

**SHELBY COUNTY, ILLINOIS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2017**

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

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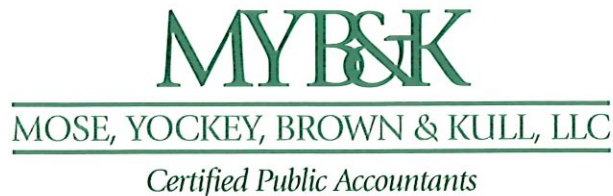
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Financial Section

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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, 2017, 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, 2017, 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, 2017, 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

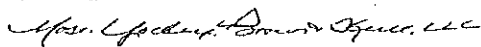
Supplementary Information

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 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 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the items included in the "Supplementary Information" sections of the are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 11, 2018 on our consideration of Shelby County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shelby County, Illinois' internal control over financial reporting and compliance.



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

April 11, 2018

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. 61. The Shelby County Airport Commission is included as a unit of the County. The Shelby County Airport Commission is considered a 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

- Enhanced 911 System was put into service
- Resurfaced Oconee County Highway
- Purchased two new police vehicles
- Continued construction on Wood Street Bridge Replacement in City of Shelbyville
- Sales and Use Tax revenue included one-time material payments included in the April distributions
- Received a one-time payment from Ameren for allowing high power lines to pass through Shelby County
- Jet Fuel Tank was installed at the Airport

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 statements focus 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 Mental Health Fund, the Airport Fund and the Rural Transportation Fund. Remaining governmental funds, which include special revenue 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 private purpose trust funds and 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 current liabilities. Per generally accepted accounting principles, net position is subdivided into three categories; net investment in capital assets; restricted net position; and unrestricted net position. The County reported \$7,062,141 and \$6,794,550 of restricted net position as of August 31, 2017 and 2016, respectively. Net position may serve over time as a useful indicator of a government's financial position. The Governmental net position was \$30,479,874 and \$29,078,814 as of August 31, 2017 and 2016, respectively.

Following is a separate Summary of Net Position – modified cash basis as of August 31, 2017 and 2016 for Governmental Activities:

Summary of Net Position – Modified Cash Basis		
Governmental Activities		
<u>August 31, 2017 and 2016</u>		
	<u>2017</u>	<u>2016</u>
Current and other assets	\$12,015,841	\$10,882,180
Capital assets, net of accumulated depreciation	<u>18,769,350</u>	<u>18,348,133</u>
Total Assets	<u>\$30,785,191</u>	<u>\$29,230,313</u>
Short-term liabilities	\$ 305,317	\$ 151,499
Long-term liabilities	<u>--</u>	<u>--</u>
Total Liabilities	<u>\$ 305,317</u>	<u>\$ 151,499</u>
Net Position:		
Invested in capital assets, net of related debt	\$18,619,350	\$18,348,133
Restricted for Inventory	7,766	11,336
Restricted for Insurance	1,011,081	961,762
Restricted for Employees' Retirement	1,128,795	1,208,363
Restricted for Public Safety	427,876	473,844
Restricted for Public Works and Transportation	1,074,022	985,543
Restricted for Economic Development	504,086	504,087
Restricted for Health and Welfare	1,971,345	1,822,065
Restricted for Other Purposes	937,170	827,550
Unrestricted	<u>4,798,383</u>	<u>3,936,131</u>
Total Net Position	<u>\$30,479,874</u>	<u>\$29,078,814</u>

Sixty-one 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, 2017 compared to 63% as of August 31, 2016. 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, 2017 and 2016, 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 \$1,401,060 during fiscal year 2017.

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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Receipts:		
Program Receipts:		
Fines, fees, & charges for services	\$ 1,463,030	\$ 1,576,551
Operating grants and contributions	2,349,785	2,526,056
Capital grants and contributions	1,517,409	2,620,598
General Receipts:		
Property taxes	4,288,211	4,307,362
Sales and other taxes	3,219,079	2,328,611
Unrestricted investment earnings	10,727	11,469
Other receipts	<u>328,116</u>	<u>130,316</u>
Total Receipts	<u>\$13,176,357</u>	<u>\$ 13,500,963</u>
Disbursements:		
General government	\$ 2,979,941	\$ 3,019,766
Public safety	2,490,825	2,486,586
Corrections	145,970	187,768
Judiciary	520,254	553,124
Public works/transportation	3,515,919	3,594,569
Health and welfare	1,468,046	1,615,642
Interest on long-term debt	<u>--</u>	<u>1,002</u>
Total Disbursements	<u>\$11,120,955</u>	<u>\$11,458,457</u>
Change in net position	\$ 2,055,402	\$ 2,042,506
Net position – September 1,	29,078,814	27,036,308
Prior Year Adjustment	<u>(654,342)</u>	<u>--</u>
Net position – August 31,	<u>\$30,479,874</u>	<u>\$29,078,814</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 Balances, the County's Governmental Funds reported a combined fund balance of \$11,710,524 and \$10,723,408 as of August 31, 2017 and 2016, respectively. Of these amounts, \$7,054,375 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 \$7,766 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 \$1,537,747 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 \$2,895,934 is unassigned and can be used for any lawful purpose.

The fund balance for all Governmental Funds at the fiscal years ended August 31, 2017 and 2016 had a positive net change of \$987,116 and a negative net change of \$310,861, respectively.

Per the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance, total Governmental receipts for the fiscal years 2017 and 2016 were \$11,682,428 and \$10,943,209, respectively and total disbursements were \$10,695,312 and \$11,254,070, 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 \$2,981,045, while total fund balance is \$4,312,145. 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 64 percent of total general fund expenditures and other financing sources, while total fund balance represented 92 percent of that same amount. For the year ended August 31, 2017, receipts of \$5,770,938 less disbursements of \$4,783,289 resulted in an increase in fund balance of \$987,649. After the net transfers of (\$101,471), the result was a net increase in the General Fund fund balance of \$886,178. For the year ended August 31, 2016, receipts of \$4,996,272 less disbursements of \$4,921,478 and net transfers of (\$115,377) resulted in a net decrease in fund balance of (\$40,583).

The largest receipt sources for the General Fund are property taxes, sales taxes, and income taxes which account for 75 and 72 percent of receipts for the years ended August 31, 2017 and 2016, respectively. General government and public safety are the primary operations of the general fund. Approximately 81 and 81 percent of the General Fund's disbursements are for general government and public safety activities for the years ended August 31, 2017 and 2016, 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 76 and 72 percent of receipts for the years ended August 31, 2017 and 2016, 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 85 and 89 percent of receipts for the years ended August 31, 2017 and 2016, 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, 2017 and 2016, 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.

AIRPORT

The largest source of revenues received for the Airport Fund are federal grants, farm income and charges for services which accounts for 84 and 77 percent of receipts for the years ended August 31, 2017 and 2016, respectively. The Airport Fund accounts for the maintenance and upkeep of the airport in the county.

RURAL TRANSPORTATION

The largest source of revenues received for the Rural Transportation Fund are federal and state grants which accounts for 100 percent of receipts for the years ended August 31, 2017 and 2016. 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 \$1,013,338 and actual disbursements were less than budgeted amounts by \$258,830, resulting in a positive budget variance of \$1,272,168. The other Information section contains the Budgetary Comparison Schedule – Modified Cash Basis for the General Fund, County Health Fund, County Highway Fund, Mental Health Fund, Airport Fund and Rural Transportation Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The County's investments in capital assets as of August 31, 2017 and 2016 (net of accumulated depreciation), are summarized below for Governmental-Type Activities:

**Capital Assets
Governmental Activities
(Net of Depreciation)
August 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Land	\$ 3,414,046	\$ 3,414,046
Work in Progress	313,311	32,609
Buildings and Improvements	4,020,017	4,171,939
Vehicles	873,599	1,089,818
Maintenance Vehicles	49,157	83,423
Infrastructure	9,728,210	8,475,409
Equipment	367,872	417,293
Law Enforcement & Canine	<u>3,338</u>	<u>9,254</u>
Total Capital Assets, net of depreciation	<u>\$18,769,350</u>	<u>\$17,693,791</u>

During fiscal years 2017 and 2016, total capital assets for the County had a net increase (including additions, decreases, and depreciation) of \$1,075,559 and a net increase of \$1,716,829, respectively. These additions reflect the current additions for vehicles, equipment, building and highway infrastructure and other miscellaneous equipment. The County recorded \$896,620 and \$787,400 of depreciation expense for the fiscal years 2017 and 2016, respectively and the amounts of accumulated depreciation are \$9,633,394 and \$8,849,464 as of August 31, 2017 and 2016, 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 and that limit is approximately 21.1 million dollars. Shelby County, Illinois had no outstanding long term debt at August 31, 2017.

The following is a summary of the County's gross outstanding short-term debt as of August 31, 2017 and 2016:

Outstanding Short-Term Debt Governmental Activities August 31, 2017 and 2016

<u>Debt Description</u>	<u>2017</u>	<u>2016</u>
Bank Loans	<u>\$ 150,000</u>	<u>\$ --</u>

More detailed information about the County's short-term debt activity 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, 2017

	Primary Government Governmental Activities	Component Unit
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 11,851,705	\$ 37,827
Investments	156,370	--
Inventory	7,766	--
Total Current Assets	\$ 12,015,841	\$ 37,827
Noncurrent Assets:		
Capital Assets		
Land	\$ 3,414,046	\$ --
Work in Progress	313,111	--
Buildings & Improvements	6,380,588	--
Vehicles	3,064,104	--
Maintenance Vehicles	822,802	--
Infrastructure	11,920,918	--
Equipment	2,470,675	4,820
Law Enforcement Canine	16,500	--
Less: Accumulated Depreciation	(9,633,394)	(4,820)
Total Noncurrent Assets	\$ 18,769,350	\$ --
TOTAL ASSETS	\$ 30,785,191	\$ 37,827
LIABILITIES:		
Current Liabilities:		
Withholding Payable	\$ 89,471	\$ 1,050
Short-Term Debt	150,000	--
Due to Other Governmental Units	65,846	--
TOTAL LIABILITIES	\$ 305,317	\$ 1,050
NET POSITION		
Net Investment in Capital Assets	\$ 18,619,350	\$ --
Restricted for:		
Inventory	7,766	--
Insurance	1,011,081	--
Employees' Retirement	1,128,795	--
Public Safety	427,876	--
Public Works and Transportation	1,074,022	--
Economic Development	504,086	--
Health and Welfare	1,971,345	--
Other Purposes	937,170	--
Unrestricted	4,798,383	36,777
TOTAL NET POSITION	\$ 30,479,874	\$ 36,777

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

SHELBY COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED AUGUST 31, 2017

Activities	Disbursements	PROGRAM RECEIPTS			Net (Disbursements) Receipts and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 2,979,941	\$ 963,781	\$ 351,043	\$ --	\$ (1,665,117)
Indemnity	--	4,540	--	--	4,540
Public Safety	2,490,825	82,732	--	--	(2,408,093)
Corrections	145,970	--	--	--	(145,970)
Judiciary	520,254	24,597	--	--	(495,657)
Public Works/Transportation	3,515,919	143,687	1,456,703	1,633,170	(282,359)
Health and Welfare	1,468,046	243,693	426,278	--	(798,075)
Total Governmental Activities	\$ 11,120,955	\$ 1,463,030	\$ 2,234,024	\$ 1,633,170	\$ (5,790,731)
TOTAL PRIMARY GOVERNMENT	\$ 11,120,955	\$ 1,463,030	\$ 2,234,024	\$ 1,633,170	\$ (5,790,731)

Component Unit:					
Shelby County Tourism	\$ 87,163	\$ 17,960	\$ 18,049	\$ --	\$ (51,154)

General Receipts:					
Taxes - Property		\$ 4,288,211			\$ --
Taxes - Sales		1,570,820			--
Taxes - Income		979,855			--
Taxes - Motor Fuel		509,000			--
Taxes - Replacement & Other		159,404			56,067
Unrestricted Interest		10,727			--
County Farm		34,353			--
Reimbursements of Prior Year Expenditures		79,090			--
Gain on Disposal of Capital Assets		422			21
Miscellaneous		214,251			--
Total General Receipts and Transfers		\$ 7,846,133			\$ 56,088
Change in Net Position					\$ 4,934
Net Position - September 1, 2016					31,843
Prior Year Adjustment					(654,342)
Net Position - August 31, 2017					<u>\$ 30,479,874</u>
					<u>\$ 36,777</u>

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

Fund Financial Statements

SHELBY COUNTY, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
AUGUST 31, 2017

	General Fund	County Health Fund	County Highway Fund	Mental Health Fund	Airport Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 4,364,769	\$ 1,408,805	\$ 1,093,628	\$ 1,650,197	\$ 86,542	\$ 1,877	\$ 3,245,887	\$ 11,851,705
Investments	10,000	125,000	--	--	21,370	--	--	156,370
Interfund Loans Receivable	84,927	--	--	--	--	--	--	84,927
Inventory	7,766	--	--	--	--	--	--	7,766
TOTAL ASSETS	\$ 4,467,462	\$ 1,533,805	\$ 1,093,628	\$ 1,650,197	\$ 107,912	\$ 1,877	\$ 3,245,887	\$ 12,100,768
LIABILITIES								
Withholding Payable	\$ 89,471	--	--	--	--	--	--	\$ 89,471
Interfund Loans Payable	--	--	--	--	--	--	84,927	84,927
Short-Term Debt	--	--	--	--	150,000	--	--	150,000
Due to Other Governmental Units	65,846	--	--	--	--	--	--	65,846
TOTAL LIABILITIES	\$ 155,317	\$ --	\$ --	\$ --	\$ 150,000	\$ --	\$ 84,927	\$ 390,244
FUND BALANCE								
Fund Balance:								
Nonspendable:								
Inventory	\$ 7,766	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,766
Restricted for:								
Insurance	1,011,081	--	--	--	--	--	--	1,011,081
Capital Improvement	66,524	--	--	--	--	--	--	66,524
Indemnity	--	--	--	--	--	--	110,683	110,683
Employees Retirement	--	--	--	--	--	--	1,128,795	1,128,795
Public Safety	--	--	--	--	--	--	427,876	427,876
Judiciary	--	--	--	--	--	--	29,295	29,295
Automation	--	--	--	--	--	--	57,424	57,424
Recording	--	--	--	--	--	--	160,328	160,328
Public Works/Transportation	--	--	1,074,022	--	--	--	--	1,074,022
GIS	--	--	--	--	--	--	446,016	446,016
Document Storage	--	--	--	--	--	--	66,900	66,900
Economic Development	--	--	--	--	--	--	504,086	504,086
Health and Welfare	--	106,315	--	1,624,860	--	--	240,170	1,971,345
Committed								
Capital Improvement	214,702	--	--	--	--	--	--	214,702
Assigned	31,027	1,427,490	19,606	25,337	--	1,877	32,410	1,537,747
Unassigned	2,981,045	--	--	--	(42,088)	--	(43,023)	2,895,934
TOTAL FUND BALANCES	\$ 4,312,145	\$ 1,533,805	\$ 1,093,628	\$ 1,650,197	\$ (42,088)	\$ 1,877	\$ 3,160,960	\$ 11,710,524
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,467,462	\$ 1,533,805	\$ 1,093,628	\$ 1,650,197	\$ 107,912	\$ 1,877	\$ 3,245,887	\$ 12,100,768

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 BALANCES - MODIFIED CASH BASIS
 TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AUGUST 31, 2017

Total Fund Balance for Governmental Funds	\$ 11,710,524
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds:	
Land	3,414,046
Other Capital Assets	<u>15,355,304</u>
Net Position of Governmental Activities	<u><u>\$ 30,479,874</u></u>

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

SHELBY COUNTY, ILLINOIS
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2017

	General Fund	County Health Fund	County Highway Fund	Mental Health Fund	Airport Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:								
Property Taxes	\$ 1,757,897	\$ 304,958	\$ 641,517	\$ 536,174	\$ 41,845	\$ --	\$ 1,005,820	\$ 4,288,211
Sales Taxes	1,570,820	--	--	--	--	--	--	1,570,820
Intergovernmental Revenue:								
State Sources:								
Income Taxes	979,855	--	--	--	--	--	--	979,855
Motor Fuel Taxes	--	--	509,000	--	--	--	--	509,000
Replacement Tax	44,839	10,274	44,029	20,193	4,909	1,027,011	35,160	1,594,044
Other State Sources	282,876	186,944	--	--	--	401,872	300	852,804
Federal Sources	67,717	239,334	27,820	--	115,761	--	--	34,353
County Farm	34,353	--	--	--	--	--	7,272	7,272
Loan Repayments	--	--	--	--	65,297	--	5,323	454,784
Charges for Services	84,439	221,335	78,390	--	--	--	191,392	5,838
Licenses and Permits	5,838	--	--	--	--	--	--	694,238
Fines, Fees and Forfeits	502,906	--	--	--	--	--	--	83,397
Penalties, Interest and Costs	83,397	--	--	--	--	--	--	224,713
Sale of Real Estate Stamps	224,713	--	--	--	--	--	--	16,630
Sale of Fixed Assets	16,630	--	--	--	--	--	--	79,090
Reimbursements for Prior Year Expenditures	--	1,865	79,090	2,130	--	2	1,180	10,727
Interest	4,107	1,865	1,263	--	64,469	--	35,431	214,251
Miscellaneous	110,551	3,800	--	--	--	--	--	--
Total Revenues Received	\$ 5,770,938	\$ 988,510	\$ 1,381,109	\$ 588,497	\$ 292,461	\$ 1,428,885	\$ 1,282,028	\$ 11,682,428
EXPENDITURES DISBURSED:								
Current:								
General Government	\$ 1,765,755	--	--	--	--	--	\$ 1,123,090	\$ 2,888,845
Public Safety	2,129,343	--	--	--	--	--	186,698	2,316,041
Corrections	143,970	--	--	--	--	--	--	143,970
Judiciary	505,490	--	--	--	--	--	11,499	516,989
Public Works/Transportation	2,624	--	1,292,383	--	179,159	1,428,883	--	2,903,049
Health and Welfare	62,762	877,695	--	453,460	--	--	61,524	1,455,441
Capital Outlay	173,345	--	--	--	292,219	--	5,413	470,977
Total Expenditures Disbursed	\$ 4,783,289	\$ 877,695	\$ 1,292,383	\$ 453,460	\$ 471,378	\$ 1,428,883	\$ 1,388,224	\$ 10,695,312
Revenues Received Over (Under) Expenditures Disbursed	\$ 987,649	\$ 90,815	\$ 88,726	\$ 105,037	\$ (178,917)	\$ 2	\$ (106,196)	\$ 987,116
Other Financing Sources (Uses):								
Operating Transfers In	466,469	1,015	201,015	--	--	--	104,516	773,015
Operating Transfers Out	(567,940)	--	(200,000)	--	--	--	(5,075)	(773,015)
Net Change in Fund Balance	\$ 886,178	\$ 91,830	\$ 89,741	\$ 105,037	\$ (178,917)	\$ 2	\$ (6,755)	\$ 987,116
Fund Balance - September 1, 2016	3,425,967	1,441,975	1,003,887	1,545,160	136,829	1,875	3,167,715	10,723,408
Fund Balance - August 31, 2017	\$ 4,312,145	\$ 1,533,805	\$ 1,093,628	\$ 1,650,197	\$ (42,088)	\$ 1,877	\$ 3,160,960	\$ 11,710,524

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 BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED AUGUST 31, 2017

Net Change in Fund Balance - Total Governmental Funds	\$	987,116
The Change in Net Position reported for governmental activities in the Statement of Activities - modified cash basis is different because:		
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. Resulting in the following differences:		
Current year capital outlays capitalized		470,977
Current year depreciation expense on capitalized assets		(896,620)
Proceeds from Sale of capital assets		(16,630)
Gain on disposal on capital assets		422
Federal and State on-behalf payments for 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.		
		1,517,409
In the fund financial statements, principal and interest payments on Notes Receivable are recorded as receipts in the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance; however, principal payments received do not affect the Statement of Activities-modified cash basis.		
		<u>(7,272)</u>
Change in Net Position of Governmental Activities	\$	<u>2,055,402</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, 2017

	Private - Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,133,632	\$ 6,579,308
Investments	--	178,327
TOTAL ASSETS	\$ 2,133,632	\$ 6,757,635
LIABILITIES		
Due to Others	\$ 2,067	\$ 6,757,635
TOTAL LIABILITIES	\$ 2,067	\$ 6,757,635
NET POSITION		
Restricted for Other Purposes	\$ 2,131,565	\$ --
TOTAL NET POSITION	\$ 2,131,565	\$ --

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, 2017

	<u>Private - Purpose Trust Funds</u>
ADDITIONS:	
Property Taxes	\$ 96,994
Intergovernmental Revenue:	
State Sources	1,464,816
Motor Fuel Taxes	764,793
Other State Sources	230
Fines and Fees	30,892
Cash Bail	2,216
Interest	9,383
Miscellaneous	<u>9,383</u>
Total Additions	<u>\$ 2,369,324</u>
DEDUCTIONS:	
Distributions	<u>\$ 2,356,187</u>
Total Deductions	<u>\$ 2,356,187</u>
Change in Net Position	\$ 13,137
Net Position - September 1, 2016	<u>2,118,428</u>
Net Position - August 31, 2017	<u><u>\$ 2,131,565</u></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, 2017

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, 2017

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, 2017

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.

The *Airport Fund* is used to account for receipts and disbursements pertaining to the Airport Fund. The basic purpose of this fund is to maintain and improve the airport.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

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. Shelby County's trust funds include drainage districts, township highway and bridge funds, inmate commissary, and funds required to be held by the Circuit Clerk's office. 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, and/or other funds. Shelby County's agency funds include funds used in the County's property tax collection, distribution and settlement process. GASB 34 requires the portion of these account balances pertaining to other funds of the County to be reported in the County funds; however, due to the timing of tax collections and the County's fiscal year end, this allocation is not made.

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.

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, 2017

Note 1 -- Summary of Significant Accounting Policies (continued)

F. Budgets and Budgetary Accounting

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

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

The original budget was adopted on September 14, 2016, the final budget on August 9, 2017. 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. Investments

Investments are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Gains or losses on the sale of investments are recognized upon realization. The County has adopted a formal written investment policy. The institutions in which investments are made must be approved by the County Board. Investments consist of interest bearing time deposits with original maturities exceeding three months and investments in external investment pools, all of which are exempt from GASB Statement No. 72 fair value measurements.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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. 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, including infrastructure, are recorded at estimated fair market value at the date of donation. The County does not capitalize in-house engineering services provided in connection with road and bridge projects.

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:

Assets	Years
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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

L. 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.

M. Capital Leases

Leases, which are in effect financing agreements under the provisions of Accounting Standards Codification Topic 840 (ASC 840), 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.

N. 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.

O. 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.

P. 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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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 nor 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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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 2015 and 2016 attached as an enforceable lien on property as of January 1, 2014 and 2015, respectively. These taxes were required to be levied by the County prior to the last Tuesday in December. The 2015 and 2016 levies were adopted by the County in September, 2014 and September, 2015. Property taxes were due from property owners in two installments in July and September. The property tax receipts for the year ending August 31, 2017, as shown in the financial statements, consist of two distributions from the 2015 levy and one distribution from the 2016 levy. Property taxes are distributed from August through December.

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 6, 2016.

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.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 2 - Property Taxes (continued)

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:

	2016 Maximum	2016 Levy	2015 Levy
Assessed Valuation		<u>\$367,621,344</u>	<u>\$351,201,643</u>
Property Tax Rates:			
Extension Education	.05000	.01995	.02089
County	Unlimited	.41040	.42958
County Highway	.20000	.08628	.09031
County Bridge	.25000	.03971	.04156
Federal Aid	.05000	.04825	.04822
County Health	.17500	.08243	.08628
Municipal Retirement	Unlimited	.18362	.17085
Airport	.25000	.01131	.01184
Mental Health	.15000	.14962	.14380
Social Security	Unlimited	.08161	.08543
Tort Immunity Insurance	Unlimited	.03156	.03303
Workers' Comp. Insurance Tax	Unlimited	.02231	.02335
Unemployment Insurance Act	Unlimited	.01089	.01139
Total County Rate		<u>1.17794</u>	<u>1.19653</u>
Ambulance	.25000	<u>0.01869</u>	<u>0.01938</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.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 3 - Cash and Investments

Cash and Cash Equivalents and Investments as of August 31, 2017 consist of the following:

	Primary Government	Component Unit
Cash on Hand	\$ 6,760	\$ 250
Deposits with financial institutions	12,001,315	37,577
Sub-Total Governmental Activities	\$ 12,008,075	\$ 37,827
 Fiduciary Funds		
Deposits with financial institutions	\$ 8,712,940	\$ --
External Investment Pool	178,327	--
	\$ 8,891,267	\$ --
 Total	\$ 20,899,342	\$ 37,827

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*.

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, 2017 the County's investments were deposits in financial institutions. The deposits are all demand deposits with the exception of the following:

		Maturity Date
Certificate of Deposit	\$ 10,000	January 3, 2018
Certificate of Deposit	125,000	February 11, 2018
Certificate of Deposit	21,370	November 19, 2018
	\$ 156,370	

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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 3 - Cash and Investments (continued)

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.

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, 2017, \$17,720,544 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.

Investment in External Investment Pool

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, 2017

Note 4 - Notes Receivable

All of the notes receivable were paid in full during fiscal year 2017.

Note 5 – Capital Assets

Capital assets activity for the year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Increases	Decreases	Balance August 31, 2017
Primary Government				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,414,046	\$ --	\$ --	\$ 3,414,046
Work In Progress	32,609	300,611	(20,109)	313,111
	<u>\$ 3,446,655</u>	<u>\$ 300,611</u>	<u>\$ (20,109)</u>	<u>\$ 3,727,157</u>
Capital assets being depreciated:				
Buildings & Improvements	\$ 6,361,405	\$ 19,183	\$ --	\$ 6,380,588
Vehicles	3,101,550	83,806	(121,252)	3,064,104
Maintenance Vehicles	822,802	--	--	822,802
Infrastructure	11,031,997	1,544,409	(655,488)	11,920,918
Equipment	2,410,188	60,487	--	2,470,675
Law Enforcement Canine	23,000	--	(6,500)	16,500
	<u>\$ 23,750,942</u>	<u>\$ 1,707,885</u>	<u>\$ (783,240)</u>	<u>\$ 24,675,587</u>
Total Capital assets being depreciated:				
Less: Accumulated Depreciation:				
Buildings & Improvements	\$ (2,189,466)	\$ (171,106)	\$ --	\$ (2,360,572)
Vehicles	(2,011,732)	(287,032)	108,258	(2,190,506)
Maintenance Vehicles	(739,379)	(34,266)	--	(773,645)
Infrastructure	(1,902,246)	(291,606)	1,146	(2,192,706)
Equipment	(1,992,895)	(109,908)	--	(2,102,803)
Law Enforcement Canine	(13,746)	(2,702)	3,286	(13,162)
	<u>\$ (8,849,464)</u>	<u>\$ (896,620)</u>	<u>\$ 112,690</u>	<u>\$ (9,633,394)</u>
Total Accumulated Depreciation				
Total Capital assets being Depreciated, net	<u>\$ 14,901,478</u>	<u>\$ 811,265</u>	<u>\$ (670,550)</u>	<u>\$ 15,042,193</u>
Governmental Activities				
Capital Assets, net	<u>\$ 18,348,133</u>	<u>\$ 1,111,876</u>	<u>\$ (690,659)</u>	<u>\$ 18,769,350</u>

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 5 – Capital Assets (continued)

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

Governmental activities:	
General Government	\$ 91,096
Public Safety	174,784
Public Works/Transportation	612,870
Corrections	2,000
Judiciary	3,265
Health and Welfare	12,605
	<u>\$ 896,620</u>

Component Unit

Capital assets activity of Shelby County Office of Tourism for the year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Increase	Decrease	Balance August 31, 2017
Capital assets being Depreciation:				
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 – Short-Term Liabilities

Changes in Short-Term Debt

The following is a summary of changes in short-term debt of Shelby County for the year ended August 31, 2017.

	Balance September 1, 2016	Additions	Reductions	Balance August 31, 2017
Governmental activities:				
Short-Term Bank Loan	\$ --	\$ 100,000	\$ 100,000	\$ --
Short-Term Bank Loan	--	150,000	--	150,000
	<u>\$ --</u>	<u>\$ 250,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>

Interest paid on short-term debt totaled \$1,192 and is included in the Public Works/Transportation function in the government-wide statement of activities.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 6 – Short-Term Liabilities (continued)

Jet Fuel Project

The loan was obtained on February 10, 2017 to finance the Jet Fuel Project at the Airport. The note is unsecured. Payment is due in one principal payment of \$100,000 plus interest of 5.0% on August 10, 2017. The loan was paid in full during fiscal year 2017.

Jet Fuel Project

The loan was obtained on August 23, 2017 to finance the completion of the Jet Fuel Project at the Airport. The note is unsecured. Payment is due in one principal payment of \$150,000 plus interest of 5.0% on December 1, 2017.

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 21.1 million dollars leaving 21.1 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.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 7 – Retirement Plans – (continued)

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.

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, 2016, the following employees were covered by the benefit terms:

Regular Plan	IMRF
Retirees and Beneficiaries currently receiving benefits	80
Inactive Plan Members entitled to but not yet receiving benefits	31
Active Members	<u>74</u>
Total	185

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 7 – Retirement Plans – (continued)

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	13
Total	35

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 2016 was 12.01%. For the fiscal year ended August 31, 2017, the County contributed \$380,886 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 2016 was 17.41%. No ECO wages were paid during calendar year 2016 or fiscal year 2017; however, for 2017 the County was required to make a monthly minimum contribution of \$22,381. For the fiscal year ended August 31, 2017, the County contributed \$255,176 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 2016 was 11.40%. For the fiscal year ended August 31, 2017, the County contributed \$92,813 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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 7 – Retirement Plans – (continued)

Net Pension Liability

The County's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- 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 2.75%.
- **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.
- For **Non-disabled Retirees**, The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 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, 2017

Note 7 – Retirement Plans – (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 as of December 31, 2016:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
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 3.78%, and the resulting single discount rates are Regular 7.50%; ECO 7.50%; and SLEP 7.50%.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 AUGUST 31, 2017

Note 7 – Retirement Plans – (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, 2015	\$18,341,325	\$15,615,055	\$ 2,726,270
Changes for year:			
Service Cost	369,697	--	369,697
Interest on the Total Pension Liability	1,357,496	--	1,357,496
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience of the Total Pension Liability	(100,500)	--	(100,500)
Changes of Assumptions	(46,565)	--	(46,565)
Contributions – Employer	--	397,804	(397,804)
Contributions – Employees	--	152,753	(152,753)
Net Investment Income	--	1,061,012	(1,061,012)
Benefit Payments, including Refunds of Employee Contributions	(755,652)	(755,652)	--
Other (Net Transfer)	--	165,125	(165,125)
Net Changes	\$ 824,476	\$ 1,021,042	\$ (196,566)
Balances at December 31, 2016	\$19,165,801	\$16,636,097	\$2,529,704

ECO Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2015	\$ 4,923,439	\$ 2,398,851	\$ 2,524,588
Changes for year:			
Service Cost	--	--	--
Interest on the Total Pension Liability	331,890	--	331,890
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience of the Total Pension Liability	100,781	--	100,781
Changes of Assumptions	(186,226)	--	(186,226)
Contributions – Employer	--	270,031	(270,031)
Contributions – Employees	--	--	--
Net Investment Income	--	166,485	(166,485)
Benefit Payments, including Refunds of Employee Contributions	(444,906)	(444,906)	--
Other (Net Transfer)	--	108,352	(108,352)
Net Changes	\$ (198,461)	\$ 99,962	\$ (298,423)
Balances at December 31, 2016	\$4,724,978	\$ 2,498,813	\$ 2,226,165

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 7 – Retirement Plans – (continued)

SLEP Plan	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2015	\$ 4,429,154	\$ 4,096,600	\$ 332,554
Changes for year:			
Service Cost	128,451	--	128,451
Interest on the Total Pension Liability	331,120	--	331,120
Changes of Benefit Terms	--	--	--
Differences Between Expected and Actual Experience of the Total Pension Liability	(120,449)	--	(120,449)
Changes of Assumptions	--	--	--
Contributions – Employer	--	81,277	(81,277)
Contributions – Employees	--	53,472	(53,472)
Net Investment Income	--	287,234	(287,234)
Benefit Payments, including Refunds of Employee Contributions	(156,897)	(156,897)	--
Other (Net Transfer)	--	58,212	(58,212)
Net Changes	\$ 182,225	\$ 323,298	\$ (141,073)
Balances at December 31, 2016	\$ 4,611,379	\$ 4,419,898	\$ 191,481

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 7.50%, 7.50% and 7.50%, 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 (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$5,043,974	\$2,529,704	\$466,279

ECO Plan	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$2,669,333	\$2,226,165	\$1,850,094

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 AUGUST 31, 2017

Note 7 – Retirement Plans – (continued)

SLEP Plan	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$886,830	\$191,481	\$(371,495)

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

For the fiscal year ended August 31, 2017, the County recognized pension expense of \$744,434. For the year ended December 31, 2016 under GASB No. 68, the County recognized pension expense of \$1,012,695. At August 31, 2017, 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	\$ 145,967	\$ 125,448	\$ 20,519
Changes of assumptions	173,933	35,706	138,227
Net difference between projected and actual earnings on pension plan investments	831,561	--	831,561
Total Deferred Amounts to be recognized in pension expense in future periods	\$1,151,461	\$ 161,154	\$ 990,307
<i>Pension Contributions made subsequent to the Measurement Date</i>	\$ 245,840	\$ --	\$ 245,840
Total Deferred Amounts Related to Pensions	\$1,397,301	\$ 161,154	\$ 1,236,147

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 AUGUST 31, 2017

Note 7 – Retirement Plans – (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	117,373	--	117,373
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 117,373	\$ --	\$ 117,373
<i>Pension Contributions made subsequent to the Measurement Date</i>	\$ 142,664	\$ --	\$ 142,664
Total Deferred Amounts Related to Pensions	\$ 260,037	\$ --	\$ 260,037

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	\$ 146,933	\$ 106,041	\$ 40,892
Changes of assumptions	27,007	--	27,007
Net difference between projected and actual earnings on pension plan investments	212,114	--	212,114
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 386,054	\$ 106,041	\$ 280,013
<i>Pension Contributions made subsequent to the Measurement Date</i>	\$ 63,472	\$ --	\$ 63,472
Total Deferred Amounts Related to Pensions	\$ 449,526	\$ 106,041	\$ 343,485

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 7 – Retirement Plans – (continued)

Not including pension contributions made subsequent to the measurement date, under GASB No. 68, 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>
2017	\$ 417,542
2018	337,478
2019	223,446
2020	11,841
2021	--
Thereafter	--
Total	<u>\$ 990,307</u>

ECO Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 40,497
2018	40,498
2019	34,192
2020	2,186
2021	--
Thereafter	--
Total	<u>\$ 117,373</u>

SLEP Plan

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 106,042
2018	106,043
2019	85,972
2020	(12,295)
2021	(5,749)
Thereafter	--
Total	<u>\$ 280,013</u>

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 7 – Retirement Plans – (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 \$317,814, 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 overexpenditure of the budget were noted:

<u>Fund</u>	<u>Expenditures</u>	<u>Budgeted Amounts</u>	<u>Overexpenditure</u>
Probation	\$ 108,615	\$ 100,000	\$ 8,615
Social Security	314,504	310,000	4,504
Law	10,162	10,000	162
DUI Equipment	4,350	3,500	850

B. Deficit Fund Balances of Individual Funds

The following funds have deficit balances at August 31, 2017:

Court Security	\$ (43,023)
Airport	(42,088)

C. Individual Fund Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at August 31, 2017 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
MAJOR FUNDS:		
GENERAL FUND:		
Other than Fee Offices	\$ 84,927	\$ --
NONMAJOR FUNDS:		
SPECIAL REVENUE FUNDS:		
Court Security	\$ --	\$ 43,609
Animal Control	--	850
IMRF	--	38,924
Drug Traffic Preventions	--	1,000
Pet Population	--	544
Total Special Revenue Funds	\$ --	\$ 84,297
Total	\$ 84,927	\$ 84,927

The above interfunds receivable and payables are due to the General Funds paying invoices for the various funds.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 8 - Required Individual Fund Disclosures (continued)

D. Transfers within the Reporting Entity

The composition of interfund transfers for the year ended August 31, 2017 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
MAJOR FUNDS:		
GENERAL FUND:		
Other than Fee Offices	\$ 466,469	\$ --
County Clerk	--	286,462
Circuit Clerk	--	100,268
Sheriff	--	68,531
States Attorney	--	110,829
Supervisor of Assessments	--	1,850
Total General Fund	\$ 466,469	\$ 567,940
COUNTY HIGHWAY FUND:		
County Highway	\$ 201,015	\$ --
County Motor Fuel Tax Fund	--	200,000
Total County Highway Fund	\$ 201,015	\$ 200,000
COUNTY HEALTH FUND:		
Miscellaneous County Health Fund	\$ 1,015	\$ --
NONMAJOR FUNDS:		
SPECIAL REVENUE FUNDS:		
Animal Control	\$ 1,015	\$ --
DUI Equipment	3,504	--
Recording	15,368	--
Drug Traffic Prevention	105	--
GIS	84,524	--
Emergency Management	--	5,075
Total Special Revenue Funds	\$ 105,531	\$ 5,075
Total	\$ 773,015	\$ 773,015

Material intrafund and interfund transfers are necessary to remit fees collected from the fee offices to the General fund and respective Special Revenue funds. The material intrafund transfer in the County Highway fund reflects a transfer for the payment of equipment rent.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

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	\$ 238,890
Mobile Home Tax Collected	642
Interest	37
	<u>\$ 239,569</u>
Tort Expenditures:	
Commercial Liability Insurance	\$ 123,899
Unemployment tax	11,171
Workers' Compensation Insurance	55,180
	<u>\$ 190,250</u>
Total Expenditures	<u>\$ 190,250</u>
Receipts over Expenditures	\$ 49,319
Restricted at September 1, 2016	<u>961,762</u>
Restricted at August 31, 2017	<u>\$1,011,081</u>

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 coverages 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, 2017. Also, there have been no settlement amounts which exceeded insurance coverage in the past three years.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 11 – Prior Period Adjustment

Other changes in net position of (\$654,342) represent a prior period adjustment due to the deletion of a township bridge from capital assets.

Note 12 - Due to Other Governmental Units

The Due to Other Governmental Units shown in the Primary Government column in the Statement of Net Position-Modified Cash Basis and in the General Fund column of the Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis in the amount of \$65,846 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 13 - 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 Christian.

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.

Note 14 - Commitments and Contingencies

Litigation

Shelby County is a party to litigation involving a zoning dispute. The matter is currently before the 5th District Appellate Court awaiting its decision. No evaluation of the outcome of the litigation could be provided.

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, 2017, is not reflected in the financial statements but is estimated to be \$1,159,757.

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 \$33,060 payable in twelve monthly installments of \$2,755. The County paid \$42,000 in rental payments to SCCS Enterprises, Inc. during the year ended August 31, 2017.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 14 - Commitments and Contingencies (continued)

Future Minimum Rental Payments are as follows:

2018	\$	33,060
2019		33,060
2020		33,060
2021		<u>33,060</u>
	\$	<u>132,240</u>

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, 2017, was \$129,554. 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 2016 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 \$34,353 in rent income during the year ended August 31, 2017.

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 surviving spouse secures employment that provides health insurance, Shelby County's insurance coverage will terminate.

The benefits are not advance funded; therefore, they are expensed in the period paid. The County recognized expenditures of \$7,972 in the General fund during the year ended August 31, 2017, for this benefit. The benefit commenced in September, 2006.

Enhanced 911 System

In July 2016 the County signed an agreement with Emergi Tech for an enhanced 911 system and an annual maintenance fee of \$27,121 for five years. As of year ending August 31, 2017 the County expended only \$21,121 due to the system not being put into service on time.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 14 - 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 2017, Shelby County paid \$31,139 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, 2016.

Election Services, Voter Registration Software License and Access Liberty Subscription

The County entered into an agreement with Liberty Systems for election supplies, setup and services of the equipment, IT support and results distribution through the 2019 Consolidated Election for \$16,815 a quarter. During the fiscal year ending August 31, 2017 the County paid to Liberty Systems \$86,552.

Fidlar Technologies Computer System and Software Lease Agreement

On October 17, 2013 the County entered into an agreement with Fidlar for computer system and software maintenance services for managing land records for five years at \$3.25 per document. This agreement may be cancelled at the end of each calendar year. During fiscal year 2017 the County paid Fidlar \$18,509 their services.

Landing Fields Commission Manager and Fixed Base Operator Agreement

On March 1, 2015 the County entered into an agreement with Landing Fields Commission to manage the Shelby County Airport for three years at \$3,500 per month. For the fiscal year ending August 31, 2017 the County paid to Landing Fields Commission \$42,000.

Jet Fuel Project

The Shelby County Airport is putting in a Jet Fuel Tank at a cost of \$304,011 of which \$292,259 was expensed during the fiscal year 2017. Leaving \$11,752 due at year end.

Note 15 – Subsequent Events

Management evaluated subsequent events through April 11, 2018, the date which the financial statements were available to be issued, and concluded that the following met the criteria for disclosure.

Police Vehicles

The Sheriff's Department has purchased two new 2017 Ford Explorers at the cost of \$55,240.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 15 – Subsequent Events (continued)

Cyber Security

The County has awarded the contract to Mytec Solutions to begin the implementation of cyber security. Since year-end the County has paid to Mytec Solutions \$70,250 for implementation of cyber security and computer maintenance.

Federal Land Access Program

In September, 2017 the County was informed of a grant award from FLAP of \$1.632 million with a 20 % match to upgrade the Country Club Road from Shelbyville to the Coon Creek Recreational Area.

Truck Access Road Program

In December, 2017 the County Highway Department was informed of a grant award from TARP of \$561,000 to upgrade the Country Club road from Shelbyville to the Coon Creek Recreational Area.

Courthouse Roof Replacement

At the March 14, 2018 meeting, the bid for replacing the courthouse roof was awarded to Wohltmann Construction at the cost of \$717,387.

Revolving Loan Fund

The Revolving Loan Fund checking account was closed in January, 2018 when the balance of \$514,420 was returned to the state.

Airport Borrowing

In December 2017, the Airport paid the short-term loan in full.

Self-Insured Health Insurance

On September 1, 2017 the County entered into a partially self-funded contract for employee health insurance through the Pareto Captive and the Stop Loss Policy with HCC Life. There are two Stop Loss policies, one that is effective from 9/1/17 – 12/31/17. The second is 1/1/18 – 12/31/18. Both policies have a specific deductible of \$27,500 per participant. The Stop Loss policy includes Aggregate coverage for the group with a maximum exposure based upon enrollment. The policy that was issued from 9/1/17 – 12/31/17 has a Minimum Aggregate deductible of \$134,760, the second policy has a Minimum Aggregate deductible of \$418,600.

Supplementary Information (Part 2 of 2)

SHELBY COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES RECEIVED:				
Property Taxes	\$ 1,506,000	\$ 1,506,000	\$ 1,757,897	\$ 251,897
Sales Taxes	486,000	486,000	1,570,820	1,084,820
Intergovernmental Revenue:				
State Sources:				
Income Taxes	1,215,000	1,215,000	979,855	(235,145)
Replacement Tax	45,000	45,000	44,839	(161)
Other State Sources	400,000	400,000	282,876	(117,124)
Federal Sources	20,000	20,000	67,717	47,717
County Farm	51,500	51,500	34,353	(17,147)
Charges for Services	102,000	102,000	84,439	(17,561)
Licenses and Permits	6,000	6,000	5,838	(162)
Fines, Fees and Forfeits	650,000	650,000	502,906	(147,094)
Penalties, Interest and Costs	85,000	85,000	83,397	(1,603)
Sales of Real Estate Stamps	127,000	127,000	224,713	97,713
Sale of Fixed Assets	-	-	16,630	16,630
Interest	4,100	4,100	4,107	7
Miscellaneous	60,000	60,000	110,551	50,551
Total Revenues Received	\$ 4,757,600	\$ 4,757,600	\$ 5,770,938	\$ 1,013,338

EXPENDITURES DISBURSED:

Current:				
General Government	\$ 1,866,870	\$ 1,893,370	\$ 1,765,755	\$ 117,615
Public Safety	2,248,033	2,255,099	2,129,343	125,756
Corrections	174,525	174,525	143,970	30,555
Judiciary	554,975	554,975	505,490	49,485
Public Works/Transportation	11,705	11,705	2,624	9,081
Health and Welfare	77,195	77,195	62,762	14,433
Capital Outlay	85,250	85,250	173,345	(88,095)
Total Expenditures Disbursed	\$ 5,018,553	\$ 5,042,119	\$ 4,783,289	\$ 258,830
Revenues Received Over (Under) Expenditures Disbursed	\$ (260,953)	\$ (284,519)	\$ 987,649	\$ 1,272,168
Other Financing Sources (Uses):				
Operating Transfers In	-	-	466,469	466,469
Operating Transfers Out	-	-	(567,940)	(567,940)
Net Change in Fund Balance	\$ (260,953)	\$ (284,519)	\$ 886,178	\$ 1,170,697
Fund Balance - September 1, 2016			3,425,967	
Fund Balance - August 31, 2017			\$ 4,312,145	

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, 2017

	Budget		Actual Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES DISBURSED:				
General Government:				
Operating Expenses Pertaining to the Office of:				
County Clerk	\$ 391,005	\$ 391,005	\$ 371,101	\$ 19,904
Circuit Clerk	261,823	261,823	244,506	17,317
Supervisor of Assessments	257,970	257,970	224,869	33,101
County Treasurer	247,856	247,856	236,327	11,529
County Coroner	70,080	86,580	83,068	3,512
Regional Superintendent of Schools	42,500	42,500	42,109	391
Board of Review	36,150	36,150	30,647	5,503
Fairland Assessment	150	150	66	84
Board of Appeals	2,700	2,700	211	2,489
Zoning Administrator	23,481	23,481	22,991	490
Planning Commission	2,330	2,330	316	2,014
Utilities	30,200	30,200	23,668	6,532
Maintenance, Repairs and Improvement	70,000	70,000	40,415	29,585
Insurance	258,000	258,000	190,250	67,750
Employee Insurance	10,000	10,000	5,067	4,933
County Board Expenses	69,475	69,475	59,711	9,764
Community & Economic Development	12,000	12,000	11,121	879
Services, Supplies and Miscellaneous	73,150	73,150	53,158	19,992
County Farm	8,000	8,000	6,349	1,651
State Rental Housing Fee	--	--	29,889	(29,889)
Purchase of Real Estate Tax Stamps	--	--	89,916	(89,916)
Total General Government	\$ 1,866,870	\$ 1,883,370	\$ 1,765,755	\$ 117,615
Public Safety:				
Operating Expenses Pertaining to the Office of:				
County Sheriff	\$ 2,073,791	\$ 2,080,857	\$ 1,982,701	\$ 98,156
Rescue Squad	24,500	24,500	22,000	2,500
ESDA	38,320	38,320	32,619	5,701
911 Emergency Services	73,669	73,669	53,724	19,945
Courthouse Security	32,000	32,000	36,424	(4,424)
Merit Commission	5,753	5,753	1,875	3,878
Total Public Safety	\$ 2,248,033	\$ 2,255,099	\$ 2,129,343	\$ 125,756

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, 2017

	Budget		Actual Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
Corrections:				
Operating Expenses Pertaining to the Office of: Probation Office	\$ 174,525	\$ 174,525	\$ 143,970	\$ 30,555
Judiciary:				
Operating Expenses Pertaining to the Office of:				
States Attorney	\$ 331,100	\$ 331,100	\$ 312,578	\$ 18,522
Public Defender	177,875	177,875	151,303	26,572
Appointed Counsel Fee	30,000	30,000	32,206	(2,206)
Circuit Judge Expenses	16,000	16,000	9,403	6,597
Total Judiciary	\$ 554,975	\$ 554,975	\$ 505,490	\$ 49,485
Public Works/Transportation:				
Rural Transportation	\$ 11,705	\$ 11,705	\$ 2,624	\$ 9,081
Health and Welfare:				
Operating Expenses Pertaining to the Office of:				
Animal Control	\$ 77,195	\$ 77,195	\$ 62,762	\$ 14,433
Capital Outlay:				
General Government	\$ 85,250	\$ 85,250	\$ 173,345	\$ (88,095)
TOTAL EXPENDITURES DISBURSED	\$ 5,018,553	\$ 5,042,119	\$ 4,783,289	\$ 258,830

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, 2017

	Budget	Actual	Variance with Final Budget Positive (Negative)
	Original / Final	Actual	(Negative)
REVENUES RECEIVED:			
Property Taxes	\$ 306,309	\$ 304,958	\$ (1,351)
Intergovernmental Revenue:			
State Sources:			
Replacement Tax	10,320	10,274	(46)
Other State Sources	187,621	186,944	(677)
Federal Sources	240,545	239,334	(1,211)
Charges for Services	222,315	221,335	(980)
Interest	1,873	1,865	(8)
Miscellaneous	3,817	3,800	(17)
Total Revenues Received	\$ 972,800	\$ 968,510	\$ (4,290)
EXPENDITURES DISBURSED:			
Current:			
Health and Welfare	1,332,524	877,695	454,829
Total Expenditures Disbursed	\$ 1,332,524	\$ 877,695	\$ 454,829
Revenues Received Over Expenditures Disbursed	\$ (359,724)	\$ 90,815	\$ 450,539
Other Financing Sources:			
Transfers In	-	1,015	1,015
Net Change in Fund Balance	\$ (359,724)	\$ 91,830	\$ 451,554
Fund Balance - September 1, 2016		1,441,975	
Fund Balance - August 31, 2017	\$	\$ 1,533,805	\$

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, 2017

	Budget	Actual	Variance with Final Budget Positive (Negative)
	Original/Final	Actual	(Negative)
REVENUES RECEIVED:			
Property Taxes	\$ 577,831	\$ 641,517	\$ 63,686
Intergovernmental Revenue:			
State Sources:			
Motor Fuel Tax	458,469	509,000	50,531
Replacement Taxes	39,658	44,029	4,371
Other State Sources	—	—	—
Federal Source	25,058	27,820	2,762
Charges for Services	70,608	78,390	7,782
Reimbursements for Prior Year Expenditures	71,238	79,090	7,852
Interest	1,138	1,263	125
Miscellaneous	—	—	—
Total Revenues Received	\$ 1,244,000	\$ 1,381,109	\$ 137,109
EXPENDITURES DISBURSED:			
Current:			
Public Works/Transportation	1,272,832	1,292,383	(19,551)
Capital Outlay	190,000	—	190,000
Total Expenditures Disbursed	\$ 1,462,832	\$ 1,292,383	\$ 170,449
Revenues Received Over (Under) Expenditures Disbursed	\$ (218,832)	\$ 88,726	\$ 307,558
Other Financing Sources (Uses):			
Transfers In	—	201,015	201,015
Transfers Out	—	(200,000)	(200,000)
Net Change in Fund Balance	\$ (218,832)	\$ 89,741	\$ 308,573
Fund Balance - September 1, 2016		1,003,887	
Fund Balance - August 31, 2017	\$	\$ 1,093,628	

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, 2017

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES RECEIVED:			
Property Taxes	\$ 489,615	\$ 536,174	\$ 46,559
Intergovernmental Revenue:			
State Sources:	18,440	20,193	1,753
Replacement Taxes	1,945	2,130	185
Interest			
Total Revenues Received	\$ 510,000	\$ 558,497	\$ 48,497
EXPENDITURES DISBURSED:			
Current:			
Health and Welfare	\$ 505,500	\$ 453,460	\$ (52,040)
Total Expenditures Disbursed	\$ 505,500	\$ 453,460	\$ (52,040)
Net Change in Fund Balance	\$ 4,500	\$ 105,037	100,537
Fund Balance - September 1, 2016		1,545,160	
Fund Balance - August 31, 2017		\$ 1,650,197	

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

SHELBY COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 AIRPORT FUND - SPECIAL REVENUE MAJOR FUND
 YEAR ENDED AUGUST 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES RECEIVED:				
Property Taxes	\$ 28,616	\$ 28,616	\$ 41,845	\$ 13,229
Intergovernmental Revenue:				
State Sources:				
Replacement Taxes	3,357	3,357	4,909	1,552
Federal Sources	79,163	79,163	115,761	36,598
Charge for Services	44,653	44,653	65,297	20,644
Interest	124	124	180	56
Miscellaneous	44,087	44,087	64,469	20,382
Total Revenues Received	\$ 200,000	\$ 200,000	\$ 292,461	\$ 92,461
EXPENDITURES DISBURSED:				
Current:				
Public Works/Transportation	\$ 149,000	\$ 184,000	\$ 179,159	\$ (4,841)
Capital Outlay	--	305,600	292,219	(13,381)
Total Expenditures Disbursed	\$ 149,000	\$ 489,600	\$ 471,378	\$ (18,222)
Net Change in Fund Balance	\$ 51,000	\$ (289,600)	\$ (178,917)	\$ 110,683
Fund Balance - September 1, 2016			136,829	
Fund Balance - August 31, 2017			\$ (42,088)	

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, 2017

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES RECEIVED:			
Intergovernmental Revenue:			
Other State Sources	\$ 1,388,380	\$ 1,027,011	\$ (361,369)
Federal Sources	211,618	401,872	190,254
Interest	<u>2</u>	<u>2</u>	<u>--</u>
Total Revenues Received	\$ 1,600,000	\$ 1,428,885	\$ (171,115)
EXPENDITURES DISBURSED:			
Current:			
Public Works/Transportation	\$ 1,600,000	\$ 1,428,883	\$ 171,117
Total Expenditures Disbursed	\$ 1,600,000	\$ 1,428,883	\$ 171,117
Net Change in Fund Balance	\$ --	\$ 2	\$ 2
Fund Balance - September 1, 2016		<u>1,875</u>	
Fund Balance - August 31, 2017		<u>\$ 1,877</u>	

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

SHELBY COUNTY, ILLINOIS
NOTE TO BUDGETARY COMPARISON SCHEDULES
AUGUST 31, 2017

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, at the fund level, in the major funds in fiscal year 2017.

SHELBY COUNTY, ILLINOIS
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - MODIFIED CASH BASIS
 GENERAL FUND
 AUGUST 31, 2017

	Fee Offices							Total
	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	(Coal Rights) Capital Improvements	
ASSETS								
Cash and Cash Equivalents	\$ 3,854,564	\$ 25,165	\$ 84,138	\$ 10,591	\$ --	\$ 58	\$ 390,253	\$ 4,364,769
Investments	--	--	10,000	--	--	--	--	10,000
Interfund Loans Receivable	84,927	--	--	--	--	--	--	84,927
Inventory	--	7,766	--	--	--	--	--	7,766
TOTAL ASSETS	\$ 3,939,491	\$ 32,931	\$ 94,138	\$ 10,591	\$ --	\$ 58	\$ 390,253	\$ 4,467,462
LIABILITIES								
Withholding Payable	\$ 89,471	--	--	--	--	--	--	\$ 89,471
Due to Other Governmental Units	--	--	65,846	--	--	--	--	65,846
TOTAL LIABILITIES	\$ 89,471	\$ --	\$ 65,846	\$ --	\$ --	\$ --	\$ --	\$ 155,317
FUND BALANCES								
Fund Balances:								
Nonspendable:								
Inventory	\$ --	\$ 7,766	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,766
Restricted for:								
Insurance	1,011,081	--	--	--	--	--	--	1,011,081
Capital Improvement	--	--	--	--	--	--	66,524	66,524
Committed:								
Capital Improvement	--	--	--	--	--	--	214,702	214,702
Assigned	--	--	--	--	--	--	31,027	31,027
Unassigned	2,838,939	25,165	28,292	10,591	--	58	78,000	2,981,045
TOTAL FUND BALANCES	\$ 3,850,020	\$ 32,931	\$ 28,292	\$ 10,591	\$ --	\$ 58	\$ 390,253	\$ 4,312,145
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,939,491	\$ 32,931	\$ 94,138	\$ 10,591	\$ --	\$ 58	\$ 390,253	\$ 4,467,462

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, 2017

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	(Coal Rights) Capital Improvements	Total
REVENUES RECEIVED:								
Property Taxes	\$ 1,757,897	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,757,897
Sales Taxes	1,570,820	--	--	--	--	--	--	1,570,820
Intergovernmental Revenues:								
Income Taxes	979,855	--	--	--	--	--	--	979,855
Replacement Taxes	44,839	--	--	--	--	--	--	44,839
Other State Sources	279,719	--	--	3,157	--	--	--	282,876
Federal Source	67,717	--	--	--	--	--	--	67,717
County Farm	34,353	--	--	--	--	--	--	34,353
Charges for Services	84,439	--	--	--	--	--	--	84,439
Licenses and Permits	5,838	--	--	--	--	--	--	5,838
Fees, Fines and Forfeits	27,905	181,523	112,454	68,410	110,829	1,885	--	502,906
Penalties, Interest and Costs	83,397	--	--	--	--	--	--	83,397
Sales of Real Estate Stamps	--	224,713	--	--	--	--	--	224,713
Sale of Fixed Assets	16,630	--	--	--	--	--	--	16,630
Interest	3,401	--	18	--	--	--	688	4,107
Miscellaneous	32,551	--	--	--	--	--	78,000	110,551
Total Revenues Received	\$ 4,989,261	\$ 406,236	\$ 112,472	\$ 71,567	\$ 110,829	\$ 1,885	\$ 78,688	\$ 5,770,938
EXPENDITURES DISBURSED:								
See Schedule at Page 58-59	\$ 4,653,615	\$ 121,026	\$ 8,648	\$ --	\$ --	\$ --	\$ --	\$ 4,783,289
Revenues Received Over (Under) Expenditures Disbursed	\$ 335,646	\$ 285,210	\$ 103,824	\$ 71,567	\$ 110,829	\$ 1,885	\$ 78,688	\$ 987,649
Other Financing Sources (Uses):								
Operating Transfers In	466,469	--	--	--	--	--	--	466,469
Operating Transfers Out	--	(286,462)	(100,268)	(68,531)	(110,829)	(1,850)	--	(567,940)
Net Change in Fund Balance	\$ 802,115	\$ (1,252)	\$ 3,556	\$ 3,036	\$ --	\$ 35	\$ 78,688	\$ 886,178
Fund Balance - September 1, 2016	3,047,905	34,183	24,736	7,555	--	23	311,565	3,425,967
Fund Balance - August 31, 2017	\$ 3,850,020	\$ 32,931	\$ 28,292	\$ 10,591	\$ --	\$ 58	\$ 390,253	\$ 4,312,145

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, 2017

	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	\$ 369,880	\$ 1,221	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 371,101
Circuit Clerk	235,858	--	8,648	--	--	--	--	244,506
Supervisor of Assessments	224,869	--	--	--	--	--	--	224,869
County Treasurer	236,327	--	--	--	--	--	--	236,327
County Coroner	83,068	--	--	--	--	--	--	83,068
Regional Superintendent of Schools	42,109	--	--	--	--	--	--	42,109
Board of Review	30,647	--	--	--	--	--	--	30,647
Farmland Assessment	66	--	--	--	--	--	--	66
Board of Appeals	211	--	--	--	--	--	--	211
Zoning Administrator	22,991	--	--	--	--	--	--	22,991
Planning Commission	316	--	--	--	--	--	--	316
Utilities	23,668	--	--	--	--	--	--	23,668
Maintenance, Repairs and Improvement	40,415	--	--	--	--	--	--	40,415
Insurance	190,250	--	--	--	--	--	--	190,250
Employee Insurance	5,067	--	--	--	--	--	--	5,067
County Board Expenses	59,711	--	--	--	--	--	--	59,711
Community & Economic Development	11,121	--	--	--	--	--	--	11,121
Services, Supplies and Miscellaneous	53,158	--	--	--	--	--	--	53,158
County Farm	6,349	--	--	--	--	--	--	6,349
State Rental Housing Fee	--	29,889	--	--	--	--	--	29,889
Purchase of Real Estate Tax Stamps	--	89,916	--	--	--	--	--	89,916
Total General Government	\$ 1,636,081	\$ 121,026	\$ 8,648	\$ --	\$ --	\$ --	\$ --	\$ 1,765,755
Public Safety:								
Operating Expenses Pertaining								
to the Office of:								
County Sheriff	\$ 1,982,701	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,982,701
Rescue Squad	22,000	--	--	--	--	--	--	22,000
ESDA	32,619	--	--	--	--	--	--	32,619
911 Emergency Services	53,724	--	--	--	--	--	--	53,724
Courthouse Security	36,424	--	--	--	--	--	--	36,424
Merit Commission	1,875	--	--	--	--	--	--	1,875
Total Public Safety	\$ 2,129,343	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,129,343

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, 2017

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Capital Improvements	Total
Corrections: Operating Expenses Pertaining to the Office of: Probation Office	\$ 143,970	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 143,970
Judiciary: Operating Expenses Pertaining to the Office of: States Attorney	\$ 312,578	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 312,578
Public Defender	151,303	--	--	--	--	--	--	151,303
Appointed Counsel Fee	32,206	--	--	--	--	--	--	32,206
Circuit Judge Expenses	9,403	--	--	--	--	--	--	9,403
Total Judiciary	\$ 505,490	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 505,490
Public Works/Transportation: Rural Transportation	\$ 2,624	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,624
Health and Welfare: Co Operating Expenses Pertaining to the Office of: Animal Control	\$ 62,762	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 62,762
Capital Outlay: General Government	\$ 173,345	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 173,345
TOTAL EXPENDITURES DISBURSED	\$ 4,653,615	\$ 121,026	\$ 8,648	\$ --	\$ --	\$ --	\$ --	\$ 4,783,289

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, 2017

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
ASSETS					
Cash and Cash Equivalents	\$ 219,848	\$ 206,529	\$ 962,617	\$ 19,811	\$ 1,408,805
Investments	--	--	125,000	--	125,000
TOTAL ASSETS	\$ 219,848	\$ 206,529	\$ 1,087,617	\$ 19,811	\$ 1,533,805
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES					
Fund Balances:					
Restricted for:					
Health and Welfare	\$ --	\$ 86,504	\$ --	\$ 19,811	\$ 106,315
Assigned	219,848	120,025	1,087,617	--	1,427,490
TOTAL FUND BALANCES	\$ 219,848	\$ 206,529	\$ 1,087,617	\$ 19,811	\$ 1,533,805
TOTAL LIABILITIES AND FUND BALANCES	\$ 219,848	\$ 206,529	\$ 1,087,617	\$ 19,811	\$ 1,533,805

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 BALANCES - MODIFIED CASH BASIS
 COUNTY HEALTH FUND - SPECIAL REVENUE MAJOR FUND
 YEAR ENDED AUGUST 31, 2017

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
REVENUES RECEIVED:					
Property Taxes	\$ 304,958	\$ --	\$ --	\$ --	\$ 304,958
Intergovernmental Revenues:					
Replacement Taxes	10,274	--	--	--	10,274
Other State Sources	101,193	65,037	20,714	--	186,944
Federal Source	8,257	149,519	--	81,558	239,334
Charges for Services	75,033	1,700	144,602	--	221,335
Interest	38	163	1,664	--	1,865
Miscellaneous	--	3,800	--	--	3,800
Total Revenues Received	\$ 499,753	\$ 220,219	\$ 166,980	\$ 81,558	\$ 968,510
EXPENDITURES DISBURSED:					
Current:					
Health and Welfare:					
Personnel and Fringe Benefits	\$ 361,573	\$ 188,401	\$ 41,361	\$ 77,539	\$ 668,874
Commodities	18,494	2,640	99,730	1,940	122,804
Contractual Services	76,910	6,123	--	2,984	86,017
Total Expenditures Disbursed	\$ 456,977	\$ 197,164	\$ 141,091	\$ 82,463	\$ 877,695
Revenues Received Over (Under) Expenditures Disbursed	\$ 42,776	\$ 23,055	\$ 25,889	\$ (905)	\$ 90,815
Other Financing Sources:					
Transfers In	--	1,015	--	--	1,015
Net Change in Fund Balance	\$ 42,776	\$ 24,070	\$ 25,889	\$ (905)	\$ 91,830
Fund Balance - September 1, 2016	177,072	182,459	1,061,728	20,716	1,441,975
Fund Balance - August 31, 2017	\$ 219,848	\$ 206,529	\$ 1,087,617	\$ 19,811	\$ 1,533,805

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, 2017

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
ASSETS						
Cash and Cash Equivalents	\$ 221,887	\$ 260,124	\$ 429,152	\$ 182,437	\$ 28	\$ 1,093,628
TOTAL ASSETS	<u>\$ 221,887</u>	<u>\$ 260,124</u>	<u>\$ 429,152</u>	<u>\$ 182,437</u>	<u>\$ 28</u>	<u>\$ 1,093,628</u>
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES						
Fund Balances:						
Restricted for:						
Public Works/Transportation	\$ 215,785	\$ 259,616	\$ 418,833	\$ 179,760	\$ 28	\$ 1,074,022
Assigned	6,102	508	10,319	2,677	--	19,606
TOTAL FUND BALANCES	<u>\$ 221,887</u>	<u>\$ 260,124</u>	<u>\$ 429,152</u>	<u>\$ 182,437</u>	<u>\$ 28</u>	<u>\$ 1,093,628</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 221,887</u>	<u>\$ 260,124</u>	<u>\$ 429,152</u>	<u>\$ 182,437</u>	<u>\$ 28</u>	<u>\$ 1,093,628</u>

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 BALANCES - MODIFIED CASH BASIS
 COUNTY HIGHWAY FUND - SPECIAL REVENUE MAJOR FUND
 YEAR ENDED AUGUST 31, 2017

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	County Highway Fund	Total
REVENUES RECEIVED:							
Property Taxes	\$ 146,904	\$ 319,202	\$ --	\$ 175,411	\$ --	\$ --	\$ 641,517
Intergovernmental Revenues:							
Motel Fuel Tax	--	--	509,000	--	--	--	509,000
Replacement Taxes	10,830	22,369	--	10,830	--	--	44,029
Other State Sources	--	--	--	--	--	--	--
Federal Source	27,820	--	--	--	--	--	27,820
Charges for Services	--	78,390	--	--	--	--	78,390
Reimbursements for Prior Year Expenditures	--	79,090	--	--	--	--	79,090
Interest	361	19	786	97	--	--	1,263
Total Revenues Received	\$ 185,915	\$ 499,070	\$ 509,786	\$ 186,338	\$ --	\$ --	\$ 1,381,109
EXPENDITURES DISBURSED:							
Current:							
Public Works/Transportation	--	\$ 392,523	\$ 58,842	\$ --	\$ --	\$ --	\$ 451,365
Personnel and Fringe Benefits	141,839	79,353	--	115,761	--	--	336,953
Commodities	--	170,069	333,996	--	--	--	504,065
Contractual Services	--	--	--	--	--	--	--
Total Expenditures Disbursed	\$ 141,839	\$ 641,945	\$ 392,838	\$ 115,761	\$ --	\$ --	\$ 1,292,383
Revenues Received Over (Under) Expenditures Disbursed	\$ 44,076	\$ (142,875)	\$ 116,948	\$ 70,577	\$ --	\$ --	\$ 88,726
Other Financing Sources (Uses):							
Transfers In	--	201,015	--	--	--	--	201,015
Transfers Out	--	--	(200,000)	--	--	--	(200,000)
Net Change in Fund Balance	\$ 44,076	\$ 58,140	\$ (83,052)	\$ 70,577	\$ --	\$ --	\$ 89,741
Fund Balance - September 1, 2016	177,811	201,984	512,204	111,860	28	--	1,003,887
Fund Balance - August 31, 2017	\$ 221,887	\$ 260,124	\$ 429,152	\$ 182,437	\$ 28	\$ 28	\$ 1,093,628

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, 2017

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad Dive Team	Probation	Emergency Management
Cash and Cash Equivalents	\$ 78,655	\$ 132,242	\$ 292,492	\$ 111,909	\$ 17,809	\$ 334,806	\$ 15,176
TOTAL ASSETS	\$ 78,655	\$ 132,242	\$ 292,492	\$ 111,909	\$ 17,809	\$ 334,806	\$ 15,176
LIABILITIES							
Interfund Loans Payable	\$ 850	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TOTAL LIABILITIES	\$ 850	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ 110,683	\$ --	\$ --	\$ --
Employees Retirement	--	--	291,354	--	--	--	--
Public Safety	--	--	--	--	13,445	332,668	14,931
Judiciary	--	--	--	--	--	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	--
Document Storage	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--
Health and Welfare	72,806	131,487	--	--	--	--	--
Assigned	4,999	755	1,138	1,226	4,364	2,138	245
Unassigned	--	--	--	--	--	--	--
TOTAL FUND BALANCES	\$ 77,805	\$ 132,242	\$ 292,492	\$ 111,909	\$ 17,809	\$ 334,806	\$ 15,176
TOTAL LIABILITIES AND FUND BALANCES	\$ 78,655	\$ 132,242	\$ 292,492	\$ 111,909	\$ 17,809	\$ 334,806	\$ 15,176

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, 2017

	Special Revenue						
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Coroner Special	Sheriff's Trust	Court Security
Cash and Cash Equivalents	\$ 12,308	\$ 48,471	\$ 160,745	\$ 1,385	\$ 9,251	\$ 20,856	\$ 586
TOTAL ASSETS	\$ 12,308	\$ 48,471	\$ 160,745	\$ 1,385	\$ 9,251	\$ 20,856	\$ 586
LIABILITIES							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ 1,000	\$ --	\$ --	\$ 43,609
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ 1,000	\$ --	\$ --	\$ 43,609
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	--	--
Public Safety	--	--	--	343	--	20,856	--
Judiciary	12,307	--	--	--	--	--	--
Automation	--	47,967	--	--	--	--	--
Recording	--	--	160,328	--	--	--	--
GIS	--	--	--	--	--	--	--
Document Storage	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	9,251	--	--
Assigned	1	504	417	42	--	--	--
Unassigned	--	--	--	--	--	--	(43,023)
TOTAL FUND BALANCES	\$ 12,308	\$ 48,471	\$ 160,745	\$ 385	\$ 9,251	\$ 20,856	\$ (43,023)
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,308	\$ 48,471	\$ 160,745	\$ 1,385	\$ 9,251	\$ 20,856	\$ 586

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, 2017

	Special Revenue						
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	State's Attorney Forfeited	DUI Equipment	GIS
Cash and Cash Equivalents	\$ 376	\$ 67,063	\$ 514,316	\$ 15,538	\$ 1,127	\$ 24,216	\$ 446,568
TOTAL ASSETS	\$ 376	\$ 67,063	\$ 514,316	\$ 15,538	\$ 1,127	\$ 24,216	\$ 446,568
LIABILITIES							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	24,151	--
Public Safety	--	--	--	15,488	1,124	--	--
Judiciary	376	--	--	--	--	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	446,016
Document Storage	--	66,900	--	--	--	--	--
Economic Development	--	--	504,086	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Assigned	--	163	10,230	50	3	65	552
Unassigned	--	--	--	--	--	--	--
TOTAL FUND BALANCES	\$ 376	\$ 67,063	\$ 514,316	\$ 15,538	\$ 1,127	\$ 24,216	\$ 446,568
TOTAL LIABILITIES AND FUND BALANCES	\$ 376	\$ 67,063	\$ 514,316	\$ 15,538	\$ 1,127	\$ 24,216	\$ 446,568

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, 2017

	Special Revenue						Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Municipal Retirement Fund	Rescue Squad Fund	Tax Sale Automation	
Cash and Cash Equivalents	\$ 27,170	\$ 4,095	\$ 15,640	\$ 881,876	\$ 5,846	\$ 5,365	\$ 3,245,887
TOTAL ASSETS	\$ 27,170	\$ 4,095	\$ 15,640	\$ 881,876	\$ 5,846	\$ 5,365	\$ 3,245,887
LIABILITIES							
Interfund Loans Payable	\$ 544	\$ --	\$ --	\$ 38,924	\$ --	\$ --	\$ 84,927
TOTAL LIABILITIES	\$ 544	\$ --	\$ --	\$ 38,924	\$ --	\$ --	\$ 84,927
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 110,683
Employees Retirement	--	--	--	837,441	--	--	1,128,795
Public Safety	--	--	15,637	--	5,845	--	427,876
Judiciary	--	--	--	--	--	--	29,295
Automation	--	4,093	--	--	--	5,364	57,424
Recording	--	--	--	--	--	--	160,328
GIS	--	--	--	--	--	--	446,016
Document Storage	--	--	--	--	--	--	66,900
Economic Development	--	--	--	--	--	--	504,086
Health and Welfare	26,626	--	--	--	--	--	240,170
Assigned	--	2	3	5,511	1	1	32,410
Unassigned	--	--	--	--	--	--	(43,023)
TOTAL FUND BALANCES	\$ 26,626	\$ 4,095	\$ 15,640	\$ 842,952	\$ 5,846	\$ 5,365	\$ 3,160,960
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,170	\$ 4,095	\$ 15,640	\$ 881,876	\$ 5,846	\$ 5,365	\$ 3,245,887

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 BALANCES - MODIFIED CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED AUGUST 31, 2017

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad Dive Team	Probation	Emergency Management
REVENUES RECEIVED:							
Property Taxes	\$ --	\$ 53,497	\$ 301,934	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
State Sources	--	--	--	--	--	--	--
Replacement Taxes	--	--	--	--	--	--	--
Other State Sources	--	--	--	--	--	--	--
Federal Sources	--	--	--	--	--	--	--
Loan Repayments	5,323	--	--	--	--	--	--
Charges for Services	8,894	--	--	4,540	--	50,097	--
Fines and Fees	100	53	27	105	1	207	14
Interest	--	--	--	--	7,030	--	6,091
Miscellaneous	--	--	--	--	--	--	--
Total Revenues Received	\$ 14,317	\$ 53,550	\$ 301,961	\$ 4,645	\$ 7,031	\$ 50,304	\$ 6,105
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ --	\$ --	\$ 314,504	\$ --	\$ --	\$ --	\$ --
Public Safety	--	--	--	--	3,035	103,202	204
Judiciary	--	--	--	--	--	--	--
Health and Welfare	1,923	51,550	--	--	--	--	--
Capital Outlay	--	--	--	--	--	5,413	--
Total Expenditures Disbursed	\$ 1,923	\$ 51,550	\$ 314,504	\$ --	\$ 3,035	\$ 108,615	\$ 204
Revenues Received Over (Under) Expenditures Disbursed	\$ 12,394	\$ 2,000	\$ (12,543)	\$ 4,645	\$ 3,996	\$ (58,311)	\$ 5,901
Other Financing Sources (Uses):							
Operating Transfers In	1,015	--	--	--	--	--	--
Operating Transfers Out	--	--	--	--	--	--	(5,075)
Net Change in Fund Balance	\$ 13,409	\$ 2,000	\$ (12,543)	\$ 4,645	\$ 3,996	\$ (58,311)	\$ 826
Fund Balance - September 1, 2016	64,396	130,242	305,035	107,264	13,813	393,117	14,350
Fund Balance - August 31, 2017	\$ 77,805	\$ 132,242	\$ 292,492	\$ 111,909	\$ 17,809	\$ 334,806	\$ 15,176

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, 2017

	Special Revenue						
	Fees to Assist Court	Automation	Recording	Drug Traffic Prevention	Coroner Special	Sheriff Special	Court Security
REVENUES RECEIVED:							
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
State Sources	--	--	--	--	13,525	--	--
Replacement Taxes	--	150	--	--	--	--	--
Other State Sources	--	300	--	--	--	--	--
Federal Sources	--	--	--	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--
Charges for Services	13,113	26,357	15,726	418	1,400	--	25,343
Fines and Fees	1	4	15	--	--	--	--
Interest	--	--	--	--	--	18,291	--
Miscellaneous	--	--	--	--	--	--	--
Total Revenues Received	\$ 13,114	\$ 26,811	\$ 15,741	\$ 418	\$ 14,925	\$ 18,291	\$ 25,343
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ --	\$ 20,070	\$ 23,378	\$ --	\$ --	\$ --	\$ --
Public Safety	--	--	--	3,421	--	17,291	54,790
Judiciary	1,222	--	--	--	--	--	--
Health and Welfare	--	--	--	--	5,674	--	--
Capital Outlay	--	--	--	--	--	--	--
Total Expenditures Disbursed	\$ 1,222	\$ 20,070	\$ 23,378	\$ 3,421	\$ 5,674	\$ 17,291	\$ 54,790
Revenues Received Over (Under) Expenditures Disbursed	\$ 11,892	\$ 6,741	\$ (7,637)	\$ (3,003)	\$ 9,251	\$ 1,000	\$ (29,447)
Other Financing Sources (Uses):							
Operating Transfers In	--	--	15,368	105	--	--	--
Operating Transfers Out	--	--	--	--	--	--	--
Net Change in Fund Balance	\$ 11,892	\$ 6,741	\$ 7,731	\$ (2,898)	\$ 9,251	\$ 1,000	\$ (29,447)
Fund Balance - September 1, 2016	416	41,730	153,014	3,283	--	19,856	(13,576)
Fund Balance - August 31, 2017	\$ 12,308	\$ 48,471	\$ 160,745	\$ 385	\$ 9,251	\$ 20,856	\$ (43,023)

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, 2017

	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	--	--	7,272	--	--	--	--	--	--	--	--	--
Loan Repayments	--	--	--	--	--	--	--	--	--	--	--	--
Charges for Services	11,214	16,731	--	270	--	--	--	--	--	3	40	--
Fines and Fees	--	6	513	2	1	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	--	--	--	--	--	--
Total Revenues Received	\$ 11,214	\$ 16,737	\$ 7,785	\$ 272	\$ 1	\$ 3	\$ 40	\$ --	\$ --	\$ --	\$ --	\$ --
EXPENDITURES DISBURSED:												
Current:												
General Government	\$ --	\$ 5,750	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 18,980	\$ --
Public Safety	--	--	--	--	--	--	--	--	--	4,350	--	--
Judiciary	10,162	--	--	115	--	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--
Total Expenditures Disbursed	\$ 10,162	\$ 5,750	\$ --	\$ 115	\$ --	\$ 4,350	\$ 18,980	\$ --	\$ --	\$ (4,347)	\$ --	\$ (18,940)
Revenues Received Over (Under) Expenditures Disbursed	\$ 1,052	\$ 10,987	\$ 7,785	\$ 157	\$ 1	\$ (4,347)	\$ (18,940)	\$ --	\$ --	\$ --	\$ --	\$ --
Other Financing Sources (Uses):												
Operating Transfers In	--	--	--	--	--	3,504	--	--	--	--	84,524	--
Operating Transfers Out	--	--	--	--	--	--	--	--	--	--	--	--
Net Change in Fund Balance	\$ 1,052	\$ 10,987	\$ 7,785	\$ 157	\$ 1	\$ (843)	\$ 65,584	\$ --	\$ --	\$ --	\$ --	\$ --
Fund Balance - September 1, 2016	(676)	56,076	506,531	15,381	1,126	25,059	380,984	--	--	--	--	--
Fund Balance - August 31, 2017	\$ 376	\$ 67,063	\$ 514,316	\$ 15,538	\$ 1,127	\$ 24,216	\$ 446,568	\$ --	\$ --	\$ --	\$ --	\$ --

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, 2017

	Special Revenue						Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Municipal Retirement Fund	Rescue Squad Fund	Tax Sale Automation	
REVENUES RECEIVED:							
Property Taxes	\$ --	\$ --	\$ --	\$ 650,389	\$ --	\$ --	\$ 1,005,820
Intergovernmental Revenue:							
State Sources							
Replacement Taxes	--	--	--	21,635	--	--	35,160
Other State Sources	--	--	--	--	--	--	150
Federal Sources	--	--	--	--	--	--	300
Loan Repayments	--	--	--	--	--	--	7,272
Charges for Services	--	--	--	--	--	--	5,323
Fines and Fees	6,741	714	6,874	--	--	2,960	191,392
Interest	--	1	2	83	1	--	1,180
Miscellaneous	--	--	--	--	4,019	--	35,431
Total Revenues Received	\$ 6,741	\$ 715	\$ 6,876	\$ 672,107	\$ 4,020	\$ 2,961	\$ 1,282,028
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ --	\$ --	\$ --	\$ 739,022	\$ --	\$ 1,386	\$ 1,123,090
Public Safety	--	--	--	--	405	--	186,698
Judiciary	--	--	--	--	--	--	11,499
Health and Welfare	2,377	--	--	--	--	--	61,524
Capital Outlay	--	--	--	--	--	--	5,413
Total Expenditures Disbursed	\$ 2,377	\$ --	\$ --	\$ 739,022	\$ 405	\$ 1,386	\$ 1,388,224
Revenues Received Over (Under) Expenditures Disbursed	\$ 4,364	\$ 715	\$ 6,876	\$ (66,915)	\$ 3,615	\$ 1,575	\$ (106,196)
Other Financing Sources (Uses):							
Operating Transfers In	--	--	--	--	--	--	104,516
Operating Transfers Out	--	--	--	--	--	--	(5,075)
Net Change in Fund Balance	\$ 4,364	\$ 715	\$ 6,876	\$ (66,915)	\$ 3,615	\$ 1,575	\$ (6,755)
Fund Balance - September 1, 2016	22,262	3,380	8,764	909,867	2,231	3,790	3,167,715
Fund Balance - August 31, 2017	\$ 26,626	\$ 4,095	\$ 15,640	\$ 842,952	\$ 5,846	\$ 5,365	\$ 3,160,960

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, 2017

		Private - Purpose Trusts					
		Township Bridge		Township Supervisory Engineering		Township Motor Fuel Tax	
		Local Bridge Program	Township Supervisory Engineering	Township Construction			
		Drainage	Engineering	Construction	Township Motor Fuel Tax		
ASSETS							
Cash and Cash Equivalents	\$	412,050	\$ 44,136	\$ 9,286	\$ 300	\$ 1,461,647	
TOTAL ASSETS		\$ 412,050	\$ 44,136	\$ 9,286	\$ 300	\$ 1,461,647	
LIABILITIES							
Due to Others	\$	--	\$ --	\$ --	\$ --	\$ --	
TOTAL LIABILITIES		\$ --	\$ --	\$ --	\$ --	\$ --	
NET POSITION							
Restricted for Other Purposes	\$	412,050	\$ 44,136	\$ 9,286	\$ 300	\$ 1,461,647	
TOTAL NET POSITION		\$ 412,050	\$ 44,136	\$ 9,286	\$ 300	\$ 1,461,647	

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, 2017

	Private - Purpose Trusts					Total Trust Funds
	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund		
ASSETS						
Cash and Cash Equivalents	\$ 40,518	\$ 844	\$ 164,806	\$ 45	\$ 2,133,632	
TOTAL ASSETS	\$ 40,518	\$ 844	\$ 164,806	\$ 45	\$ 2,133,632	
LIABILITIES						
Due to Others	\$ 2,067	\$ --	\$ --	\$ --	\$ 2,067	
TOTAL LIABILITIES	\$ 2,067	\$ --	\$ --	\$ --	\$ 2,067	
NET POSITION						
Restricted for Other Purposes	\$ 38,451	\$ 844	\$ 164,806	\$ 45	\$ 2,131,565	
TOTAL NET POSITION	\$ 38,451	\$ 844	\$ 164,806	\$ 45	\$ 2,131,565	

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

SHELBY COUNTY, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 TRUST FUNDS - MODIFIED CASH BASIS
 YEAR ENDED AUGUST 31, 2017

	Private - Purpose Trusts					
	Drainage	Local Bridge	Township Supervisory Engineering	Township Construction	Township Motor Fuel Tax	
ADDITIONS:						
Property Taxes	\$ 96,994	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:						
State Sources	--	--	--	--	--	--
Motor Fuel Taxes	--	257,203	--	--	1,464,816	1,464,816
Other State Sources	--	--	--	--	507,590	507,590
Fines and Fees	--	--	--	--	--	--
Cash Bail	--	--	--	--	--	--
Interest	122	201	2	--	1,889	1,889
Miscellaneous	--	--	--	--	--	--
Total Additions	\$ 97,116	\$ 257,404	\$ 2	\$ --	\$ 1,974,295	\$ 1,974,295
DEDUCTIONS:						
Distributions	\$ 77,673	\$ 330,555	\$ (2,135)	\$ --	\$ 1,884,398	\$ 1,884,398
Total Deductions	\$ 77,673	\$ 330,555	\$ (2,135)	\$ --	\$ 1,884,398	\$ 1,884,398
Change in Net Position	\$ 19,443	\$ (73,151)	\$ 2,137	\$ --	\$ 89,897	\$ 89,897
Net Position - September 1, 2016	392,607	117,287	7,149	300	1,371,750	1,371,750
Net Position - August 31, 2017	\$ 412,050	\$ 44,136	\$ 9,286	\$ 300	\$ 1,461,647	\$ 1,461,647

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

SHELBY COUNTY, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 TRUST FUNDS - MODIFIED CASH BASIS (CONTINUED)
 YEAR ENDED AUGUST 31, 2017

	Private - Purpose Trusts				Total
	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund	
ADDITIONS:					
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 96,994
Intergovernmental Revenue:					
State Sources					
Motor Fuel Taxes	--	--	--	--	1,464,816
Other State Sources	--	--	--	--	764,793
Fines and Fees	--	230	--	--	230
Cash Bail	--	--	30,892	--	30,892
Interest	--	2	--	--	2,216
Miscellaneous	9,383	--	--	--	9,383
Total Additions	\$ 9,383	\$ 232	\$ 30,892	\$ --	\$ 2,369,324
DEDUCTIONS:					
Distributions					
Total Distributions	\$ --	\$ 646	\$ 65,050	\$ --	\$ 2,356,187
Change in Net Position	\$ 9,383	\$ (414)	\$ (34,158)	\$ --	\$ 13,137
Net Position - September 1, 2016	29,068	1,258	198,964	45	2,118,428
Net Position - August 31, 2017	\$ 38,451	\$ 844	\$ 164,806	\$ 45	\$ 2,131,565

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, 2017

	Balance September 1, 2016	Additions	Deductions	Balance August 31, 2017
Property Taxes:				
Assets:				
Cash Deposits & External Investment Pool	\$ 5,782,549	\$ 30,584,098	\$ 29,696,869	\$ 6,669,778
Liabilities:				
Distributions Payable	\$ 5,782,549	\$ 30,584,098	\$ 29,696,869	\$ 6,669,778
Litigation:				
Assets:				
Cash Deposits	\$ 23,335	\$ 44	\$ --	\$ 23,379
Liabilities:				
Distributions Payable	\$ 23,335	\$ 44	\$ --	\$ 23,379
Estate Tax:				
Assets:				
Cash Deposits	\$ 1,150	\$ --	\$ --	\$ 1,150
Liabilities:				
Distributions Payable	\$ 1,150	\$ --	\$ --	\$ 1,150
Minor and Unknown Heirs:				
Assets:				
Cash Deposits	\$ 46,051	\$ 4	\$ --	\$ 46,055
Liabilities:				
Distributions Payable	\$ 46,051	\$ 4	\$ --	\$ 46,055
County Clerk Real Estate:				
Assets:				
Cash Deposits	\$ 31,238	\$ 217,962	\$ 231,927	\$ 17,273
Liabilities:				
Distributions Payable	\$ 31,238	\$ 217,962	\$ 231,927	\$ 17,273
Total Agency Funds:				
Assets:				
Cash Deposits	\$ 5,884,323	\$ 30,802,108	\$ 29,928,796	\$ 6,757,635
Total Assets	<u>\$ 5,884,323</u>	<u>\$ 30,802,108</u>	<u>\$ 29,928,796</u>	<u>\$ 6,757,635</u>
Liabilities:				
Distributions Payable	\$ 5,884,323	\$ 30,802,108	\$ 29,928,796	\$ 6,757,635
Total Liabilities	<u>\$ 5,884,323</u>	<u>\$ 30,802,108</u>	<u>\$ 29,928,796</u>	<u>\$ 6,757,635</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, 2016 TO JUNE 30, 2017
SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER IL-18-X032

Line Item	<u>Revenue</u>	
401.01	Passenger Fare / Donations	\$ 28,119
401.02	Senior Citizen Fares	1,203
409.00	Local Cash Grants	79,747
410.99	Other Local Special Fare Assistance	79,926
411.00	State Cash Grants	1,080,907
431.00	Contributed Cash	--
Total Revenue		<u>\$ 1,269,902</u>

<u>Expenses</u>		Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	Labor	\$ 103,756	\$ 743,322	\$ 847,078
502.00	Fringe Benefits	16,205	185,512	201,717
503.00	Services	21,760	140,024	161,784
504.01	Fuel and Oil	--	146,458	146,458
504.02	Tires and Tubes	--	1,475	1,475
504.99	Other Materials	11,424	184	11,608
505.00	Utilities	40,882	216	41,098
506.00	Casualty and Liability	34,510	--	34,510
507.00	Taxes	--	--	--
509.00	Miscellaneous	25,286	14,199	39,485
511.00	Interest	--	--	--
512.00	Lease and Rentals	26,546	--	26,546
Total Direct Expense		\$ 280,369	\$ 1,231,390	\$ 1,511,759
Total Indirect Expense		28,037	123,139	151,176
Total Expense		<u>\$ 308,406</u>	<u>\$ 1,354,529</u>	<u>\$ 1,662,935</u>

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ 308,406	\$ 1,354,529	\$ 1,662,935	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	\$ 308,406	\$ 1,354,529	\$ 1,662,935	
Less: Total Operating Revenues	--	29,322	29,322	
Section 5311 Operating Deficit	308,406	\$ 1,325,207	\$ 1,633,613	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ 246,725	\$ 662,604		\$ 909,328
Funding Limits Per Contract				393,033
Maximum Section 5311 Reimbursement			393,033	393,033
Less: IDOT Payments - Section 5311				
Reimbursement to Grantee				393,033
Amount Under Paid				\$ --
Grantee Local Match Requirement			<u>\$ 1,240,580</u>	

Grantee Match Sources

Special Transit Fares	\$ --
Local Cash Grants	79,747
Other Local Special Fare Assistance	79,926
State Cash Grants	1,080,907
Contributed Cash	--
Total Grantee Match Sources	<u>\$ 1,240,580</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, 2016 TO JUNE 30, 2017
SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER OP-17-58-IL

Line Item	<u>Operating Revenues and Income</u>	
401	Passenger Fare / Donations	\$ 29,321
413	Federal Cash Grants & Reimbursements	<u>393,033</u>
	Total Revenue	<u>\$ 422,354</u>
	 <u>Expenses</u>	
		<u>Total</u>
501	Labor	\$ 847,078
502	Fringe Benefits	201,716
503	Services	161,784
504	Materials & Supplies Consumed	159,542
505	Utilities	41,098
506	Casualty and Liability	34,510
507	Taxes	--
509	Miscellaneous	39,485
511	Interest	--
512	Lease and Rentals	26,545
	Indirect Cost Rate	<u>151,176</u>
	Total Operating Expense	<u>\$ 1,662,934</u>
	Total Eligible Operating Expenses	<u>\$ 1,662,934</u>
	 <u>Downstate Operating Assistance Reimbursement</u>	
	Total Eligible Operating Expense - 65% of Total Eligible Expense	\$ 1,662,934
	Total Operating Revenue & Income	<u>422,354</u>
	Deficit	<u>\$ 1,240,580</u>
	Maximum Contract Amount	<u>\$ 1,159,500</u>
	FY17 Eligible Downstate Operating Assistance (Deficit, 65% of total eligible expense or maximum contract amount, whichever is less)	<u>\$ 1,080,907</u>
	FY17 Downstate Operating Assistance Received (prior to close of fiscal year)	<u>\$ 1,027,011</u>
	FY17 Downstate Operating Assistance Receivable (at close of fiscal year and subsequently received)	<u>\$ 53,896</u>
	<u>FY 17 Downstate Operating Assistance (Over)</u> <u>Under Paid</u>	<u>\$ --</u>

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