b>\$ 33,050</b>	<b>\$ 26,741</b>	<b>\$ 8,134</b>	<b>\$ --</b>	<b>\$ 56</b>	<b>\$ 322,775</b>	<b>\$ 3,406,981</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,135,712</b>	<b>\$ 33,050</b>	<b>\$ 92,507</b>	<b>\$ 8,134</b>	<b>\$ --</b>	<b>\$ 56</b>	<b>\$ 322,775</b>	<b>\$ 3,592,234</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2014

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	(Coal Rights) Capital Improvements	Total
<b>REVENUES RECEIVED:</b>								
Property Taxes	\$ 1,805,026	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,805,026
Sales Taxes	676,793	--	--	--	--	--	--	676,793
Intergovernmental Revenues:								
Income Taxes	986,394	--	--	--	--	--	--	986,394
Replacement Taxes	41,958	--	--	--	--	--	--	41,958
Other State Sources	371,140	--	--	5,272	--	--	--	376,412
Federal Source	107,747	--	--	--	--	--	--	107,747
County Farm	17,176	--	--	--	--	--	--	17,176
Charges for Services	83,519	--	--	--	--	--	--	83,519
Licenses and Permits	6,287	--	--	--	--	--	--	6,287
Fees, Fines and Forfeits	26,063	275,055	121,613	87,775	183,833	2,112	--	696,451
Penalties, Interest and Costs	93,935	--	--	--	--	--	--	93,935
Sales of Real Estate Stamps	--	163,621	--	--	--	--	--	163,621
Interest	6,359	--	18	--	--	--	645	7,022
Miscellaneous	5,830	--	--	970	--	--	--	6,800
<b>Total Revenues Received</b>	\$ 4,228,227	\$ 438,676	\$ 121,631	\$ 94,017	\$ 183,833	\$ 2,112	\$ 645	\$ 5,069,141
<b>EXPENDITURES DISBURSED:</b>								
See Schedule at Page 58-59	\$ 4,565,239	\$ 141,670	\$ 6,072	\$ --	\$ --	\$ --	\$ --	\$ 4,712,981
Revenues Received Over (Under) Expenditures Disbursed	\$ (337,012)	\$ 297,006	\$ 115,559	\$ 94,017	\$ 183,833	\$ 2,112	\$ 645	\$ 356,160
Other Financing Sources (Uses):								
Operating Transfers In	619,597	--	--	--	--	--	--	619,597
Operating Transfers Out	(22,642)	(295,885)	(111,191)	(95,503)	(183,833)	(2,100)	--	(711,154)
Net Change in Fund Balance	\$ 259,943	\$ 1,121	\$ 4,368	\$ (1,486)	\$ --	\$ 12	\$ 645	\$ 264,603
Fund Balance - September 1, 2013	2,756,282	31,929	22,373	9,620	--	44	322,130	3,142,378
Fund Balance - August 31, 2014	\$ 3,016,225	\$ 33,050	\$ 26,741	\$ 8,134	\$ --	\$ 56	\$ 322,775	\$ 3,406,981

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF EXPENDITURES DISBURSED - MODIFIED CASH BASIS  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2014

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Capital Improvements	Total
<b>EXPENDITURES DISBURSED:</b>								
General Government:								
Operating Expenses Pertaining to the Office of:								
County Clerk	\$ 349,221	\$ 1,879	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 351,100
Circuit Clerk	250,042	--	6,072	--	--	--	--	256,114
Supervisor of Assessments	223,848	--	--	--	--	--	--	223,848
County Treasurer	232,169	--	--	--	--	--	--	232,169
County Coroner	62,007	--	--	--	--	--	--	62,007
Regional Superintendent of Schools	46,172	--	--	--	--	--	--	46,172
Board of Review	30,267	--	--	--	--	--	--	30,267
Farmland Assessment	27	--	--	--	--	--	--	27
Board of Appeals	354	--	--	--	--	--	--	354
Planning Commission	244	--	--	--	--	--	--	244
Zoning Administrator	21,981	--	--	--	--	--	--	21,981
Utilities	23,926	--	--	--	--	--	--	23,926
Maintenance, Repairs and Improvement	47,421	--	--	--	--	--	--	47,421
Insurance	249,967	--	--	--	--	--	--	249,967
Employee Insurance	2,715	--	--	--	--	--	--	2,715
County Board Expenses	60,963	--	--	--	--	--	--	60,963
Services, Supplies and Miscellaneous	54,674	--	--	--	--	--	--	54,674
County Fair	4,686	--	--	--	--	--	--	4,686
State Rental Housing Fee	--	29,943	--	--	--	--	--	29,943
Purchase of Real Estate Tax Stamps	--	109,848	--	--	--	--	--	109,848
Total General Government	\$ 1,660,684	\$ 141,670	\$ 6,072	\$ --	\$ --	\$ --	\$ --	\$ 1,808,426
Public Safety:								
Operating Expenses Pertaining to the Office of:								
County Sheriff	\$ 1,875,882	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,875,882
Rescue Squad	18,359	--	--	--	--	--	--	18,359
ESDA	27,057	--	--	--	--	--	--	27,057
911 Emergency Services	49,001	--	--	--	--	--	--	49,001
Courthouse Security	31,105	--	--	--	--	--	--	31,105
Merit Commission	5,115	--	--	--	--	--	--	5,115
Total Public Safety	\$ 2,006,519	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,006,519

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF EXPENDITURES DISBURSED - MODIFIED CASH BASIS (CONTINUED)  
 GENERAL FUND  
 YEAR ENDED AUGUST 31, 2014

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Capital Improvements	Total
Corrections: Operating Expenses Pertaining to the Office of: Probation Office	\$ 143,303	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 143,303
Judiciary: Operating Expenses Pertaining to the Office of: States Attorney	\$ 305,476	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 305,476
Public Defender	151,653	--	--	--	--	--	--	151,653
Appointed Counsel Fee	57,760	--	--	--	--	--	--	57,760
Circuit Judge Expenses	10,544	--	--	--	--	--	--	10,544
Total Judiciary	\$ 525,433	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 525,433
Public Works/Transportation: Rural Transportation	\$ 10,895	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,895
Health and Welfare: Co Operating Expenses Pertaining to the Office of: Animal Control	\$ 53,405	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 53,405
Capital Outlay: General Government	\$ 165,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 165,000
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>\$ 4,565,239</b>	<b>\$ 141,670</b>	<b>\$ 6,072</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 4,712,981</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES-  
 MODIFIED CASH BASIS  
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
 AUGUST 31, 2014

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 276,997	\$ 143,935	\$ 827,554	\$ 12,029	\$ 1,260,515
Certificates of Deposits	--	--	125,000	--	125,000
Interfund Loans Receivable	--	--	3,800	--	3,800
<b>TOTAL ASSETS</b>	<b>\$ 276,997</b>	<b>\$ 143,935</b>	<b>\$ 956,354</b>	<b>\$ 12,029</b>	<b>\$ 1,389,315</b>
<b>LIABILITIES</b>					
Interfund Loans Payable	\$ --	\$ 3,800	\$ --	\$ --	\$ 3,800
<b>TOTAL LIABILITIES</b>	<b>\$ --</b>	<b>\$ 3,800</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 3,800</b>
<b>FUND BALANCES</b>					
Fund Balances:					
Restricted for:					
Health and Welfare	\$ 164,449	\$ 31,782	\$ --	\$ 12,029	\$ 208,260
Assigned	112,548	108,353	956,354	--	1,177,255
<b>TOTAL FUND BALANCES</b>	<b>\$ 276,997</b>	<b>\$ 140,135</b>	<b>\$ 956,354</b>	<b>\$ 12,029</b>	<b>\$ 1,385,515</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 276,997</b>	<b>\$ 143,935</b>	<b>\$ 956,354</b>	<b>\$ 12,029</b>	<b>\$ 1,389,315</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
**COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS**  
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND  
YEAR ENDED AUGUST 31, 2014

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
<b>REVENUES RECEIVED:</b>					
Property Taxes	\$ 339,531	\$ --	\$ --	\$ --	\$ 339,531
Intergovernmental Revenues:					
Replacement Taxes	9,613	--	--	--	9,613
Other State Sources	115,379	81,827	12,500	--	209,706
Federal Source	3,600	127,974	--	80,245	211,819
Charges for Services	53,064	3,520	76,892	--	133,476
Interest	158	186	1,680	--	2,024
Miscellaneous	2,500	--	--	--	2,500
<b>Total Revenues Received</b>	<b>\$ 523,845</b>	<b>\$ 213,507</b>	<b>\$ 91,072</b>	<b>\$ 80,245</b>	<b>\$ 908,669</b>
<b>EXPENDITURES DISBURSED:</b>					
Current:					
Health and Welfare:					
Personnel and Fringe Benefits	\$ 420,601	\$ 168,768	\$ 16,386	\$ 82,986	\$ 688,741
Commodities	21,230	7,168	53,286	1,970	83,654
Contractual Services	81,449	3,454	--	1,590	86,493
<b>Total Expenditures Disbursed</b>	<b>\$ 523,280</b>	<b>\$ 179,390</b>	<b>\$ 69,672</b>	<b>\$ 86,546</b>	<b>\$ 858,888</b>
Revenues Received Over (Under) Expenditures Disbursed	\$ 565	\$ 34,117	\$ 21,400	\$ (6,301)	\$ 49,781
Other Financing Sources (Uses):					
Operating Transfers In	--	1,371	--	--	1,371
Net Change in Fund Balance	\$ 565	\$ 35,488	\$ 21,400	\$ (6,301)	\$ 51,152
Fund Balance - September 1, 2013	276,432	104,647	934,954	18,330	1,334,363
<b>Fund Balance - August 31, 2014</b>	<b>\$ 276,997</b>	<b>\$ 140,135</b>	<b>\$ 956,354</b>	<b>\$ 12,029</b>	<b>\$ 1,385,515</b>

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS  
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND  
 AUGUST 31, 2014

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 227,032	\$ 210,905	\$ 484,103	\$ 171,886	\$ 63,828	\$ 1,157,754
Interfund Loans Receivable	--	--	30,000	--	--	30,000
<b>TOTAL ASSETS</b>	<b>\$ 227,032</b>	<b>\$ 210,905</b>	<b>\$ 514,103</b>	<b>\$ 171,886</b>	<b>\$ 63,828</b>	<b>\$ 1,187,754</b>
<b>LIABILITIES</b>						
Interfund Loans Payable	\$ 793	\$ --	\$ --	\$ --	\$ 30,000	\$ 30,793
<b>TOTAL LIABILITIES</b>	<b>\$ 793</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 30,000</b>	<b>\$ 30,793</b>
<b>FUND BALANCES</b>						
Fund Balances: Restricted for:						
Public Works/Transportation Assigned	\$ 221,259 4,980	\$ 210,451 454	\$ 506,385 7,718	\$ 170,113 1,773	\$ 33,828 --	\$ 1,142,036 14,925
<b>TOTAL FUND BALANCES</b>	<b>\$ 226,239</b>	<b>\$ 210,905</b>	<b>\$ 514,103</b>	<b>\$ 171,886</b>	<b>\$ 33,828</b>	<b>\$ 1,156,961</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 227,032</b>	<b>\$ 210,905</b>	<b>\$ 514,103</b>	<b>\$ 171,886</b>	<b>\$ 63,828</b>	<b>\$ 1,187,754</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
**COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS**  
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND  
 YEAR ENDED AUGUST 31, 2014

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
<b>REVENUES RECEIVED:</b>						
Property Taxes	\$ 145,985	\$ 326,930	\$ --	\$ 168,485	\$ --	\$ 641,400
Intergovernmental Revenues:						
Motel Fuel Tax	--	--	385,061	--	--	385,061
Replacement Taxes	10,134	20,932	--	10,134	--	41,200
Other State Sources	--	--	332,991	--	97,968	430,959
Federal Source	84,106	1,442	--	--	--	85,548
Charges for Services	1,794	80,240	--	--	--	82,034
Interest	304	14	825	118	13	1,274
Miscellaneous	--	1,442	--	--	--	1,442
<b>Total Revenues Received</b>	<b>\$ 242,323</b>	<b>\$ 431,000</b>	<b>\$ 718,877</b>	<b>\$ 178,737</b>	<b>\$ 97,981</b>	<b>\$ 1,688,918</b>
<b>EXPENDITURES DISBURSED:</b>						
Current:						
Public Works/Transportation						
Personnel and Fringe Benefits	--	\$ 409,715	\$ 56,660	\$ --	\$ --	\$ 466,375
Commodities	154,671	48,617	--	8,236	64,153	275,677
Contractual Services	--	203,827	386,076	--	--	589,903
Debt Service	--	--	--	--	--	--
Principal	--	34,333	--	--	--	34,333
Interest Expense	--	3,678	--	--	--	3,678
<b>Total Expenditures Disbursed</b>	<b>\$ 154,671</b>	<b>\$ 700,170</b>	<b>\$ 442,736</b>	<b>\$ 8,236</b>	<b>\$ 64,153</b>	<b>\$ 1,369,966</b>
Revenues Received Over (Under) Expenditures Disbursed	\$ 87,652	\$ (269,170)	\$ 276,141	\$ 170,501	\$ 33,828	\$ 298,952
Other Financing Sources (Uses):						
Transfers In	--	351,371	121,958	--	--	473,329
Transfers Out	--	(4,158)	(350,000)	(121,958)	--	(476,116)
<b>Net Change in Fund Balance</b>	<b>\$ 87,652</b>	<b>\$ 78,043</b>	<b>\$ 48,099</b>	<b>\$ 48,543</b>	<b>\$ 33,828</b>	<b>\$ 296,165</b>
<b>Fund Balance - September 1, 2013</b>	<b>138,587</b>	<b>132,862</b>	<b>466,004</b>	<b>123,343</b>	<b>--</b>	<b>860,796</b>
<b>Fund Balance - August 31, 2014</b>	<b>\$ 226,239</b>	<b>\$ 210,905</b>	<b>\$ 514,103</b>	<b>\$ 171,886</b>	<b>\$ 33,828</b>	<b>\$ 1,156,961</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2014

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad	Probation	Emergency Management
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 94,950	\$ 122,718	\$ 330,924	\$ 52,410	\$ 9,208	\$ 395,497	\$ 15,745
Certificates of Deposit	--	--	--	45,000	--	--	--
Interfund Loans Receivable	--	--	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 94,950</b>	<b>\$ 122,718</b>	<b>\$ 330,924</b>	<b>\$ 97,410</b>	<b>\$ 9,208</b>	<b>\$ 395,497</b>	<b>\$ 15,745</b>
<b>LIABILITIES</b>							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>TOTAL LIABILITIES</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>FUND BALANCES</b>							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ 96,503	\$ --	\$ --	\$ --
Employees Retirement	--	--	329,872	--	--	--	--
Public Safety	--	--	--	--	9,123	394,017	15,543
Judiciary	--	--	--	--	--	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	--
Document Storage	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--
Health and Welfare	90,332	122,130	--	--	--	--	--
Assigned	4,618	588	1,052	907	85	1,480	202
Unassigned	--	--	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>\$ 94,950</b>	<b>\$ 122,718</b>	<b>\$ 330,924</b>	<b>\$ 97,410</b>	<b>\$ 9,208</b>	<b>\$ 395,497</b>	<b>\$ 15,745</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 94,950</b>	<b>\$ 122,718</b>	<b>\$ 330,924</b>	<b>\$ 97,410</b>	<b>\$ 9,208</b>	<b>\$ 395,497</b>	<b>\$ 15,745</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2014

	Special Revenue						
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Airport	Sheriff's Trust	Court Security
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 69,095	\$ 59,550	\$ 144,441	\$ 3,895	\$ 93,589	\$ 7,224	\$ 2,750
Certificates of Deposit	--	--	--	--	65,686	--	--
Interfund Loans Receivable	--	--	--	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 69,095</b>	<b>\$ 59,550</b>	<b>\$ 144,441</b>	<b>\$ 3,895</b>	<b>\$ 159,275</b>	<b>\$ 7,224</b>	<b>\$ 2,750</b>
<b>LIABILITIES</b>							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 27,471
<b>TOTAL LIABILITIES</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 27,471</b>
<b>FUND BALANCES</b>							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	--	--
Public Safety	--	--	--	3,853	--	7,224	--
Judiciary	67,825	--	--	--	--	--	--
Automation	--	59,239	--	--	--	--	--
Recording	--	--	144,069	--	--	--	--
GIS	--	--	--	--	--	--	--
Document Storage	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Assigned	1,270	311	372	42	159,275	--	--
Unassigned	--	--	--	--	--	--	(24,721)
<b>TOTAL FUND BALANCES</b>	<b>\$ 69,095</b>	<b>\$ 59,550</b>	<b>\$ 144,441</b>	<b>\$ 3,895</b>	<b>\$ 159,275</b>	<b>\$ 7,224</b>	<b>\$ (24,721)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 69,095</b>	<b>\$ 59,550</b>	<b>\$ 144,441</b>	<b>\$ 3,895</b>	<b>\$ 159,275</b>	<b>\$ 7,224</b>	<b>\$ 2,750</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2014

	Special Revenue						
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	Attorney Forfeited	DUI Equipment	GIS
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 1,276	\$ 40,310	\$ 461,003	\$ 14,093	\$ 771	\$ 25,051	\$ 244,572
Certificates of Deposit	--	--	--	--	--	--	--
Interfund Loans Receivable	--	--	--	--	--	--	780
<b>TOTAL ASSETS</b>	<b>\$ 1,276</b>	<b>\$ 40,310</b>	<b>\$ 461,003</b>	<b>\$ 14,093</b>	<b>\$ 771</b>	<b>\$ 25,051</b>	<b>\$ 245,352</b>
<b>LIABILITIES</b>							
Interfund Loans Payable	\$ 3,546	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>TOTAL LIABILITIES</b>	<b>\$ 3,546</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>FUND BALANCES</b>							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	24,996	--
Judiciary	--	--	--	14,047	769	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	244,899
Document Storage	--	40,162	--	--	--	--	--
Economic Development	--	--	453,713	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Assigned	--	148	7,290	46	2	55	453
Unassigned	(2,270)	--	--	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>\$ (2,270)</b>	<b>\$ 40,310</b>	<b>\$ 461,003</b>	<b>\$ 14,093</b>	<b>\$ 771</b>	<b>\$ 25,051</b>	<b>\$ 245,352</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,276</b>	<b>\$ 40,310</b>	<b>\$ 461,003</b>	<b>\$ 14,093</b>	<b>\$ 771</b>	<b>\$ 25,051</b>	<b>\$ 245,352</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS - (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2014

	Special Revenue					Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Tax Sale Automation		
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 17,954	\$ 1,406	\$ 1,656	\$ 819	\$ 2,210,907	
Certificates of Deposit	--	--	--	--	110,686	
Interfund Loans Receivable	--	--	--	--	780	
<b>TOTAL ASSETS</b>	<b>\$ 17,954</b>	<b>\$ 1,406</b>	<b>\$ 1,656</b>	<b>\$ 819</b>	<b>\$ 2,322,373</b>	
<b>LIABILITIES</b>						
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ 31,017	
<b>TOTAL LIABILITIES</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 31,017</b>	
<b>FUND BALANCES</b>						
Fund Balances:						
Restricted for:						
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ 96,503	
Employees Retirement	--	--	--	--	329,872	
Public Safety	--	--	1,656	--	456,412	
Judiciary	--	--	--	--	82,641	
Automation	--	1,406	--	819	61,464	
Recording	--	--	--	--	144,069	
GIS	--	--	--	--	244,899	
Document Storage	--	--	--	--	40,162	
Economic Development	--	--	--	--	453,713	
Health and Welfare	17,954	--	--	--	230,416	
Assigned	--	--	--	--	178,196	
Unassigned	--	--	--	--	(26,991)	
<b>TOTAL FUND BALANCES</b>	<b>\$ 17,954</b>	<b>\$ 1,406</b>	<b>\$ 1,656</b>	<b>\$ 819</b>	<b>\$ 2,291,356</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,954</b>	<b>\$ 1,406</b>	<b>\$ 1,656</b>	<b>\$ 819</b>	<b>\$ 2,322,373</b>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2014

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad	Probation	Emergency Management
<b>REVENUES RECEIVED:</b>							
Property Taxes	\$ --	\$ 51,928	\$ 303,227	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
State Sources							
Replacement Taxes	--	--	--	--	--	--	--
Other State Sources	--	--	--	--	--	--	--
Federal Sources	--	--	--	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--	--
Fines and Fees	8,966	--	--	3,960	--	89,473	--
Interest	172	61	30	93	--	21	16
Miscellaneous	167	--	--	--	2,101	--	8,228
<b>Total Revenues Received</b>	<b>\$ 9,305</b>	<b>\$ 51,989</b>	<b>\$ 303,257</b>	<b>\$ 4,053</b>	<b>\$ 2,101</b>	<b>\$ 89,494</b>	<b>\$ 8,244</b>
<b>EXPENDITURES DISBURSED:</b>							
Current:							
General Government	\$ --	\$ --	\$ 295,513	\$ --	\$ --	\$ --	\$ --
Indemnity	--	--	--	2,128	--	--	--
Public Safety	--	--	--	--	3,550	79,036	1,047
Judiciary	--	--	--	--	--	--	--
Public Works/Transportation	--	--	--	--	--	--	--
Health and Welfare	4,531	52,675	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--
<b>Total Expenditures Disbursed</b>	<b>\$ 4,531</b>	<b>\$ 52,675</b>	<b>\$ 295,513</b>	<b>\$ 2,128</b>	<b>\$ 3,550</b>	<b>\$ 79,036</b>	<b>\$ 1,047</b>
<b>Revenues Received Over (Under) Expenditures Disbursed</b>	<b>\$ 4,774</b>	<b>\$ (686)</b>	<b>\$ 7,744</b>	<b>\$ 1,925</b>	<b>\$ (1,449)</b>	<b>\$ 10,458</b>	<b>\$ 7,197</b>
Other Financing Sources (Uses):							
Operating Transfers In	1,371	--	--	--	--	--	--
Operating Transfers Out	--	--	--	--	--	--	(6,856)
<b>Net Change in Fund Balance</b>	<b>\$ 6,145</b>	<b>\$ (686)</b>	<b>\$ 7,744</b>	<b>\$ 1,925</b>	<b>\$ (1,449)</b>	<b>\$ 10,458</b>	<b>\$ 341</b>
<b>Fund Balance - September 1, 2013</b>	<b>88,805</b>	<b>123,404</b>	<b>323,180</b>	<b>95,485</b>	<b>10,657</b>	<b>385,039</b>	<b>15,404</b>
<b>Fund Balance - August 31, 2014</b>	<b>\$ 94,950</b>	<b>\$ 122,718</b>	<b>\$ 330,924</b>	<b>\$ 97,410</b>	<b>\$ 9,208</b>	<b>\$ 395,497</b>	<b>\$ 15,745</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2014

	Special Revenue						
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Airport	Sheriff Trust	Court Security
<b>REVENUES RECEIVED:</b>							
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 42,715	\$ --	\$ --
Intergovernmental Revenue:							
State Sources							
Replacement Taxes	--	--	--	--	4,594	--	--
Other State Sources	--	986	--	--	--	--	--
Federal Sources	--	1,914	--	--	16,940	--	--
Loan Repayments	--	--	--	--	--	--	--
Charges for Services	--	--	--	--	54,219	--	--
Fines and Fees	15,896	8,930	6,418	375	--	--	27,901
Interest	60	6	14	--	277	--	--
Miscellaneous	--	--	--	--	76,996	39,573	--
<b>Total Revenues Received</b>	<b>\$ 15,956</b>	<b>\$ 11,836</b>	<b>\$ 6,432</b>	<b>\$ 375</b>	<b>\$ 195,741</b>	<b>\$ 39,573</b>	<b>\$ 27,901</b>
<b>EXPENDITURES DISBURSED:</b>							
Current:							
General Government	\$ --	\$ 29,045	\$ 11,085	\$ --	\$ --	\$ --	\$ --
Indemnity	--	--	--	--	--	--	--
Public Safety	--	--	--	8,458	--	34,385	53,167
Judiciary	13,812	--	--	--	--	--	--
Public Works/Transportation	--	--	--	--	204,127	--	--
Health and Welfare	--	--	--	--	--	--	--
Capital Outlay	--	--	9,208	--	--	4,000	--
<b>Total Expenditures Disbursed</b>	<b>\$ 13,812</b>	<b>\$ 29,045</b>	<b>\$ 20,293</b>	<b>\$ 8,458</b>	<b>\$ 204,127</b>	<b>\$ 38,385</b>	<b>\$ 53,167</b>
<b>Revenues Received Over (Under) Expenditures Disbursed</b>	<b>\$ 2,144</b>	<b>\$ (17,209)</b>	<b>\$ (13,861)</b>	<b>\$ (8,083)</b>	<b>\$ (8,386)</b>	<b>\$ 1,188</b>	<b>\$ (25,266)</b>
Other Financing Sources (Uses):							
Operating Transfers In	--	--	15,214	4,017	--	--	13,735
Operating Transfers Out	(14,167)	--	--	--	--	(7,686)	--
<b>Net Change in Fund Balance</b>	<b>\$ (12,023)</b>	<b>\$ (17,209)</b>	<b>\$ 1,353</b>	<b>\$ (4,066)</b>	<b>\$ (8,386)</b>	<b>\$ (6,498)</b>	<b>\$ (11,531)</b>
<b>Fund Balance - September 1, 2013</b>	<b>81,118</b>	<b>76,759</b>	<b>143,088</b>	<b>7,961</b>	<b>167,661</b>	<b>13,722</b>	<b>(13,190)</b>
<b>Fund Balance - August 31, 2014</b>	<b>\$ 69,095</b>	<b>\$ 59,550</b>	<b>\$ 144,441</b>	<b>\$ 3,895</b>	<b>\$ 159,275</b>	<b>\$ 7,224</b>	<b>\$ (24,721)</b>

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2014

	Law Library	Document Storage	Revolving Loan	Special Revenue				DUI Equipment	GIS
				Victim Impact Panel	Attorney Forfeited				
REVENUES RECEIVED:									
Property Taxes									
Intergovernmental Revenue:									
State Sources									
Replacement Taxes									
Other State Sources									
Federal Sources									
Loan Repayments			17,894						
Charges for Services									
Fines and Fees	7,572	8,715		700					
Interest		4	2,450	1			2	21	
Miscellaneous								3,845	
Total Revenues Received	\$ 7,572	\$ 8,719	\$ 20,344	\$ 701	\$	\$	\$ 2	\$ 3,866	

EXPENDITURES DISBURSED:

Current:									
General Government									
Indemnity									
Public Safety									
Judiciary	10,312			299					
Public Works/Transportation									
Health and Welfare									
Capital Outlay									50,719
Total Expenditures Disbursed	\$ 10,312	\$ 9,699	\$	\$ 299	\$	\$	\$	\$ 61,658	
Revenues Received Over (Under) Expenditures Disbursed	\$ (2,740)	\$ (980)	\$ 20,344	\$ 402	\$	\$	\$ 2	\$ (57,792)	
Other Financing Sources (Uses):									
Operating Transfers In									
Operating Transfers Out							6,725		82,786
Net Change in Fund Balance	\$ (2,740)	\$ (980)	\$ 20,344	\$ 402	\$	\$	\$ 6,727	\$	\$ 24,994
Fund Balance - September 1, 2013	470	41,290	440,659	13,691	771		18,324		220,358
Fund Balance - August 31, 2014	\$ (2,270)	\$ 40,310	\$ 461,003	\$ 14,093	\$ 771	\$	\$ 25,051	\$	\$ 245,352

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED AUGUST 31, 2014

	Special Revenue				Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Tax Sale Automation	
<b>REVENUES RECEIVED:</b>					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 397,870
Intergovernmental Revenue:					
State Sources					
Replacement Taxes	--	--	--	--	4,594
Other State Sources	--	--	--	--	986
Federal Sources	--	--	--	--	18,854
Loan Repayments	--	--	--	--	17,894
Charges for Services	--	--	--	--	54,219
Fines and Fees	5,240	844	2,294	1,760	189,044
Interest	--	--	--	--	3,228
Miscellaneous	--	--	--	--	130,910
<b>Total Revenues Received</b>	<b>\$ 5,240</b>	<b>\$ 844</b>	<b>\$ 2,294</b>	<b>\$ 1,760</b>	<b>\$ 817,599</b>
<b>EXPENDITURES DISBURSED:</b>					
Current:					
General Government	\$ --	\$ --	\$ --	\$ 1,391	\$ 357,672
Indemnity	--	--	--	--	2,128
Public Safety	--	--	1,211	--	180,854
Judiciary	--	--	--	--	24,423
Public Works/Transportation	--	--	--	--	204,127
Health and Welfare	3,561	--	--	--	60,767
Capital Outlay	--	--	--	--	63,927
<b>Total Expenditures Disbursed</b>	<b>\$ 3,561</b>	<b>\$ --</b>	<b>\$ 1,211</b>	<b>\$ 1,391</b>	<b>\$ 893,898</b>
<b>Revenues Received Over (Under) Expenditures Disbursed</b>	<b>\$ 1,679</b>	<b>\$ 844</b>	<b>\$ 1,083</b>	<b>\$ 369</b>	<b>\$ (76,299)</b>
Other Financing Sources (Uses):					
Operating Transfers In	--	--	--	--	123,848
Operating Transfers Out	--	--	--	--	(28,709)
<b>Net Change in Fund Balance</b>	<b>\$ 1,679</b>	<b>\$ 844</b>	<b>\$ 1,083</b>	<b>\$ 369</b>	<b>\$ 18,840</b>
<b>Fund Balance - September 1, 2013</b>	<b>16,275</b>	<b>562</b>	<b>573</b>	<b>450</b>	<b>2,272,516</b>
<b>Fund Balance - August 31, 2014</b>	<b>\$ 17,954</b>	<b>\$ 1,406</b>	<b>\$ 1,656</b>	<b>\$ 819</b>	<b>\$ 2,291,356</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 TRUST FUNDS - MODIFIED CASH BASIS  
AUGUST 31, 2014

	Drainage	Local Bridge Program	Township Bridge Supervisory Engineering	Township Construction	Township Motor Fuel Tax
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 309,748	\$ 93,743	\$ 12,360	\$ 312	\$ 1,867,906
Interfund Loans Receivable	--	793	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 309,748</b>	<b>\$ 94,536</b>	<b>\$ 12,360</b>	<b>\$ 312</b>	<b>\$ 1,867,906</b>
<b>LIABILITIES</b>					
Due to Others	\$ --	\$ --	\$ --	\$ --	\$ --
<b>TOTAL LIABILITIES</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>NET POSITION</b>					
Restricted for Other Purposes	\$ 309,748	\$ 94,536	\$ 12,360	\$ 312	\$ 1,867,906
<b>TOTAL NET POSITION</b>	<b>\$ 309,748</b>	<b>\$ 94,536</b>	<b>\$ 12,360</b>	<b>\$ 312</b>	<b>\$ 1,867,906</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 TRUST FUNDS - MODIFIED CASH BASIS - (CONTINUED)  
AUGUST 31, 2014

	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund	Total Trust Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 24,099	\$ 976	\$ 128,230	\$ 46	\$ 2,437,420
Interfund Loans Receivable	--	--	--	--	793
<b>TOTAL ASSETS</b>	<b>\$ 24,099</b>	<b>\$ 976</b>	<b>\$ 128,230</b>	<b>\$ 46</b>	<b>\$ 2,438,213</b>
<b>LIABILITIES</b>					
Due to Others	\$ 3,705	--	--	--	\$ 3,705
<b>TOTAL LIABILITIES</b>	<b>\$ 3,705</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$ 3,705</b>
<b>NET POSITION</b>					
Restricted for Other Purposes	\$ 20,394	\$ 976	\$ 128,230	\$ 46	\$ 2,434,508
<b>TOTAL NET POSITION</b>	<b>\$ 20,394</b>	<b>\$ 976</b>	<b>\$ 128,230</b>	<b>\$ 46</b>	<b>\$ 2,434,508</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED AUGUST 31, 2014

	Private - Purpose Trusts					
	Drainage	Local Bridge	Township Supervisory Engineering	Township Construction	Township Motor Fuel Tax	
<b>ADDITIONS:</b>						
Property Taxes	\$ 75,572	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:						
State Sources						
Motor Fuel Taxes	--	--	--	--	1,557,902	
Other State Sources	--	349,751	--	--	1,342,595	
Fines and Fees	--	--	--	--	--	
Cash Bail	--	--	--	--	--	
Interest	128	233	--	--	1,622	
Miscellaneous	16,429	--	--	--	--	
<b>Total Additions</b>	<b>\$ 92,129</b>	<b>\$ 349,984</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,902,119</b>	
<b>DEDUCTIONS:</b>						
Distributions	\$ 49,307	\$ 370,960	\$ 11,649	\$ 57	\$ 1,978,334	
Miscellaneous	30	--	--	--	--	
<b>Total Deductions</b>	<b>\$ 49,337</b>	<b>\$ 370,960</b>	<b>\$ 11,649</b>	<b>\$ 57</b>	<b>\$ 1,978,334</b>	
<b>Change in Net Position before Other Financing Sources (Uses)</b>	<b>\$ 42,792</b>	<b>\$ (20,976)</b>	<b>\$ (11,649)</b>	<b>\$ (57)</b>	<b>\$ 923,785</b>	
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	--	--	--	--	4,158	
<b>Change in Net Position</b>	<b>\$ 42,792</b>	<b>\$ (20,976)</b>	<b>\$ (11,649)</b>	<b>\$ (57)</b>	<b>\$ 927,943</b>	
<b>Net Position - September 1, 2013</b>	<b>266,956</b>	<b>115,512</b>	<b>24,009</b>	<b>369</b>	<b>939,963</b>	
<b>Net Position - August 31, 2014</b>	<b>\$ 309,748</b>	<b>\$ 94,536</b>	<b>\$ 12,360</b>	<b>\$ 312</b>	<b>\$ 1,867,906</b>	

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - (CONTINUED)  
 YEAR ENDED AUGUST 31, 2014

	Private - Purpose Trusts					Total
	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund		
<b>ADDITIONS:</b>						
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 75,572
Intergovernmental Revenue:						
State Sources						
Motor Fuel Taxes	--	--	--	--	--	1,557,902
Other State Sources	--	--	--	--	--	1,692,346
Fines and Fees	--	280	--	--	--	280
Cash Bail	--	--	26,495	--	--	26,495
Interest	--	1	--	--	--	1,984
Miscellaneous	--	--	--	--	--	16,429
<b>Total Additions</b>	<b>\$ --</b>	<b>\$ 281</b>	<b>\$ 26,495</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 3,371,008</b>
<b>DEDUCTIONS:</b>						
Distributions	\$ --	\$ --	\$ 54,646	\$ --	\$ --	\$ 2,464,953
Miscellaneous	1,186	--	--	12	--	1,228
<b>Total Deductions</b>	<b>\$ 1,186</b>	<b>\$ --</b>	<b>\$ 54,646</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ 2,466,181</b>
<b>Change in Net Position before Other Financing Sources (Uses)</b>	<b>\$ (1,186)</b>	<b>\$ 281</b>	<b>\$ (28,151)</b>	<b>\$ (12)</b>	<b>\$ (12)</b>	<b>\$ 904,827</b>
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	--	--	--	--	--	4,158
<b>Change in Net Position</b>	<b>\$ (1,186)</b>	<b>\$ 281</b>	<b>\$ (28,151)</b>	<b>\$ (12)</b>	<b>\$ (12)</b>	<b>\$ 908,985</b>
<b>Net Position - September 1, 2013</b>	<b>21,580</b>	<b>695</b>	<b>156,381</b>	<b>58</b>	<b>58</b>	<b>1,525,523</b>
<b>Net Position - August 31, 2014</b>	<b>\$ 20,394</b>	<b>\$ 976</b>	<b>\$ 128,230</b>	<b>\$ 46</b>	<b>\$ 46</b>	<b>\$ 2,434,508</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS-MODIFIED CASH BASIS  
YEAR ENDED AUGUST 31, 2014

	Balance September 1, 2013	Additions	Deductions	Balance August 31, 2014
<b>Property Taxes:</b>				
Assets:				
Cash Deposits	\$ 3,918,424	\$ 26,772,603	\$ 27,239,507	\$ 3,451,520
Liabilities:				
Distributions Payable	\$ 3,918,424	\$ 26,772,603	\$ 27,239,507	\$ 3,451,520
<b>Litigation:</b>				
Assets:				
Cash Deposits	\$ 32,650	\$ 59	\$ 9,470	\$ 23,239
Liabilities:				
Distributions Payable	\$ 32,650	\$ 59	\$ 9,470	\$ 23,239
<b>Estate Tax:</b>				
Assets:				
Cash Deposits	\$ 1,150	\$ --	\$ --	\$ 1,150
Liabilities:				
Distributions Payable	\$ 1,150	\$ --	\$ --	\$ 1,150
<b>Minor and Unknown Heirs:</b>				
Assets:				
Cash Deposits	\$ 276,270	\$ 28	\$ --	\$ 276,298
Liabilities:				
Distributions Payable	\$ 276,270	\$ 28	\$ --	\$ 276,298
<b>County Clerk Real Estate:</b>				
Assets:				
Cash Deposits	\$ 14,714	\$ 303,149	\$ 304,227	\$ 13,636
Liabilities:				
Distributions Payable	\$ 14,714	\$ 303,149	\$ 304,227	\$ 13,636
<b>Total Agency Funds:</b>				
Assets:				
Cash Deposits	\$ 4,243,208	\$ 27,075,839	\$ 27,553,204	\$ 3,765,843
Total Assets	<u>\$ 4,243,208</u>	<u>\$ 27,075,839</u>	<u>\$ 27,553,204</u>	<u>\$ 3,765,843</u>
Liabilities:				
Distributions Payable	\$ 4,243,208	\$ 27,075,839	\$ 27,553,204	\$ 3,765,843
Total Liabilities	<u>\$ 4,243,208</u>	<u>\$ 27,075,839</u>	<u>\$ 27,553,204</u>	<u>\$ 3,765,843</u>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS - CEFS  
SECTION 5311 ANNUAL FINANCIAL REPORT  
RURAL TRANSPORTATION  
OPERATING PERIOD JULY 1, 2013 TO JUNE 30, 2014  
CONTRACT NUMBER IL-18-X030

<u>Line Item</u>	<u>Revenue</u>	
401.01	Passenger Fare / Donations	\$ 16,058
401.02	Senior Citizen Fares	1,376
402.00	Special Transit Fares	52,111
409.00	Local Cash Grants	153,126
411.00	State Cash Grants	<u>713,203</u>
Total Revenue		<u>\$ 935,874</u>

<u>Expenses</u>		Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	Labor	\$ 154,573	\$ 446,099	\$ 600,672
502.00	Fringe Benefits	32,244	105,251	137,495
503.00	Services	19,581	129,973	149,554
504.01	Fuel and Oil	--	120,366	120,366
504.02	Tires and Tubes	--	9,336	9,336
504.99	Other Materials	22,590	371	22,961
505.00	Utilities	29,812	370	30,182
506.00	Casualty and Liability	20,698	338	21,036
507.00	Taxes	920	--	920
509.00	Miscellaneous	23,512	18,619	42,131
511.00	Interest	732	--	732
512.00	Lease and Rentals	<u>18,664</u>	<u>--</u>	<u>18,664</u>
Total Direct Expense		\$ 323,326	\$ 830,723	\$ 1,154,049
Total Indirect Expense		<u>23,603</u>	<u>60,643</u>	<u>84,246</u>
Total Expense		<u>\$ 346,929</u>	<u>\$ 891,366</u>	<u>\$ 1,238,295</u>

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ 346,929	\$ 891,366	\$ 1,238,295	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	\$ 346,929	\$ 891,366	\$ 1,238,295	
Less: Total Operating Revenues	--	17,434	17,434	
Section 5311 Operating Deficit	346,929	\$ 873,932	\$ 1,220,861	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ 277,543	\$ 436,966		\$ 714,509
Funding Limits Per Contract				352,626
Maximum Section 5311 Reimbursement			<u>352,626</u>	352,626
Less: IDOT Payments - Section 5311				<u>352,626</u>
Reimbursement to Grantee				<u>\$ --</u>
Amount Under Paid				<u>\$ --</u>
Grantee Local Match Requirement			<u>\$ 868,235</u>	

Grantee Match Sources

Special Transit Fares	\$ 52,111
Local Cash Grants	102,921
State Cash Grants	<u>713,203</u>
Total Grantee Match Sources	<u>\$ 868,235</u>

Reference should be made to the auditor's report regarding this information.



SHELBY COUNTY, ILLINOIS - CEFS  
SECTION 5311 ANNUAL FINANCIAL REPORT  
INTERCITY BUS  
OPERATING PERIOD JULY 1, 2013 TO JUNE 30, 2014  
CONTRACT NUMBER IL-18-X030

<u>Line Item</u>	<u>Revenue</u>	
401.01	Passenger Fare / Donations	\$ 1,520
411.00	State Cash Grants	15,297
	Total Revenue	<u>\$ 16,817</u>

<u>Expenses</u>				
		Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	Labor	\$ --	\$ 17,136	\$ 17,136
502.00	Fringe Benefits	--	3,380	3,380
503.00	Services	--	--	--
504.01	Fuel and Oil	--	8,528	8,528
504.02	Tires and Tubes	--	--	--
504.99	Other Materials	--	--	--
505.00	Utilities	--	--	--
506.00	Casualty and Liability	--	775	775
507.00	Taxes	--	--	--
509.00	Miscellaneous	--	--	--
511.00	Interest	--	--	--
512.00	Lease and Rentals	--	--	--
	Total Direct Expense	\$ --	\$ 29,819	\$ 29,819
	Total Indirect Expense	--	2,296	2,296
	Total Expense	<u>\$ --</u>	<u>\$ 32,115</u>	<u>\$ 32,115</u>

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ --	\$ 32,115	\$ 32,115	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	\$ --	\$ 32,115	\$ 32,115	
Less: Total Operating Revenues	--	1,520	1,520	
Section 5311 Operating Deficit	--	\$ 30,595	\$ 30,595	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ --	\$ 15,298		\$ 15,298
Funding Limits Per Contract				31,071
Maximum Section 5311 Reimbursement			15,298	15,298
Less: IDOT Payments - Section 5311				15,298
Reimbursement to Grantee				<u>\$ 15,773</u>
Amount Under Paid				15,298
Grantee Local Match Requirement			<u>\$ 15,297</u>	

Grantee Match Sources

Special Transit Fares	\$ --
Local Cash Grants	--
State Cash Grants	15,297
Total Grantee Match Sources	<u>\$ 15,297</u>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS - CEFS  
SCHEDULE OF REVENUE AND EXPENSE  
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT  
OPERATING PERIOD JULY 1, 2013 TO JUNE 30, 2014  
CONTRACT NUMBER OP-13-36-FED

<u>Line Item</u>	<u>Operating Revenues and Income</u>	
401	Passenger Fare / Donations	\$ 17,435
402	Special Transit Fares	119,039
413	Federal Cash Grants & Reimbursements	<u>352,626</u>
	Total Revenue	<u>\$ 489,100</u>
	<u>Expenses</u>	
		Total
501	Labor	\$ 600,671
502	Fringe Benefits	137,496
503	Services	149,553
504	Materials & Supplies Consumed	152,664
505	Utilities	30,182
506	Casualty and Liability	21,036
507	Taxes	920
509	Miscellaneous	42,131
511	Interest	732
512	Lease and Rentals	18,664
	Indirect Cost Rate	<u>84,246</u>
	Total Operating Expense	<u>\$ 1,238,295</u>
	Total Eligible Operating Expenses	<u>\$ 1,238,295</u>
	<u>Downstate Operating Assistance Reimbursement</u>	
	Total Eligible Operating Expense	\$ 1,238,295
	Total Operating Revenue & Income	<u>489,100</u>
	Deficit	<u>\$ 749,195</u>
	65% of Eligible Expense	<u>\$ 804,892</u>
	Maximum Contract Amount	<u>\$ 728,500</u>
	FY14 Eligible Downstate Operating Assistance (Deficit, 65% of eligible expense, or maximum contract amount, whichever is less)	<u>\$ 728,500</u>
	FY14 Downstate Operating Assistance Received (prior to close of fiscal year )	<u>\$ 728,500</u>
	FY14 Downstate Operating Assistance Receivable (at close of fiscal year and subsequently received)	<u>\$ --</u>
	<u>FY 14 Downstate Operating Assistance (Over) Under Paid</u>	<u>\$ --</u>

Reference should be made to the auditor's report regarding this information.

## Other Information

SHELBY COUNTY, ILLINOIS  
OTHER INFORMATION  
IMRF SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED AUGUST 31, 2014

The following information was provided by the Illinois Municipal Retirement Fund as it pertains to the County's retirement plan:

Schedule of Funding Progress

A. Regular Employees' Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	7,359,260	9,531,228	2,171,968	77.21%	3,151,531	68.92%
12/31/12	7,474,394	10,091,782	2,617,388	74.06%	3,067,261	85.33%
12/31/11	6,495,419	9,369,116	2,873,697	69.33%	2,909,902	98.76%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$8,788,647. On a market basis, the funded ratio would be 92.21%.

B. ECO Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	(2,016,093)	596,181	2,612,274	0.00%	30,321	8,615.40%
12/31/12	(1,231,561)	1,275,102	2,506,663	0.00%	114,985	2,179.99%
12/31/11	(1,283,233)	1,205,589	2,488,822	0.00%	113,410	2,194.53%

On a market value basis, the actuarial value of assets as of December 31, 2013 is (\$1,814,202). On a market basis, the funded ratio would be 0.00%.

C. SLEP Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	2,250,884	2,285,435	34,551	98.49%	701,336	4.93%
12/31/12	1,850,559	1,970,378	119,819	93.92%	641,067	18.69%
12/31/11	2,034,636	2,108,724	74,088	96.49%	593,268	12.49%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,625,936. On a market basis, the funded ratio would be 114.90%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Shelby County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Reference should be made to the auditor's report regarding this information.

# Single Audit Section

SHELBY COUNTY, ILLINOIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2014

Federal Grantor/Pass -through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through Illinois Emergency Management Agency Emergency Management Performance Grant Emergency Management Performance Grant Emergency Management Performance Grant		13EMASHEL 13EMASHEL1-3	\$ 2,301 15,450
<b>Total Emergency Management Performance Grant</b>	<b>97.042</b>		<b>\$ 17,751</b>
Passed through Illinois Emergency Management Agency Disaster Grants - Public Assistance Federal Share Severe Storms & Flooding Project	97.036	FEMA-4116-173-UQZXZ	\$ 1,442
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 19,193</b>
<b><u>U.S. Department of Transportation</u></b>			
Passed through Illinois Department of Transportation Airport Improvement Program Airport Improvement Airport Improvement Airport Improvement		2HO-4149 17-SBGP-101 2HO-4149 2HO-4149 3-17-SBGP-95	\$ 12,815 206 3,918
<b>Total Airport Improvement</b>	<b>20.106</b>		<b>\$ 16,939</b>
Passed through Illinois Department of Transportation Highway Planning & Construction Highway Planning & Construction Highway Planning & Construction Highway Planning & Construction Highway Planning & Construction Highway Planning & Construction		12-00274-00-FL 12-00054-00-BR 09-00267-00-BR 06-00265-00-EG 06-00265-00-BR 07-04120-00-BR	\$ 25,621 18,452 1,245 6,708 30,013 2,067
<b>Total Highway Planning &amp; Construction</b>	<b>20.205</b>		<b>\$ 84,106</b>
Passed through Illinois Department of Transportation Formula Grants for Rural Areas Public Transportation - Intercity Bus ARRA Public Transportation - Capital Facility Public Transportation		IL -18-X030 CAP 10-932 IL-18-X030	\$ 15,297 34,660 352,626
<b>Total Formula Grants for Rural Areas</b>	<b>20.509</b>		<b>\$ 402,583</b>
Passed through Illinois Department of Transportation Job Access and Reverse Commute Program Job Access and Reverse Commute Program Job Access and Reverse Commute Program		JRC-13-016 JRC-13-017	\$ 7,869 124,855
<b>Total Job Access and Reverse Commute Program</b>	<b>20.516</b>		<b>\$ 132,724</b>
<b>Total U.S. Department of Transportation</b>			<b>\$ 636,352</b>
<b><u>U.S. Department of Environmental Protection Agency</u></b>			
Passed through Illinois Department of Public Health Performance Partnership Grants Performance Partnership Grants - Water Wells	66.605	4740	\$ 263
Illinois Emergency Management Agency State indoor Radon Grants State Indoor Radon Grant Program	66.032		\$ 3,338
<b>Total U.S. Department of Environmental Protection Agency</b>			<b>\$ 3,601</b>
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
Passed through Illinois Department of Healthcare and Family Services Medical Assistance Program Medicaid Matching - Administrative Outreach	93.778	FY 2014	\$ 101,498
Passed through Illinois Public Health Association State Planning and Establishment Grants for the Affordable Care Act State Planning and Establishment Grants for the Affordable Care Act	93.525	IPC Grant	\$ 23,476

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
 YEAR ENDED AUGUST 31, 2014

**U.S. Department of Health & Human Services (Continued)**

Passed through Illinois Department of Healthcare and Family Services			
Child Support Enforcement			
Child Support/Computer Interface	93.563		\$ 3,033
Passed through Illinois Department of Human Services			
Social Services Block Grant			
Title XX Block Grant	93.667	FCSRE01602	\$ 3,000
Passed through Illinois State Board of Elections			
Voting Access for Individuals with Disabilities Grants			
Help America Vote	93.617		\$ 1,374
Passed through Illinois Department of Public Health			
Immunization Cooperative Agreements			
Health Protection - Immunization - Non-Cash	93.268	000283	\$ 162,590
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 294,971</b>
<b>U.S. Department of Justice</b>			
Public Safety Partnership and Community Policing Grants			
ARRA Community Oriented Policing Services Technology Program	16.710	2009CKWX0277	\$ 87,980
<b><u>U.S. Department of Agriculture</u></b>			
Passed through the Illinois Department of Human Services			
Special Supplemental Nutrition Program for Women, Infants, and Children			
Supplemental Nutrition Program for Women Infants and Children		FCSTQ01093	\$ 12,679
Supplemental Nutrition Program for Women Infants and Children		FCSSQ01093	63,753
WIC - Breastfeeding Peer Counselor		FCSTQ01197	1,487
WIC - Breastfeeding Peer Counselor		FCSSQ01197	7,803
WIC Special Supplemental Nutrition Program - Non-Cash		FY14	188,566
WIC Special Supplemental Nutrition Program - Non-Cash		FY15	36,442
Total Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ 310,730
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,352,827</b>

Reference should be made to the auditor's report regarding this information.

SHELBY COUNTY, ILLINOIS  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2014

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Shelby County, Illinois under programs of the federal government for the year ended August 31, 2014. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements, and is a summary of the activity of the County's federal award programs presented on the modified cash basis of accounting. Expenditures are recognized and recorded when disbursed.

Note 2 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is a summary of the activity of the County's federal award programs presented on the modified cash basis of accounting. Expenditures are recognized and recorded upon the disbursement of cash.

Note 3 – Nonmonetary Assistance

Nonmonetary assistance for immunization vaccines and food supplements are reported in the schedule at the fair market value of these items received and disbursed.

Note 4 – Subrecipients

Of the federal expenditures presented in the schedule, Shelby County provided federal awards to the subrecipient as follows:

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Public Transportation – Intercity Bus CEFS Economic Opportunity Corporation	20.509	<u>\$ 15,297</u>
Public Transportation CEFS Economic Opportunity Corporation	20.509	<u>\$352,626</u>
Job Access and Reverse Commute Program CEFS Economic Opportunity Corporation	20.516	<u>\$132,724</u>

Note 5 – Insurance Provided by Federal Agencies

The County did not receive any insurance coverage provided by a federal agency during the fiscal year ending August 31, 2014.



SHELBY COUNTY, ILLINOIS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the governmental activities of Shelby County, Illinois due to the omission of disclosures required by Governmental Accounting Standards Board Statement 45. The auditor's report expresses unmodified opinions on the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois.
2. One significant deficiency disclosed during the audit of the financial statements of Shelby County, Illinois is reported in the Independent Auditor's 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*. This condition is reported as a material weakness.
3. One instance of noncompliance material to the financial statements of Shelby County, Illinois was disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs is reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Shelby County, Illinois expresses an unqualified opinion.
6. There were no audit findings relative to the major programs for Shelby County, Illinois.
7. The programs tested as major programs include:

Name	<u>CFDA No.</u>
Public Transportation	20.509
Women, Infants and Children Program	10.557

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Shelby County, Illinois was not determined to be a low-risk auditee.

## B. FINDINGS — FINANCIAL STATEMENT AUDITS

### Material Weakness

#### 2014-001 Full Disclosure Financial Statements

**Condition:** The County prepares interim financial reports using software specifically designed for governmental reporting. These interim reports are reviewed by county management. For year-end reporting purposes, the County relies on the auditor to prepare drafts of full disclosure statements (including footnotes) in accordance with Government Accounting Standards Board Statements #34. The County currently lacks significant expertise to prepare year-end full disclosure financial statements without significant assistance from the auditor.

**Criteria:** In accordance with prescribed definitions in the Statement of Auditing Standards #112, it is a strong indication of a material weakness in internal control over financial reporting if an entity lacks significant controls over the period end financial reporting process. The standard provides guidance regarding the extent to which the auditor may be involved in drafting an entity's financial statements.

**Cause:** The County has not retained an individual to specifically monitor standards promulgated by the American Institute of Certified Public Accountants as they relate to full disclosure financial reporting. Preparation of full disclosure year-end financial statements is not an assigned function for County accounting staff.

**Effect:** Lack of sufficient expertise for full disclosure year-end financial statement preparation could result in controls not being effective in preventing or detecting material misstatements particularly in the related footnotes to the financial statements.

**Recommendation:** We recommend that the County provide training opportunities for its accounting staff that would enable them to become more familiar with general disclosure requirements. This training should include, but is not limited to the usage of a "standards compliant" disclosure checklist, which provides guidance to the financial statement's contents and whether a necessary disclosure has been omitted.

**Response:** Management is currently confident of the abilities of the accounting staff to prepare interim financial statements. It is unclear what level of training may be needed to reach an appropriate level of expertise to prepare full disclosure year-end financial statements. Management will reevaluate year-end reporting controls annually and pursue additional training when it is considered cost beneficial.

## Material Noncompliance

### 2014-002 Expenditures exceeded the budgeted amounts

Condition: The County did not operate within the legal confines of its budget. Expenditures materially exceeded the budgeted amounts in the Municipal Retirement and Sheriff Trust Funds.

Criteria: The County is required by *Illinois Compiled Statutes* to operate within the legal confines of its budget.

Cause:

#### Municipal Retirement Overexpenditure

The overexpenditure in the Municipal Retirement Fund was caused by an increase in covered salaries.

#### Sheriff Trust Fund Overexpenditure

Prior to fiscal year 2012, the Sheriff Trust Fund was considered to be a fiduciary fund and was not required to be budgeted; however, beginning in fiscal year 2012, the Sheriff Trust Fund was used to account for grant proceeds and related expenditures requiring this fund to be recognized as a special revenue fund. No budget was prepared for the Sheriff Trust Fund for fiscal year 2014.

Effect: Because the County did not operate within the legal confines of its budget, expenditures in excess of the budget constituted unauthorized spending.

Recommendation: Shelby County should monitor the individual fund disbursements and amend the annual budget as necessary.

Response: The County concurs with the recommendation.

## C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Our tests did not reveal any findings or questioned costs relative to major federal award programs.

Debra S. Ramey

Shelby County Treasurer  
P.O. Box 326  
Shelbyville, IL 62565

Phone: 217/774-3841  
Fax: 217/774/5291  
Office Hours: 8-4 Monday-Friday

## CORRECTIVE ACTION PLAN

April 8, 2015

Illinois Department of Transportation  
310 South Michigan Avenue, Suite 1608  
Chicago, IL 60604

Shelby County, Illinois respectfully submits the following corrective action plan for the year ended August 31, 2014.

Name and address of independent public accounting firm:

Mose, Yockey, Brown & Kull, LLC CPA's  
230 North Morgan  
P. O. Box 317  
Shelbyville, IL 62565

Audit Period: Year ended August 31, 2014

The findings from the Fiscal Year 2014 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

## FINDINGS – FINANCIAL STATEMENT AUDITS

### Material Weakness

#### 2014-001 Full Disclosure Financial Statements

**Recommendation:** The County should provide training opportunities for its accounting staff that would enable them to become more familiar with general disclosure requirements. This training should include, but is not limited to the usage of a "standards compliant" disclosure checklist, which provides guidance to the financial statement's contents and whether a necessary disclosure has been omitted.

**Action Taken:** Management will reevaluate year-end reporting controls annually and pursue additional training when it is considered cost beneficial.

Material Noncompliance

2014-002      Expenditures exceeded the budgeted amounts

Recommendation: Shelby County should monitor the individual fund disbursements and amend the annual budget as necessary.

Action Taken: The County concurs with the recommendation.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

The auditor's tests did not reveal any findings or questioned costs relative to major federal award programs.

If the Illinois Department of Transportation has questions regarding this plan, please call Shelby County.

Sincerely,



Debra Ramey  
County Treasurer

SHELBY COUNTY, ILLINOIS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2014

This schedule is not applicable because the County did not have any findings related to federal financial awards for the fiscal year ended August 31, 2013.