

**SHELBY COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2015**

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

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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, 2015, 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, 2015, 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, 2015, 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.

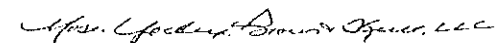
The items included in the "Supplementary Information" sections of the report and the "Single Audit" section of the report, including the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records 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 Changes in the Net Pension Liability and Related Ratios and the IMRF Schedule of Employer Contributions 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 13, 2016 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.



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April 13, 2016

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**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 year ended August 31, 2015, 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 13, 2016. 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.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs and referenced as finding 2015-001 that we consider to be a material weakness.

Compliance and Other Matters

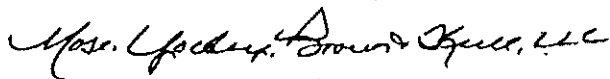
As part of obtaining reasonable assurance about whether Shelby County, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 2015-002.

Shelby County Illinois' Response to Findings

Shelby County, Illinois' response to the findings identified in our audit are 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.



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April 13, 2016

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**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 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, 2015. 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, 2015.

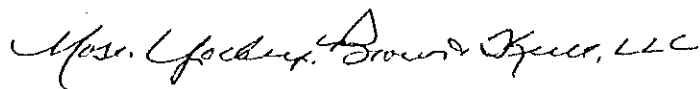
Report on Internal Control Over Compliance

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 13, 2016

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.

FINANCIAL HIGHLIGHTS

- Improved Coon Creek County Highway (DCEO Grant).
- The Rural Transportation program was the recipient of one vehicle valued at \$36,877.
- One County bridge was replaced with a new bridge on Fayette County Line.
- Two bridges were replaced with new bridges in Holland and Prairie Township.
- Completed three railroad crossing approaches.
- Purchased and began installation of 911 addressing signs.
- Replaced 21 Township and Village drainage structures.
- Resurfaced two miles of Oconee Road.
- Shelby County Health Department provided staff for Moultrie County health Department for a fee.
- Shelby County Health Department began operating under a physician standing order and can now bill for services to commercial insurance companies.

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 \$7,214,822 and \$7,257,925 of restricted net position as of August 31, 2015 and 2014, respectively. Net position may serve over time as a useful indicator of a government's financial position. The Governmental net position was \$27,004,510 and \$26,973,336 as of August 31, 2015 and 2014, respectively.

Following is a separate Summary of Net Position – modified cash basis as of August 31, 2015 and 2014 for Governmental Activities:

Summary of Net Position – Modified Cash Basis Governmental Activities August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Current and other assets	\$11,205,293	\$11,220,778
Capital assets, net of accumulated depreciation	<u>15,976,962</u>	<u>16,009,698</u>
Total Assets	<u>\$27,182,255</u>	<u>\$27,230,476</u>
Short-term liabilities	\$ 145,947	\$ 220,122
Long-term liabilities	<u>--</u>	<u>37,018</u>
Total Liabilities	<u>\$ 145,947</u>	<u>\$ 257,140</u>
 Net Position:		
Invested in capital assets, net of related debt	\$15,976,962	\$15,937,031
Restricted for Inventory	7,045	6,337
Restricted for Insurance	928,321	904,168
Restricted for Employees' Retirement	1,358,701	1,613,525
Restricted for Public Safety	472,626	456,412
Restricted for Public Works and Transportation	1,278,241	1,142,036
Restricted for Economic Development	504,087	504,087
Restricted for Health and Welfare	1,901,915	1,871,825
Restricted for Other Purposes	763,886	759,535
Unrestricted	<u>3,844,524</u>	<u>3,778,380</u>
Total Net Position	<u>\$27,036,308</u>	<u>\$26,973,336</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, 2015 compared to 59% as of August 31, 2014. 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, 2015 and 2014, 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 \$62,972 during fiscal year 2015.

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, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Receipts:		
Program Receipts:		
Fines, fees, & charges for services	\$ 1,555,433	\$ 1,502,586
Operating grants and contributions	3,178,401	2,954,082
Capital grants and contributions	76,148	1,973,902
General Receipts:		
Property taxes	4,032,202	4,209,483
Sales and other taxes	2,243,327	2,184,753
Unrestricted investment earnings	13,108	15,819
Transfers	11,919	17,781
Other receipts	<u>128,074</u>	<u>105,991</u>
Total Receipts	<u>\$11,238,612</u>	<u>\$ 12,964,397</u>
Disbursements:		
General government	\$ 3,055,956	\$ 2,933,911
Indemnity	--	2,128
Public safety	2,440,710	2,385,939
Corrections	164,375	143,303
Judiciary	577,600	549,856
Public works/transportation	3,473,031	3,393,618
Health and welfare	1,461,610	1,454,574
Interest on long-term debt	<u>2,358</u>	<u>3,678</u>
Total Disbursements	<u>\$11,175,640</u>	<u>\$10,867,007</u>
Change in net position	\$ 62,972	\$ 2,097,390
Net position – September 1,	<u>26,973,336</u>	<u>24,875,946</u>
Net position – August 31,	<u>\$27,036,308</u>	<u>\$26,973,336</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 \$11,034,269 and \$10,985,931 as of August 31, 2015 and 2014, respectively. Of these amounts, \$7,182,700 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 \$7,045 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 \$1,487,709 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 \$2,142,113 is unassigned and can be used for any lawful purpose.

The fund balance for all Governmental Funds at the fiscal years ended August 31, 2015 and 2014 had a positive net change of \$48,338 and a positive net change of \$577,146, respectively.

Per the Statement of Revenues Received, Expenditures Disbursed and Change in Fund Balance, total Governmental receipts for the fiscal years 2015 and 2014 were \$11,217,054 and \$10,990,608, respectively and total disbursements were \$11,180,635 and \$10,431,243, 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 \$2,203,536, while total fund balance is \$3,466,550. 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 44 percent of total general fund expenditures and other financing sources, while total fund balance represented 70 percent of that same amount. For the year ended August 31, 2015, receipts of \$5,043,286 less disbursements of \$4,889,812 resulted in a increase in fund balance of \$153,474. After the net transfers of (\$93,905), the result was a net increase in the General Fund fund balance of \$59,569. For the year ended August 31, 2014, receipts of \$5,069,141 less disbursements of \$4,712,981 and net transfers of (\$91,557) resulted in a net increase in fund balance of \$264,603.

The largest receipt sources for the General Fund are property taxes, sales taxes, and income taxes which account for 69 and 68 percent of receipts for the years ended August 31, 2015 and 2014, respectively. General government and public safety are the primary operations of the general fund. Approximately 82 and 81 percent of the General Fund's disbursements are for general government and public safety activities for the years ended August 31, 2015 and 2014, 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 74 and 85 percent of receipts for the years ended August 31, 2015 and 2014, 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 91 and 95 percent of receipts for the years ended August 31, 2015 and 2014, respectively. The County Highway Fund accounts for the maintenance and construction of roads and bridges in the County.

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, 2015 and 2014, 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, 2015 and 2014. 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 \$365,286 and actual disbursements were less than budgeted amounts by \$113,957, resulting in a positive budget variance of \$479,243. 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, 2015 and 2014 (net of accumulated depreciation), are summarized below for Governmental-Type Activities:

	<u>2015</u>	<u>2014</u>
Land	\$ 3,414,046	\$ 3,414,046
Work in Process	480,841	49,141
Buildings and Improvements	3,722,635	3,873,282
Vehicles	567,594	652,964
Maintenance Vehicles	59,146	84,379
Infrastructure	7,365,559	7,522,638
Equipment	354,375	396,969
Law Enforcement & Canine	<u>12,766</u>	<u>16,279</u>
Total Capital Assets, net of depreciation	<u>\$15,976,962</u>	<u>\$16,009,698</u>

During fiscal years 2015 and 2014, total capital assets for the County had a net decrease (including additions, decreases, and depreciation) of \$32,736 and a net increase of \$1,530,804, respectively. These additions reflect the current additions for vehicles, equipment, building and highway infrastructure and other miscellaneous equipment. The County recorded \$742,210 and \$733,686 of depreciation expense for the fiscal years 2015 and 2014, respectively and the amounts of accumulated depreciation are \$8,183,652 and \$7,512,274 as of August 31, 2015 and 2014, 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 19.5 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, 2015 and 2014:

Outstanding Long-Term Debt Governmental Activities August 31, 2015 and 2014

<u>Debt Description</u>	<u>2015</u>	<u>2014</u>
Bank Loans	\$ <u> --</u>	\$ <u> 72,667</u>

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, 2015

	Primary Government Governmental Activities	Component Unit
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 10,993,193	\$ 20,851
Certificates of Deposit	179,978	--
Notes Receivable		
Due Within One Year	12,523	--
Inventory	7,045	--
Total Current Assets	\$ 11,192,739	\$ 20,851
Noncurrent Assets:		
Notes Receivable		
Due In More Than One Year	\$ 12,554	\$ --
Capital Assets		
Land	3,414,046	--
Work in Process	480,841	--
Buildings & Improvements	5,749,236	--
Vehicles	2,454,342	--
Maintenance Vehicles	780,602	--
Infrastructure	9,006,647	--
Equipment	2,251,900	4,820
Law Enforcement Canine	23,000	--
Less: Accumulated Depreciation	(8,183,652)	(4,820)
Total Noncurrent Assets	\$ 15,989,516	\$ --
TOTAL ASSETS	\$ 27,182,255	\$ 20,851
LIABILITIES:		
Withholding Payable	\$ 87,810	\$ 1,115
Due to Other Governmental Units	58,137	--
TOTAL LIABILITIES	\$ 145,947	\$ 1,115
NET POSITION		
Net Investment in Capital Assets	\$ 15,976,962	\$ --
Restricted for:		
Inventory	7,045	--
Insurance	928,321	--
Employees' Retirement	1,358,701	--
Public Safety	472,626	--
Public Works and Transportation	1,278,241	--
Economic Development	504,087	--
Health and Welfare	1,901,915	--
Other Purposes	763,886	--
Unrestricted	3,844,524	19,736
TOTAL NET POSITION	\$ 27,036,308	\$ 19,736

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

SHELBY COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED AUGUST 31, 2015

Activities	PROGRAM RECEIPTS				Net (Disbursements) Receipts and Changes in Net Position	
	Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Primary
						Government
Primary Government:						
Governmental Activities						
General Government	\$ 3,055,956	\$ 1,000,257	\$ 481,341	\$ --	\$ (1,574,358)	
Indemnity	--	4,920	--	--	4,920	
Public Safety	2,440,710	111,929	23,076	--	(2,305,705)	
Corrections	164,375	--	--	--	(164,375)	
Judiciary	577,600	27,606	--	--	(549,994)	
Public Works/Transportation	3,475,389	169,017	2,283,862	76,148	(946,362)	
Health and Welfare	1,461,610	241,704	390,122	--	(829,784)	
Total Governmental Activities	\$ 11,175,640	\$ 1,555,433	\$ 3,178,401	\$ 76,148	\$ (6,365,658)	
TOTAL PRIMARY GOVERNMENT	\$ 11,175,640	\$ 1,555,433	\$ 3,178,401	\$ 76,148	\$ (6,365,658)	
Component Unit:						
Shelby County Tourism	\$ 92,528	\$ 19,145	\$ 14,544	\$ --	\$ (58,839)	
General Receipts:						
Taxes - Property					\$ 4,032,202	
Taxes - Sales					689,794	
Taxes - Income					1,061,191	
Taxes - Motor Fuel					344,522	
Taxes - Replacement & Other					147,820	
Unrestricted Interest					13,108	
County Farm					51,529	
Transfers					11,919	
Miscellaneous					76,545	
Total General Receipts and Transfers					\$ 6,428,630	
Change in Net Position					\$ 62,972	
Net Position - September 1, 2014					26,973,336	
Net Position - August 31, 2015					\$ 27,036,308	

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

Fund Financial Statements

Proprietary Fund
Private Enterprise Fund
Governmental Fund
Special District Fund
Enterprise Fund
Capital Asset Fund
Debt Service Fund
Trust Fund
Other Fund
Fund Balance

SHELBY COUNTY, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
AUGUST 31, 2015

	General Fund	County Health Fund	County Highway Fund	Mental Health Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 3,486,560	\$ 1,294,218	\$ 1,295,072	\$ 1,534,350	\$ 7,223	\$ 3,375,770	\$ 10,993,193
Certificates of Deposit	10,000	125,000	--	--	--	44,978	179,978
Interfund Loans Receivable	109,672	3,800	--	--	--	780	114,252
Inventory	7,045	--	--	--	--	--	7,045
TOTAL ASSETS	\$ 3,613,277	\$ 1,423,018	\$ 1,295,072	\$ 1,534,350	\$ 7,223	\$ 3,421,528	\$ 11,294,468
LIABILITIES							
Withholding Payable	\$ 87,810	--	--	--	--	--	\$ 87,810
Interfund Loans Payable	780	3,800	--	--	44,254	65,418	114,252
Due to Other Governmental Units	58,137	--	--	--	--	--	58,137
TOTAL LIABILITIES	\$ 146,727	\$ 3,800	\$ --	\$ --	\$ 44,254	\$ 65,418	\$ 260,199
FUND BALANCE							
Fund Balance:							
Nonspendable:							
Inventory	\$ 7,045	--	--	--	--	--	\$ 7,045
Restricted for:							
Insurance	928,321	--	--	--	--	--	928,321
Rescue Squad	4,227	--	--	--	--	--	4,227
Capital Improvement	79,024	--	--	--	--	--	79,024
Indemnity	--	--	--	--	--	101,423	101,423
Employees Retirement	--	--	--	--	--	1,358,701	1,358,701
Public Safety	--	--	--	--	--	472,626	472,626
Judiciary	--	--	--	--	--	36,354	36,354
Automation	--	--	--	--	--	34,284	34,284
Recording	--	--	--	--	--	153,596	153,596
Public Works/Transportation	--	--	1,278,241	--	--	--	1,278,241
GIS	--	--	--	--	--	312,024	312,024
Document Storage	--	--	--	--	--	42,954	42,954
Economic Development	--	--	--	--	--	479,010	479,010
Health and Welfare	--	149,431	--	1,513,471	--	239,013	1,901,915
Committed							
Capital Improvement	214,702	--	--	--	--	--	214,702
Assigned	29,695	1,269,787	16,831	20,879	--	150,517	1,487,709
Unassigned	2,203,536	--	--	--	(37,031)	(24,392)	2,142,113
TOTAL FUND BALANCES	\$ 3,466,550	\$ 1,419,218	\$ 1,295,072	\$ 1,534,350	\$ (37,031)	\$ 3,356,110	\$ 11,034,269
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,613,277	\$ 1,423,018	\$ 1,295,072	\$ 1,534,350	\$ 7,223	\$ 3,421,528	\$ 11,294,468

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, 2015

Total Fund Balance for Governmental Funds	\$ 11,034,269
<p>Total net position reported for governmental activities in the statement of net position is different because:</p>	
<p>Notes Receivable are not financial resources; therefore, they are not reported in the funds.</p>	25,077
<p>Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds:</p>	
Land	3,414,046
Other Capital Assets	12,562,916
	26,036,962
Net Position of Governmental Activities	\$ 27,036,308

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, 2015

	General Fund	County Health Fund	County Highway Fund	Mental Health Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:							
Property Taxes	\$ 1,751,060	\$ 310,409	\$ 612,014	\$ 486,766	\$ -	\$ 871,953	\$ 4,032,202
Sales Taxes	689,794	-	-	-	-	-	689,794
Intergovernmental Revenue:							
State Sources:							
Income Taxes	1,061,191	-	-	-	-	-	1,061,191
Motor Fuel Taxes	-	-	344,522	-	-	-	344,522
Replacement Tax	45,436	10,410	44,616	20,461	-	26,897	147,820
Other State Sources	405,032	217,891	410,281	-	801,400	1,354	1,835,968
Federal Sources	18,479	172,031	288,455	-	783,726	41,977	1,304,668
County Farm	51,529	-	-	-	-	-	51,529
Loan Repayments	-	-	-	-	-	25,297	25,297
Charges for Services	101,866	236,291	105,682	-	-	52,676	496,515
Licenses and Permits	5,697	-	-	-	-	-	5,697
Fines, Fees and Forfeits	637,043	-	-	-	-	204,521	841,564
Penalties, Interest and Costs	85,116	-	-	-	-	-	85,116
Sales of Real Estate Stamps	126,541	-	-	-	-	-	126,541
Interest	4,140	1,849	1,960	2,241	2	2,916	13,108
Miscellaneous	60,362	200	2,889	-	-	90,140	153,591
Total Revenues Received	\$ 5,043,286	\$ 949,081	\$ 1,810,419	\$ 509,468	\$ 1,585,128	\$ 1,317,731	\$ 11,215,113
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ 1,811,470	\$ -	\$ -	\$ -	\$ -	\$ 1,158,023	\$ 2,969,493
Public Safety	2,141,565	-	-	-	-	117,327	2,258,892
Corrections	164,375	-	-	-	-	-	164,375
Judiciary	504,323	-	-	-	-	73,277	577,600
Public Works/Transportation	6,985	-	1,593,271	-	1,228,468	174,082	3,002,806
Health and Welfare	57,023	916,680	-	426,905	-	57,299	1,457,907
Capital Outlay	204,071	-	5,313	-	398,155	65,057	672,596
Debt Service	-	-	-	-	-	-	-
Interest on Long Term Debt	-	-	2,358	-	-	-	2,358
Principal on Long Term Debt	-	-	72,667	-	-	-	72,667
Total Expenditures Disbursed	\$ 4,889,812	\$ 916,680	\$ 1,673,609	\$ 426,905	\$ 1,626,623	\$ 1,645,065	\$ 11,178,694
Revenues Received Over (Under) Expenditures Disbursed	\$ 153,474	\$ 32,401	\$ 136,810	\$ 82,563	\$ (41,495)	\$ (327,334)	\$ 36,419
Other Financing Sources (Uses):							
Operating Transfers In	522,091	1,302	276,301	-	-	115,698	915,392
Operating Transfers Out	(615,996)	-	(275,000)	-	-	(12,477)	(903,473)
Net Change in Fund Balance	\$ 59,569	\$ 33,703	\$ 138,111	\$ 82,563	\$ (41,495)	\$ (224,113)	\$ 48,338
Fund Balance - September 1, 2014	3,406,981	1,385,515	1,156,961	1,451,787	4,484	3,580,223	10,985,931
Fund Balance - August 31, 2015	\$ 3,466,550	\$ 1,419,218	\$ 1,295,072	\$ 1,534,350	\$ (37,031)	\$ 3,356,110	\$ 11,034,269

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, 2015

Net Change in Fund Balance - Total Governmental Funds	\$	48,338
<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		72,667
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 (\$742,209) exceed additions \$672,596 in the current period.		(69,613)
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.		36,877
Principal payments received on Notes Receivable reduce Notes Receivable and do not affect the Statement of Activities - modified cash basis		(25,297)
Change in Net Position of Governmental Activities	\$	<u>62,972</u>

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, 2015

	Private - Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,276,844	\$ 4,889,648
TOTAL ASSETS	\$ 2,276,844	\$ 4,889,648
LIABILITIES		
Due to Others	\$ 2,146	\$ 4,889,648
TOTAL LIABILITIES	\$ 2,146	\$ 4,889,648
NET POSITION		
Restricted for Other Purposes	\$ 2,274,698	\$ --
TOTAL NET POSITION	\$ 2,274,698	\$ --

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, 2015

	<u>Private - Purpose Trust Funds</u>
ADDITIONS:	
Property Taxes	\$ 72,445
Intergovernmental Revenue:	
State Sources	
Motor Fuel Taxes	1,331,069
Other State Sources	743,692
Fines and Fees	120
Cash Bail	91,136
Interest	2,732
Miscellaneous	104,157
	<hr/>
Total Additions	\$ 2,345,351
DEDUCTIONS:	
Distributions	\$ 2,581,190
Miscellaneous	1,030
	<hr/>
Total Deductions	\$ 2,582,220
Change in Net Position before Other Financing Sources (Uses)	\$ (236,869)
Other Financing Sources (Uses):	
Operating Transfers In	77,059
	<hr/>
Change in Net Position	\$ (159,810)
Net Position - September 1, 2014	2,434,508
	<hr/>
Net Position - August 31, 2015	<u>\$ 2,274,698</u>

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, 2015

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, 2015

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, 2015

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 *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, 2015

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, 2015.

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, 2015

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 August 13, 2014, the final budget on July 8, 2015. 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, 2015

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, 2015

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, 2015

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.

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, 2015

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 2014 and 2013 attached as an enforceable lien on property as of January 1, 2013 and 2014, respectively. These taxes were required to be levied by the County prior to the last Tuesday in December. The 2013 and 2014 levies were adopted by the County in October, 2013 and September, 2014. Property taxes were due from property owners in two installments in August and October. The property tax receipts for the year ending August 31, 2015, as shown in the financial statements, consist of two distributions from the 2013 levy and one distribution from the 2014 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, 2014.

The Property Tax Extension Limitation Law of the State of Illinois, as amended (PTELL), limits the amount of annual increase in property taxes to be extended for certain Illinois non-home rule units of government, including Shelby County. In general, the PTELL restricts the amount of a property tax extension increase to the lesser of 5% or the percentage increase in the Consumer Price Index for Urban Consumers during the preceding calendar year. Tax levies may also be increased due to assessed valuation increases from new construction, referendum approval, and consolidation of local government units.

The effect of the PTELL is to limit the growth of the amount of property taxes that can be extended for a taxing body. The PTELL was effective for Shelby County for property taxes levied after 2000.

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, 2015

Note 2 - Property Taxes (continued)

	2014 <u>Maximum</u>	<u>2014 Levy</u>	<u>2013 Levy</u>
Assessed Valuation		<u>\$339,048,271</u>	<u>\$327,175,979</u>
Property Tax Rates:			
Extension Education	.05000	.02163	.02242
County	Unlimited	.46891	.46366
County Highway	.20000	.09443	.09786
County Bridge	.25000	.04217	.04370
Federal Aid	.05000	.04995	.05000
County Health	.17500	.09031	.10402
Municipal Retirement	Unlimited	.15043	.15588
Airport	.25000	.01226	.01270
Mental Health	.15000	.14985	.15000
Social Security	Unlimited	.08701	.09017
Tort Immunity Insurance	Unlimited	.03274	.03393
Workers' Comp. Insurance Tax	Unlimited	.02301	.02385
Unemployment Insurance Act	Unlimited	<u>.01564</u>	<u>.01620</u>
Total County Rate		<u>1.23834</u>	<u>1.26439</u>
Ambulance	.25000	<u>0.01938</u>	<u>0.01973</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, 2015 consist of the following:

	<u>Primary Government</u>	<u>Component Unit</u>
Cash on Hand	\$ 15,762	\$ 250
Deposits with financial institutions	<u>11,157,409</u>	<u>20,601</u>
Sub-Total Governmental Activities	\$ 11,173,171	\$ 20,851
Fiduciary Funds	<u>7,166,492</u>	<u>--</u>
Total	<u>\$ 18,339,663</u>	<u>\$ 20,851</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, 2015

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, 2015 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	\$ 21,284	November 19, 2015
Certificate of Deposit	10,000	January 6, 2016
Certificate of Deposit	125,000	February 11, 2016
Certificate of Deposit	<u>23,694</u>	February 15, 2016
	<u>\$ 179,978</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, 2015

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, 2015, \$16,812,289 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, 2015

Note 4 - Notes Receivable

The County has the following two notes receivable outstanding at August 31, 2015:

	<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.			
	\$ 7,272	\$ --	\$ 7,272
 <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. In fiscal year 2015, an extra payment was received with \$6,907 applied to principal.			
	<u>5,251</u>	<u>12,554</u>	<u>17,805</u>
	<u>\$ 12,523</u>	<u>\$ 12,554</u>	<u>\$ 25,077</u>

Note 5 - Capital Assets

Capital assets activity for the year ended August 31, 2015 was as follows:

	<u>Balance September 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2015</u>
Primary Government				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,414,046	\$ --	\$ --	\$ 3,414,046
Work In Process	<u>49,141</u>	<u>431,700</u>	<u>--</u>	<u>480,841</u>
	<u>\$ 3,463,187</u>	<u>\$ 431,700</u>	<u>\$ --</u>	<u>\$ 3,894,887</u>

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 5 – Capital Assets (continued)

	Balance September 1, <u>2014</u>	Increases	Decreases	Balance August 31, <u>2015</u>
Capital assets being depreciated:				
Buildings & Improvements	\$ 5,749,236	\$ --	\$ --	\$ 5,749,236
Vehicles	2,359,284	165,890	(70,832)	2,454,342
Maintenance Vehicles	780,602	--	--	780,602
Infrastructure	8,928,675	77,972	--	9,006,647
Equipment	2,217,988	33,912	--	2,251,900
Law Enforcement Canine	<u>23,000</u>	<u>--</u>	<u>--</u>	<u>23,000</u>
Total Capital Assets Being Depreciated	<u>\$20,058,785</u>	<u>\$ 277,774</u>	<u>\$ (70,832)</u>	<u>\$ 20,265,727</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	\$ (1,875,954)	\$ (150,647)	\$ --	\$ (2,026,601)
Vehicles	(1,706,320)	(251,260)	70,832	(1,886,748)
Maintenance Vehicles	(696,223)	(25,233)	--	(721,456)
Infrastructure	(1,406,037)	(235,051)	--	(1,641,088)
Equipment	(1,821,019)	(76,506)	--	(1,897,525)
Law Enforcement Canine	<u>(6,721)</u>	<u>(3,513)</u>	<u>--</u>	<u>(10,234)</u>
Total Accumulated Depreciation	<u>\$ (7,512,274)</u>	<u>\$ (742,210)</u>	<u>\$ 70,832</u>	<u>\$ (8,183,652)</u>
Total Capital Assets being Depreciated, net	<u>\$ 12,546,511</u>	<u>\$ (464,436)</u>	<u>\$ --</u>	<u>\$ 12,082,075</u>
Governmental Activities Capital Assets, net	<u>\$16,009,698</u>	<u>\$ (32,736)</u>	<u>\$ --</u>	<u>\$ 15,976,962</u>

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

Governmental activities:	
General Government	\$ 86,463
Public Safety	181,818
Public Works/Transportation	470,226
Health and Welfare	<u>3,703</u>
	<u>\$ 742,210</u>

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 5 – Capital Assets (continued)

Component Unit

Capital assets activity of Shelby County Office of Tourism for the year ended August 31, 2015 was as follows:

	<u>Balance September 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance August 31, 2015</u>
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, 2015.

	<u>Balance September 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2015</u>	<u>Due Within One Year</u>
Governmental activities:					
Loan – Dump Truck	\$ 72,667	\$ --	\$ 72,667	\$ --	\$ --

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%. The loan was paid in full during fiscal year 2015.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 6 – Long-Term Liabilities (continued)

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 19.5 million dollars leaving 19.5 million remaining.

Note 7 - Retirement Plans

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

A. Illinois Municipal Retirement Fund

Plan Description

IMRF Plan Description

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

Benefits Provided

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

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

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

Regular Plan	IMRF
Retirees and Beneficiaries currently receiving benefits	78
Inactive Plan Members entitled to but not yet receiving benefits	33
Active Members	75
Total	186

ECO Plan	IMRF
Retirees and Beneficiaries currently receiving benefits	11
Inactive Plan Members entitled to but not yet receiving benefits	2
Active Members	0
Total	13

SLEP Plan	IMRF
Retirees and Beneficiaries currently receiving benefits	18
Inactive Plan Members entitled to but not yet receiving benefits	4
Active Members	12
Total	34

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% 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 County's annual contribution rate for calendar year 2014 was 13.01%. For the fiscal year ended August 31, 2015, the County contributed \$405,003 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

As set by statute, the County's ECO Plan Members are required to contribute 7.5% 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 County's annual contribution rate for calendar year 2014 was 233.86%. For the fiscal year ended August 31, 2015, the County contributed \$273,169 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

As set by statute, the County's SLEP Plan Members are required to contribute 7.5% 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 County's annual contribution rate for calendar year 2014 was 13.4%. For the fiscal year ended August 31, 2015, the County contributed \$90,100 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 – Continued

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.5% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.5%, the municipal bond rate is 3.56%, and the resulting single discount rate is Regular 7.49%; ECO 6.96%; SLEP 7.50%.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

Changes in the Net Pension Liability

Regular Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$15,820,422	\$14,887,635	\$ 932,787
Changes for year:			
Service Cost	375,636	--	375,636
Interest on the Total Pension Liability	1,176,572	--	1,176,572
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience of the Total Pension Liability	(172,147)	--	(172,147)
Changes of Assumptions	576,116	--	576,116
Contributions - Employer	--	394,542	(394,542)
Contributions - Employees	--	158,319	(158,319)
Net Investment Income	--	905,450	(905,450)
Benefit Payments, including Refunds of Employee Contributions	(641,236)	(641,236)	--
Other (Net Transfer)	--	160,084	(160,084)
Net Changes	\$ 1,314,941	\$ 977,159	\$ 337,782
Balances at December 31, 2014	\$17,135,363	\$15,864,794	\$1,270,569

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 – Continued

ECO Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2013	\$ 4,674,175	\$ 2,102,776	\$ 2,571,399
Changes for year:			
Service Cost	--	--	--
Interest on the Total Pension Liability	316,944	--	316,944
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience of the Total Pension Liability	105,427	--	105,427
Changes of Assumptions	293,239	--	293,239
Contributions – Employer	--	265,706	(265,706)
Contributions – Employees	--	--	--
Net Investment Income	--	123,553	(123,553)
Benefit Payments, including Refunds of Employee Contributions	(420,352)	(420,352)	--
Other (Net Transfer)	--	84,275	(84,275)
Net Changes	\$ 295,258	\$ (53,182)	\$ 242,076
Balances at December 31, 2014	\$4,969,433	\$ 2,155,958	\$ 2,813,475

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 – Continued

SLEP Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2013	\$ 3,637,631	\$ 3,906,317	\$ (268,686)
Changes for year:			
Service Cost	128,976	--	128,976
Interest on the Total Pension Liability	272,090	--	272,090
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience of the Total Pension Liability	(21,213)	--	(21,213)
Changes of Assumptions	67,159	--	67,159
Contributions – Employer	--	92,845	(92,845)
Contributions – Employees	--	54,487	(54,487)
Net Investment Income	--	238,249	(238,249)
Benefit Payments, including Refunds of Employee Contributions	(148,511)	(148,511)	--
Other (Net Transfer)	--	18,413	(18,413)
Net Changes	\$ 298,501	\$ 255,483	\$ 43,018
Balances at December 31, 2014	\$3,936,132	\$ 4,161,800	\$ (225,668)

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

The following presents the plans' net pension liability, calculated using a Single Discount Rates of 7.49%, 6.96% and 7.5%, respectively, as well as what the plans' net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Regular Plan	1% Lower (6.49%)	Current Discount (7.49%)	1% Higher (8.49%)
Net Pension Liability	\$3,613,242	\$1,270,569	\$(632,065)

ECO Plan	1% Lower (5.96%)	Current Discount (6.96%)	1% Higher (7.96%)
Net Pension Liability	\$3,322,934	\$2,813,475	\$2,385,957

SLEP Plan	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$367,815	\$(225,668)	\$(705,858)

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

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

For the year ended August 31, 2015, the County recognized pension expense of \$742,158. At August 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows or (Inflows) of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ --	\$ 130,893	\$(130,893)
Changes of assumptions	438,055	--	438,055
Net difference between projected and actual earnings on pension plan investments	171,050	--	171,050
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 609,105	\$ 130,893	\$ 478,212
<i>Pension Contributions made subsequent to the Measurement Date</i>	\$ 268,373	\$ --	\$ 268,373
Total Deferred Amounts Related to Pensions	\$ 877,478	\$ 130,893	\$ 746,585

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

ECO Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows or (Inflows) of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ --	\$ --	\$ --
Changes of assumptions	--	--	--
Net difference between projected and actual earnings on pension plan investments	25,213	--	25,213
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 25,213	\$ --	\$ 25,213
<i>Pension Contributions made subsequent to the Measurement Date</i>	\$ 184,601	\$ --	\$ 184,601
Total Deferred Amounts Related to Pensions	\$ 209,814	\$ --	\$ 209,814

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

SLEP Plan

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows or (Inflows) of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>			
Differences between expected and actual experience	\$ --	\$ 16,986	\$(16,986)
Changes of assumptions	53,775	--	53,775
Net difference between projected and actual earnings on pension plan investments	44,297	--	44,297
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 98,072</u>	<u>\$ 16,986</u>	<u>\$ 81,086</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>\$ 58,723</u>	<u>\$ --</u>	<u>\$ 58,723</u>
Total Deferred Amounts Related to Pensions	\$ 156,795	\$ 16,986	\$139,809

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Regular Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 139,569
2016	139,569
2017	139,569
2018	59,505
2019	--
Thereafter	--
Total	<u>\$478,212</u>

ECO Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 6,303
2016	6,303
2017	6,303
2018	6,304
2019	--
Thereafter	-
Total	<u>\$25,213</u>

SLEP Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 20,231
2016	20,231
2017	20,231
2018	20,231
2019	162
Thereafter	-
Total	<u>\$81,086</u>

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 7 – Continued

B. Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The County paid \$312,297, the total required employer contribution for the current year.

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>
Airport	\$ 241,080	\$ 173,000	\$ 68,080
Recording	22,123	20,000	2,123
Sheriff Trust	10,832	--	10,832
Pet Population	5,040	5,000	40

B. Deficit Fund Balances of Individual Funds

The following funds have deficit balances at August 31, 2015:

Rural Transportation	\$(37,031)
Court Security	(21,833)
Law Library	(2,559)

C. Individual Fund Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at August 31, 2015 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
MAJOR FUNDS:		
GENERAL FUND:		
Other than Fee Offices	\$ 109,672	\$ 780
COUNTY HEALTH FUNDS:		
Miscellaneous County Health	\$ --	\$ 3,800
Home Nursing	3,800	--
Total County Health Fund	<u>\$ 3,800</u>	<u>\$ 3,800</u>
RURAL TRANSPORTATION	<u>\$ --</u>	<u>\$ 44,254</u>

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 8 - Required Individual Fund Disclosures (Continued)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
NONMAJOR FUNDS:		
SPECIAL REVENUE FUNDS:		
Court Security	\$ --	\$ 24,104
Law Library	--	2,888
Social Security	--	16
IMRF	--	38,410
GIS	780	--
Total Special Revenue Funds	<u>\$ 780</u>	<u>\$ 65,418</u>
Total	<u>\$ 114,252</u>	<u>\$ 114,252</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, 2015 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
MAJOR FUNDS:		
GENERAL FUND:		
Other than Fee Offices	\$ 522,091	\$ 1,411
County Clerk	--	292,620
Circuit Clerk	--	105,559
Sheriff	--	89,975
States Attorney	--	124,261
Supervisor of Assessments	--	2,170
Total General Fund	<u>\$ 522,091</u>	<u>\$ 615,996</u>
COUNTY HEALTH FUND:		
Misc. County Health	\$ 1,302	\$ --
Total County Health Fund	<u>\$ 1,302</u>	<u>\$ --</u>
COUNTY HIGHWAY FUND:		
County Highway	\$ 276,301	\$ --
County Motor Fuel Tax Fund	--	275,000
Total County Highway Fund	<u>\$ 276,301</u>	<u>\$ 275,000</u>

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 8 - Required Individual Fund Disclosures (Continued)

NONMAJOR FUNDS:

SPECIAL REVENUE FUNDS:

Sheriff's Trust	\$ 1,371	\$ 4,471
IMRF	1,411	--
Emergency Management	--	8,006
Recording	15,600	--
Drug Traffic Prevention	4,471	--
GIS	85,800	--
DUI Equipment	7,045	--
Total Special Revenue Funds	\$ 115,698	\$ 12,477

FIDUCIARY FUNDS:

Inmate Commissary	\$ --	\$ 11,919
Total Fiduciary Funds	\$ --	\$ 11,919

Total	\$ 915,392	\$ 915,392
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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:

Tort Immunity Receipts:	
Property Tax Collected	\$ 234,445
Mobile Home Tax Collected	579
Interest	31
	\$ 235,055
Tort Expenditures:	
Commercial Liability Insurance	\$ 110,368
Unemployment tax	18,230
Workers' Compensation Insurance	82,304
Total Expenditures	\$ 210,902
Receipts over expenditures	\$ 24,153
Restricted at September 1, 2014	904,168
Restricted at August 31, 2015	\$ 928,321

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

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, 2015. 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 \$58,137 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, 2015

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, 2015, is not reflected in the financial statements but is estimated to be \$613,691.

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, 2015.

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, 2015, was \$124,294. 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 2015 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 \$51,529 in rent income during the year ended August 31, 2015.

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 \$8,678 in the General fund during the year ended August 31, 2015, for this benefit. The benefit commenced in September, 2006.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2015

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 2015, Shelby County paid \$26,533 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 July 1, 2015.

Litigation

At August 31, 2015, Shelby County was a defendant in a lawsuit related to a subdivision development. The State's Attorney has estimated that a judgement in favor of the Plaintiffs would result in material costs to Shelby County.

Note 14 – Subsequent Events

Management evaluated subsequent events through April 13, 2016, the date which the financial statements were available to be issued, and concluded that the following met the criteria for disclosure.

- On September 9, 2015, the Shelby County Highway Department became a party to an installment agreement for the purchase of a John Deere 6105M Tractor. The installment obligation is \$57,200 after a \$7,500 equipment trade, requires a \$19,700 down payment and two additional payments of \$19,563 each including interest at 2.8 percent.
- On November 12, 2015, the County approved the FOP union contract.
- On December 19, 2015, the County approved the AFSCME union contract.
- The lawsuit referenced in Note 13 was sent to mediation on January 13, 2016 and the County is no longer a party to the lawsuit.

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

SHELBY COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES RECEIVED:				
Property Taxes	\$ 1,506,000	\$ 1,506,000	\$ 1,751,060	\$ 245,060
Sales Taxes	633,000	633,000	689,794	56,794
Intergovernmental Revenue:				
State Sources:				
Income Taxes	930,000	930,000	1,061,191	131,191
Replacement Tax	41,000	41,000	45,436	4,436
Other State Sources	445,000	445,000	405,032	(39,968)
Federal Sources	20,000	20,000	18,479	(1,521)
County Fair	32,000	32,000	51,529	19,529
Charges for Services	88,000	88,000	101,866	13,866
Licenses and Permits	6,000	6,000	5,697	(303)
Fines, Fees and Forfeits	780,000	780,000	637,043	(142,957)
Penalties, Interest and Costs	61,000	61,000	85,116	24,116
Sales of Real Estate Stamps	110,000	110,000	126,541	16,541
Interest	7,000	7,000	4,140	(2,860)
Miscellaneous	19,000	19,000	60,362	41,362
Total Revenues Received	\$ 4,678,000	\$ 4,678,000	\$ 5,043,286	\$ 365,286
EXPENDITURES DISBURSED:				
Current:				
General Government	\$ 1,925,063	\$ 1,941,063	\$ 1,811,470	\$ 129,593
Public Safety	2,154,599	2,197,244	2,141,565	55,679
Corrections	186,027	186,027	164,375	21,652
Judiciary	548,675	548,675	504,323	44,352
Public Works/Transportation	12,085	12,085	6,985	5,100
Health and Welfare	68,675	68,675	57,023	11,652
Capital Outlay	50,000	50,000	204,071	(154,071)
Total Expenditures Disbursed	\$ 4,945,124	\$ 5,003,769	\$ 4,889,812	\$ 113,957
Revenues Received Over (Under) Expenditures Disbursed	\$ (267,124)	\$ (325,769)	\$ 153,474	\$ 479,243
Other Financing Sources (Uses):				
Operating Transfers In	-	-	522,091	522,091
Operating Transfers Out	-	-	(615,996)	(615,996)
Net Change in Fund Balance	\$ (267,124)	\$ (325,769)	\$ 59,569	\$ 385,338
Fund Balance - September 1, 2014			3,406,981	
Fund Balance - August 31, 2015			\$ 3,466,550	

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, 2015

	Budget		Actual Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES DISBURSED:				
General Government:				
Operating Expenses Pertaining to the Office of:				
County Clerk	\$ 399,881	\$ 399,881	\$ 381,348	\$ 18,533
Circuit Clerk	289,155	289,155	270,402	18,753
Supervisor of Assessments	268,970	268,970	221,477	47,493
County Treasurer	246,581	246,581	228,945	17,636
County Coroner	69,490	69,490	86,407	(16,917)
Regional Superintendent of Schools	43,165	43,165	41,909	1,256
Board of Review	36,150	36,150	30,266	5,884
Farmland Assessment	150	150	97	53
Board of Appeals	2,825	2,825	591	2,234
Planning Commission	2,450	2,450	887	1,563
Zoning Administrator	23,621	23,621	21,786	1,835
Utilities	45,200	45,200	24,722	20,478
Maintenance, Repairs and Improvement	40,000	56,000	58,727	(2,727)
Insurance	268,000	268,000	210,903	57,097
Employee Insurance	15,000	15,000	5,334	9,666
County Board Expenses	80,975	80,975	63,664	17,311
Services, Supplies and Miscellaneous	85,650	85,650	53,022	32,628
County Farm	7,800	7,800	4,223	3,577
State Rental Housing Fee	--	--	30,564	(30,564)
Purchase of Real Estate Tax Stamps	--	--	76,196	(76,196)
Total General Government	\$ 1,925,063	\$ 1,941,063	\$ 1,811,470	\$ 129,593
Public Safety:				
Operating Expenses Pertaining to the Office of:				
County Sheriff	\$ 2,016,705	\$ 2,030,705	\$ 2,029,515	\$ 1,190
Rescue Squad	20,500	20,500	25,733	(5,233)
ESDA	34,401	63,046	31,406	31,640
911 Emergency Services	40,000	40,000	38,764	1,236
Courthouse Security	32,240	32,240	14,312	17,928
Merit Commission	10,753	10,753	1,835	8,918
Total Public Safety	\$ 2,154,599	\$ 2,197,244	\$ 2,141,565	\$ 55,679

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, 2015

	Budget		Actual Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
Corrections:				
Operating Expenses Pertaining to the Office of: Probation Office	\$ 186,027	\$ 186,027	\$ 164,375	\$ 21,652
Judiciary:				
Operating Expenses Pertaining to the Office of: States Attorney	\$ 326,700	\$ 326,700	\$ 303,969	\$ 22,731
Public Defender	157,975	157,975	150,607	7,368
Appointed Counsel Fee	45,000	45,000	43,861	1,139
Circuit Judge Expenses	19,000	19,000	5,886	13,114
Total Judiciary	\$ 548,675	\$ 548,675	\$ 504,323	\$ 44,352
Public Works/Transportation:				
Rural Transportation	\$ 12,085	\$ 12,085	\$ 6,985	\$ 5,100
Health and Welfare:				
Operating Expenses Pertaining to the Office of: Animal Control	\$ 68,675	\$ 68,675	\$ 57,023	\$ 11,652
Capital Outlay:				
General Government	\$ 50,000	\$ 50,000	\$ 204,071	\$ (154,071)
TOTAL EXPENDITURES DISBURSED	\$ 4,945,124	\$ 5,003,769	\$ 4,889,812	\$ 113,957

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, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES RECEIVED:				
Property Taxes	\$ 288,796	\$ 288,796	\$ 310,409	\$ 21,613
Intergovernmental Revenue:				
State Sources:				
Replacement Tax	9,685	9,685	10,410	725
Other State Sources	202,720	202,720	217,891	15,171
Federal Sources	160,054	160,054	172,031	11,977
Charges for Services	219,839	219,839	236,291	16,452
Interest	1,720	1,720	1,849	129
Miscellaneous	186	186	200	14
Total Revenues Received	<u>\$ 883,000</u>	<u>\$ 883,000</u>	<u>\$ 949,081</u>	<u>\$ 66,081</u>
EXPENDITURES DISBURSED:				
Current:				
Health and Welfare	<u>\$ 1,282,064</u>	<u>\$ 1,285,116</u>	<u>\$ 916,680</u>	<u>\$ 368,436</u>
Total Expenditures Disbursed	<u>\$ 1,282,064</u>	<u>\$ 1,285,116</u>	<u>\$ 916,680</u>	<u>\$ 368,436</u>
Revenues Received Over (Under) Expenditures Disbursed	\$ (399,064)	\$ (402,116)	\$ 32,401	\$ 434,517
Other Financing Sources (Uses):				
Transfers In	--	--	1,302	1,302
Net Change in Fund Balance	<u>\$ (399,064)</u>	<u>\$ (402,116)</u>	\$ 33,703	<u>\$ 435,819</u>
Fund Balance - September 1, 2014			<u>1,385,515</u>	
Fund Balance - August 31, 2015			<u>\$ 1,419,218</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, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES RECEIVED:				
Property Taxes	\$ 447,918	\$ 447,918	\$ 612,014	\$ 164,096
Intergovernmental Revenue:				
State Sources:				
Motor Fuel Tax	252,147	252,147	344,522	92,375
Replacement Taxes	32,653	32,653	44,616	11,963
Other State Sources	300,275	300,275	410,281	110,006
Federal Source	211,113	211,113	288,455	77,342
Charges for Services	77,346	77,346	105,682	28,336
Interest	1,434	1,434	1,960	526
Miscellaneous	2,114	2,114	2,889	775
Total Revenues Received	\$ 1,325,000	\$ 1,325,000	\$ 1,810,419	\$ 485,419
EXPENDITURES DISBURSED:				
Current:				
Public Works/Transportation	\$ 1,445,335	\$ 1,961,538	\$ 1,593,271	\$ 368,267
Capital Outlay	--	--	5,313	(5,313)
Debt Service	--	--	72,667	(72,667)
Interest	--	--	#REF!	#REF!
Principal	--	--	--	--
Total Expenditures Disbursed	\$ 1,445,335	\$ 1,961,538	\$ #REF!	\$ #REF!
Revenues Received Over (Under) Expenditures Disbursed	\$ (120,335)	\$ (636,538)	\$ #REF!	\$ #REF!
Other Financing Sources (Uses):				
Transfers In	--	--	276,301	276,301
Transfers Out	--	--	(275,000)	(275,000)
Net Change in Fund Balance	\$ (120,335)	\$ (636,538)	\$ #REF!	\$ #REF!
Fund Balance - September 1, 2014			1,156,961	
Fund Balance - August 31, 2015			\$ #REF!	

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, 2015

	<u>Original (Final) Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES RECEIVED:			
Property Taxes	\$ 492,051	\$ 486,766	\$ (5,285)
Intergovernmental Revenue:			
State Sources:			
Replacement Taxes	20,683	20,461	(222)
Interest	<u>2,266</u>	<u>2,241</u>	<u>(25)</u>
Total Revenues Received	<u>\$ 515,000</u>	<u>\$ 509,468</u>	<u>\$ (5,532)</u>
EXPENDITURES DISBURSED:			
Current:			
Health and Welfare	<u>\$ 505,000</u>	<u>\$ 426,905</u>	<u>\$ 78,095</u>
Total Expenditures Disbursed	<u>\$ 505,000</u>	<u>\$ 426,905</u>	<u>\$ 78,095</u>
Net Change in Fund Balance	<u>\$ 10,000</u>	\$ 82,563	<u>\$ 72,563</u>
Fund Balance - September 1, 2014		<u>1,451,787</u>	
Fund Balance - August 31, 2015		<u>\$ 1,534,350</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, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES RECEIVED:				
Intergovernmental Revenue:				
Other State Sources	\$ 719,902	\$ 719,902	\$ 801,400	\$ 81,498
Federal Sources	704,026	704,026	783,726	79,700
Interest	<u>2</u>	<u>2</u>	<u>2</u>	<u>--</u>
Total Revenues Received	<u>\$ 1,423,930</u>	<u>\$ 1,423,930</u>	<u>\$ 1,585,128</u>	<u>\$ 161,198</u>
EXPENDITURES DISBURSED:				
Current:				
Public Works/Transportation	<u>\$ 1,201,038</u>	<u>\$ 1,701,038</u>	<u>\$ 1,626,623</u>	<u>\$ 74,415</u>
Total Expenditures Disbursed	<u>\$ 1,201,038</u>	<u>\$ 1,701,038</u>	<u>\$ 1,626,623</u>	<u>\$ 74,415</u>
Net Change in Fund Balance	<u>\$ 222,892</u>	<u>\$ (277,108)</u>	<u>\$ (41,495)</u>	<u>\$ 235,613</u>
Fund Balance - September 1, 2014			<u>4,464</u>	
Fund Balance - August 31, 2015			<u>\$ (37,031)</u>	

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

SHELBY COUNTY, ILLINOIS
NOTE TO BUDGETARY COMPARISON SCHEDULES
AUGUST 31, 2015

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

There were no instances of overexpenditures in the major funds in fiscal year 2015.

SHELBY COUNTY, ILLINOIS
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - MODIFIED CASH BASIS
 GENERAL FUND
 AUGUST 31, 2015

	Fee Offices							Total
	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	(Coat Rights) Capital Improvements	
ASSETS								
Cash and Cash Equivalents	\$ 3,045,330	\$ 34,853	\$ 76,848	\$ 6,063	\$ --	\$ 45	\$ 323,421	\$ 3,486,560
Certificates of Deposit	--	--	10,000	--	--	--	--	10,000
Interfund Loans Receivable	109,672	--	--	--	--	--	--	109,672
Inventory	--	7,045	--	--	--	--	--	7,045
TOTAL ASSETS	\$ 3,155,002	\$ 41,898	\$ 86,848	\$ 6,063	\$ --	\$ 45	\$ 323,421	\$ 3,613,277
LIABILITIES								
Withholding Payable	\$ 87,810	--	--	--	--	--	--	\$ 87,810
Interfund Loans Payable	780	--	--	--	--	--	--	780
Due to Other Governmental Units	--	--	58,137	--	--	--	--	58,137
TOTAL LIABILITIES	\$ 88,590	\$ --	\$ 58,137	\$ --	\$ --	\$ --	\$ --	\$ 146,727
FUND BALANCES								
Fund Balances:								
Nonspendable:								
Inventory	\$ --	\$ 7,045	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,045
Restricted for:								
Insurance	928,321	--	--	--	--	--	--	928,321
Rescue Squad	4,227	--	--	--	--	--	--	4,227
Capital Improvement	--	--	--	--	--	--	79,024	79,024
Committed:								
Capital Improvement	--	--	--	--	--	--	214,702	214,702
Assigned	--	--	--	--	--	--	29,695	29,695
Unassigned	2,133,864	34,853	28,711	6,063	--	45	--	2,203,536
TOTAL FUND BALANCES	\$ 3,066,412	\$ 41,898	\$ 28,711	\$ 6,063	\$ --	\$ 45	\$ 323,421	\$ 3,466,550
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,155,002	\$ 41,898	\$ 86,848	\$ 6,063	\$ --	\$ 45	\$ 323,421	\$ 3,613,277

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, 2015

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	(Coal Rights) Capital Improvements	Total
REVENUES RECEIVED:								
Property Taxes	\$ 1,751,060	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	1,751,060
Sales Taxes	689,794	--	--	--	--	--	--	689,794
Intergovernmental Revenues:								
Income Taxes	1,061,191	--	--	--	--	--	--	1,061,191
Replacement Taxes	45,436	--	--	--	--	--	--	45,436
Other State Sources	403,414	--	--	1,618	--	--	--	405,032
Federal Source	18,479	--	--	--	--	--	--	18,479
County Farm	51,529	--	--	--	--	--	--	51,529
Charges for Services	101,866	--	--	--	--	--	--	101,866
Licenses and Permits	5,697	--	--	--	--	--	--	5,697
Fees, Fines and Forfeits	30,995	283,276	115,525	80,827	124,261	2,159	--	637,043
Penalties, Interest and Costs	85,116	--	--	--	--	--	--	85,116
Sales of Real Estate Stamps	--	126,541	--	--	--	--	--	126,541
Interest	3,478	--	16	--	--	--	--	3,494
Miscellaneous	54,903	--	--	5,459	--	--	--	60,362
Total Revenues Received	\$ 4,302,958	\$ 409,817	\$ 115,541	\$ 87,904	\$ 124,261	\$ 2,159	\$ 646	\$ 5,043,286
EXPENDITURES DISBURSED:								
See Schedule at Page 58-59	\$ 4,773,451	\$ 108,349	\$ 8,012	\$ --	\$ --	\$ --	\$ --	4,889,812
Revenues Received Over (Under) Expenditures Disbursed	\$ (470,493)	\$ 301,468	\$ 107,529	\$ 87,904	\$ 124,261	\$ 2,159	\$ 646	\$ 153,474
Other Financing Sources (Uses):								
Operating Transfers In	522,091	--	--	--	--	--	--	522,091
Operating Transfers Out	(1,411)	(292,620)	(105,559)	(89,975)	(124,261)	(2,170)	--	(615,996)
Net Change in Fund Balance	\$ 50,187	\$ 8,848	\$ 1,970	\$ (2,071)	\$ --	\$ (11)	\$ 646	\$ 59,569
Fund Balance - September 1, 2014	3,016,225	33,050	26,741	8,134	--	56	322,775	3,406,981
Fund Balance - August 31, 2015	\$ 3,066,412	\$ 41,898	\$ 28,711	\$ 6,063	\$ --	\$ 45	\$ 323,421	\$ 3,466,550

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, 2015

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Capital Improvements	Total
EXPENDITURES DISBURSED:								
General Government:								
Operating Expenses Pertaining to the Office of:								
County Clerk	\$ 379,759	\$ 1,589	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 381,348
Circuit Clerk	262,390	--	8,012	--	--	--	--	270,402
Supervisor of Assessments	221,477	--	--	--	--	--	--	221,477
County Treasurer	228,945	--	--	--	--	--	--	228,945
County Coroner	86,407	--	--	--	--	--	--	86,407
Regional Superintendent of Schools	41,909	--	--	--	--	--	--	41,909
Board of Review	30,266	--	--	--	--	--	--	30,266
Farmland Assessment	97	--	--	--	--	--	--	97
Board of Appeals	591	--	--	--	--	--	--	591
Planning Commission	887	--	--	--	--	--	--	887
Zoning Administrator	21,786	--	--	--	--	--	--	21,786
Utilities	24,722	--	--	--	--	--	--	24,722
Maintenance, Repairs and Improvement	58,727	--	--	--	--	--	--	58,727
Insurance	210,903	--	--	--	--	--	--	210,903
Employee Insurance	5,334	--	--	--	--	--	--	5,334
County Board Expenses	63,664	--	--	--	--	--	--	63,664
Services, Supplies and Miscellaneous	53,022	--	--	--	--	--	--	53,022
County Farm	4,223	--	--	--	--	--	--	4,223
State Rental Housing Fee	--	30,564	--	--	--	--	--	30,564
Purchase of Real Estate Tax Stamps	--	76,196	--	--	--	--	--	76,196
Total General Government	\$ 1,695,109	\$ 108,349	\$ 8,012	\$ --	\$ --	\$ --	\$ --	\$ 1,811,470
Public Safety:								
Operating Expenses Pertaining to the Office of:								
County Sheriff	\$ 2,029,515	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,029,515
Rescue Squad	25,733	--	--	--	--	--	--	25,733
ESDA	31,406	--	--	--	--	--	--	31,406
911 Emergency Services	38,764	--	--	--	--	--	--	38,764
Courthouse Security	14,312	--	--	--	--	--	--	14,312
Merit Commission	1,835	--	--	--	--	--	--	1,835
Total Public Safety	\$ 2,141,565	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,141,565

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, 2015

	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	\$ 164,375	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 164,375
Judiciary:								
Operating Expenses Pertaining to the Office of: States Attorney	\$ 303,969	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 303,969
Public Defender	150,607	--	--	--	--	--	--	150,607
Appointed Counsel Fee	43,861	--	--	--	--	--	--	43,861
Circuit Judge Expenses	5,886	--	--	--	--	--	--	5,886
Total Judiciary	\$ 504,323	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 504,323
Public Works/Transportation:								
Rural Transportation	\$ 6,985	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,985
Health and Welfare:								
Co Operating Expenses Pertaining to the Office of: Animal Control	\$ 57,023	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 57,023
Capital Outlay:								
General Government	\$ 204,071	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 204,071
TOTAL EXPENDITURES DISBURSED	\$ 4,773,451	\$ 108,349	\$ 8,012	\$ --	\$ --	\$ --	\$ --	\$ 4,889,812

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, 2015

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
ASSETS					
Cash and Cash Equivalents	\$ 188,962	\$ 192,652	\$ 888,318	\$ 24,286	\$ 1,294,218
Certificates of Deposits	--	--	125,000	--	125,000
Interfund Loans Receivable	--	--	3,800	--	3,800
TOTAL ASSETS	\$ 188,962	\$ 192,652	\$ 1,017,118	\$ 24,286	\$ 1,423,018
LIABILITIES					
Interfund Loans Payable	\$ --	\$ 3,800	\$ --	\$ --	\$ 3,800
TOTAL LIABILITIES	\$ --	\$ 3,800	\$ --	\$ --	\$ 3,800
FUND BALANCES					
Fund Balances:					
Restricted for:					
Health and Welfare	\$ 47,734	\$ 77,411	\$ --	\$ 24,286	\$ 149,431
Assigned	141,228	111,441	1,017,118	--	1,269,787
TOTAL FUND BALANCES	\$ 188,962	\$ 188,852	\$ 1,017,118	\$ 24,286	\$ 1,419,218
TOTAL LIABILITIES AND FUND BALANCES	\$ 188,962	\$ 192,652	\$ 1,017,118	\$ 24,286	\$ 1,423,018

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, 2015

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
REVENUES RECEIVED:					
Property Taxes	\$ 310,409	\$ -	\$ -	\$ -	\$ 310,409
Intergovernmental Revenues:					
Replacement Taxes	10,410	-	-	-	10,410
Other State Sources	114,161	84,319	19,411	-	217,891
Federal Source	7,743	77,870	634	85,784	172,031
Charges for Services	73,222	2,715	160,354	-	236,291
Interest	37	173	1,639	-	1,849
Miscellaneous	-	200	-	-	200
Total Revenues Received	\$ 515,982	\$ 165,277	\$ 182,038	\$ 85,784	\$ 949,081
EXPENDITURES DISBURSED:					
Current:					
Health and Welfare:					
Personnel and Fringe Benefits	\$ 505,591	\$ 105,962	\$ -	\$ 68,015	\$ 679,568
Commodities	19,027	5,420	121,274	2,868	148,589
Contractual Services	79,399	6,480	-	2,644	88,523
Total Expenditures Disbursed	\$ 604,017	\$ 117,862	\$ 121,274	\$ 73,527	\$ 916,680
Revenues Received Over (Under) Expenditures Disbursed	\$ (88,035)	\$ 47,415	\$ 60,764	\$ 12,257	\$ 32,401
Other Financing Sources (Uses):					
Operating Transfers In	-	1,302	-	-	1,302
Net Change in Fund Balance	\$ (88,035)	\$ 48,717	\$ 60,764	\$ 12,257	\$ 33,703
Fund Balance - September 1, 2014	276,997	140,135	956,354	12,029	1,385,515
Fund Balance - August 31, 2015	\$ 188,962	\$ 188,852	\$ 1,017,118	\$ 24,286	\$ 1,419,218

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, 2015

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
Cash and Cash Equivalents	\$ 161,383	\$ 238,655	\$ 585,227	\$ 309,779	\$ 28	\$ 1,295,072
TOTAL ASSETS	\$ 161,383	\$ 238,655	\$ 585,227	\$ 309,779	\$ 28	\$ 1,295,072
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES						
Fund Balances:						
Restricted for:						
Public Works/Transportation	\$ 155,985	\$ 238,184	\$ 576,519	\$ 307,525	\$ 28	\$ 1,278,241
Assigned	5,398	471	8,708	2,254	--	16,831
TOTAL FUND BALANCES	\$ 161,383	\$ 238,655	\$ 585,227	\$ 309,779	\$ 28	\$ 1,295,072
TOTAL LIABILITIES AND FUND BALANCES	\$ 161,383	\$ 238,655	\$ 585,227	\$ 309,779	\$ 28	\$ 1,295,072

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, 2015

REVENUES RECEIVED:	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
Property Taxes	\$ 138,845	\$ 310,917	\$ --	\$ 162,252	\$ --	\$ 612,014
Intergovernmental Revenues:						
Motel Fuel Tax	--	--	344,522	--	--	344,522
Replacement Taxes	10,974	22,667	--	10,975	--	44,616
Other State Sources	11,035	--	137,214	--	262,032	410,281
Federal Source	--	--	--	288,455	--	288,455
Charges for Services	14,504	83,792	7,386	--	--	105,682
Interest	418	17	990	481	54	1,960
Miscellaneous	--	2,889	--	--	--	2,889
Total Revenues Received	\$ 175,776	\$ 420,282	\$ 490,112	\$ 462,163	\$ 262,086	\$ 1,810,419

EXPENDITURES DISBURSED:

Current:						
Public Works/Transportation						
Personnel and Fringe Benefits	\$ --	\$ 364,700	\$ 57,116	\$ --	\$ --	\$ 421,816
Commodities	240,632	65,052	--	237,910	295,886	839,480
Contractual Services	--	158,743	86,872	86,360	--	331,975
Capital Outlay	--	5,313	--	--	--	5,313
Debt Service	--	--	--	--	--	--
Interest Expense	--	2,358	--	--	--	2,358
Principal	--	72,667	--	--	--	72,667
Total Expenditures Disbursed	\$ 240,632	\$ 668,833	\$ 143,988	\$ 324,270	\$ 295,886	\$ 1,673,609

Revenues Received Over (Under) Expenditures Disbursed	\$ (64,856)	\$ (248,551)	\$ 346,124	\$ 137,893	\$ (33,800)	\$ 136,810
Other Financing Sources (Uses):						
Transfers In	--	276,301	--	--	--	276,301
Transfers Out	--	--	(275,000)	--	--	(275,000)

Net Change in Fund Balance	\$ (64,856)	\$ 27,750	\$ 71,124	\$ 137,893	\$ (33,800)	\$ 138,111
Fund Balance - September 1, 2014	226,239	210,905	514,103	171,886	33,828	1,156,961
Fund Balance - August 31, 2015	\$ 161,383	\$ 238,655	\$ 585,227	\$ 309,779	\$ 28	\$ 1,295,072

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, 2015

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad	Probation	Emergency Management
ASSETS							
Cash and Cash Equivalents	\$ 103,768	\$ 122,349	\$ 312,625	\$ 102,429	\$ 13,831	\$ 406,168	\$ 13,336
Certificates of Deposit	--	--	--	--	--	--	--
Interfund Loans Receivable	--	--	--	--	--	--	--
TOTAL ASSETS	\$ 103,768	\$ 122,349	\$ 312,625	\$ 102,429	\$ 13,831	\$ 406,168	\$ 13,336
LIABILITIES							
Interfund Loans Payable	\$ --	\$ --	\$ 16	\$ --	\$ --	\$ --	\$ --
TOTAL LIABILITIES	\$ --	\$ --	\$ 16	\$ --	\$ --	\$ --	\$ --
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ 101,423	\$ --	\$ --	\$ --
Employees Retirement	--	--	311,527	--	--	--	--
Public Safety	--	--	--	--	13,745	404,464	13,120
Judiciary	--	--	--	--	--	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	--
Document Storage	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--
Health and Welfare	98,982	121,704	--	--	--	--	--
Assigned	4,786	645	1,082	1,006	86	1,704	216
Unassigned	--	--	--	--	--	--	--
TOTAL FUND BALANCES	\$ 103,768	\$ 122,349	\$ 312,609	\$ 102,429	\$ 13,831	\$ 406,168	\$ 13,336
TOTAL LIABILITIES AND FUND BALANCES	\$ 103,768	\$ 122,349	\$ 312,625	\$ 102,429	\$ 13,831	\$ 406,168	\$ 13,336

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, 2015

	Special Revenue						
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Airport	Sheriff's Trust	Court Security
ASSETS							
Cash and Cash Equivalents	\$ 22,061	\$ 30,087	\$ 153,983	\$ 3,454	\$ 78,567	\$ 2,151	\$ 2,271
Certificates of Deposit	--	--	--	--	44,978	--	--
Interfund Loans Receivable	--	--	--	--	--	--	--
TOTAL ASSETS	\$ 22,061	\$ 30,087	\$ 153,983	\$ 3,454	\$ 123,545	\$ 2,151	\$ 2,271
LIABILITIES							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 24,104
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 24,104
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	--	--
Public Safety	--	--	--	3,412	--	2,151	--
Judiciary	20,787	--	--	--	--	--	--
Automation	--	29,590	--	--	--	--	--
Recording	--	--	153,596	--	--	--	--
GIS	--	--	--	--	--	--	--
Document Storage	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Assigned	1,274	497	387	42	123,545	--	--
Unassigned	--	--	--	--	--	--	(21,833)
TOTAL FUND BALANCES	\$ 22,061	\$ 30,087	\$ 153,983	\$ 3,454	\$ 123,545	\$ 2,151	\$ (21,833)
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,061	\$ 30,087	\$ 153,983	\$ 3,454	\$ 123,545	\$ 2,151	\$ 2,271

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, 2015

	Special Revenue						
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	State's Attorney Forfeited	DUI Equipment	GIS
ASSETS							
Cash and Cash Equivalents	\$ 329	\$ 43,106	\$ 488,185	\$ 14,650	\$ 966	\$ 32,065	\$ 311,723
Certificates of Deposit	--	--	--	--	--	--	--
Interfund Loans Receivable	--	--	--	--	--	--	780
TOTAL ASSETS	\$ 329	\$ 43,106	\$ 488,185	\$ 14,650	\$ 966	\$ 32,065	\$ 312,503
LIABILITIES							
Interfund Loans Payable	\$ 2,888	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TOTAL LIABILITIES	\$ 2,888	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	32,007	--
Judiciary	--	--	--	14,603	964	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	312,024
Document Storage	--	42,954	--	--	--	--	--
Economic Development	--	--	479,010	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Assigned	--	152	9,175	47	2	58	479
Unassigned	(2,559)	--	--	--	--	--	--
TOTAL FUND BALANCES	\$ (2,559)	\$ 43,106	\$ 488,185	\$ 14,650	\$ 966	\$ 32,065	\$ 312,503
TOTAL LIABILITIES AND FUND BALANCES	\$ 329	\$ 43,106	\$ 488,185	\$ 14,650	\$ 966	\$ 32,065	\$ 312,503

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, 2015

	Special Revenue					Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Municipal Retirement Fund	Tax Sale Automation	
Cash and Cash Equivalents	\$ 18,327	\$ 2,312	\$ 3,728	\$ 1,090,916	\$ 2,383	\$ 3,375,770
Certificates of Deposit	--	--	--	--	--	44,978
Interfund Loans Receivable	--	--	--	--	--	780
TOTAL ASSETS	\$ 18,327	\$ 2,312	\$ 3,728	\$ 1,090,916	\$ 2,383	\$ 3,421,528
LIABILITIES						
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ 38,410	\$ --	\$ 65,418
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ 38,410	\$ --	\$ 65,418
FUND BALANCES						
Fund Balances:						
Restricted for:						
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 101,423
Employees Retirement	--	--	--	1,047,174	--	1,358,701
Public Safety	--	--	3,727	--	--	472,626
Judiciary	--	--	--	--	--	36,354
Automation	--	2,311	--	--	2,383	34,284
Recording	--	--	--	--	--	153,596
GIS	--	--	--	--	--	312,024
Document Storage	--	--	--	--	--	42,954
Economic Development	--	--	--	--	--	479,010
Health and Welfare	18,327	--	--	--	--	239,013
Assigned	--	1	1	5,332	--	150,517
Unassigned	--	--	--	--	--	(24,392)
TOTAL FUND BALANCES	\$ 18,327	\$ 2,312	\$ 3,728	\$ 1,052,506	\$ 2,383	\$ 3,356,110
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,327	\$ 2,312	\$ 3,728	\$ 1,090,916	\$ 2,383	\$ 3,421,528

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, 2015

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad	Probation	Emergency Management
REVENUES RECEIVED:							
Property Taxes	\$ --	\$ 49,824	\$ 286,485	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
State Sources							
Replacement Taxes	--	--	--	--	--	--	--
Other State Sources	--	--	--	--	--	--	--
Federal Sources	--	--	--	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--	--
Fines and Fees	10,659	--	4,920	--	--	80,169	--
Interest	168	57	30	99	1	224	14
Miscellaneous	--	--	--	--	4,622	--	10,609
Total Revenues Received	\$ 10,827	\$ 49,881	\$ 286,515	\$ 5,019	\$ 4,623	\$ 80,393	\$ 10,623
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ --	\$ --	\$ 304,830	\$ --	\$ --	\$ --	\$ --
Public Safety	--	--	--	--	--	69,722	5,026
Judiciary	--	--	--	--	--	--	--
Public Works/Transportation	--	--	--	--	--	--	--
Health and Welfare	2,009	50,250	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Total Expenditures Disbursed	\$ 2,009	\$ 50,250	\$ 304,830	\$ --	\$ --	\$ 69,722	\$ 5,026
Revenues Received Over (Under) Expenditures Disbursed	\$ 8,818	\$ (369)	\$ (18,315)	\$ 5,019	\$ 4,623	\$ 10,671	\$ 5,597
Other Financing Sources (Uses):							
Operating Transfers In	--	--	--	--	--	--	--
Operating Transfers Out	--	--	--	--	--	--	(8,006)
Net Change in Fund Balance	\$ 8,818	\$ (369)	\$ (18,315)	\$ 5,019	\$ 4,623	\$ 10,671	\$ (2,409)
Fund Balance - September 1, 2014	94,950	122,718	330,924	97,410	9,208	395,497	15,745
Fund Balance - August 31, 2015	\$ 103,768	\$ 122,349	\$ 312,609	\$ 102,429	\$ 13,831	\$ 406,168	\$ 13,336

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, 2015

	Special Revenue						
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Airport	Sheriff Trust	Court Security
REVENUES RECEIVED:							
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 40,359	\$ --	\$ --
Intergovernmental Revenue:							
State Sources	--	--	--	--	4,974	--	--
Replacement Taxes	--	1,354	--	--	--	--	--
Other State Sources	--	2,706	--	--	39,271	--	--
Federal Sources	--	--	--	--	--	--	--
Loan Repayments	--	--	--	--	52,676	--	--
Charges for Services	17,009	14,291	16,050	75	--	--	29,346
Fines and Fees	4	3	15	--	262	--	--
Interest	--	--	--	--	65,867	8,859	--
Miscellaneous	--	183	--	--	--	--	--
Total Revenues Received	\$ 17,013	\$ 18,537	\$ 16,065	\$ 75	\$ 203,409	\$ 8,859	\$ 29,346
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ --	\$ 48,000	\$ 22,123	\$ 4,987	\$ --	\$ 10,832	\$ 26,458
Public Safety	--	--	--	--	--	--	--
Judiciary	64,047	--	--	--	--	--	--
Public Works/Transportation	--	--	--	--	174,082	--	--
Health and Welfare	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	65,057	--	--
Total Expenditures Disbursed	\$ 64,047	\$ 48,000	\$ 22,123	\$ 4,987	\$ 239,139	\$ 10,832	\$ 26,458
Revenues Received Over (Under) Expenditures Disbursed	\$ (47,034)	\$ (29,463)	\$ (6,058)	\$ (4,912)	\$ (35,730)	\$ (1,973)	\$ 2,888
Other Financing Sources (Uses):							
Operating Transfers In	--	--	15,600	4,471	--	1,371	--
Operating Transfers Out	--	--	--	--	--	(4,471)	--
Net Change in Fund Balance	\$ (47,034)	\$ (29,463)	\$ 9,542	\$ (441)	\$ (35,730)	\$ (5,073)	\$ 2,888
Fund Balance - September 1, 2014	69,095	59,550	144,441	3,895	159,275	7,224	(24,721)
Fund Balance - August 31, 2015	\$ 22,061	\$ 30,087	\$ 153,983	\$ 3,454	\$ 123,545	\$ 2,151	\$ (21,833)

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, 2015

	Law Library	Document Storage	Revolving Loan	Special Revenue					
				Victim Impact Panel	State's Attorney Forfeited	DUI Equipment	GIS		
REVENUES RECEIVED:									
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:									
State Sources									
Replacement Taxes	--	--	--	--	--	--	--	--	--
Other State Sources	--	--	--	--	--	--	--	--	--
Federal Sources	--	--	25,297	--	--	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--	--	--	--
Fines and Fees	8,772	10,801	--	725	195	--	--	--	--
Interest	--	4	1,885	1	--	3	--	--	26
Miscellaneous	--	--	--	--	--	--	--	--	--
Total Revenues Received	\$ 8,772	\$ 10,805	\$ 27,182	\$ 726	\$ 195	\$ 3	\$ 26		
EXPENDITURES DISBURSED:									
Current:									
General Government	\$ --	\$ 8,009	\$ --	\$ --	\$ --	\$ --	\$ 18,675		
Public Safety	--	--	--	--	--	34	--		
Judiciary	9,061	--	--	169	--	--	--		
Public Works/Transportation	--	--	--	--	--	--	--		
Health and Welfare	--	--	--	--	--	--	--		
Capital Outlay	--	--	--	--	--	--	--		
Total Expenditures Disbursed	\$ 9,061	\$ 8,009	\$ --	\$ 169	\$ --	\$ 34	\$ 18,675		
Revenues Received Over (Under) Expenditures Disbursed	\$ (289)	\$ 2,796	\$ 27,182	\$ 557	\$ 195	\$ (31)	\$ (18,649)		
Other Financing Sources (Uses):									
Operating Transfers In	--	--	--	--	--	7,045	85,800		
Operating Transfers Out	--	--	--	--	--	--	--		
Net Change in Fund Balance	\$ (289)	\$ 2,796	\$ 27,182	\$ 557	\$ 195	\$ 7,014	\$ 67,151		
Fund Balance - September 1, 2014	(2,270)	40,310	461,003	14,093	771	25,051	245,352		
Fund Balance - August 31, 2015	\$ (2,559)	\$ 43,106	\$ 488,185	\$ 14,650	\$ 966	\$ 32,065	\$ 312,503		

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, 2015

	Special Revenue					Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Municipal Retirement Fund	Tax Sale Automation	
REVENUES RECEIVED:						
Property Taxes	\$ --	\$ --	\$ --	\$ 495,285	\$ --	\$ 871,953
Intergovernmental Revenue:						
State Sources						
Replacement Taxes	--	--	--	21,923	--	26,897
Other State Sources	--	--	--	--	--	1,354
Federal Sources	--	--	--	--	--	41,977
Loan Repayments	--	--	--	--	--	25,297
Charges for Services	--	--	--	--	--	52,676
Fines and Fees	5,413	905	2,339	--	2,852	204,521
Interest	--	1	--	118	--	2,916
Miscellaneous	--	--	--	--	--	90,140
Total Revenues Received	\$ 5,413	\$ 906	\$ 2,340	\$ 517,326	\$ 2,852	\$ 1,317,731
EXPENDITURES DISBURSED:						
Current:						
General Government	\$ --	\$ --	\$ --	\$ 755,098	\$ 1,288	\$ 1,158,023
Public Safety	--	--	268	--	--	117,327
Judiciary	--	--	--	--	--	73,277
Public Works/Transportation	--	--	--	--	--	174,082
Health and Welfare	5,040	--	--	--	--	57,299
Capital Outlay	--	--	--	--	--	65,057
Total Expenditures Disbursed	\$ 5,040	\$ --	\$ 268	\$ 755,098	\$ 1,288	\$ 1,645,065
Revenues Received Over (Under) Expenditures Disbursed	\$ 373	\$ 906	\$ 2,072	\$ (237,772)	\$ 1,564	\$ (327,334)
Other Financing Sources (Uses):						
Operating Transfers In	--	--	--	1,411	--	115,698
Operating Transfers Out	--	--	--	--	--	(12,477)
Net Change in Fund Balance	\$ 373	\$ 906	\$ 2,072	\$ (236,361)	\$ 1,564	\$ (224,113)
Fund Balance - September 1, 2014	17,954	1,406	1,656	1,288,867	819	3,580,223
Fund Balance - August 31, 2015	\$ 18,327	\$ 2,312	\$ 3,728	\$ 1,052,506	\$ 2,383	\$ 3,356,110

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, 2015

Drainage	Local Bridge Program	Township Bridge Supervisory Engineering	Township Construction	Township Motor Fuel Tax				
\$ 328,082	\$ 100,745	\$ 23,849	\$ 300	\$ 1,596,238				
TOTAL ASSETS	\$ 328,082	\$ 100,745	\$ 23,849	\$ 300	\$ 1,596,238			
LIABILITIES								
\$ --	\$ --	\$ --	\$ --	\$ --				
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --			
NET POSITION								
\$ 328,082	\$ 100,745	\$ 23,849	\$ 300	\$ 1,596,238				
TOTAL NET POSITION	\$ 328,082	\$ 100,745	\$ 23,849	\$ 300	\$ 1,596,238			

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, 2015

	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund	Total Trust Funds
ASSETS					
Cash and Cash Equivalents	\$ 23,702	\$ 1,097	\$ 202,793	\$ 38	\$ 2,276,844
TOTAL ASSETS	\$ 23,702	\$ 1,097	\$ 202,793	\$ 38	\$ 2,276,844
LIABILITIES					
Due to Others	\$ 2,146	\$ --	\$ --	\$ --	\$ 2,146
TOTAL LIABILITIES	\$ 2,146	\$ --	\$ --	\$ --	\$ 2,146
NET POSITION					
Restricted for Other Purposes	\$ 21,556	\$ 1,097	\$ 202,793	\$ 38	\$ 2,274,698
TOTAL NET POSITION	\$ 21,556	\$ 1,097	\$ 202,793	\$ 38	\$ 2,274,698

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, 2015

	Private - Purpose Trusts				
	Drainage	Local Bridge	Township Bridge Supervisory Engineering	Township Construction	Township Motor Fuel Tax
ADDITIONS:					
Property Taxes	\$ 72,445	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:					
State Sources					
Motor Fuel Taxes	--	--	--	--	1,331,069
Other State Sources	--	277,921	--	--	465,771
Fines and Fees	--	--	--	--	--
Cash Bail	--	--	--	--	--
Interest	129	253	--	--	2,336
Miscellaneous	2,000	--	--	--	--
Total Additions	\$ 74,574	\$ 278,174	\$ --	\$ --	\$ 1,799,176
DEDUCTIONS:					
Distributions	\$ 56,226	\$ 292,111	\$ 35,671	\$ 12	\$ 2,080,597
Miscellaneous	14	--	--	--	--
Total Deductions	\$ 56,240	\$ 292,111	\$ 35,671	\$ 12	\$ 2,080,597
Change in Net Position before Other Financing Sources (Uses)	\$ 18,334	\$ (13,937)	\$ (35,671)	\$ (12)	\$ (281,421)
Other Financing Sources (Uses):					
Operating Transfers In	--	20,146	47,160	--	9,753
Change in Net Position	\$ 18,334	\$ 6,209	\$ 11,489	\$ (12)	\$ (271,668)
Net Position - September 1, 2014	309,748	94,536	12,360	312	1,867,906
Net Position - August 31, 2015	\$ 328,082	\$ 100,745	\$ 23,849	\$ 300	\$ 1,596,238

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, 2015

	Private - Purpose Trusts				Total
	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund	
ADDITIONS:					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 72,445
Intergovernmental Revenue:					
State Sources					
Motor Fuel Taxes	--	--	--	--	1,331,069
Other State Sources	--	--	--	--	743,692
Fines and Fees	--	120	--	--	120
Cash Bail	--	--	91,136	--	91,136
Interest	--	1	--	13	2,732
Miscellaneous	2,157	--	--	100,000	104,157
Total Additions	\$ 2,157	\$ 121	\$ 91,136	\$ 100,013	\$ 2,345,351
DEDUCTIONS:					
Distributions	\$ --	\$ --	\$ 16,573	\$ 100,000	\$ 2,581,190
Miscellaneous	995	--	--	21	1,030
Total Deductions	\$ 995	\$ --	\$ 16,573	\$ 100,021	\$ 2,582,220
Change in Net Position before Other Financing Sources (Uses)	\$ 1,162	\$ 121	\$ 74,563	\$ (8)	\$ (236,869)
Other Financing Sources (Uses):					
Operating Transfers In	--	--	--	--	77,059
Change in Net Position	\$ 1,162	\$ 121	\$ 74,563	\$ (8)	\$ (159,810)
Net Position - September 1, 2014	20,394	976	128,230	46	2,434,508
Net Position - August 31, 2015	\$ 21,556	\$ 1,097	\$ 202,793	\$ 38	\$ 2,274,698

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, 2015

	Balance September 1, 2014	Additions	Deductions	Balance August 31, 2015
Property Taxes:				
Assets:				
Cash Deposits	\$ 3,451,520	\$ 27,885,731	\$ 26,564,339	\$ 4,772,912
Liabilities:				
Distributions Payable	\$ 3,451,520	\$ 27,885,731	\$ 26,564,339	\$ 4,772,912
Litigation:				
Assets:				
Cash Deposits	\$ 23,239	\$ 41	\$ 36	\$ 23,244
Liabilities:				
Distributions Payable	\$ 23,239	\$ 41	\$ 36	\$ 23,244
Estate Tax:				
Assets:				
Cash Deposits	\$ 1,150	\$ --	\$ --	\$ 1,150
Liabilities:				
Distributions Payable	\$ 1,150	\$ --	\$ --	\$ 1,150
Minor and Unknown Heirs:				
Assets:				
Cash Deposits	\$ 276,298	\$ 2,528	\$ 207,209	\$ 71,617
Liabilities:				
Distributions Payable	\$ 276,298	\$ 2,528	\$ 207,209	\$ 71,617
County Clerk Real Estate:				
Assets:				
Cash Deposits	\$ 13,636	\$ 544,520	\$ 537,431	\$ 20,725
Liabilities:				
Distributions Payable	\$ 13,636	\$ 544,520	\$ 537,431	\$ 20,725
Total Agency Funds:				
Assets:				
Cash Deposits	\$ 3,765,843	\$ 28,432,820	\$ 27,309,015	\$ 4,889,648
Total Assets	<u>\$ 3,765,843</u>	<u>\$ 28,432,820</u>	<u>\$ 27,309,015</u>	<u>\$ 4,889,648</u>
Liabilities:				
Distributions Payable	\$ 3,765,843	\$ 28,432,820	\$ 27,309,015	\$ 4,889,648
Total Liabilities	<u>\$ 3,765,843</u>	<u>\$ 28,432,820</u>	<u>\$ 27,309,015</u>	<u>\$ 4,889,648</u>

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

SHELBY COUNTY, ILLINOIS
SECTION 5311 ANNUAL FINANCIAL REPORT
RURAL TRANSPORTATION
OPERATING PERIOD JULY 1, 2014 TO JUNE 30, 2015
SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER IL-18-X031

<u>Line</u> <u>Item</u>	<u>Revenue</u>	
401.01	Passenger Fare / Donations	\$ 18,652
401.02	Senior Citizen Fares	1,710
402.00	Special Transit Fares	143,572
409.00	Local Cash Grants	128,147
411.00	State Cash Grants	721,567
431.00	Contributed Cash	7,000

Total Revenue \$ 1,020,648

Expenses

	Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	\$ 159,929	\$ 579,169	\$ 739,098
502.00	37,381	138,747	176,128
503.00	24,052	102,015	126,067
504.01	--	105,115	105,115
504.02	--	8,295	8,295
504.99	21,639	433	22,072
505.00	31,622	--	31,622
506.00	25,174	--	25,174
507.00	2,736	--	2,736
509.00	38,298	230	38,528
511.00	--	--	--
512.00	20,530	--	20,530
	<u>\$ 361,361</u>	<u>\$ 934,004</u>	<u>\$ 1,295,365</u>
Total Direct Expense			
	24,934	64,446	89,380
Total Indirect Expense			
	<u>\$ 386,295</u>	<u>\$ 998,450</u>	<u>\$ 1,384,745</u>
Total Expense			

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ 386,295	\$ 998,450	\$ 1,384,745	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	\$ 386,295	\$ 998,450	\$ 1,384,745	
Less: Total Operating Revenues	--	20,362	20,362	
Section 5311 Operating Deficit	386,295	\$ 978,088	\$ 1,364,383	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ 309,036	\$ 489,044		\$ 798,080
Funding Limits Per Contract				352,626
Maximum Section 5311 Reimbursement			352,626	352,626
Less: IDOT Payments - Section 5311				
Reimbursement to Grantee				352,626
Amount Under Paid				\$ --
Grantee Local Match Requirement			<u>\$ 1,011,757</u>	

Grantee Match Sources

Special Transit Fares	\$ 143,572
Local Cash Grants	95,659
State Cash Grants	754,056
Contributed Cash	7,000
Total Grantee Match Sources	<u>\$ 1,000,287</u>
Total Project Deficit	<u>\$ 11,470</u>

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

SHELBY COUNTY, ILLINOIS
SECTION 5311 ANNUAL FINANCIAL REPORT
INTERCITY BUS
OPERATING PERIOD JULY 1, 2014 TO JUNE 30, 2015
SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER IL-18-X031

Line Item	<u>Revenue</u>	
401.01	Passenger Fare / Donations	\$ 2,077
411.00	State Cash Grants	26,669
	Total Revenue	<u>\$ 28,746</u>

<u>Expenses</u>		Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	Labor	\$ 8,053	\$ 20,176	\$ 26,229
502.00	Fringe Benefits	1,212	4,766	5,978
503.00	Services	--	10,642	10,642
504.01	Fuel and Oil	--	13,107	13,107
504.02	Tires and Tubes	--	--	--
504.99	Other Materials	--	--	--
505.00	Utilities	--	--	--
506.00	Casualty and Liability	--	--	--
507.00	Taxes	--	--	--
509.00	Miscellaneous	--	--	--
511.00	Interest	--	--	--
512.00	Lease and Rentals	--	--	--
	Total Direct Expense	\$ 7,265	\$ 48,691	\$ 55,956
	Total Indirect Expense	501	3,360	3,861
	Total Expense	<u>\$ 7,766</u>	<u>\$ 52,051</u>	<u>\$ 59,817</u>

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ 7,766	\$ 52,051	\$ 59,817	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	\$ 7,766	\$ 52,051	\$ 59,817	
Less: Total Operating Revenues	--	2,077	2,077	
Section 5311 Operating Deficit	7,766	\$ 49,974	\$ 57,740	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ 6,213	\$ 24,987		\$ 31,200
Funding Limits Per Contract				31,071
Maximum Section 5311 Reimbursement			31,071	31,071
Less: IDOT Payments - Section 5311				
Reimbursement to Grantee				31,071
Amount Under Paid				<u>\$ --</u>
Grantee Local Match Requirement			<u>\$ 26,669</u>	

Grantee Match Sources

Special Transit Fares	\$ --
Local Cash Grants	--
State Cash Grants	26,669
Total Grantee Match Sources	<u>\$ 26,669</u>
Total Project Deficit	<u>\$ --</u>

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

SHELBY COUNTY, ILLINOIS
 SCHEDULE OF REVENUE AND EXPENSE
 UNDER DOWNSTATE OPERATING ASSISTANCE GRANT
 OPERATING PERIOD JULY 1, 2014 TO JUNE 30, 2015
 SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER OP-15-37-FED

Line Item	<u>Operating Revenues and Income</u>	
401	Passenger Fare / Donations	\$ 23,354
413	Federal Cash Grants & Reimbursements	<u>395,071</u>
	Total Revenue	<u><u>\$ 418,425</u></u>
	<u>Expenses</u>	
		<u>Total</u>
501	Labor	\$ 772,558
502	Fringe Benefits	183,827
503	Services	140,495
504	Materials & Supplies Consumed	175,388
505	Utilities	22,594
506	Casualty and Liability	34,202
507	Taxes	2,736
509	Miscellaneous	38,323
511	Interest	--
512	Lease and Rentals	20,530
	Indirect Cost Rate	<u>96,174</u>
	Total Operating Expense	<u>\$ 1,486,827</u>
	Total Eligible Operating Expenses	<u><u>\$ 1,486,827</u></u>
	<u>Downstate Operating Assistance Reimbursement</u>	
	Total Eligible Operating Expense	\$ 1,486,827
	Total Operating Revenue & Income	<u>418,424</u>
	Deficit	<u><u>\$ 1,068,403</u></u>
	Maximum Contract Amount	<u>\$ 801,400</u>
	FY15 Eligible Downstate Operating Assistance (Deficit or maximum contract amount, whichever is less)	<u>\$ 801,400</u>
	FY15 Downstate Operating Assistance Received (prior to close of fiscal year)	<u>\$ 801,400</u>
	FY15 Downstate Operating Assistance Receivable (at close of fiscal year and subsequently received)	<u>\$ --</u>
	<u>FY 15 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 CHANGES IN THE NET PENSION LIABILITY AND RELATED
RATIOS
MOST RECENT CALENDAR YEAR**

Regular Plan

Calendar Year Ended December 31,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 375,636
Interest on the Total Pension Liability	1,176,572
Changes of Benefit Terms	--
Differences Between Expected and Actual Experience of the Total Pension Liability	(172,147)
Changes of Assumptions	576,116
Benefit Payments, including Refunds of Employee Contributions	<u>(641,236)</u>
Net Change in Total Pension Liability	\$ 1,314,941
Total Pension Liability – Beginning	15,820,422
Total Pension Liability – Ending (A)	<u>\$17,135,363</u>
Plan Fiduciary Net Position	
Contributions – Employer	\$ 394,542
Contributions – Employees	158,319
Net Investment Income	905,450
Benefit Payments, including Refunds of Employee Contributions	(641,236)
Other (Net Transfer)	<u>160,084</u>
Net Change in Plan Fiduciary Net Position	\$ 977,159
Plan Fiduciary Net Position – Beginning	14,887,635
Plan Fiduciary Net Position – Ending (B)	<u>\$15,864,794</u>
Net Pension Liability – Ending (A) – (B)	<u>\$ 1,270,569</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.59%
Covered Valuation Payroll	\$ 3,184,352
Net Pension Liability as a Percentage of Covered Valuation Payroll	39.90%

Notes to Schedule:

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

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

**SHELBY COUNTY, ILLINOIS
OTHER INFORMATION
IMRF SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED
RATIOS
MOST RECENT CALENDAR YEAR**

ECO Plan

Calendar Year Ended December 31,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ --
Interest on the Total Pension Liability	316,944
Changes of Benefit Terms	--
Differences Between Expected and Actual Experience of the Total Pension Liability	105,427
Changes of Assumptions	293,239
Benefit Payments, including Refunds of Employee Contributions	<u>(420,352)</u>
Net Change in Total Pension Liability	\$ 295,258
Total Pension Liability – Beginning	4,674,175
Total Pension Liability – Ending (A)	<u>\$ 4,969,433</u>
 Plan Fiduciary Net Position	
Contributions – Employer	\$ 265,706
Contributions – Employees	--
Net Investment Income	123,533
Benefit Payments, including Refunds of Employee Contributions	(420,352)
Other (Net Transfer)	<u>84,275</u>
Net Change in Plan Fiduciary Net Position	\$ 53,182
Plan Fiduciary Net Position – Beginning	2,102,776
Plan Fiduciary Net Position – Ending (B)	<u>\$ 2,155,958</u>
 Net Pension Liability – Ending (A) – (B)	<u>\$ 2,813,475</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.38%
 Covered Valuation Payroll	\$ --
 Net Pension Liability as a Percentage of Covered Valuation Payroll	0%

Notes to Schedule:

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

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

**SHELBY COUNTY, ILLINOIS
OTHER INFORMATION
IMRF SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED
RATIOS
MOST RECENT CALENDAR YEAR**

SLEP Plan

Calendar Year Ended December 31,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 128,976
Interest on the Total Pension Liability	272,090
Changes of Benefit Terms	--
Differences Between Expected and Actual Experience of the Total Pension Liability	(21,213)
Changes of Assumptions	67,159
Benefit Payments, including Refunds of Employee Contributions	<u>(148,511)</u>
Net Change in Total Pension Liability	\$ 298,501
Total Pension Liability – Beginning	<u>3,637,631</u>
Total Pension Liability – Ending (A)	<u>\$ 3,936,132</u>
Plan Fiduciary Net Position	
Contributions – Employer	\$ 92,845
Contributions – Employees	54,487
Net Investment Income	238,249
Benefit Payments, including Refunds of Employee Contributions	(148,511)
Other (Net Transfer)	<u>18,413</u>
Net Change in Plan Fiduciary Net Position	\$ 255,483
Plan Fiduciary Net Position – Beginning	<u>3,906,317</u>
Plan Fiduciary Net Position – Ending (B)	<u>\$ 4,161,800</u>
Net Pension Liability – Ending (A) – (B)	<u>\$ (225,668)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.73%
Covered Valuation Payroll	\$ 726,490
Net Pension Liability as a Percentage of Covered Valuation Payroll	(31.06)%

Notes to Schedule:

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

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

**SHELBY COUNTY, ILLINOIS
OTHER INFORMATION
IMRF SCHEDULE OF EMPLOYER CONTRIBUTIONS
MOST RECENT CALENDAR YEAR**

Regular Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 394,541	\$ 394,542	\$ (1)	\$ 3,184,352	12.39%

ECO Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ --	\$ 265,706	\$ (265,706)	\$ --	0.00%

SLEP Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 92,846	\$ 92,845	\$ 1	\$ 726,490	12.78%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date:

Notes

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

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

**SHELBY COUNTY, ILLINOIS
OTHER INFORMATION
IMRF SCHEDULE OF EMPLOYER CONTRIBUTIONS
MOST RECENT CALENDAR YEAR**

Methods and Assumptions Used to Determine 2014 Contributions Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	4.40% to 16%. Including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120 percent of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

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

Single Audit Section

SHELBY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed through Illinois Emergency Management Agency Emergency Management Performance Grant		14EMASHELBI-3	\$ 16,726
Emergency Management Performance Grant		15EMASHELBI-3	18,989
Total Emergency Management Performance Grant	97.042		\$ 35,715
<u>U.S. Department of Transportation</u>			
Passed through Illinois Department of Transportation Airport Improvement Program			
Airport Improvement		2HO-4149 17-SBGP-95N	\$ 1,012
Airport Improvement		2HO-4341 17-SBGP-105N	38,259
Total Airport Improvement	20.106		\$ 39,271
Passed through Illinois Department of Transportation Highway Planning & Construction			
Highway Planning & Construction	20.205	12-00274-00-FL	\$ 176,076
Passed through Illinois Department of Transportation Formula Grants for Rural Areas			
Public Transportation - Intercity Bus		IL-18-X030	\$ 16,779
ARRA Public Transportation - Capital Facility		CAP10-932	398,155
Public Transportation - Vehicle Grant - Non Cash		18-X028	54,435
Public Transportation - Vehicle Grant - Non Cash		18-X028	54,435
Public Transportation - Vehicle Grant - Non Cash		16-X028	36,877
Public Transportation		IL-18-X030	352,626
Total Formula Grants for Rural Areas	20.509		\$ 913,307
Passed through Illinois Department of Transportation Job Access and Reverse Commute Program			
Job Access and Reverse Commute Program		JRC-13-016	\$ 17,131
Job Access and Reverse Commute Program		JRC-15-017	20,675
Job Access and Reverse Commute Program		JRC-13-017	21,353
Total Job Access and Reverse Commute Program	20.516		\$ 59,159
Passed through Illinois Emergency Management Agency Interagency Hazardous Materials Public Sector Training and Planning Grant			
Hazardous Materials	20.703	FY14	\$ 329
Total U.S. Department of Transportation			\$ 1,188,142
<u>U.S. Department of Environmental Protection Agency</u>			
Passed through Illinois Department of Public Health Performance Partnership Grants			
Performance Partnership Grants - Water Wells	66.605	4740	\$ 350
Passed through Illinois Emergency Management Agency State Indoor Radon Grants			
State Indoor Radon Grant Program	66.032		\$ 7,127
Total U.S. Department of Environmental Protection Agency			\$ 7,477
<u>U.S. Department of Health & Human Services</u>			
Passed through Illinois Department of Healthcare and Family Services Medical Assistance Program			
Medicaid Matching - Administrative Outreach	93.778	FY2015	\$ 102,901
Passed through Illinois Department of Public Health Immunization Cooperative Agreements			
Immunization Grants		6510	\$ 900
Health Protection - Immunization - Non-Cash		000283	187,838
Total Immunization Cooperative Agreements	93.268		\$ 188,738

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, 2015

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	FY2015	\$ <u>3,864</u>
Total U.S. Department of Health and Human Services			\$ <u>295,503</u>

U.S. Department of Agriculture

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	\$ 64,605
Supplemental Nutrition Program for Women Infants and Children		FCSUQ01093	13,780
WIC - Breastfeeding Peer Counselor		FCSTQ01197	7,013
WIC - Breastfeeding Peer Counselor		FCSUQ01197	1,253
WIC Special Supplemental Nutrition Program - Non-Cash		FY15	159,995
WIC Special Supplemental Nutrition Program - Non-Cash		FY16	<u>24,829</u>
Total Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ <u>271,475</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1,798,312</u>

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, 2015

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, 2015. 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. Such expenditures are recognized following the cost principles contained in *OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Nonmonetary Assistance

Nonmonetary assistance for vehicles, 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>\$ 16,779</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>\$ 59,159</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, 2015.

Note 6 – Loans, Loan Guarantees, and Loan Subsidiaries

The County did not have any loans, loan guarantees, or loan subsidiaries at August 31, 2015.

SHELBY COUNTY, ILLINOIS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2015

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 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. There were no significant deficiencies reported.
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. No material weaknesses relating to the audit of the major federal award programs are reported in the Report on Compliance for each Major Federal Program and Internal Control over Compliance in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Shelby County, Illinois expresses an unmodified 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	CFDA No.
Public Transportation	20.509
Highway Planning & Construction	20.205

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.

Material Noncompliance

2015-002 Expenditures exceeded the budgeted amounts

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

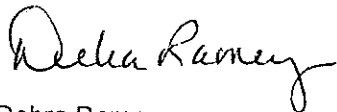
Action Taken: The County concurs with the recommendation.

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
 Reconciliation of DHS FY15 Federal Funds Summary to Federal Expenditures
 on the Schedule of Expenditures of Federal Awards
 For the Year Ending August 31, 2015

CFDA #

10.557 Women, Infants and Children Program

Schedule of Expenditures of Federal Awards

Total Expenditures for the Fiscal Year 2015 Grant per DHS Federal Funds Summary	\$ 85,784
Expenditures reported on the Fiscal Year 2014 SEFA:	
Supplemental Nutrition Program Women, Infants, and Children	12,679
WIC - Breastfeeding Peer Counselor	1,487
Expenditures reported on the Fiscal Year 2014 SEFA	\$ 71,618
Expenditures from the FY16 Grant reported on the Fiscal Year 2015 SEFA	
Supplemental Nutrition Program Women, Infants, and Children	13,780
WIC - Breastfeeding Peer Counselor	1,253
Total Expenditures reported on the Fiscal Year 2015 SEFA	\$ 86,651

10.557 Women, Infants, and Children Program Noncash

Schedule of Expenditures of Federal Awards

Total Expenditures for the Fiscal Year 2015 Grant per DHS Federal Funds Summary	\$ 196,437
Expenditures reported on the Fiscal Year 2014 SEFA	36,442
Expenditures reported on the Fiscal Year 2015 SEFA	\$ 159,995
Expenditures from the FY16 Grant reported on the Fiscal Year 2015 SEFA	24,829
Total Expenditures reported on the Fiscal Year 2015 SEFA	\$ 184,824

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