

**SHELBY COUNTY, ILLINOIS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2018**

FILED
MAR 13 2019

Jessie Day
SHELBY COUNTY CLERK

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

SHELBY COUNTY, ILLINOIS
 TABLE OF CONTENTS
AUGUST 31, 2018

	<u>PAGES</u>
Financial Section:	
Independent Auditor's Report	1-2
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	5-6
Supplementary Information (Part 1 of 2):	
Management's Discussion and Analysis	7-13
Basic Financial Statements:	
Government-Wide Financial Statements (GWFS)	
Statement of Net Position – Modified Cash Basis	14
Statement of Activities – Modified Cash Basis	15
Fund Financial Statements	
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis – Governmental Funds	16
Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balances – Modified Cash Basis To the Statement of Net Position – Modified Cash Basis	17
Statement of Revenues Received, Expenditures Disbursed And Changes in Fund Balances-Modified Cash Basis – Governmental Funds	18
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	19
Statement of Fiduciary Net Position –Modified Cash Basis	20
Statement of Changes in Fiduciary Net Position – Modified Cash Basis	21
Notes to Basic Financial Statements	22-44

SHELBY COUNTY, ILLINOIS
TABLE OF CONTENTS
AUGUST 31, 2018

Supplementary Information (Part 2 of 2)

Budgetary Comparison Schedule – Modified Cash Basis	
General Fund	45
Schedule of Appropriations and Expenditures Disbursed	
– Modified Cash Basis	46-47
County Health Fund	48
County Highway Fund	49
Mental Health Fund	50
Rural Transportation Fund	51
 Note to Budgetary Comparison Schedules	 52
 Combining Statements:	
<u>General Fund Financial</u>	
Combining Statement of Assets, Liabilities and Fund Balances	
- Modified Cash Basis	53
Combining Statement of Revenues Received, Expenditures	
Disbursed and Changes in Fund Balances – Modified Cash Basis	54
Combining Statement of Expenditures Disbursed – Modified Cash Basis	55-56
<u>County Health Fund</u>	
Combining Statement of Assets, Liabilities and Fund Balances	
- Modified Cash Basis	57
Combining Statement of Revenues Received, Expenditures	
Disbursed and Changes in Fund Balances – Modified Cash Basis	58
<u>County Highway Fund</u>	
Combining Statement of Assets, Liabilities and Fund Balances	
- Modified Cash Basis	59
Combining Statement of Revenues Received, Expenditures	
Disbursed and Changes in Fund Balances – Modified Cash Basis	60
<u>Non-Major Governmental Funds</u>	
Combining Statement of Assets, Liabilities and Fund Balances	
- Modified Cash Basis	61-64
Combining Statement of Revenues Received, Expenditures	
Disbursed and Changes in Fund Balances – Modified Cash Basis	65-68

SHELBY COUNTY, ILLINOIS
TABLE OF CONTENTS
AUGUST 31, 2018

<u>Fiduciary Funds</u>	
Combining Statement of Fiduciary Net Position – Trust Funds - Modified Cash Basis	69-70
Combining Statement of Changes in Fiduciary Net Position – Trust Funds - Modified Cash Basis	71-72
<u>Other</u>	
Statement of Changes in Assets & Liabilities – Agency Funds - Modified Cash Basis	73
Section 5311 Annual Financial Report – Rural Transportation	74
Schedule of Revenue & Expense – Under Downstate Operating Assistance Grant	75
Single Audit Section:	
Schedule of Expenditures of Federal Awards	76
Notes to the Schedule of Expenditures of Federal Awards	77
Schedule of Findings and Questioned Costs	78-79
Corrective Action Plan	80
Summary Schedule of Prior Audit Findings	81
Reconciliation of DHS FY 18 Federal Funds Summary to Federal Expenditures on the Schedule of Expenditures of Federal Awards	82

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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, 2018, 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.

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 governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois, as of August 31, 2018, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

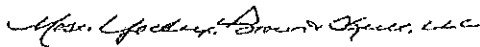
Supplementary Information and Single Audit

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Illinois' basic financial statements. The items included in the "Supplementary Information" sections of the report and the "Single Audit" section of the report, including the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2019 on our consideration of Shelby County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shelby County, Illinois' internal control over financial reporting and compliance.



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March 13, 2019

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Shelby County Illinois' basic financial statements, and have issued our report thereon dated March 13, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs and referenced as finding 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

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

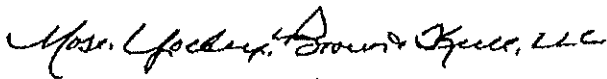
We noted certain matters that we reported to management of Shelby County, Illinois in a separate letter dated March 13, 2019.

Shelby County Illinois' Response to Findings

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

Purpose of this Report

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



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Shelbyville, Illinois

March 13, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited Shelby County, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Shelby County, Illinois' major federal programs for the year ended August 31, 2018. Shelby County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Shelby County, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.


Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



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

March 13, 2019

**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 and the Shelby County Health Department are included as blended units 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, the Airport Commission and the Health Department.

FINANCIAL HIGHLIGHTS

- Henton County Highway Bridge was opened to traffic
- Jet Fuel Tank was put into service
- Area Imagery was completed
- Courthouse Roof repair was started
- Unspent Revolving Loan Fund monies were returned to the State of Illinois
- The County entered into a partially self-funded contract for employee health insurance

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 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, 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 \$6,662,145 and \$7,062,141 of restricted net position as of August 31, 2018 and 2017, respectively. Net position may serve over time as a useful indicator of a government's financial position. The Governmental net position was \$29,681,555 and \$30,479,874 as of August 31, 2018 and 2017, respectively.

Following is a separate Summary of Net Position – modified cash basis as of August 31, 2018 and 2017 for Governmental Activities:

**Summary of Net Position – Modified Cash Basis
Governmental Activities
August 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Current and other assets	\$11,474,761	\$12,015,841
Capital assets, net of accumulated depreciation	<u>18,355,436</u>	<u>18,769,350</u>
Total Assets	<u>\$29,830,197</u>	<u>\$30,785,191</u>
Short-term liabilities	\$ 135,957	\$ 305,317
Long-term liabilities	<u>12,685</u>	<u>--</u>
Total Liabilities	<u>\$ 148,642</u>	<u>\$ 305,317</u>
Net Position:		
Net Investment in Capital Assets	\$18,342,751	\$18,619,350
Restricted for Inventory	8,444	7,766
Restricted for Insurance	899,216	1,011,081
Restricted for Employees' Retirement	1,259,152	1,128,795
Restricted for Public Safety	385,584	427,876
Restricted for Public Works and Transportation	1,118,281	1,074,022
Restricted for Economic Development	--	504,086
Restricted for Health and Welfare	2,125,624	1,971,345
Restricted for Other Purposes	865,844	937,170
Unrestricted	<u>4,676,659</u>	<u>4,798,383</u>
Total Net Position	<u>\$29,681,555</u>	<u>\$30,479,874</u>

Sixty-two 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, 2018 compared to 61% as of August 31, 2017. 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, 2018 and 2017, the County had positive balances in all categories of net position for the governmental activities. The County's overall financial position deteriorated with net position decreasing \$798,319 during fiscal year 2018.

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, 2018 and 2017**

Receipts:	<u>2018</u>	<u>2017</u>
Program Receipts:		
Fines, fees, & charges for services	\$ 1,480,705	\$ 1,463,030
Operating grants and contributions	2,853,881	2,349,785
Capital grants and contributions	--	1,517,409
General Receipts:		
Property taxes	4,468,007	4,288,211
Sales and other taxes	2,325,533	3,219,079
Unrestricted investment earnings	12,342	10,727
Other receipts	<u>145,927</u>	<u>328,116</u>
Total Receipts	<u>\$11,286,395</u>	<u>\$ 13,176,357</u>
Disbursements:		
General government	\$ 2,444,555	\$ 2,979,941
Public safety	2,774,060	2,490,825
Corrections	146,105	145,970
Judiciary	718,963	520,254
Public works/transportation	3,808,259	3,515,919
Health and welfare	1,678,352	1,468,046
Interest on long-term debt	<u>--</u>	<u>--</u>
Total Disbursements	<u>\$11,570,294</u>	<u>\$11,120,955</u>
Excess (Deficiency) of Receipts over Disbursements	\$ (283,899)	\$ 2,055,402
Special Item	<u>(514,420)</u>	<u>--</u>
Change in Net Position	\$ (798,319)	\$ 2,055,402
Net position – September 1,	30,479,874	29,078,814
Prior Year Adjustment	<u>--</u>	<u>(654,342)</u>
Net position – August 31,	<u>\$29,681,555</u>	<u>\$30,479,874</u>

The "special item" in 2018 represents the return of Revolving Loan Fund proceeds to the State of Illinois.

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 \$11,338,804 and \$11,710,524 as of August 31, 2018 and 2017, respectively. Of these amounts, \$6,653,701 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 \$8,444 of fund balance is considered unspendable because it has been used for real estate tax stamp inventory. Committed fund balances total \$122,588 and represent amounts that have been committed by formal action of the County Board. A total of \$1,651,463 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 \$2,902,608 is unassigned and can be used for any lawful purpose.

The fund balance for all Governmental Funds at the fiscal years ended August 31, 2018 and 2017 had a negative net change of \$371,720 and a positive net change of \$987,116, respectively.

Per the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance, total Governmental receipts for the fiscal years 2018 and 2017 were \$11,299,929 and \$11,682,428, respectively and total disbursements were \$11,177,164 and \$10,695,312, 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 \$2,904,365, while total fund balance is \$3,934,613. 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 52 percent of total general fund expenditures and other financing sources, while total fund balance represented 70 percent of that same amount. For the year ended August 31, 2018, receipts of \$4,939,703 less disbursements of \$5,219,617 resulted in a decrease in fund balance of (\$279,914). After the net transfers of (\$97,618), the result was a net decrease in the General Fund fund balance of \$(377,532). For the year ended August 31, 2017, receipts of \$5,770,938 less disbursements of \$4,783,289 and net transfers of (\$101,471) resulted in a net increase in fund balance of \$886,178.

The largest receipt sources for the General Fund are property taxes, sales taxes, and income taxes which account for 71 and 75 percent of receipts for the years ended August 31, 2018 and 2017, respectively. General government and public safety are the primary operations of the general fund. Approximately 79 and 81 percent of the General Fund's disbursements are for general government and public safety activities for the years ended August 31, 2018 and 2017, respectively.

COUNTY HEALTH FUND

The largest source of revenues received for the County Health Fund are property taxes, charge for services, federal, and state grant receipts from State of Illinois agencies which account for 99 and 98 percent of receipts for the years ended August 31, 2018 and 2017, 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 86 and 85 percent of receipts for the years ended August 31, 2018 and 2017, 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 97 and 96 percent of receipts for the years ended August 31, 2018 and 2017, respectively. The Mental Health Fund's basic purpose is to provide for the community health facilities and services for the mentally challenged in the County.

RURAL TRANSPORTATION

The largest 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, 2018 and 2017. The Rural Transportation Fund provides public transportation for the residents of multiple counties, including Shelby 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 \$135,203 and actual disbursements were less than budgeted amounts by \$3,488, resulting in a positive budget variance of \$138,691. There were no significant variations between the original budget and the final amended budget nor between the final amended budget and actual results. 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, and Rural Transportation Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The County's investments in capital assets as of August 31, 2018 and 2017 (net of accumulated depreciation), are summarized below for Governmental-Type Activities:

	Capital Assets Governmental Activities (Net of Depreciation) <u>August 31, 2018 and 2017</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 3,414,046	\$ 3,414,046
Work in Progress	236,629	313,111
Buildings and Improvements	3,858,986	4,020,017
Vehicles	718,700	873,599
Maintenance Vehicles	43,339	49,157
Infrastructure	9,430,349	9,728,210
Equipment	651,323	367,872
Law Enforcement & Canine	<u>2,064</u>	<u>3,338</u>
Total Capital Assets, net of accumulated depreciation	<u>\$18,355,436</u>	<u>\$18,769,350</u>

During fiscal years 2018 and 2017, total capital assets for the County had a net decrease (including additions, decreases, and depreciation) of (\$413,914) and a net increase of \$1,075,559, respectively. These additions reflect the current additions for vehicles, equipment, building and highway infrastructure and other miscellaneous equipment. The County recorded \$928,454 and \$896,620 of depreciation expense for the fiscal years 2018 and 2017, respectively and the amounts of accumulated depreciation are \$10,445,035 and \$9,633,394 as of August 31, 2018 and 2017, respectively.

In March 2018 the County signed a contract for \$717,387 with K Wohltman Construction Inc. to repair and install a new roof on the courthouse. As of year ending August 31, 2018 the repairs have not been completed. The County expended \$158,638 during fiscal year ending August 31, 2018.

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

DEBT

The County has a statutorily imposed legal general obligation bond limit of 5.75% of its total assessed valuation. That limit is approximately 21.8 million dollars, and is substantially greater than current outstanding debt principal

The following is a summary of the County's gross outstanding short-term and long-term debt as of August 31, 2018 and 2017:

Outstanding Short-Term Debt Governmental Activities August 31, 2018 and 2017

<u>Debt Description</u>	<u>2018</u>	<u>2017</u>
Bank Loans	\$ <u> --</u>	\$ <u> 150,000</u>

Outstanding Long-Term Debt Governmental Activities August 31, 2018 and 2017

<u>Debt Description</u>	<u>2018</u>	<u>2017</u>
Promissory Note	\$ <u> 12,685</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. Erica Firnhaber, 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, 2018

	Primary Government Governmental Activities	Component Unit
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 11,263,243	\$ 52,029
Investments	156,412	--
Due from other Governments	--	336
Other Asset - Capitalization Contribution	46,662	--
Inventory	8,444	--
Total Current Assets	\$ 11,474,761	\$ 52,365
Noncurrent Assets:		
Capital Assets		
Land	\$ 3,414,046	\$ --
Work in Progress	236,629	--
Buildings & Improvements	6,392,724	--
Vehicles	3,081,989	--
Maintenance Vehicles	842,737	--
Infrastructure	11,920,918	--
Equipment	2,894,928	4,820
Law Enforcement Canine	16,500	--
Less: Accumulated Depreciation	(10,445,035)	(4,820)
Total Noncurrent Assets	\$ 18,355,436	\$ --
TOTAL ASSETS	\$ 29,830,197	\$ 52,365
LIABILITIES:		
Current Liabilities:		
Withholding Payable	\$ 86,891	\$ 940
Due to Other Governmental Units	49,066	--
Total Current Liabilities	\$ 135,957	\$ 940
Long-Term Liabilities:		
Debt Due in More Than One Year	\$ 12,685	\$ --
Total Long-Term Liabilities	\$ 12,685	\$ --
TOTAL LIABILITIES	\$ 148,642	\$ 940
NET POSITION		
Net Investment in Capital Assets	\$ 18,342,751	\$ --
Restricted for:		
Inventory	8,444	--
Insurance	899,216	--
Employees' Retirement	1,259,152	--
Public Safety	385,584	--
Public Works and Transportation	1,118,281	--
Health and Welfare	2,125,624	--
Other Purposes	865,844	--
Unrestricted	4,876,659	51,425
TOTAL NET POSITION	\$ 29,681,555	\$ 51,425

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

**SHELBY COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED AUGUST 31, 2018**

Activities	PROGRAM RECEIPTS				Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 2,444,555	\$ 932,278	\$ 477,128	\$ -	\$ (1,035,149)
Indemnity	-	5,380	-	-	5,380
Public Safety	2,774,060	92,935	47,959	-	(2,633,166)
Corrections	146,105	-	-	-	(146,105)
Judiciary	718,963	10,867	-	-	(708,096)
Public Works/Transportation	3,808,259	169,339	1,955,296	-	(1,683,624)
Health and Welfare	1,678,352	269,906	373,498	-	(1,034,948)
Total Governmental Activities	\$ 11,570,294	\$ 1,480,705	\$ 2,853,881	\$ -	\$ (7,235,708)
TOTAL PRIMARY GOVERNMENT	\$ 11,570,294	\$ 1,480,705	\$ 2,853,881	\$ -	\$ (7,235,708)
Component Unit:					
Shelby County Tourism	\$ 80,439	\$ 17,470	\$ 17,504	\$ -	\$ (45,465)
General Receipts:					
Taxes - Property				\$ 4,468,007	\$ -
Taxes - Sales				740,910	-
Taxes - Income				1,089,058	-
Taxes - Motor Fuel				371,049	-
Taxes - Replacement & Other				124,516	59,824
Unrestricted Interest				12,342	-
County Farm				34,352	-
Gain/Loss on Disposal of Capital Assets				(1,284)	-
Miscellaneous				112,859	289
Total General Receipts and Transfers				\$ 6,951,809	\$ 60,113
Excess (Deficiency) of Receipts over Disbursements				\$ (283,899)	\$ 14,648
Special Items				(514,420)	-
Change in Net Position				\$ (798,319)	\$ 14,648
Net Position - September 1, 2017				30,479,874	36,777
Net Position - August 31, 2018				\$ 29,681,555	\$ 51,425

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, 2018

	General Fund	County Health Fund	County Highway Fund	Mental Health Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 3,964,832	\$ 1,442,794	\$ 1,139,365	\$ 1,784,806	\$ 1,876	\$ 2,929,570	\$ 11,263,243
Investments	10,000	125,000	-	-	-	21,412	156,412
Interfund Loans Receivable	40,632	-	-	-	-	-	40,632
Other Asset - Capitalization Contribution Inventory	46,662	-	-	-	-	-	46,662
	8,444	-	-	-	-	-	8,444
TOTAL ASSETS	\$ 4,070,570	\$ 1,567,794	\$ 1,139,365	\$ 1,784,806	\$ 1,876	\$ 2,950,982	\$ 11,515,393
LIABILITIES							
Withholding Payable	\$ 86,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,891
Interfund Loans Payable	-	-	-	-	-	40,632	40,632
Due to Other Governmental Units	49,066	-	-	-	-	-	49,066
TOTAL LIABILITIES	\$ 135,957	\$ -	\$ -	\$ -	\$ -	\$ 40,632	\$ 176,589
FUND BALANCE							
Fund Balance:							
Nonspendable:							
Inventory	\$ 8,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,444
Restricted for:							
Insurance	899,216	-	-	-	-	-	899,216
Indemnity	-	-	-	-	-	116,063	116,063
Employees Retirement	-	-	-	-	-	1,259,152	1,259,152
Public Safety	-	-	-	-	-	385,584	385,584
Judiciary	-	-	-	-	-	24,069	24,069
Automation	-	-	-	-	-	73,823	73,823
Recording	-	-	-	-	-	162,220	162,220
Public Works/Transportation	-	-	1,118,281	-	-	-	1,118,281
GIS	-	-	-	-	-	413,910	413,910
Document Storage	-	-	-	-	-	75,759	75,759
Health and Welfare	-	94,948	-	1,756,927	-	273,749	2,125,624
Committed:							
Capital Improvement	122,588	-	-	-	-	-	122,588
Assigned	-	1,472,846	21,084	27,879	1,876	127,778	1,651,463
Unassigned	2,904,365	-	-	-	-	(1,757)	2,902,608
TOTAL FUND BALANCES	\$ 3,934,613	\$ 1,567,794	\$ 1,139,365	\$ 1,784,806	\$ 1,876	\$ 2,910,350	\$ 11,338,804
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,070,570	\$ 1,567,794	\$ 1,139,365	\$ 1,784,806	\$ 1,876	\$ 2,950,982	\$ 11,515,393

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, 2018

Total Fund Balance for Governmental Funds	\$ 11,338,804
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	14,941,390
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	<u>(12,685)</u>
Net Position of Governmental Activities	<u>\$ 29,681,555</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, 2018

	General Fund	County Health Fund	County Highway Fund	Mental Health Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:							
Property Taxes	\$ 1,691,008	\$ 311,711	\$ 660,557	\$ 571,743	\$ -	\$ 1,232,988	\$ 4,468,007
Sales Taxes	740,910	-	-	-	-	-	740,910
Intergovernmental Revenue:							
State Sources:							
Income Taxes	1,089,058	-	-	-	-	-	1,089,058
Motor Fuel Taxes	-	-	371,049	-	-	-	371,049
Replacement Tax	38,273	8,769	-	17,236	-	22,667	124,516
Other State Sources	408,447	217,548	127,375	-	1,160,807	545	1,915,722
Federal Sources	67,051	155,950	114,700	-	393,033	207,425	938,159
County Farm	34,352	-	-	-	-	-	34,352
Charges for Services	78,994	243,662	81,585	-	-	93,062	487,323
Licenses and Permits	7,462	-	-	-	-	-	7,462
Fines, Fees and Forfeits	550,341	-	-	-	-	203,931	754,272
Penalties, Interest and Costs	70,429	-	-	-	-	-	70,429
Sales of Real Estate Stamps	151,219	-	-	-	-	-	151,219
Sale of Fixed Assets	5,000	-	-	-	-	7,250	12,250
Interest	5,253	2,080	1,478	2,542	2	987	12,342
Miscellaneous	906	-	-	-	-	111,953	112,859
Total Revenues Received	\$ 4,939,703	\$ 939,720	\$ 1,394,325	\$ 591,521	\$ 1,553,843	\$ 1,880,818	\$ 11,299,929
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ 1,950,872	\$ -	\$ -	\$ -	\$ -	\$ 398,982	\$ 2,349,854
Public Safety	2,163,330	-	-	-	-	425,693	2,589,023
Corrections	144,105	-	-	-	-	-	144,105
Judiciary	530,215	-	-	-	-	185,483	715,698
Public Works/Transportation	252	-	1,295,086	-	1,553,843	324,775	3,173,956
Health and Welfare	68,069	907,997	-	446,912	-	244,007	1,666,985
Debt Service	-	-	-	-	-	7,250	7,250
Principal Retirement	-	-	-	-	-	2,219	2,219
Interest	-	-	-	10,000	-	99,592	528,074
Capital Outlay	262,774	-	55,768	-	-	-	-
Total Expenditures Disbursed	\$ 5,219,617	\$ 907,997	\$ 1,350,854	\$ 456,912	\$ 1,553,843	\$ 1,687,941	\$ 11,177,164
Revenues Received Over (Under) Expenditures Disbursed	\$ (279,914)	\$ 31,723	\$ 43,471	\$ 134,609	\$ (1)	\$ 192,877	\$ 122,765
Other Financing Sources (Uses):							
Loan Proceeds	-	-	-	-	-	19,935	19,935
Operating Transfers In	447,855	2,266	252,266	-	-	124,417	826,804
Operating Transfers Out	(545,473)	-	(250,000)	-	-	(31,331)	(826,804)
Total Other Financing Sources (Uses):	\$ (97,618)	\$ 2,266	\$ 2,266	\$ -	\$ -	\$ 113,021	\$ 19,935
Special Item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (514,420)	\$ (514,420)
Net Change in Fund Balance	\$ (97,532)	\$ 33,989	\$ 45,737	\$ 134,609	\$ (1)	\$ (208,522)	\$ (97,720)
Fund Balance - September 1, 2017	4,312,145	1,533,805	1,093,628	1,650,197	1,877	3,118,872	11,710,524
Fund Balance - August 31, 2018	\$ 3,934,613	\$ 1,567,794	\$ 1,139,365	\$ 1,784,806	\$ 1,876	\$ 2,910,350	\$ 11,336,804

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, 2018

Net Change in Fund Balance - Total Governmental Funds	\$ (371,720)
The Change in Net Position reported for governmental activities in the Statement of Activities - modified cash basis is different because:	
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>	
Current year proceeds	(19,935)
Current year principal retirement	7,250
<p>Governmental funds report capital outlays as disbursements; however, in the Statement of Activities - modified cash basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Resulting in the following differences:</p>	
Current year capital outlays capitalized	528,074
Current year depreciation expense on capitalized assets	(928,454)
Proceeds from Sale of capital assets	(12,250)
Loss on disposal on capital assets	(1,284)
Special Item	514,420
Change in Net Position of Governmental Activities	\$ (283,899)

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, 2018

	Private - Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,159,156	\$ 2,900,945
Investments	--	292,454
TOTAL ASSETS	\$ 2,159,156	\$ 3,193,399
LIABILITIES		
Due to Others	\$ 2,374	\$ 3,193,399
TOTAL LIABILITIES	\$ 2,374	\$ 3,193,399
NET POSITION		
Restricted for Other Purposes	\$ 2,156,782	\$ --
TOTAL NET POSITION	\$ 2,156,782	\$ --

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, 2018

	Private - Purpose Trust Funds
ADDITIONS:	
Property Taxes	\$ 87,717
Intergovernmental Revenue:	
State Sources	
Motor Fuel Taxes	1,596,418
Other State Sources	534,097
Fines and Fees	170
Cash Bail	25,080
Interest	2,283
Miscellaneous	13,810
	\$ 2,259,575
DEDUCTIONS:	
Distributions	\$ 2,234,358
	\$ 2,234,358
Change in Net Position	\$ 25,217
Net Position - September 1, 2017	2,131,565
Net Position - August 31, 2018	\$ 2,156,782

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, 2018

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, 2018

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.

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*.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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 *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 multiple counties, including Shelby 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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

The original budget was adopted on September 13, 2017, the final budget on August 8, 2018. 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

In accordance with the modified cash basis of accounting, investments are recorded at cost rather than at fair value as required by GASB Statement No. 72, Fair Value Measurement and Application. Gains or losses on the sale of investments are recognized upon realization. The County has adopted a formal written investment policy. The County's investments consist of interest bearing demand deposits and an investment in an external investment pool.

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. 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:

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

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

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

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. 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.

N. Fund Equity

Fund Balances

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

1. Nonspendable Fund Balance

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

2. Restricted Fund Balance

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

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.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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.

Net Position

In the government-wide financial statements, net position represent the difference between assets and liabilities. Net position invested in capital assets, 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 2016 and 2017 attached as an enforceable lien on property as of January 1, 2015 and 2016, respectively. These taxes were required to be levied by the County prior to the last Tuesday in December. The 2016 and 2017 levies were adopted by the County in September, 2015 and September, 2016. Property taxes were due from property owners in two installments in July and September. The property tax receipts for the year ending August 31, 2018, as shown in the financial statements, consist of two distributions from the 2016 levy and one distribution from the 2017 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 November 1, 2017.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 2 - Property Taxes (continued)

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

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

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

	2017 Maximum	2017 Levy	2016 Levy
Assessed Valuation		<u>\$379,553,776</u>	<u>\$367,621,344</u>
Property Tax Rates:			
Extension Education	.05000	.01933	.01995
County	Unlimited	.42464	.41040
County Highway	.20000	.08561	.08628
County Bridge	.25000	.04004	.03971
Federal Aid	.05000	.04685	.04825
County Health	.17500	.08128	.08243
Municipal Retirement	Unlimited	.23713	.18362
Airport	.25000	.01095	.01131
Mental Health	.15000	.15000	.14962
Social Security	Unlimited	.07905	.08161
Tort Immunity Insurance	Unlimited	.00001	.03156
Workers' Comp. Insurance Tax	Unlimited	.00001	.02231
Unemployment Insurance Act	Unlimited	.00001	.01089
 Total County Rate		<u>1.17491</u>	<u>1.17794</u>
 Ambulance	.25000	<u>0.01869</u>	<u>0.01869</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, 2018

Note 3 - Cash and Investments

Cash and Cash Equivalents and Investments as of August 31, 2018 consist of the following:

	Primary Government	Component Unit
Cash on Hand	\$ 7,313	\$ 250
Deposits with financial institutions	11,255,930	51,779
Certificates of Deposit	156,412	--
Sub-Total Governmental Activities	\$ 11,419,655	\$ 52,029
Fiduciary Funds:		
Deposits with financial institutions	\$ 5,060,101	\$ --
External Investment Pool	292,454	--
	\$ 5,352,555	\$ --
Total	\$ 16,772,210	\$ 52,029

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*.

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, 2018 the County's investments were deposits in financial institutions and in the Illinois Funds external investment pool. None of the County's investments are highly sensitive to interest rate fluctuations.

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. The County's deposits with financial institutions are not subject to credit risk rating. The external investment pool has been rated AAAM.

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 3 - Cash and Investments (continued)

Custodial Credit Risk

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

As of August 31, 2018, \$14,553,829 of the County's deposit balances in excess of federal depository insurance limits were held in accounts collateralized by securities held by the pledging financial institutions in the County's name. None of the County's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in External Investment Pool

The Illinois Funds was created by the General Assembly in 1975 to permit state and local government agencies to pool their investment funds. The Illinois State Treasurer's division, "The Illinois Funds Administrative Office", provides regulatory oversight for the Fund. The Illinois Funds invests in U.S. Treasuries, Treasury-only money market funds, repurchase agreements backed by U.S. Treasuries and certificates of deposit at Illinois financial institutions backed by U.S. Treasuries. The Illinois Funds perfects collateral on all investments in the aggregate and in the case of certificates of deposit perfected collateral is on amounts in excess of the FDIC limits. The Illinois Funds are rated AAAM by Standard and Poors.

The value of the County's investment in the pool is reported at cost, which approximated market. Investors are not required to maintain account balances.

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.

Note 4 – Other Asset – Capitalization Contribution

In connection with the County's partially self-funded contract for employee health insurance, the County was required to make a capitalization contribution. The amount of the contribution, \$46,662, is presented as an other asset.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 5 – Capital Assets

Capital assets activity for the year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Increases	Decreases	Balance August 31, 2018
Primary Government				
Government activities:				
Capital assets not being depreciated:				
Land	\$ 3,414,046	\$ --	\$ --	\$ 3,414,046
Work In Progress	313,111	215,737	(292,219)	236,629
	<u>\$ 3,727,157</u>	<u>\$ 215,737</u>	<u>\$ (292,219)</u>	<u>\$ 3,650,675</u>
Capital assets being depreciated:				
Buildings & Improvements	\$ 6,380,588	\$ 12,136	\$ --	\$ 6,392,724
Vehicles	3,064,104	139,394	(121,509)	3,081,989
Maintenance Vehicles	822,802	19,935	--	842,737
Infrastructure	11,920,918	--	--	11,920,918
Equipment	2,470,675	433,092	(8,839)	2,894,928
Law Enforcement Canine	16,500	--	--	16,500
	<u>\$ 24,675,587</u>	<u>\$ 604,557</u>	<u>\$ (130,348)</u>	<u>\$ 25,149,796</u>
Total Capital assets being depreciated:	<u>\$ 24,675,587</u>	<u>\$ 604,557</u>	<u>\$ (130,348)</u>	<u>\$ 25,149,796</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	\$ (2,360,572)	\$ (173,166)	\$ --	\$ (2,533,738)
Vehicles	(2,190,506)	(280,758)	107,974	(2,363,290)
Maintenance Vehicles	(773,645)	(25,753)	--	(799,398)
Infrastructure	(2,192,706)	(297,861)	--	(2,490,567)
Equipment	(2,102,803)	(149,641)	8,839	(2,243,605)
Law Enforcement Canine	(13,162)	(1,275)	--	(14,437)
	<u>\$ (9,633,394)</u>	<u>\$ (928,454)</u>	<u>\$ 116,813</u>	<u>\$ (10,445,035)</u>
Total Accumulated Depreciation	<u>\$ (9,633,394)</u>	<u>\$ (928,454)</u>	<u>\$ 116,813</u>	<u>\$ (10,445,035)</u>
Total Capital assets being Depreciated, net	<u>\$ 15,042,193</u>	<u>\$ (323,897)</u>	<u>\$ (13,535)</u>	<u>\$ 14,704,761</u>
Governmental Activities Capital Assets, net	<u>\$ 18,769,350</u>	<u>\$ (108,160)</u>	<u>\$ (305,754)</u>	<u>\$ 18,355,436</u>

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 5 – Capital Assets (continued)

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

Governmental activities:	
General Government	\$ 94,701
Public Safety	185,037
Public Works/Transportation	632,084
Corrections	2,000
Judiciary	3,265
Health and Welfare	11,367
	<u>\$ 928,454</u>

Component Unit

Capital assets activity of Shelby County Office of Tourism for the year ended August 31, 2018 was as follows:

	<u>Balance September 1, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance August 31, 2018</u>
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 – Debt

Long-Term Debt

The following is a summary of changes in long-term debt of Shelby County for the year ended August 31, 2018.

	<u>Balance September 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2018</u>
Governmental activities:				
Promissory Note	\$ --	\$ 19,935	\$ 7,250	<u>\$ 12,685</u>

Landpride 22' Finish Mower

The loan was obtained on August 6, 2018 to purchase a Landpride 22' finish mower for the Airport. The note is unsecured at 0% interest. Payment is due in one principal payment on December 6, 2020.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 6 – Debt (continued)

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, 2018.

	Balance September 1, 2017	Additions	Reductions	Balance August 31, 2018
Governmental activities:				
Short-Term Bank Loan	\$ 150,000	\$ --	\$ 150,000	\$ --

Interest paid on short-term debt totaled \$2,219 and is included in the Public Works/Transportation function in the government-wide statement of activities.

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. The loan was paid in full during fiscal year 2018.

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 21.8 million dollars leaving 21.8 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, 2018

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *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, 2017, the following employees were covered by the benefit terms:

Regular Plan	IMRF
Retirees and Beneficiaries currently receiving benefits	79
Inactive Plan Members entitled to but not yet receiving benefits	33
Active Members	74
Total	186

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

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	19
Inactive Plan Members entitled to but not yet receiving benefits	4
Active Members	13
Total	36

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 2017 was 11.77%. For the fiscal year ended August 31, 2018, the County contributed \$385,211 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. No ECO wages were paid during calendar year 2017 or fiscal year 2018; however, for 2018 the County was required to make a monthly minimum contribution of \$17,410. For the fiscal year ended August 31, 2018, the County contributed \$220,801 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 2017 was 13.26%. For the fiscal year ended August 31, 2018, the County contributed \$91,728 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, 2018

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 \$322,251, the total required employer contribution for the current year.

Note 8 – Other Post-Employment Benefits

A. Retiree Health Insurance

The County provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the County's health insurance plan. The retirees are responsible for the entire premium payment to secure coverage. The County finances the plan on a pay-as-you-go basis. The unfunded actuarial liability has not been determined as of August 31, 2018.

Plan Description

The County administers a partially self-funded healthcare plan. The employees who contribute to IMRF are eligible for post-retirement medical coverage. The plan does not issue a separate publicly available financial report.

Funding Policy

The contribution requirement of the County may be amended by the County Board. Current policy is to pay for post-retirement medical and insurance benefits or premiums as they occur. The County requires retirees to contribute 100% of the premium for their desired coverage. The premiums are established for the employee/retiree group, and range from \$740 to \$2,100 per month for various individual/dependent coverages. Although, with regard to retirees, this amount contains an implied rate subsidy by the County through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

Due to the structure of the partially self-funded health insurance plan, the County could incur additional benefit cost for claims of retirees.

Contributions Made

Because the retiree insurance premium established is paid entirely by retiree contributions, there is no net cash outflow by the County related to these benefits when paid. Therefore, there are no modified cash-basis expenditures reported by the County in regard to the plan benefits for retirees.

SHELBY COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 8 – Other Post-Employment Benefits – (continued)

B. Sheriff's Surviving Spouse

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 \$8,524 in the General fund during the year ended August 31, 2018, for this benefit. The benefit commenced in September, 2006.

Note 9 – Required Individual Fund Disclosures

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

A. Excess of Expenditures over Budgets in Individual Funds

The following instances of overexpending the budget were noted:

<u>Fund</u>	<u>Expenditures</u>	<u>Budgeted Amounts</u>	<u>Overexpenditure</u>
Special Sheriff	\$ 23,856	\$ --	\$ 23,856
Law Library	8,325	8,000	325

B. Deficit Fund Balances of Individual Funds

The following funds have deficit balances at August 31, 2018:

Court Security	\$ (1,757)
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C. Individual Fund Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at August 31, 2018 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
MAJOR FUNDS:		
GENERAL FUND:		
Other than Fee Offices	\$ 40,632	\$ --
NONMAJOR FUNDS:		
SPECIAL REVENUE FUNDS:		
Court Security	\$ --	\$ 2,514
IMRF	--	38,118
Total Special Revenue Funds	\$ --	\$ 40,632
Total	\$ 40,632	\$ 40,632

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

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 9 - Required Individual Fund Disclosures (continued)

D. Transfers within the Reporting Entity

The composition of interfund transfers for the year ended August 31, 2018 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
MAJOR FUNDS:		
GENERAL FUND:		
Other than Fee Offices	\$ 447,855	\$ --
County Clerk	--	289,220
Circuit Clerk	--	92,399
Sheriff	--	75,839
States Attorney	--	85,815
Supervisor of Assessments	--	2,200
Total General Fund	<u>\$ 447,855</u>	<u>\$ 545,473</u>
COUNTY HEALTH FUND:		
County Health	\$ 1,014	\$ --
Miscellaneous County Health Fund	1,252	--
Total County Health Fund	<u>\$ 2,266</u>	<u>\$ --</u>
COUNTY HIGHWAY FUND:		
County Highway Fund	\$ 252,266	\$ --
County Motor Fuel Tax Fund	--	250,000
	<u>\$ 252,266</u>	<u>\$ 250,000</u>
NONMAJOR FUNDS:		
SPECIAL REVENUE FUNDS:		
Animal Control	\$ 2,266	\$ --
DUI Equipment	3,724	--
Recording	14,676	--
Sheriff Special	4,533	--
Court Security	18,500	--
GIS	80,718	--
Fees to Assist Court	--	20,000
Emergency Management	--	11,331
Total Special Revenue Funds	<u>\$ 124,417</u>	<u>\$ 31,331</u>
Total	<u>\$ 826,804</u>	<u>\$ 826,804</u>

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, 2018

Note 10 – Insurance

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

Tort Immunity Receipts:	
Property Tax Collected	\$ 90,248
Mobile Home Tax Collected	581
Interest	32
	<u>\$ 90,861</u>
Tort Expenditures:	
Commercial Liability Insurance	\$ 117,791
Unemployment tax	8,717
Workers' Compensation Insurance	76,218
	<u>\$ 202,726</u>
Total Expenditures	<u>\$ 202,726</u>
Expenditures over Receipts	(\$ 111,865)
Restricted at September 1, 2017	<u>1,011,081</u>
Restricted at August 31, 2018	<u>\$ 899,216</u>

Note 11 - 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, 2018. 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, 2018

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 - Special Item

The \$514,420 special item included on both the Statement of Activities-Modified Cash Basis and the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances-Modified Cash Basis is the return of Revolving Loan Fund Grant monies to the State of Illinois.

Note 15 - 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, 2018, is not reflected in the financial statements but is estimated to be \$671,720.

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, 2018.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 15 - Commitments and Contingencies (continued)

Future Minimum Rental Payments are as follows:

2019	\$	33,060
2020		33,060
2021		<u>33,060</u>
	\$	<u>99,180</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, 2018, was \$148,317. 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 2018 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 \$34,352 in rent income during the year ended August 31, 2018.

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.

Courthouse Roof Repairs

In March 2018 the County signed a contract for \$717,387 with K Wohltman Construction Inc. to repair and install a new roof on the courthouse. As of year ending August 31, 2018 the repairs have not been completed. The County expended \$158,638 during fiscal year ending August 31, 2018.

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 and is ongoing.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 15 - Commitments and Contingencies (continued)

Election Services, Voter Registration Software License and Access Liberty Subscription

On August 8, 2018 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 2024 General Election for \$10,771 a quarter and \$16,840 annually. During the fiscal year ending August 31, 2018 the County paid to Liberty Systems \$131,403.

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 2018 the County paid Fidlar \$18,682 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, 2018 the County paid to Landing Fields Commission \$42,000.

Cyber Security

The County awarded the contract to Mytec Solutions to begin the implementation of cyber security. During fiscal year ending August 31, 2018 the County has paid to Mytec Solutions \$114,058 for implementation of cyber security and computer maintenance.

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.

During the year August 31, 2018 employees contributed \$67,330 for the insurance coverage while the County contributed \$645,410. Claims paid for fiscal year 2018 totaled \$477,106.

SHELBY COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 16 – Subsequent Events

Management evaluated subsequent events through March 13, 2019 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 one new 2018 Ford Interceptor at the cost of \$29,395.

Election Services, Voter Registration Software License and Access Liberty Subscription

On January 23, 2019 the County entered into an agreement with Liberty Systems that superseded the agreement that was signed on August 8, 2018 for election supplies, setup and services of the equipment, IT support and results distribution through the 2024 General Election for \$14,356 a quarter and \$21,310 annually.

Subscription Agreement

In January 2019, the County entered into a three year agreement with Fike & Fike, Inc. for property tax software, training and support on a per parcel basis for an annual fee of \$21,621. The agreement commenced on September 1, 2018, and expires on August 31, 2021.

Purchased a New Dump Truck

In December the County Highway Department purchased a new dump truck at a cost of \$139,016 and a truck for \$35,449.

IT Support

In January 2019, the County entered into a contract with Mytec Solutions to provide IT support during the fiscal year 2019 at \$4,000 per month.

AFSCME Union Contract

On September 12, 2018, the County approved the AFSCME Union Contract.

Courthouse Roof Repairs

The County expended \$451,252 on the Courthouse Roof Project subsequent to August 31, 2018.

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

SHELBY COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED AUGUST 31, 2018

	Budget		Final	Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES RECEIVED:					
Property Taxes			\$ 1,604,000	\$ 1,591,008	\$ 87,008
Sales Taxes			464,000	740,910	276,910
Intergovernmental Revenue:					
State Sources:					
Income Taxes	1,290,000	1,290,000		1,089,058	(200,942)
Replacement Tax	42,000	42,000		38,273	(3,727)
Other State Sources	370,000	370,000		409,447	39,447
Federal Sources	28,000	28,000		67,051	39,051
County Farm	35,000	35,000		34,352	(648)
Charges for Services	88,000	88,000		78,994	(9,006)
Licenses and Permits	5,000	5,000		7,462	2,462
Fines, Fees and Forfeits	671,000	671,000		550,341	(120,659)
Penalties, Interest and Costs	75,000	75,000		70,429	(4,571)
Sales of Real Estate Stamps	120,000	120,000		151,219	31,219
Sale of Fixed Assets				5,000	5,000
Interest	4,000	4,000		5,253	1,253
Miscellaneous	8,500	8,500		906	(7,594)
Total Revenues Received	\$ 4,804,500	\$ 4,804,500	\$ 4,804,500	\$ 4,939,703	\$ 135,203
EXPENDITURES DISBURSED:					
Current:					
General Government	\$ 1,878,624	\$ 1,896,603	\$ 1,950,872	\$ 1,950,872	\$ (54,269)
Public Safety	2,418,095	2,423,095	2,163,330	2,163,330	259,765
Corrections	176,457	176,457	144,105	144,105	32,352
Judiciary	558,825	558,825	530,215	530,215	28,610
Public Works/Transportation	11,930	11,930	252	252	11,678
Health and Welfare	77,195	77,195	68,069	68,069	9,126
Capital Outlay	79,000	79,000	362,774	362,774	(283,774)
Total Expenditures Disbursed	\$ 5,200,126	\$ 5,223,105	\$ 5,223,105	\$ 5,219,617	\$ 3,488
Revenues Received Over (Under) Expenditures Disbursed	\$ (395,626)	\$ (418,605)	\$ (418,605)	\$ (279,914)	\$ 138,691
Other Financing Sources (Uses):					
Operating Transfers In				447,855	447,855
Operating Transfers Out				(545,473)	(545,473)
Net Change in Fund Balance	\$ (395,626)	\$ (418,605)	\$ (418,605)	\$ (377,532)	\$ 41,073
Fund Balance - September 1, 2017				4,312,145	
Fund Balance - August 31, 2018			\$ 3,934,613		

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, 2018

	Budget		Actual Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES DISBURSED:				
General Government				
Operating Expenses Pertaining to the Office of:				
County Clerk	\$ 388,755	\$ 388,755	\$ 375,097	\$ 13,658
Circuit Clerk	274,863	274,863	267,482	7,381
Supervisor of Assessments	264,315	264,315	215,219	49,096
County Treasurer	254,131	254,131	238,496	15,635
County Coroner	79,030	96,030	90,624	5,406
Regional Superintendent of Schools	42,500	43,479	43,478	1
Board of Review	36,150	36,150	30,428	5,722
Farmland Assessment	150	150	33	117
Board of Appeals	2,700	2,700	461	2,239
Zoning Administrator	23,875	23,875	22,560	1,315
Zoning Appeals	500	500	500	--
Planning Commission	2,330	2,330	168	2,162
Utilities	30,200	30,200	24,036	6,164
Maintenance, Repairs and Improvement	55,000	55,000	62,012	(7,012)
Insurance	238,000	238,000	202,726	35,274
Employee Insurance	10,000	10,000	83,735	(73,735)
County Board Expenses	69,475	69,475	61,559	7,916
Community & Economic Development	12,000	12,000	13,905	(1,905)
Services, Supplies and Miscellaneous	86,650	86,650	76,984	9,666
County Farm	8,000	8,000	6,951	1,049
State Rental Housing Fee	--	--	29,106	(29,106)
Purchase of Real Estate Tax Stamps	--	--	105,312	(105,312)
Total General Government	\$ 1,878,624	\$ 1,896,603	\$ 1,950,872	\$ (54,269)
Public Safety:				
Operating Expenses Pertaining to the Office of:				
County Sheriff	\$ 2,271,952	\$ 2,271,952	\$ 2,041,800	\$ 230,152
Rescue Squad	25,000	25,000	22,478	2,522
ESDA	39,390	39,390	34,479	4,911
911 Emergency Services	40,000	40,000	24,248	15,752
Courthouse Security	36,000	41,000	37,496	3,504
Ment Commission	5,753	5,753	2,829	2,924
Total Public Safety	\$ 2,418,095	\$ 2,423,095	\$ 2,163,330	\$ 259,765

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, 2018

	Budget		Actual Disbursements	Variance with Final Budget Positive (Negative)
	Original	Final		
Corrections:				
Operating Expenses Pertaining to the Office of:				
Probation Office	\$ 176,457	\$ 176,457	\$ 144,105	\$ 32,352
Judiciary:				
Operating Expenses Pertaining to the Office of:				
States Attorney	\$ 340,200	\$ 340,200	\$ 330,621	\$ 9,579
Public Defender	178,625	178,625	161,042	17,583
Appointed Counsel Fee	30,000	30,000	29,835	165
Circuit Judge Expenses	10,000	10,000	8,717	1,283
Total Judiciary	\$ 558,825	\$ 558,825	\$ 530,215	\$ 28,610
Public Works/Transportation:				
Rural Transportation	\$ 11,930	\$ 11,930	\$ 252	\$ 11,678
Health and Welfare:				
Operating Expenses Pertaining to the Office of:				
Animal Control	\$ 77,195	\$ 77,195	\$ 68,069	\$ 9,126
Capital Outlay:				
General Government	\$ 79,000	\$ 79,000	\$ 362,774	\$ (283,774)
TOTAL EXPENDITURES DISBURSED	\$ 5,200,126	\$ 5,223,105	\$ 5,219,617	\$ 3,488

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, 2018

	Budget Original / Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES RECEIVED:			
Property Taxes	\$ 327,062	\$ 311,711	\$ (15,351)
Intergovernmental Revenue:			
State Sources:			
Replacement Tax	9,201	8,769	(432)
Other State Sources	227,423	217,548	(9,875)
Federal Sources	164,470	155,950	(8,520)
Charges for Services	255,662	243,662	(12,000)
Interest	2,182	2,080	(102)
Total Revenues Received	\$ 986,000	\$ 939,720	\$ (46,280)
EXPENDITURES DISBURSED:			
Current:			
Health and Welfare	\$ 1,327,783	\$ 907,997	\$ 419,786
Total Expenditures Disbursed	\$ 1,327,783	\$ 907,997	\$ 419,786
Revenues Received Over Expenditures Disbursed	\$ (341,783)	\$ 31,723	\$ 373,506
Other Financing Sources:			
Transfers In	-	2,266	2,266
Net Change in Fund Balance	\$ (341,783)	\$ 33,989	\$ 375,772
Fund Balance - September 1, 2017		1,533,805	
Fund Balance - August 31, 2018		\$ 1,567,794	

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, 2018

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES RECEIVED:			
Property Taxes	\$ 762,258	\$ 660,557	\$ (101,701)
Intergovernmental Revenue:			
State Sources:			
Motor Fuel Tax	428,177	371,049	(57,128)
Replacement Taxes	43,367	37,581	(5,786)
Other State Sources	146,986	127,375	(19,611)
Federal Source	132,360	114,700	(17,660)
Charges for Services	94,146	81,585	(12,561)
Interest	1,706	1,478	(228)
Total Revenues Received	\$ 1,609,000	\$ 1,394,325	\$ (214,675)
EXPENDITURES DISBURSED:			
Current:			
Public Works/Transportation	1,353,932	1,295,086	58,846
Capital Outlay	245,000	55,768	189,232
Total Expenditures Disbursed	\$ 1,598,932	\$ 1,350,854	\$ 248,078
Revenues Received Over (Under) Expenditures Disbursed	\$ 10,068	\$ 43,471	\$ 33,403
Other Financing Sources (Uses):			
Transfers In	-	252,266	252,266
Transfers Out	-	(250,000)	(250,000)
Net Change in Fund Balance	\$ 10,068	\$ 45,737	\$ 35,669
Fund Balance - September 1, 2017		1,093,628	
Fund Balance - August 31, 2018	\$ 10,068	\$ 1,139,365	

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, 2018

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES RECEIVED:			
Property Taxes	\$ 521,944	\$ 571,743	\$ 49,799
Intergovernmental Revenue:			
State Sources:			
Replacement Taxes	15,735	17,236	1,501
Interest	2,321	2,542	221
Total Revenues Received	\$ 540,000	\$ 591,521	\$ 51,521
EXPENDITURES DISBURSED:			
Current:			
Health and Welfare	\$ 642,000	\$ 446,912	\$ 195,088
Capital Outlay	—	10,000	(10,000)
Total Expenditures Disbursed	\$ 642,000	\$ 456,912	\$ 185,088
Net Change in Fund Balance	\$ (102,000)	\$ 134,609	236,609
Fund Balance - September 1, 2017		1,650,197	
Fund Balance - August 31, 2018		\$ 1,784,806	

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, 2018

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES RECEIVED:			
Intergovernmental Revenue:			
Other State Sources	\$ 1,428,339	\$ 1,160,807	\$ (267,532)
Federal Sources	171,659	393,033	221,374
Interest	<u>2</u>	<u>2</u>	<u>—</u>
Total Revenues Received	\$ 1,600,000	\$ 1,553,842	\$ (46,158)
EXPENDITURES DISBURSED:			
Current:			
Public Works/Transportation	\$ 1,600,000	\$ 1,553,843	\$ 46,157
Total Expenditures Disbursed	\$ 1,600,000	\$ 1,553,843	\$ 46,157
Net Change in Fund Balance	<u>—</u>	<u>\$ (1)</u>	<u>\$ (1)</u>
Fund Balance - September 1, 2017		<u>1,877</u>	
Fund Balance - August 31, 2018		<u>\$ 1,876</u>	

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

SHELBY COUNTY, ILLINOIS
NOTE TO BUDGETARY COMPARISON SCHEDULES
AUGUST 31, 2018

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 2018.

SHELBY COUNTY, ILLINOIS
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 - MODIFIED CASH BASIS
 GENERAL FUND
 AUGUST 31, 2018

	Fee Offices										Total
	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Solid Waste	(Coal Rights) Capital Improvements			
ASSETS											
Cash and Cash Equivalents	\$ 3,640,341	\$ 18,534	\$ 66,259	\$ 4,459	\$ -	\$ 40	\$ 516	\$ 232,683	\$ -	\$ -	\$ 3,964,832
Investments	-	-	10,000	-	-	-	-	-	-	-	10,000
Interfund Loans Receivable	40,632	-	-	-	-	-	-	-	-	-	40,632
Other Asset - Capitalization Contribution	46,662	-	-	-	-	-	-	-	-	-	46,662
Inventory	-	8,444	-	-	-	-	-	-	-	-	8,444
TOTAL ASSETS	\$ 3,727,635	\$ 26,978	\$ 78,259	\$ 4,459	\$ -	\$ 40	\$ 516	\$ 232,683	\$ -	\$ -	\$ 4,070,570
LIABILITIES											
Withholding Payable	\$ 86,891	-	-	-	-	-	-	-	-	-	86,891
Due to Other Governmental Units	-	-	49,066	-	-	-	-	-	-	-	49,066
TOTAL LIABILITIES	\$ 86,891	\$ -	\$ 49,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,957
FUND BALANCES											
Fund Balances:											
Nonspendable:											
Inventory	\$ -	\$ 8,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,444
Restricted for:											
Insurance	899,216	-	-	-	-	-	-	-	-	-	899,216
Committed:											
Capital Improvement	-	-	-	-	-	-	-	122,588	-	-	122,588
Unassigned	2,741,528	18,534	29,193	4,459	-	40	516	110,095	-	-	2,904,365
TOTAL FUND BALANCES	\$ 3,640,744	\$ 26,978	\$ 29,193	\$ 4,459	\$ -	\$ 40	\$ 516	\$ 232,683	\$ -	\$ -	\$ 3,934,613
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,727,635	\$ 26,978	\$ 78,259	\$ 4,459	\$ -	\$ 40	\$ 516	\$ 232,683	\$ -	\$ -	\$ 4,070,570

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
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2018

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Solid Waste	(Coal Rights) Capital Improvements	Total
REVENUES RECEIVED:									
Property Taxes	\$ 1,691,008	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	1,691,008
Sales Taxes	740,910	--	--	--	--	--	--	--	740,910
Intergovernmental Revenues:									
Income Taxes	1,089,058	--	--	--	--	--	--	--	1,089,058
Replacement Taxes	38,273	--	--	--	--	--	--	--	38,273
Other State Sources	408,697	--	--	750	--	--	--	--	409,447
Federal Source	67,051	--	--	--	--	--	--	--	67,051
County Fair	34,352	--	--	--	--	--	--	--	34,352
Changes for Services	78,994	--	--	--	--	--	--	--	78,994
License and Permits	7,462	--	--	--	--	--	--	--	7,462
Fees, Fines and Forfeits	25,328	267,907	105,522	63,587	85,815	2,182	--	--	550,341
Penalties, Interest and Costs	70,429	151,219	--	--	--	--	--	--	151,219
Sales of Real Estate Stamps	--	--	--	5,000	--	--	--	--	5,000
Sale of Fixed Assets	4,164	--	21	--	--	--	--	1,068	5,253
Interest	--	--	--	--	--	--	516	--	516
Miscellaneous	20	--	--	370	--	--	--	--	390
Total Revenues Received	\$ 4,255,746	\$ 419,126	\$ 105,543	\$ 69,707	\$ 85,815	\$ 2,182	\$ 516	\$ 1,068	\$ 4,939,703
EXPENDITURES DISBURSED:									
See Schedule at Pages 55-56	\$ 4,912,877	\$ 135,859	\$ 12,243	\$ --	\$ --	\$ --	\$ --	\$ 158,638	\$ 5,219,617
Revenues Received Over (Under) Expenditures Disbursed	\$ (657,131)	\$ 283,267	\$ 93,300	\$ 69,707	\$ 85,815	\$ 2,182	\$ 516	\$ (157,570)	\$ (279,914)
Other Financing Sources (Uses):									
Operating Transfers In	447,855	--	--	--	--	--	--	--	447,855
Operating Transfers Out	--	(289,220)	(92,399)	(75,839)	(85,815)	(2,200)	--	--	(545,473)
Net Change in Fund Balance	\$ (209,276)	\$ (5,953)	\$ 901	\$ (6,132)	\$ --	\$ (18)	\$ 516	\$ (157,570)	\$ (377,552)
Fund Balance - September 1, 2017	3,850,920	32,931	28,292	10,591	--	58	--	390,253	4,312,145
Fund Balance - August 31, 2018	\$ 3,640,744	\$ 26,978	\$ 29,193	\$ 4,459	\$ --	\$ 40	\$ 516	\$ 232,683	\$ 3,934,613

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, 2018

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Solid Waste	Capital Improvements	Total
EXPENDITURES DISBURSED:									
General Government:									
Operating Expenses Pertaining to the Office of:									
County Clerk	\$ 373,656	\$ 1,441							\$ 375,097
Circuit Clerk	255,239		12,243						267,482
Supervisor of Assessments	215,219								215,219
County Treasurer	238,496								238,496
County Coroner	90,624								90,624
Regional Superintendent of Schools	43,478								43,478
Board of Review	30,428								30,428
Farmland Assessment	33								33
Board of Appeals	461								461
Zoning Administrator	22,560								22,560
Zoning Appeals	500								500
Planning Commission	168								168
Maintenance, Repairs and Improvement	24,036								24,036
Insurance	62,012								62,012
Employee Insurance	202,726								202,726
County Board Expenses	83,735								83,735
Community & Economic Development	61,559								61,559
Services, Supplies and Miscellaneous	13,905								13,905
County Farm	76,984								76,984
State Rental Housing Fee	6,951								6,951
Purchase of Real Estate Tax Stamps		29,106							29,106
		105,312							105,312
Total General Government	\$ 1,802,770	\$ 135,859	\$ 12,243	\$	\$	\$	\$	\$	\$ 1,950,872
Public Safety:									
Operating Expenses Pertaining to the Office of:									
County Sheriff	\$ 2,041,800								\$ 2,041,800
Rescue Squad	22,478								22,478
ESDA	34,479								34,479
911 Emergency Services	24,248								24,248
Courthouse Security	37,496								37,496
Merit Commission	2,829								2,829
Total Public Safety	\$ 2,163,330	\$	\$	\$	\$	\$	\$	\$	\$ 2,163,330

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, 2018

	Other than Fee Offices	County Clerk	Circuit Clerk	Sheriff	States Attorney	Supervisor of Assessments	Solid Waste	Capital Improvements	Total
Corrections: Operating Expenses Pertaining to the Office of: Probation Office	\$ 144,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,105
Judiciary: Operating Expenses Pertaining to the Office of: States Attorney	\$ 330,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,621
Public Defender	161,042	-	-	-	-	-	-	-	161,042
Appointed Counsel Fee	29,835	-	-	-	-	-	-	-	29,835
Circuit Judge Expenses	8,717	-	-	-	-	-	-	-	8,717
Total Judiciary	\$ 530,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,215
Public Works/Transportation: Rural Transportation	\$ 252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252
Health and Welfare: Co Operating Expenses Pertaining to the Office of: Animal Control	\$ 68,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,069
Capital Outlay: General Government	\$ 204,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,638	\$ 362,774
TOTAL EXPENDITURES DISBURSED	\$ 4,912,877	\$ 135,859	\$ 12,243	\$ -	\$ -	\$ -	\$ -	\$ 158,638	\$ 5,219,617

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, 2018

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
ASSETS					
Cash and Cash Equivalents	\$ 222,370	\$ 203,036	\$ 1,004,031	\$ 13,357	\$ 1,442,794
Investments	--	--	125,000	--	125,000
TOTAL ASSETS	\$ 222,370	\$ 203,036	\$ 1,129,031	\$ 13,357	\$ 1,567,794
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES					
Fund Balances:					
Restricted for:					
Health and Welfare	\$ --	\$ 81,591	\$ --	\$ 13,357	\$ 94,948
Assigned	222,370	121,445	1,129,031	--	1,472,846
TOTAL FUND BALANCES	\$ 222,370	\$ 203,036	\$ 1,129,031	\$ 13,357	\$ 1,567,794
TOTAL LIABILITIES AND FUND BALANCES	\$ 222,370	\$ 203,036	\$ 1,129,031	\$ 13,357	\$ 1,567,794

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, 2018

	County Health	Miscellaneous County Health	Home Nursing	County Health WIC	Total County Health Fund
REVENUES RECEIVED:					
Property Taxes	\$ 311,711	\$ --	\$ --	\$ --	\$ 311,711
Intergovernmental Revenues:					
Replacement Taxes	8,769	--	--	--	8,769
Other State Sources	106,800	89,634	21,114	--	217,548
Federal Source	8,094	70,768	--	77,088	155,950
Charges for Services	79,977	1,240	162,445	--	243,662
Interest	59	180	1,841	--	2,080
Total Revenues Received	\$ 515,410	\$ 161,822	\$ 185,400	\$ 77,088	\$ 939,720
EXPENDITURES DISBURSED:					
Current:					
Health and Welfare:					
Personnel and Fringe Benefits	\$ 417,350	\$ 158,476	\$ 20,714	\$ 78,519	\$ 675,059
Commodities	16,125	4,320	123,272	2,434	146,151
Contractual Services	80,427	3,771	--	2,589	86,787
Total Expenditures Disbursed	\$ 513,902	\$ 166,567	\$ 143,986	\$ 83,542	\$ 907,997
Revenues Received Over (Under) Expenditures Disbursed	\$ 1,508	\$ (4,745)	\$ 41,414	\$ (6,454)	\$ 31,723
Other Financing Sources:					
Transfers In	1,014	1,252	--	--	2,266
Net Change in Fund Balance	\$ 2,522	\$ (3,493)	\$ 41,414	\$ (6,454)	\$ 33,989
Fund Balance - September 1, 2017	219,848	206,529	1,087,617	19,811	1,533,805
Fund Balance - August 31, 2018	\$ 222,370	\$ 203,036	\$ 1,129,031	\$ 13,357	\$ 1,567,794

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, 2018

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
Cash and Cash Equivalents	\$ 235,314	\$ 262,978	\$ 473,016	\$ 168,029	\$ 28	\$ 1,139,365
TOTAL ASSETS	\$ 235,314	\$ 262,978	\$ 473,016	\$ 168,029	\$ 28	\$ 1,139,365
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES						
Fund Balances:						
Restricted for:						
Public Works/Transportation	\$ 228,762	\$ 262,452	\$ 461,891	\$ 165,148	\$ 28	\$ 1,118,281
Assigned	6,552	526	11,125	2,881	--	21,084
TOTAL FUND BALANCES	\$ 235,314	\$ 262,978	\$ 473,016	\$ 168,029	\$ 28	\$ 1,139,365
TOTAL LIABILITIES AND FUND BALANCES	\$ 235,314	\$ 262,978	\$ 473,016	\$ 168,029	\$ 28	\$ 1,139,365

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, 2018

	County Bridge	County Highway	County Motor Fuel Tax Fund	Federal Aid Secondary Matching	State DCEO Grant Program	Total County Highway Fund
REVENUES RECEIVED:						
Property Taxes	\$ 152,295	\$ 327,558	\$ -	\$ 180,704	\$ -	\$ 660,557
Intergovernmental Revenues:						
Motel Fuel Tax	-	-	371,049	-	-	371,049
Replacement Taxes	9,244	19,093	-	9,244	-	37,581
Other State Sources	-	-	127,375	-	-	127,375
Federal Source	114,700	-	-	-	-	114,700
Charges for Services	6,710	74,875	-	-	-	81,585
Interest	450	18	806	204	-	1,478
Total Revenues Received	\$ 283,399	\$ 421,544	\$ 499,230	\$ 190,152	\$ -	\$ 1,394,325
EXPENDITURES DISBURSED:						
Current:						
Public Works/Transportation						
Personnel and Fringe Benefits	\$ -	\$ 390,351	\$ 61,102	\$ -	\$ -	\$ 451,453
Commodities	269,972	77,317	-	142,676	-	489,965
Contractual Services	-	147,520	144,264	61,884	-	353,668
Capital Outlay	-	55,768	-	-	-	55,768
Total Expenditures Disbursed	\$ 269,972	\$ 670,956	\$ 205,366	\$ 204,560	\$ -	\$ 1,350,854
Revenues Received Over (Under) Expenditures Disbursed	\$ 13,427	\$ (249,412)	\$ 293,864	\$ (14,408)	\$ -	\$ 43,471
Other Financing Sources (Uses):						
Transfers In	-	252,266	-	-	-	252,266
Transfers Out	-	-	(250,000)	-	-	(250,000)
Net Change in Fund Balance	\$ 13,427	\$ 2,854	\$ 43,864	\$ (14,408)	\$ -	\$ 45,737
Fund Balance - September 1, 2017	221,887	260,124	429,152	182,437	28	1,093,628
Fund Balance - August 31, 2018	\$ 235,314	\$ 262,978	\$ 473,016	\$ 168,029	\$ 28	\$ 1,139,365

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, 2018

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad Dive Team	Probation	Emergency Management
ASSETS							
Cash and Cash Equivalents	\$ 93,479	\$ 144,397	\$ 278,036	\$ 117,405	\$ 8,677	\$ 296,162	\$ 11,300
Investments	—	—	—	—	—	—	—
TOTAL ASSETS	\$ 93,479	\$ 144,397	\$ 278,036	\$ 117,405	\$ 8,677	\$ 296,162	\$ 11,300
LIABILITIES							
Interfund Loans Payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
TOTAL LIABILITIES	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ —	\$ —	\$ 276,878	\$ 116,063	\$ —	\$ —	\$ —
Employees Retirement	—	—	—	—	—	—	—
Public Safety	—	—	—	—	4,311	293,806	11,043
Judiciary	—	—	—	—	—	—	—
Automation	—	—	—	—	—	—	—
Recording	—	—	—	—	—	—	—
GIS	—	—	—	—	—	—	—
Document Storage	—	—	—	—	—	—	—
Health and Welfare	88,347	143,584	—	—	—	—	—
Assigned	5,132	813	1,158	1,342	4,366	2,356	257
Unassigned	—	—	—	—	—	—	—
TOTAL FUND BALANCES	\$ 93,479	\$ 144,397	\$ 278,036	\$ 117,405	\$ 8,677	\$ 296,162	\$ 11,300
TOTAL LIABILITIES AND FUND BALANCES	\$ 93,479	\$ 144,397	\$ 278,036	\$ 117,405	\$ 8,677	\$ 296,162	\$ 11,300

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, 2018

	Fees to Assist Court	Automation	Recording	Special Revenue				Sheriff's Special	Court Security
				Drug Traffic Prevention	Coroner Special				
Cash and Cash Equivalents	\$ 4,799	\$ 62,567	\$ 162,654	\$ 748	\$ 10,818	\$ 23,112	\$ 757		
Investments	-	-	-	-	-	-	-		
TOTAL ASSETS	\$ 4,799	\$ 62,567	\$ 162,654	\$ 748	\$ 10,818	\$ 23,112	\$ 757		
LIABILITIES									
Interfund Loans Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,514		
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,514		
FUND BALANCES									
Fund Balances:									
Restricted for:									
Indemnity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Employees Retirement	-	-	-	-	-	-	-		
Public Safety	-	-	-	706	-	23,112	-		
Judiciary	4,796	-	-	-	-	-	-		
Automation	-	62,057	-	-	-	-	-		
Recording	-	-	162,220	-	-	-	-		
GIS	-	-	-	-	-	-	-		
Document Storage	-	-	-	-	-	-	-		
Health and Welfare	-	-	-	-	10,817	-	-		
Assigned	3	510	434	42	1	-	-		
Unassigned	-	-	-	-	-	-	(1,757)		
TOTAL FUND BALANCES	\$ 4,799	\$ 62,567	\$ 162,654	\$ 748	\$ 10,818	\$ 23,112	\$ (1,757)		
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,799	\$ 62,567	\$ 162,654	\$ 748	\$ 10,818	\$ 23,112	\$ 757		

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, 2018

	Special Revenue						
	Law Library	Document Storage	Revolving Loan	Victim Impact Panel	State's Attorney Forfeited	DUI Equipment	GIS
ASSETS							
Cash and Cash Equivalents	\$ 2,717	\$ 75,929	\$ --	\$ 15,485	\$ 1,127	\$ 27,942	\$ 414,508
Investments	--	--	--	--	--	--	--
TOTAL ASSETS	\$ 2,717	\$ 75,929	\$ --	\$ 15,485	\$ 1,127	\$ 27,942	\$ 414,508
LIABILITIES							
Interfund Loans Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TOTAL LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES							
Fund Balances:							
Restricted for:							
Indemnity	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Employees Retirement	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	27,875	--
Judiciary	2,716	--	--	15,433	1,124	--	--
Automation	--	--	--	--	--	--	--
Recording	--	--	--	--	--	--	--
GIS	--	--	--	--	--	--	413,910
Document Storage	--	75,759	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--
Assigned	1	170	--	52	3	67	598
Unassigned	--	--	--	--	--	--	--
TOTAL FUND BALANCES	\$ 2,717	\$ 75,929	\$ --	\$ 15,485	\$ 1,127	\$ 27,942	\$ 414,508
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,717	\$ 75,929	\$ --	\$ 15,485	\$ 1,127	\$ 27,942	\$ 414,508

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, 2018

	Special Revenue							Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Municipal Retirement Fund	Rescue Squad Fund	Airport Fund	Tax Sale Automation	
Cash and Cash Equivalents	\$ 31,001	\$ 4,777	\$ 18,684	\$ 1,025,981	\$ 6,052	\$ 83,463	\$ 6,993	\$ 2,929,570
Investments	—	—	—	—	—	21,412	—	21,412
TOTAL ASSETS	\$ 31,001	\$ 4,777	\$ 18,684	\$ 1,025,981	\$ 6,052	\$ 104,875	\$ 6,993	\$ 2,950,982
LIABILITIES								
Interfund Loans Payable	\$ —	\$ —	\$ —	\$ 38,118	\$ —	—	—	\$ 40,632
TOTAL LIABILITIES	\$ —	\$ —	\$ —	\$ 38,118	\$ —	—	\$ —	\$ 40,632
FUND BALANCES								
Fund Balances:								
Restricted for:								
Indemnity	\$ —	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ 116,063
Employees Retirement	—	—	—	982,274	—	—	—	1,259,152
Public Safety	—	—	18,680	—	6,051	—	—	385,584
Judiciary	—	—	—	—	—	—	—	24,069
Automation	—	4,775	—	—	—	—	6,991	73,823
Recording	—	—	—	—	—	—	—	162,220
GIS	—	—	—	—	—	—	—	413,910
Document Storage	—	—	—	—	—	—	—	75,759
Health and Welfare	31,001	—	—	—	—	—	—	273,749
Assigned	—	2	4	5,589	1	104,875	2	127,778
Unassigned	—	—	—	—	—	—	—	(1,757)
TOTAL FUND BALANCES	\$ 31,001	\$ 4,777	\$ 18,684	\$ 987,863	\$ 6,052	\$ 104,875	\$ 6,993	\$ 2,910,350
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,001	\$ 4,777	\$ 18,684	\$ 1,025,981	\$ 6,052	\$ 104,875	\$ 6,993	\$ 2,950,982

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, 2018

	Special Revenue						
	Animal Control	Ambulance	Social Security	Indemnity	Rescue Squad Dive Team	Probation	Emergency Management
REVENUES RECEIVED:							
Property Taxes	\$ --	\$ 55,897	\$ 305,182	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenue:							
State Sources							
Replacement Taxes	--	--	--	--	--	--	--
Other State Sources	--	--	--	--	--	--	47,959
Federal Sources	5,328	--	--	--	--	--	--
Charges for Services	11,126	--	--	5,380	--	64,510	--
Fines and Fees	--	--	--	--	--	--	--
Sale of Fixed Assets	--	--	20	116	2	218	12
Interest	133	58	--	--	--	--	--
Miscellaneous	--	--	--	--	3,131	--	13,598
Total Revenues Received	\$ 16,587	\$ 55,955	\$ 305,202	\$ 5,496	\$ 3,133	\$ 64,728	\$ 61,569
EXPENDITURES DISBURSED:							
Current:							
General Government	--	--	\$ 77,623	--	\$ --	--	\$ --
Public Safety	--	--	121,613	--	12,265	103,372	54,114
Judiciary	--	--	43,543	--	--	--	--
Public Works/Transportation	--	--	28,572	--	--	--	--
Health and Welfare	3,179	43,800	47,307	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Principal Retirement	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--
Total Expenditures Disbursed	\$ 3,179	\$ 43,800	\$ 319,658	\$ --	\$ 12,265	\$ 103,372	\$ 54,114
Revenues Received Over (Under) Expenditures Disbursed	\$ 13,408	\$ 12,155	\$ (14,456)	\$ 5,496	\$ (9,132)	\$ (38,644)	\$ 7,455
Other Financing Sources (Uses):							
Loan Proceeds	--	--	--	--	--	--	--
Operating Transfers In	2,266	--	--	--	--	--	--
Operating Transfers Out	--	--	--	--	--	--	(11,331)
Total Other Financing Sources (Uses):	\$ 2,266	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (11,331)
Special Item	--	--	--	--	--	--	--
Net Change in Fund Balance	\$ 15,674	\$ 12,155	\$ (14,456)	\$ 5,496	\$ (9,132)	\$ (38,644)	\$ (3,876)
Fund Balance - September 1, 2017	77,805	132,242	292,492	111,909	17,809	334,806	15,176
Fund Balance - August 31, 2018	\$ 93,479	\$ 144,397	\$ 278,036	\$ 117,405	\$ 8,677	\$ 296,162	\$ 11,300

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 (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED AUGUST 31, 2018

	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	-	-	-	-	-	-	-
Replacement Taxes	-	214	-	-	-	-	-
Other State Sources	-	416	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines and Fees	12,489	24,853	17,175	363	3,000	-	23,373
Sale of Fixed Assets	-	-	-	-	-	-	-
Interest	2	6	17	-	1	-	5
Miscellaneous	-	-	-	-	-	21,579	-
Total Revenues Received	\$ 12,491	\$ 25,489	\$ 17,192	\$ 363	\$ 3,001	\$ 21,579	\$ 23,378
EXPENDITURES DISBURSED:							
Current:							
General Government	\$ -	\$ 11,393	\$ 29,959	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	23,856	612
Judiciary	-	-	-	-	-	-	-
Public Works/Transportation	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	1,434	-	-
Debt Service	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures Disbursed	\$ -	\$ 11,393	\$ 29,959	\$ -	\$ 1,434	\$ 23,856	\$ 612
Revenues Received Over (Under) Expenditures Disbursed	\$ 12,491	\$ 14,096	\$ (12,767)	\$ 363	\$ 1,567	\$ (2,277)	\$ 22,766
Other Financing Sources (Uses):							
Loan Proceeds	-	-	-	-	-	-	-
Operating Transfers In	-	-	14,676	-	-	4,533	18,500
Operating Transfers Out	(20,000)	-	-	-	-	-	-
Total Other Financing Sources (Uses):	\$ (20,000)	\$ -	\$ 14,676	\$ -	\$ -	\$ 4,533	\$ 18,500
Special Item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ (7,509)	\$ 14,096	\$ 1,909	\$ 363	\$ 1,567	\$ 2,256	\$ 41,286
Fund Balance - September 1, 2017	12,308	48,471	160,745	385	9,251	20,856	(45,023)
Fund Balance - August 31, 2018	\$ 4,799	\$ 62,567	\$ 162,654	\$ 748	\$ 10,818	\$ 23,112	\$ (1,757)

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 (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED AUGUST 31, 2018

	Law Library	Document Storage	Revolving Loan	Special Revenue				DUI Equipment	GIS
				Victim Impact Panel	State's Attorney Forfeited				
REVENUES RECEIVED:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue:									
State Sources									
Replacement Taxes	-	-	-	-	-	-	-	-	-
Other State Sources	-	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines and Fees	10,665	15,737	-	202	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interest	1	7	104	2	-	-	2	46	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues Received	\$ 10,666	\$ 15,744	\$ 104	\$ 204	\$ -	\$ -	\$ 2	\$ 46	\$ -
EXPENDITURES DISBURSED:									
Current:									
General Government	\$ -	\$ 6,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,979
Public Safety	-	-	-	-	-	-	-	-	-
Judiciary	8,325	-	-	257	-	-	-	-	-
Public Works/Transportation	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	67,845
Total Expenditures Disbursed	\$ 8,325	\$ 6,878	\$ -	\$ 257	\$ -	\$ -	\$ -	\$ -	\$ 112,824
Revenues Received Over (Under) Expenditures Disbursed	\$ 2,341	\$ 8,866	\$ 104	\$ (53)	\$ -	\$ -	\$ 2	\$ (112,778)	\$ -
Other Financing Sources (Uses):									
Loan Proceeds	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	3,724	-	80,718
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,724	\$ -	\$ 80,718
Special Item	\$ -	\$ -	\$ (514,420)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 2,341	\$ 8,866	\$ (514,316)	\$ (53)	\$ -	\$ -	\$ 3,726	\$ -	\$ (32,060)
Fund Balance - September 1, 2017	378	67,063	514,316	15,538	1,127	-	24,216	-	446,568
Fund Balance - August 31, 2018	\$ 2,717	\$ 75,929	\$ -	\$ 15,485	\$ 1,127	\$ -	\$ 27,942	\$ -	\$ 414,508

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 (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED AUGUST 31, 2018

	Special Revenue							Total Nonmajor Governmental Funds
	Pet Population	State's Attorney Automation	Drug Court	Municipal Retirement Fund	Rescue Squad Fund	Airport Fund	Tax Sale Automation	
REVENUES RECEIVED:								
Property Taxes	\$ -	\$ -	\$ -	\$ 829,630	\$ -	\$ 42,279	\$ -	\$ 1,232,988
Intergovernmental Revenue:								
State Sources								
Replacement Taxes	-	-	-	18,467	-	4,190	-	22,657
Other State Sources	-	-	-	-	-	331	-	545
Federal Sources	-	-	-	-	-	159,050	-	207,425
Charges for Services	-	-	-	-	-	87,754	-	93,082
Fines and Fees	6,790	682	4,889	-	-	-	2,897	203,931
Sale of Fixed Assets	-	-	-	-	-	7,250	-	7,250
Interest	-	-	1	78	-	155	1	987
Miscellaneous	-	-	-	-	2,941	70,704	-	111,953
Total Revenues Received	\$ 6,790	\$ 682	\$ 4,890	\$ 848,175	\$ 2,941	\$ 371,713	\$ 2,898	\$ 1,880,818
EXPENDITURES DISBURSED:								
Current:								
General Government	\$ -	\$ -	\$ -	\$ 226,880	\$ -	\$ -	\$ 1,270	\$ 398,982
Public Safety	-	-	1,646	105,480	2,735	-	-	425,693
Judiciary	-	-	-	133,958	-	-	-	185,483
Public Works/Transportation	-	-	-	91,674	-	203,529	-	324,775
Health and Welfare	2,415	-	-	145,872	-	-	-	244,007
Debt Service	-	-	-	-	-	7,250	-	7,250
Principal Retirement	-	-	-	-	-	2,219	-	2,219
Interest	-	-	-	-	-	31,687	-	99,532
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures Disbursed	\$ 2,415	\$ -	\$ 1,646	\$ 703,284	\$ 2,735	\$ 244,685	\$ 1,270	\$ 1,687,941
Revenues Received Over (Under) Expenditures Disbursed	\$ 4,375	\$ 682	\$ 3,044	\$ 144,911	\$ 206	\$ 127,028	\$ 1,628	\$ 192,877
Other Financing Sources (Uses):								
Loan Proceeds	-	-	-	-	-	19,935	-	19,935
Operating Transfers In	-	-	-	-	-	-	-	124,417
Operating Transfers Out	-	-	-	-	-	-	-	(31,331)
Total Other Financing Sources (Uses):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,935	\$ -	\$ 113,021
Special Item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (514,420)
Net Change in Fund Balance	\$ 4,375	\$ 682	\$ 3,044	\$ 144,911	\$ 206	\$ 146,963	\$ 1,628	\$ (208,522)
Fund Balance - September 1, 2017	26,626	4,055	15,640	842,952	5,846	(42,088)	5,365	3,118,872
Fund Balance - August 31, 2018	\$ 31,001	\$ 4,737	\$ 18,684	\$ 987,863	\$ 6,052	\$ 104,875	\$ 6,993	\$ 2,910,350

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, 2018

	Private - Purpose Trusts					
	Drainage	Local Bridge Program	Township Bridge Supervisory Engineering	Township Construction	Township Motor Fuel Tax	
Cash and Cash Equivalents	\$ 428,151	\$ 37,207	\$ 16,276	\$ 4,474	\$ 1,447,973	
TOTAL ASSETS	\$ 428,151	\$ 37,207	\$ 16,276	\$ 4,474	\$ 1,447,973	
LIABILITIES						
Due to Others	\$ 162	\$ --	\$ --	\$ --	\$ --	
TOTAL LIABILITIES	\$ 162	\$ --	\$ --	\$ --	\$ --	
NET POSITION						
Restricted for Other Purposes	\$ 427,989	\$ 37,207	\$ 16,276	\$ 4,474	\$ 1,447,973	
TOTAL NET POSITION	\$ 427,989	\$ 37,207	\$ 16,276	\$ 4,474	\$ 1,447,973	

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, 2018

	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	\$ 54,473	\$ 983	\$ 169,574	\$ 45	\$ 45	\$ 2,159,156
TOTAL ASSETS	\$ 54,473	\$ 983	\$ 169,574	\$ 45	\$ 45	\$ 2,159,156
LIABILITIES						
Due to Others	\$ 2,212	\$ --	\$ --	\$ --	\$ --	\$ 2,374
TOTAL LIABILITIES	\$ 2,212	\$ --	\$ --	\$ --	\$ --	\$ 2,374
NET POSITION						
Restricted for Other Purposes	\$ 52,261	\$ 983	\$ 169,574	\$ 45	\$ 45	\$ 2,156,782
TOTAL NET POSITION	\$ 52,261	\$ 983	\$ 169,574	\$ 45	\$ 45	\$ 2,156,782

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, 2018

	Private - Purpose Trusts					
	Drainage	Local Bridge	Township Bridge Supervisory Engineering	Township Construction	Township Motor Fuel Tax	
ADDITIONS:						
Property Taxes	\$ 87,717	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue:						
State Sources						
Motor Fuel Taxes	-	-	-	-	1,596,418	
Other State Sources	-	261,798	-	-	272,299	
Fines and Fees	-	-	-	-	-	
Cash Bail	-	-	-	-	-	
Interest	134	98	3	-	2,046	
Miscellaneous	-	-	-	-	-	
Total Additions	\$ 87,851	\$ 261,896	\$ 3	\$ -	\$ 1,870,763	
DEDUCTIONS:						
Distributions	\$ 71,912	\$ 268,825	\$ (6,987)	\$ (4,174)	\$ 1,884,437	
Total Deductions	\$ 71,912	\$ 268,825	\$ (6,987)	\$ (4,174)	\$ 1,884,437	
Change in Net Position	\$ 15,939	\$ (6,929)	\$ 6,990	\$ 4,174	\$ (13,674)	
Net Position - September 1, 2017	412,050	44,136	9,286	300	1,461,647	
Net Position - August 31, 2018	\$ 427,989	\$ 37,207	\$ 16,276	\$ 4,474	\$ 1,447,973	

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, 2018

	Private - Purpose Trusts					Total
	Inmate Commissary	Circuit Clerk's Marriage Fund	Circuit Clerk's Cash Bail	Circuit Clerk's Trust Fund		
ADDITIONS:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,717
Intergovernmental Revenue:						
State Sources						
Motor Fuel Taxes	-	-	-	-	-	1,596,418
Other State Sources	-	-	-	-	-	534,097
Fines and Fees	-	170	-	-	-	170
Cash Bail	-	-	25,080	-	-	25,080
Interest	-	2	-	-	-	2,283
Miscellaneous	13,810	-	-	-	-	13,810
Total Additions	\$ 13,810	\$ 172	\$ 25,080	\$ -	\$ -	\$ 2,259,575
DEDUCTIONS:						
Distributions	\$ -	\$ 33	\$ 20,312	\$ -	\$ -	\$ 2,234,358
Total Deductions	\$ -	\$ 33	\$ 20,312	\$ -	\$ -	\$ 2,234,358
Change in Net Position	\$ 13,810	\$ 139	\$ 4,768	\$ -	\$ -	\$ 25,217
Net Position - September 1, 2017	38,451	844	164,806	45	45	2,131,565
Net Position - August 31, 2018	\$ 52,261	\$ 983	\$ 169,574	\$ 45	\$ 45	\$ 2,156,782

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, 2018

	Balance September 1, 2017	Additions	Deductions	Balance August 31, 2018
Property Taxes:				
Assets:				
Cash Deposits & External Investment Pool	\$ 6,669,778	\$ 27,199,337	\$ 30,774,605	\$ 3,094,510
Liabilities:				
Distributions Payable	\$ 6,669,778	\$ 27,199,337	\$ 30,774,605	\$ 3,094,510
Litigation:				
Assets:				
Cash Deposits	\$ 23,379	\$ 47	\$ --	\$ 23,426
Liabilities:				
Distributions Payable	\$ 23,379	\$ 47	\$ --	\$ 23,426
Estate Tax:				
Assets:				
Cash Deposits	\$ 1,150	\$ --	\$ --	\$ 1,150
Liabilities:				
Distributions Payable	\$ 1,150	\$ --	\$ --	\$ 1,150
Minor and Unknown Heirs:				
Assets:				
Cash Deposits	\$ 46,055	\$ 5	\$ --	\$ 46,060
Liabilities:				
Distributions Payable	\$ 46,055	\$ 5	\$ --	\$ 46,060
County Clerk Real Estate:				
Assets:				
Cash Deposits	\$ 17,273	\$ 432,790	\$ 421,810	\$ 28,253
Liabilities:				
Distributions Payable	\$ 17,273	\$ 432,790	\$ 421,810	\$ 28,253
Total Agency Funds:				
Assets:				
Cash Deposits	\$ 6,757,635	\$ 27,632,179	\$ 31,196,415	\$ 3,193,399
Total Assets	<u>\$ 6,757,635</u>	<u>\$ 27,632,179</u>	<u>\$ 31,196,415</u>	<u>\$ 3,193,399</u>
Liabilities:				
Distributions Payable	\$ 6,757,635	\$ 27,632,179	\$ 31,196,415	\$ 3,193,399
Total Liabilities	<u>\$ 6,757,635</u>	<u>\$ 27,632,179</u>	<u>\$ 31,196,415</u>	<u>\$ 3,193,399</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, 2017 TO JUNE 30, 2018
SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER 4823

Line Item	Revenue	
401.01	Passenger Fare / Donations	\$ 26,304
401.02	Senior Citizen Fares	1,510
402.00	Special Transit Fares	88,660
409.00	Local Cash Grants	111,433
411.00	State Cash Grants	1,168,444
431.00	Contributed Cash	7,145
	Total Revenue	\$ 1,401,495

<u>Expenses</u>		Actual Administrative Expenses	Actual Operating Expenses	Total
501.00	Labor	\$ 103,800	\$ 862,479	\$ 966,279
502.00	Fringe Benefits	18,821	201,781	220,602
503.00	Services	19,860	83,421	103,301
504.01	Fuel and Oil	--	167,732	167,732
504.02	Tires and Tubes	--	7,863	7,863
504.99	Other Materials	9,007	5,084	14,091
505.00	Utilities	44,724	--	44,724
506.00	Casualty and Liability	45,028	--	45,028
507.00	Taxes	--	--	--
509.00	Miscellaneous	17,453	20,500	37,953
511.00	Interest	--	--	--
512.00	Lease and Rentals	13,371	10,445	23,816
	Total Direct Expense	\$ 272,084	\$ 1,359,305	\$ 1,631,389
	Total Indirect Expense	27,209	135,931	163,140
	Total Expense	\$ 299,293	\$ 1,495,236	\$ 1,794,629

Section 5311 Grant Reimbursement

	Administrative Expenses	Operating Expenses	Total	Grant Total
Expenses:	\$ 299,293	\$ 1,495,236	\$ 1,794,629	
Less: Ineligible Expense	--	--	--	
Net Eligible Expenses	\$ 299,293	\$ 1,495,236	\$ 1,794,629	
Less: Total Operating Revenues	--	27,814	27,814	
Section 5311 Operating Deficit	299,293	\$ 1,467,422	\$ 1,766,715	
Section 5311 Reimbursement	X 80%	X 50%		
Eligible Reimbursement Per Percentages	\$ 239,434	\$ 733,711		\$ 973,145
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			\$ 1,373,682	

Grantee Match Sources

Special Transit Fares	\$ 88,660
Local Cash Grants	111,433
State Cash Grants	1,168,444
Contributed Cash	7,145
Total Grantee Match Sources	\$ 1,373,682
Total Project Deficit	\$ --

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, 2017 TO JUNE 30, 2018
SHELBY COUNTY, ILLINOIS
CONTRACT NUMBER OP-18-58-IL

<u>Line Item</u>	<u>Operating Revenues and Income</u>	
401	Passenger Fare / Donations	\$ 27,814
413	Federal Cash Grants & Reimbursements	<u>393,033</u>
	Total Revenue	<u>\$ 420,847</u>
	 <u>Expenses</u>	
		<u>Total</u>
501	Labor	\$ 966,279
502	Fringe Benefits	220,602
503	Services	103,301
504	Materials & Supplies Consumed	189,686
505	Utilities	44,724
506	Casualty and Liability	45,028
507	Taxes	--
509	Miscellaneous	37,954
511	Interest	--
512	Lease and Rentals	23,816
	Indirect Cost Rate	<u>163,139</u>
	Total Operating Expense	<u>\$ 1,794,529</u>
	Total Eligible Operating Expenses	<u>\$ 1,794,529</u>
	 <u>Downstate Operating Assistance Reimbursement</u>	
	Total Eligible Operating Expense - 65% of Total Eligible Expense	<u>\$ 1,166,444</u>
	Total Operating Expense	\$ 1,794,529
	Total Operating Revenue & Income	<u>420,847</u>
	Deficit	<u>\$ 1,373,682</u>
	Maximum Contract Amount	<u>\$ 1,275,500</u>
	FY18 Eligible Downstate Operating Assistance (Deficit, 65% of total eligible expense or maximum contract amount, whichever is less	<u>\$ 1,166,444</u>
	FY18 Downstate Operating Assistance Received (prior to close of fiscal year)	<u>\$ 1,106,911</u>
	FY18 Downstate Operating Assistance Receivable (at close of fiscal year and subsequently received)	<u>\$ 59,533</u>
	<u>FY 18 Downstate Operating Assistance (Over)</u> <u>Under Paid</u>	<u>\$ --</u>

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

Single Audit Section

SHELBY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Disbursements/ Expenditures
U.S. Department of Agriculture				
Passed through the Illinois Department of Human Services Special Supplemental Nutrition Program for Women, Infants, and Children				
Supplemental Nutrition Program for Women Infants and Children		FCSWQ01093	\$ --	\$ 60,963
Supplemental Nutrition Program for Women Infants and Children		FCSXQ01093	--	10,701
WIC - Breastfeeding Peer Counselor		FCSWQ01197	--	5,792
WIC - Breastfeeding Peer Counselor		FCSXQ01197	--	820
WIC Special Supplemental Nutrition Program - Non-Cash		FY2018	--	129,718
WIC Special Supplemental Nutrition Program - Non-Cash		FY2019	--	21,857
Total Special Supplemental Nutrition Program for Women, Infants, and Children	10.657		\$ --	\$ 228,849
U.S. Department of Transportation				
Passed through Illinois Department of Transportation Airport Improvement Program Airport Improvement	20.106	2HO-4449	\$ --	\$ 10,419
Passed through Illinois Department of Transportation Highway Planning & Construction				
Highway Planning & Construction		12-00276-00 BR	\$ --	\$ 62,776
Highway Planning & Construction		12-00054-00 BR	--	55,800
Total Highway Planning & Construction	20.205		\$ --	\$ 118,676
Passed through Illinois Department of Transportation Formula Grants for Rural Areas Public Transportation Public Transportation - Vehicles Non-Cash				
		IL-2017-37	\$ 393,033	\$ 393,033
		IL-2017-008	--	230,436
Total Formula Grants for Rural Areas	20.509		\$ 393,033	\$ 623,469
Total U.S. Department of Transportation			\$ 393,033	\$ 752,463
U.S. Environmental Protection Agency				
Passed through Illinois Department of Public Health Performance Partnership Grants Performance Partnership Grants - Water Wells	66.605	4740	\$ --	\$ 338
Passed through Illinois Emergency Management Agency State Indoor Radon Grants State Indoor Radon Grant Program	66.032	18SHELBY	\$ --	\$ 7,624
Total U.S. Environmental Protection Agency			\$ --	\$ 7,962
U.S. Department of Health & Human Services				
Passed through Illinois Department of Public Health Immunization Cooperative Agreements Health Protection - Immunization - Non-Cash	93.268	000283	\$ --	\$ 122,452
Passed through Illinois Department of Healthcare and Family Services Child Support Enforcement Child Support/Computer Interface	93.663	FY2017	\$ --	\$ 984
Passed through Illinois Department of Healthcare and Family Services Medical Assistance Program Medicaid Matching - Administrative Outreach	93.778	FY2018	\$ --	\$ 70,768
Total U.S. Department of Health and Human Services			\$ --	\$ 194,234
U.S. Department of Homeland Security				
Passed through Illinois Emergency Management Agency Emergency Management Performance Grant Emergency Management Performance Grant Emergency Management Performance Grant				
		FY17EMASHEL	\$ --	\$ 1,015
		FY18EMASHEL	--	17,608
Total Emergency Management Performance Grant	97.042		\$ --	\$ 18,623
Passed through Illinois Emergency Management Agency Pre-Disaster Mitigation Pre-Disaster Mitigation	97.047	FEMA-PDMC-2016	\$ --	\$ 36,771
Passed through Illinois Emergency Management Agency Homeland Security Grant Program Homeland Security Grant Program	97.067	18EOC	\$ --	\$ 13,117
Total U.S. Department of Homeland Security			\$ --	\$ 68,511
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 393,033	\$ 1,262,019

Reference should be made to the Uniform Guidance report regarding this information.
The accompanying notes are an integral part of this Schedule.

SHELBY COUNTY, ILLINOIS
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2018

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Shelby County, Illinois under programs of the federal government for the year ended August 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Shelby County, Illinois, it is not intended to and does not present the financial position and changes in net assets of Shelby County, Illinois. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Expenditures are recognized and recorded upon the disbursement of cash. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

Shelby County, Illinois has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 – Nonmonetary Assistance

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

Note 5 – Subrecipients

Of the federal expenditures presented in the Schedule, Shelby County provided federal awards to the following subrecipient:

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Public Transportation CEFS Economic Opportunity Corporation	20.509	<u>\$393,033</u>

Note 6 – Insurance Provided by Federal Agencies

The County did not receive any insurance coverage provided by a federal agency during the fiscal year ended August 31, 2018.

Note 7 – Loans, Loan Guarantees, and Loan Subsidiaries

The County did not have any loans, loan guarantees, or loan subsidies at August 31, 2018.

SHELBY COUNTY, ILLINOIS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses unmodified opinions on the modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Shelby County, Illinois.
2. One deficiency disclosed during the audit of the financial statements of Shelby County, Illinois is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. This condition is reported as a material weakness. There were no significant deficiencies reported.
3. No instances of noncompliance material to the financial statements of Shelby County, Illinois were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. No material weaknesses relating to the audit of the major federal award program are reported in the Report on Compliance for each Major Federal Program; and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
5. The auditor's report on compliance for the major federal award programs for Shelby County, Illinois expresses an unmodified opinion.
6. There were no audit findings relative to the major programs for Shelby County, Illinois.
7. The programs tested as major programs include:

Name	CFDA No.
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Formula Grants for Rural Areas – Public Transportation	20.509

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Shelby County, Illinois was not determined to be a low-risk auditee.

B. FINDINGS — FINANCIAL STATEMENT AUDITS

Material Weakness

2018-001 Full Disclosure Financial Statements

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

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

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

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

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

Response: Management is currently confident of the abilities of the accounting staff to prepare interim financial statements. It is unclear what level of training may be needed to reach an appropriate level of expertise to prepare full disclosure year-end financial statements. Management confirms that the accounting staff possesses adequate skill, knowledge and experience to assume responsibility for the financial statements. Management will reevaluate year-end reporting controls annually and pursue additional training when it is considered cost beneficial.

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

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

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CORRECTIVE ACTION PLAN
2 CFR § 200.511 (c)
August 31, 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	Management will reevaluate year-end reporting controls annually and pursue additional training when it is considered cost beneficial.	8/31/19	Erica Firnhaber, County Treasurer.

SHELBY COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2018

Finding Number	Condition	Current Status
2017-001	<p>The County prepares interim financial reports using software specifically designed for governmental reporting. These interim reports are reviewed by county management. For year-end reporting purposes, the County relies on the auditor to prepare drafts of full disclosure statements (including footnotes) in accordance with Government Accounting Standards Board Statements #34. The County currently lacks significant expertise to prepare year-end full disclosure financial statements without significant assistance from the auditor.</p>	<p>Condition still exists.</p>

SHELBY COUNTY, ILLINOIS
RECONCILIATION OF DHS FY18 FEDERAL FUNDS SUMMARY TO FEDERAL EXPENDITURES
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING AUGUST 31, 2018

CFDA #			
10.557	Supplemental Nutrition Program for Women Infants and Children		
	Schedule of Expenditures of Federal Awards		
	Total Expenditures for the Fiscal Year 2018 Grant per DHS Federal Funds Summary, Contract #FCSWQ01093	\$	70,088
	Less expenditures reported on the Fiscal Year 2017 SEFA: Supplemental Nutrition Program Women, Infants, and Children		<u>(9,125)</u>
	Expenditures reported on the Fiscal Year 2018 SEFA	\$	60,963
	Expenditures from the FY19 Grant (Contract #FCSZQ01093) reported on the Fiscal Year 2018 SEFA Supplemental Nutrition Program Women, Infants, and Children		<u>10,701</u>
	Cash Expenditures reported on the Fiscal Year 2018 SEFA for Supplemental Nutrition Program for Women, Infants and Children	\$	<u>71,664</u>
10.557	WIC - Breastfeeding Peer Counselor		
	Schedule of Expenditures of Federal Awards		
	Total Expenditures for the Fiscal Year 2018 Grant per DHS Federal Funds Summary Contract #FCSWQ01197	\$	7,000
	Less expenditures reported on the Fiscal Year 2017 SEFA: WIC - Breastfeeding Peer Counselor		<u>(1,208)</u>
	Expenditures reported on the Fiscal Year 2018 SEFA	\$	5,792
	Expenditures from the FY19 Grant (Contract #FCSXQ01197) reported on the Fiscal Year 2018 SEFA WIC - Breastfeeding Peer Counselor		<u>820</u>
	Cash Expenditures reported on the Fiscal Year 2018 SEFA for Women, Infants and Children Nutrition Program	\$	<u>6,612</u>
10.557	Women, Infants, and Children Program Noncash		
	Schedule of Expenditures of Federal Awards		
	Total Expenditures for the Fiscal Year 2018 Grant per DHS Federal Funds Summary	\$	154,436
	Less expenditures reported on the Fiscal Year 2017 SEFA		<u>(25,720)</u>
	Expenditures reported on the Fiscal Year 2018 SEFA	\$	128,716
	Expenditures from the FY19 Grant reported on the Fiscal Year 2018 SEFA		<u>21,857</u>
	Noncash Expenditures reported on the Fiscal Year 2018 SEFA	\$	<u>150,573</u>
	Total Expenditures reported on the Fiscal Year 2018 SEFA	\$	<u><u>228,849</u></u>