

MORGAN COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
August 31, 2015

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INDEPENDENT AUDITORS' REPORT

Members of the County Board
Morgan County, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Morgan County, Illinois' 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditors' 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 of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois, as of August 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 35-42, retirement fund historical data on pages 43-48, and the related notes on pages 49-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morgan County, Illinois' basic financial statements. The combining nonmajor fund financial statements, combining agency fund financial statements, schedule of equalized assessed valuations and tax extensions, and schedule of equalized assessed valuations, tax levies, rates, extensions and collections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund and agency fund financial statements 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 combining nonmajor fund and agency fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Equalized Assessed Valuations and Tax Extensions and the Schedule of Equalized Assessed Valuations, Tax Levies, Rates, Extensions and Collections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016, on our consideration of the Morgan 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 Morgan County, Illinois' internal control over financial reporting and compliance.

Zumbahlen, Eyth, Sarratt, Foote & Flynn, Ltd.

Jacksonville, Illinois
January 29, 2016

MORGAN COUNTY, ILLINOIS
Statement of Net Position
August 31, 2015

Governmental
Activities

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash	\$	12,513,962
Taxes receivable, net of allowance for uncollectibles		2,650,784
Accounts receivable, net of allowance for uncollectibles		64,999
Due from governmental agencies		701,617
Capital assets, net of accumulated depreciation		11,309,647
Total assets		27,241,009

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to Pensions		2,074,817
Total Deferred Outflows of Resources		2,074,817

Total Assets and Deferred Outflows of Resources		29,315,826
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES

Accounts payable		726,461
Unearned Grant Revenue		29,013
Noncurrent liabilities:		
Due within one year		-
Due in more than one year		186,046
Net Pension Liability		4,891,110
Total liabilities		5,832,630

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pensions		78,222
Total Deferred Inflows of Resources		78,222

Total Liabilities and Deferred Inflows of Resources		5,910,852
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NET POSITION

Investments in capital assets, net of related debt		11,309,647
Restricted for:		
Law and Judicial		491,101
Transportation		3,365,460
Health and Human Services		1,690,014
Other Purposes		658,426
Unrestricted		5,890,326
Total net position	\$	23,404,974

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS

Statement of Activities

Year Ended August 31, 2015

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities:			
General Government	\$ 3,611,810	\$ 684,305	\$ 617,385
Law and Judicial	5,674,867	1,366,711	12,587
Health and Human Services	4,128,019	280,020	2,630,175
Transportation	<u>2,706,312</u>	<u>134,424</u>	<u>728,923</u>
 Total Governmental Activities	 <u>\$ 16,121,008</u>	 <u>\$ 2,465,460</u>	 <u>\$ 3,989,070</u>

General Revenues

Taxes
 Intergovernmental
 Sales Tax
 Replacement Tax
 Income Tax
 Interest
 Gain/(Loss) on Sale of Asset
 Miscellaneous

Total General Revenues

Change in Net Position

Net Position-Beginning - RESTATED

Net Position-Ending

	Capital Grants and Contributions	Governmental Activities
\$	94,191	\$ (2,215,929)
		(4,295,569)
		(1,217,824)
	<u>199,017</u>	<u>(1,643,948)</u>
\$	<u>293,208</u>	<u>(9,373,270)</u>

5,825,762
1,846,100
611,263
835,845
102,116
618
<u>436,436</u>
<u>9,658,140</u>
284,870
<u>23,120,104</u>
\$ <u>23,404,974</u>

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET

August 31, 2015

	General Fund	Cooperative Extension Fund
ASSETS		
Cash	\$ 6,258,646	\$ 87,823
Property Taxes Receivable	1,800,562	80,815
Intergovernmental Receivables:		
Federal Grants		
State Grants		
Motor Fuel Tax		
Other	439,134	
Other Receivables	8,579	
Due from Other Funds	<u>46,012</u>	
Total Assets	\$ <u>8,552,933</u>	\$ <u>168,638</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	\$ 47,057	\$ 168,638
Unearned Grant Revenue		
Due to Other Funds	<u>76,895</u>	
Total Liabilities	123,952	168,638
Fund Balance		
Restricted for:		
Law and Judicial	83,837	
Transportation		
Health and Human Services		
Other Purposes	35,417	
Committed		
Unassigned	<u>8,309,727</u>	
Total Fund Balances	<u>8,428,981</u>	<u>-</u>
Total Liabilities and Fund Balance	\$ <u>8,552,933</u>	\$ <u>168,638</u>

Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,146,418	\$ 5,021,075	\$ 12,513,962
	769,407	2,650,784
	159,376	159,376
	14,373	14,373
88,734	-	88,734
		439,134
	56,420	64,999
	233,223	279,235
<u>1,235,152</u>	<u>6,253,874</u>	<u>16,210,597</u>
\$ 301,475	\$ 209,291	\$ 726,461
	29,013	29,013
	202,340	279,235
<u>301,475</u>	<u>440,644</u>	<u>1,034,709</u>
	407,264	491,101
933,677	2,431,783	3,365,460
	1,690,014	1,690,014
	623,009	658,426
	702,757	702,757
	(41,597)	8,268,130
<u>933,677</u>	<u>5,813,230</u>	<u>15,175,888</u>
\$ <u>1,235,152</u>	\$ <u>6,253,874</u>	\$ <u>16,210,597</u>

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE
STATEMENT OF NET POSITION

Year Ended August 31, 2015

Fund Balances - Total Governmental Funds	\$ 15,175,888
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	11,309,647
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources related to pensions	2,074,817
Deferred inflows of resources related to pensions	(78,222)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds.	
Compensated absences	(186,046)
Net pension liability	<u>(4,891,110)</u>
Net Position of Governmental Activities	\$ <u><u>23,404,974</u></u>

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended August 31, 2015

	General Fund	Cooperative Extension Fund	Motor Fuel Tax Fund
REVENUE			
Taxes	\$ 3,769,822	\$ 175,503	\$
Intergovernmental	3,910,593		728,923
Licenses and Permits	405,463		
Fines and Forfeits	513,919		
Revenue from Services	289,431		
Interest	91,388		2,050
Miscellaneous	344,395		
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>9,325,011</u>	<u>175,503</u>	<u>730,973</u>
EXPENDITURES			
Current:			
General Government	3,073,362	175,503	
Law and Judicial	4,596,582		
Health and Human Services	243,294		
Transportation	143,114		897,110
Capital Outlay	52,926		
Debt Expense			
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>8,109,278</u>	<u>175,503</u>	<u>897,110</u>
Revenue Over (Under) Expenditures	1,215,733	-	(166,137)
OTHER FINANCING SOURCES (USES)			
Gain/(Loss) on Sale of Asset			
Interfund Transfers	(114,667)		
	<hr/>	<hr/>	<hr/>
Net change in fund balances	1,101,066	-	(166,137)
FUND BALANCE, BEGINNING	<u>7,327,915</u>	<u>-</u>	<u>1,099,814</u>
FUND BALANCE, ENDING	<u>\$ 8,428,981</u>	<u>\$ -</u>	<u>\$ 933,677</u>

Other Governmental Funds	Total Governmental Funds
\$ 1,880,437	\$ 5,825,762
2,989,864	7,629,380
600	406,063
521,675	1,035,594
680,478	969,909
8,678	102,116
97,421	441,816
<hr/>	<hr/>
6,179,153	16,410,640
<hr/>	<hr/>
192,708	3,441,573
673,662	5,270,244
3,764,879	4,008,173
606,819	1,647,043
654,421	707,347
0	0
<hr/>	<hr/>
5,892,489	15,074,380
<hr/>	<hr/>
286,664	1,336,260
-	-
114,667	-
<hr/>	<hr/>
401,331	1,336,260
<hr/>	<hr/>
5,411,899	13,839,628
<hr/>	<hr/>
\$ <u>5,813,230</u>	\$ <u>15,175,888</u>

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended August 31, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,336,260
Governmental Funds do not report accrued vacation as an expenditure. However, in the Statement of Activities, those costs are shown. This represents the net change in accrued vacation.	(8,723)
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	(652,602)
Governmental Funds report proceeds from the sale of capital assets as revenue. However, in the Statement of Activities, the sales proceeds are netted against the asset's remaining undepreciated cost to determine gain or loss on the sale. This is the amount by which sales proceeds exceeds the gain on sale	(4,762)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense reflects the net change in the net pension obligation and deferred outflows and inflows related to pensions. This is the amount by which the actuarial change in net pension obligation exceeds pension contributions.	<u>(385,303)</u>
Change in Net Position of Governmental Activities	\$ <u><u>284,870</u></u>

See accompanying notes to financial statements

MORGAN COUNTY, ILLINOIS
 ALL AGENCY FUNDS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 August 31, 2015

	Total
ASSETS	
Cash	\$ 13,750,618
Intergovernmental Receivables:	
Motor Fuel Tax	<u>144,546</u>
 Total Assets	 <u>13,895,164</u>
LIABILITIES	
Intergovernmental Payables:	
Accounts Payable	286,910
Funds Available for Distribution	<u>13,608,254</u>
 Total Liabilities	 <u>13,895,164</u>
 NET ASSETS	 \$ <u><u>0</u></u>

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Morgan County, Illinois (County) are based upon accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant policies.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (hereinafter referred to as GAAP).

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the County's accounting policies are described below.

A. Financial Reporting Entity

Morgan County is a municipal corporation governed by an elected 3 member board. These financial statements present Morgan County, the primary government unit.

County officials are responsible for appointing the members of the board of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. The County Board appoints the board members of the following organizations:

Drainage Districts
Fire Protection Districts
Cemeteries
Housing Authority
Airport Authorities
Water Districts
Mass Transit Districts

The County's financial statements include the accounts of all County operations. The criteria for including organizations within the County's reporting entity, as set forth in GASB No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", is financial accountability. A component unit is included in the County's reporting entity if it is both fiscally dependent on the County (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of the criteria for inclusion as set forth in GASB No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", there are no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. 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.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include 1) charges for services which report fees, fines and forfeitures, and other charges to users of the County's services; 2) operating grants and contributions which finance annual operating activities including restricted investment income; and 3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation – 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 balance, revenues and expenditures/expenses. The various funds are summarized by type in the combined financial statements.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) requiring separate accounting because of legal, regulatory provisions or administrative action.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources committed for acquiring or constructing general capital assets.

FIDUCIARY FUNDS

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 governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are considered available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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 *Cooperative Extension Fund* accounts for the receipt and expenditure of property taxes levied for the University of Illinois Extension Office.

The *Motor Fuel Tax Fund* accounts for the collection of motor fuel taxes from the State of Illinois and the expenditure of those funds for the maintenance and construction of County roads.

E. Cash and Cash Equivalents

Cash and Cash Equivalents represent cash on hand, cash deposited in checking accounts, certificates of deposits, repurchase agreements and U.S. treasury bills and notes which are stated at cost (which approximates fair value).

F. Recently Adopted Accounting Pronouncements

During the year ending August 31, 2015, the County adopted GASB Statement 68, *Employers' Accounting for Pensions Costs* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*. The primary objective of this statement is to improve accounting and financial reporting for pension obligations by state and local governments. The effect of the implementation of these GASB statements is the recognition of pension-related obligations and deferrals on the County's Statement of Net Position, as well as the recognition of pension-related expenses based on changes in the net pension obligation and related deferrals on the Statement of Activities. Pension disclosures and supplementary information were also significantly expanded. GASB statements 68 and 71 have no effect on the governmental funds Balance Sheet or the Statement of Revenues, Expenditures, and Fund Balance.

MORGAN COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Receivables

GASB Statements No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions* requires the recognition of receivables associated with nonexchange transactions as follows:

- Derived tax receivables (such as: sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.

Government – mandates or voluntary non-exchange transaction receivables (such as: mandates or grants) are recognized when all eligibility requirements have been met.

H. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Governmental activities capital assets having a useful life greater than one year are capitalized using the following dollar thresholds: \$50,000 for land, \$100,000 for buildings and improvements, \$25,000 for equipment, \$15,000 for vehicles, and \$200,000 for roads and bridges.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The County uses the direct method for accounting for planned major maintenance. Amounts are expensed or capitalized as incurred.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Description	Years
Building and Improvements	30 - 40
Equipment	4 - 10
Vehicles	4 - 10
Road and Bridges	20

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

Accrued sick leave has not been recorded; the County is not liable in the amount to the employees upon retirement or discontinued service, so the amount is undetermined.

Accrued vacation leave which the employees have elected to accumulate in their bank amounted to \$186,045 for the Governmental Funds and has been recorded in the Statement of Net Assets as noncurrent liabilities due in more than one year.

Employees are allowed to accumulate up to 320 hours of vacation time.

J. Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance: amounts that are not in spendable form (such as inventory) or are required to be maintained intact

Restricted fund balance: amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation

Committed fund balance: amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint

Assigned fund balance: amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates authority

Unassigned fund balance: amounts that are available for any purpose; positive amounts are reported only in the General fund

The County Board establishes (and modifies and rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established through lower level action of the County Board.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Equity (Continued)

The County expends restricted resources first when both restricted and unrestricted resources are available for the same purpose. When unrestricted resources are expended, the County uses any committed resources first, followed by assigned resources and unassigned resources.

K. Property Tax Revenue

Property tax revenue line items include adjustments of prior year's tax revenue from tax sales, the adjustment for the allowance for uncollectible taxes and tax increment financing (TIF) distributions. These line items are not reported separately because the amounts are immaterial.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfer.

M. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

The County follows the procedures indicated below in establishing the budgetary data reflected in the combined financial statements:

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 2. LEGAL COMPLIANCE AND ACCOUNTABILITY (Continued)

- (a) At a regular or specially called meeting of the County Board in early August, the County Board submits a proposed budget for the fiscal year commencing on the following September.
 - 1. The budget includes proposed expenditures and the means of financing them.
- (b) The budget is available for public inspection for at least 15 days prior to passage by the County Board.
- (c) Prior to September, the budget is legally enacted through passage of an appropriation ordinance. The original budget was approved on August 11, 2014.
- (d) The level of budgetary control, on which expenditures may not legally exceed appropriations, is at the fund level in accordance with Illinois Compiled Statutes. Any transfers between funds require County board approval. The budget was last amended October 13, 2015. Adjustments made during the year are reflected in the required supplementary information.
- (e) Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds through an internal reporting basis. Unexpended appropriations and encumbrances lapse at August 31.
- (f) Budgets for the general and special revenue funds are legally adopted and are on a basis consistent with GAAP.

NOTE 3. CASH AND CASH EQUIVALENTS

The County is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act of Illinois.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposited funds may be invested in certificates of deposit. Collateral agreements must be approved prior to deposit of funds. The County Board designates a list of authorized depository institutions.

Deposits of the County's reporting entity are insured or collateralized with securities held by the County, its agent, or by the pledging financial institution's trust department or agent in the name of the County.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 3. CASH AND CASH EQUIVALENTS (Continued)

On August 31, 2015, \$3,255,862 of the County's deposits was covered by Federal Deposit Insurance, \$18,849,713 was covered by collateral held by the pledging institution in the name of the County, and \$265,344 was not covered by Federal Deposit Insurance or collateralized and is subject to the credit risk of the banks.

NOTE 4. PROPERTY TAXES

Property taxes are collected by the County on behalf of all taxing bodies. Distributions are made to all taxing bodies, including the County, at least once every 30 days. Distributions are made more often during the two main collection periods.

The 2014 property tax levy is recorded as revenues in fiscal year 2015, net of estimated loss on collections. The County's policy complies with the GASB policy, which requires property tax revenue to actually be collected within 60 days of the entity's year-end in order to be recorded as revenues within that year.

The property tax calendar for Morgan County, Illinois is as follows:

Lien Date	January 1, 2015
Levy Date	December 22, 2014
First Installment (one-half of the total bill) Due	July 2, 2015
Second Installment (balance of the total bill) Due	September 4, 2015
Tax Sale of Delinquent Accounts Held On	November 4, 2015

NOTE 5. ACCOUNTS RECEIVABLE

Receivables in the general fund are intergovernmental and other receivables. Receivables in the IHWAP Fund are intergovernmental and other receivables. The other governmental funds receivables are intergovernmental receivables and other receivables.

NOTE 6. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

MORGAN COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 August 31, 2015

NOTE 7. DEFERRED COMPENSATION PLAN

The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable rate annuity contracts underwritten by National Association of Counties Deferred Compensation Program.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The investment activity for the year ended August 31, 2015 is as follows:

Beginning Investment Balance	\$	816,441
Contributions		36,117
Investment Income/(Loss)		4,060
Withdrawals		(10,022)
Asset Fees		(1,139)
Ending Investment Balance	\$	845,457
Life Insurance Policy Holder Account Value	\$	1,660

NOTE 8. DEFINED BENEFIT PENSION PLAN

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.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (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 *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms – RP

As of December 31, 2014, the County's membership consisted of 122 retirees and beneficiaries currently receiving benefits, 80 inactive plan members entitled to but not yet receiving benefits, and 95 active plan members for a total of 297 plan members.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms – SLEP

As of December 31, 2014, the County's membership consisted of 26 retirees and beneficiaries currently receiving benefits, 16 inactive plan members entitled to but not yet receiving benefits, and 35 active plan members for a total of 77 plan members.

Employees Covered by Benefit Terms – ECO

As of December 31, 2014, the County's membership consisted of 11 retirees and beneficiaries currently receiving benefits, 2 inactive plan members entitled to but not yet receiving benefits, and 5 active plan members for a total of 18 plan members.

Contributions – RP

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2014 was 14.73%. For the fiscal year ended August 31, 2015, the County contributed \$568,585 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.

Contributions – SLEP

As set by statute, the County's SLEP Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2014 was 21.09%. For the fiscal year ended August 31, 2015, the County contributed \$309,168 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.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

Contributions – ECO

As set by statute, the County's ECO Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2014 was 34.61%. For the fiscal year ended August 31, 2015, the County contributed \$100,433 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be as follows: 7.47% for RP, 7.50% for SLEP, and 7.49% for ECO.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

MORGAN COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.47% for RP, 7.50% for SLEP, and 7.49% for ECO.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability – RP

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2013	\$25,949,872	\$23,903,903	\$2,045,969
Changes for the year:			
Service Cost	477,577	-	477,577
Interest on the Total Pension Liability	1,915,964	-	1,915,964
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(7,087)	-	(7,087)
Changes of Assumptions	1,105,334	-	1,105,334
Contributions – Employer	-	577,033	(577,033)
Contributions – Employees	-	183,266	(183,266)
Net Investment Income	-	1,444,217	(1,444,217)
Benefit Payments, including Refunds of Employee Contributions	(1,216,731)	(1,216,731)	-
Other (Net Transfer)		23,646	(23,646)
Net Changes	2,275,057	1,011,431	1,263,626
Balances at December 31, 2014	\$28,224,929	\$24,915,334	\$3,309,595

Changes in the Net Pension Liability – SLEP

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2013	\$12,633,404	\$11,869,984	\$763,420
Changes for the year:			
Service Cost	286,835	-	286,835
Interest on the Total Pension Liability	933,944	-	933,944
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(76,513)	-	(76,513)
Changes of Assumptions	239,490	-	239,490
Contributions – Employer	-	304,630	(304,630)
Contributions – Employees	-	111,614	(111,614)
Net Investment Income	-	716,986	(716,986)
Benefit Payments, including Refunds of Employee Contributions	(648,460)	(648,460)	-
Other (Net Transfer)		(53,981)	53,981
Net Changes	735,296	430,789	304,507
Balances at December 31, 2014	\$13,368,700	\$12,300,773	\$1,067,927

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability – ECO

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2013	\$4,723,469	\$4,306,522	\$416,947
Changes for the year:			
Service Cost	73,737	-	73,737
Interest on the Total Pension Liability	347,182	-	347,182
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(21,647)	-	(21,647)
Changes of Assumptions	110,014	-	110,014
Contributions – Employer	-	99,121	(99,121)
Contributions – Employees	-	21,871	(21,871)
Net Investment Income	-	258,759	(258,759)
Benefit Payments, including Refunds of Employee Contributions	(250,138)	(250,138)	-
Other (Net Transfer)		32,894	(32,894)
Net Changes	259,148	162,507	96,641
Balances at December 31, 2014	\$4,982,617	\$4,469,029	\$513,588

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

The following presents the plans' net pension liabilities, calculated using Single Discount Rates of 7.47%, 7.50%, and 7.49% for RP, SLEP, and ECO, respectively, as well as what the plans' net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

RP:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Total Pension Liability	\$31,758,884	\$28,224,929	\$25,302,391
Plan Fiduciary Net Position	24,915,334	24,915,334	24,915,334
Net Pension Liability/(Asset)	\$ 6,843,550	\$ 3,309,595	\$ 387,057

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

SLEP:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total Pension Liability	\$15,195,906	\$13,368,700	\$11,874,931
Plan Fiduciary Net Position	12,300,773	12,300,773	12,300,773
Net Pension Liability/(Asset)	\$ 2,895,133	\$ 1,067,927	\$ (425,842)

ECO:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Total Pension Liability	\$5,575,708	\$4,982,617	\$4,519,148
Plan Fiduciary Net Position	4,469,029	4,469,029	4,469,029
Net Pension Liability/(Asset)	\$1,106,679	\$ 513,588	\$ 50,119

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

For the year ended August 31, 2015, the County recognized pension expense of \$568,585 for RP, \$309,168 for SLEP, and \$100,433 for ECO. At August 31, 2015, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

RP:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	4,785
Net difference between projected and actual earnings on pension plan investments	265,877	0
Changes of assumptions	746,331	0
Employer contributions subsequent to the measurement date (December 31, 2014)	369,479	0
Total	1,381,687	4,785

MORGAN COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

SLEP:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	63,769
Net difference between projected and actual earnings on pension plan investments	199,602	0
Changes of assumptions	130,024	0
Employer contributions subsequent to the measurement date (December 31, 2014)	201,474	0
Total	531,100	63,769

ECO:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	9,668
Net difference between projected and actual earnings on pension plan investments	49,135	0
Changes of assumptions	48,497	0
Employer contributions subsequent to the measurement date (December 31, 2014)	64,398	0
Total	162,030	9,668

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued)

Amounts reported as deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability during the year ending August 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

RP:

Year ended August 31:	
2016	\$ 423,170
2017	423,170
2018	94,612
2019	66,471
Total	\$1,007,423

SLEP:

Year ended August 31:	
2016	\$ 59,650
2017	59,650
2018	59,650
2019	59,650
Thereafter	27,257
Total	\$265,857

ECO:

Year ended August 31:	
2016	\$51,591
2017	12,124
2018	12,124
2019	12,125
Total	\$87,964

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 9. JOINTLY GOVERNED ORGANIZATIONS

The County is a member of four jointly governed organizations: Illinois County Solid Waste Management Association, Mid-America Intermodal Authority Port District, Workforce Development Council and Illinois Public Health Mutual Aid System.

NOTE 10. CONSTRUCTION IN PROGRESS

As of August 31, 2015, construction projects in progress consist of highway construction projects and courthouse renovations. These projects are expected to be completed at various different times and for varying amounts.

NOTE 11. LONG-TERM DEBT

Employees can accumulate up to 320 hours of vacation time. The liability is calculated on the employee's current hourly rate times the accumulated hours. The net change in total liability for the year ended August 31, 2015 is as follows:

<u>Balance</u> <u>August 31, 2014</u>	<u>Net Increase/ (Decrease)</u>	<u>Balance</u> <u>August 31, 2015</u>
\$ 177,323	\$8,722	\$ 186,045

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Illinois Counties Risk Management Trust (ICRMT), a public entity risk pool operating as a common risk management and insurance program for Illinois Municipalities. The program provides for the creation of a self-insurance pool and the purchase of excess insurance with loss coverage. The County continues to carry commercial insurance for all other risks of loss. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. RESTRICTED FUND BALANCE/NET ASSETS

Amounts included as restricted fund balance include property tax levies, grant funds, fines and fees, and other amounts externally restricted for specific purposes. Committed fund balance consists of amounts committed for capital projects and for animal control under local intergovernmental agreements

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 14. CAPITAL ASSETS

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

	Beginning Balance 8/31/14	Increases	Transfer of Construction In Progress	Decreases	Ending Balance 08/31/15
Capital assets not being depreciated					
Construction in progress	\$ -	\$ 189,651	\$ -	\$ -	\$ 189,651
Capital assets being depreciated					
Road and bridges	20,721,072	248,771			20,969,843
Building and improvements	4,364,729				4,364,729
Equipment	1,859,327				1,859,327
Vehicles	<u>1,020,080</u>	<u>36,500</u>		<u>39,162</u>	<u>1,017,418</u>
Total capital assets being depreciated	<u>27,965,208</u>	<u>285,271</u>	<u>0</u>	<u>39,162</u>	<u>28,211,317</u>
Less accumulated depreciation for:					
Road and bridges	12,040,330	786,720			12,827,050
Buildings and improvements	2,064,971	101,618			2,166,589
Equipment	1,090,074	178,310			1,268,384
Vehicles	<u>802,822</u>	<u>60,876</u>		<u>34,400</u>	<u>829,298</u>
Total accumulated depreciation	<u>15,998,197</u>	<u>\$ 1,127,524</u>	<u>\$ 0</u>	<u>\$ 34,400</u>	<u>17,091,321</u>
Total capital assets being depreciated, net	<u>11,967,011</u>				<u>11,119,996</u>
Governmental activities capital assets, net	<u>\$ 11,967,011</u>				<u>\$ 11,309,647</u>

Depreciation Expense

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

Governmental activities	
General Government	\$ 69,165
Law and Judicial	168,479
Health and Human Services	25,786
Transportation	<u>864,094</u>
Total depreciation expense - governmental activities	<u>\$ 1,127,524</u>

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 15. INTERFUND BALANCES

Interfund balances among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities.

At August 31, 2015, interfund receivables and payables consisted of the following:

Funds	Due From Other Funds	Due to Other Funds
General		
Nonmajor Governmental	\$ <u>46,012</u>	\$ <u>76,895</u>
Total General	<u>46,012</u>	<u>76,895</u>
Nonmajor Governmental		
General	76,895	46,012
Nonmajor Governmental	<u>156,328</u>	<u>156,328</u>
Total Nonmajor Governmental	<u>233,223</u>	<u>202,340</u>
Total Interfund - All Funds	\$ <u><u>279,235</u></u>	\$ <u><u>279,235</u></u>

In general, interfund balances exist due to the allocation of salaries and fringe benefits to various funds, as well as for various short-term cash flow needs.

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 16. OPERATING TRANSFERS

Operating transfers among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities. The following operating transfers were made:

	<u>Operating Transfer In</u>	<u>Operating Transfer Out</u>
General Fund		
Nonmajor Governmental	\$ <u> </u>	\$ <u> 180,000 </u>
Total General Fund	<u> -</u>	<u> 180,000 </u>
Nonmajor Governmental		
General	<u> 180,000 </u>	<u> </u>
Total Nonmajor Governmental	<u> 180,000 </u>	<u> -</u>
Total Interfunds - All Funds	<u> 180,000 </u>	<u> 180,000 </u>

Tuberculosis fund received a \$70,000 transfer from General fund to support the ordinary operations of the fund.

Law Library fund received \$10,000 transfer from General fund to support the ordinary operations of the fund.

Capital Improvements fund received a \$100,000 transfer from General fund for the purpose of committing additional funds to ongoing capital projects.

NOTE 17. LEGAL DEBT MARGIN

Equalized Assessed Valuation, 2014 Tax Year	\$ <u> 527,044,889 </u>
Statutory Debt Limitation (5.75% of Equalized Assessed Valuation)	\$ 30,305,081
Less: Bond Indebtedness	<u> -</u>
Legal Debt Margin	<u> 30,305,081 </u>

MORGAN COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2015

NOTE 18. DEFICIT FUND BALANCE

At August 31, 2015, the Regional Planning Commission Fund has a deficit fund balance of \$(41,597).

NOTE 19. SUBSEQUENT EVENTS

Events that occur after the statement of net assets date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets date require disclosure in the accompanying notes. Management evaluated the activity of the County through January 29, 2016, the date which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 20. RESTATEMENT OF BEGINNING NET POSITION

Net position of the governmental activities has been restated as of August 31, 2014 as required for the adoption of GASB Statements 68 and 71 relating to defined benefit pensions, as discussed in note 1F. The restatement of net position was calculated as follows:

Net Position 8/31/14 As Originally Reported	\$ 25,629,314
Inclusion Of Net Pension Liability As Of 8/31/14	(3,226,336)
Inclusion Of Deferred Outflows As Of 8/31/14 As A Result Of Contributions Made Subsequent to Measurement Date	<u>717,126</u>
Net Position 8/31/14 As Restated	\$ <u>23,120,104</u>

In accordance with GASB Statement 71, beginning net position was not restated for any other pension related deferred outflows or deferred inflows because these amounts were not readily determinable as of the 8/31/14 restatement date. As a result, adjustments for deferred outflows and deferred inflows not related to contributions subsequent to the measurement date have been adjusted through the current year Statement of Activities.

MORGAN COUNTY, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended August 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUE				
Property Taxes	\$ 3,896,118	\$ 3,896,118	\$ 3,769,822	\$ (126,296)
Intergovernmental:				
Sales Tax	1,200,000	1,200,000	1,838,112	638,112
Income Tax	800,000	800,000	835,845	35,845
Replacement Tax	550,000	550,000	611,263	61,263
Video Gaming Tax	0	0	7,988	7,988
State Other	515,150	515,150	595,313	80,163
Federal	20,000	20,000	22,072	2,072
Licenses and Permits	410,000	410,000	405,463	(4,537)
Fines and Forfeits	660,370	660,370	513,919	(146,451)
Revenue from Services	152,000	152,000	289,431	137,431
Interest	83,009	83,009	91,388	8,379
Miscellaneous	350,220	350,220	344,395	(5,825)
	<u>8,636,867</u>	<u>8,636,867</u>	<u>9,325,011</u>	<u>688,144</u>
Total Revenue				
EXPENDITURES				
Current:				
General Government	3,218,433	3,300,227	3,073,362	226,865
Law and Judicial	4,747,234	4,728,860	4,596,582	132,278
Health and Human Services	265,200	247,462	243,294	4,168
Transportation	156,000	148,115	143,114	5,001
Capital Outlay	250,000	212,203	52,926	159,277
	<u>8,636,867</u>	<u>8,636,867</u>	<u>8,109,278</u>	<u>527,589</u>
Total Expenditures				
Revenues Over (Under) Expenditures	0	0	1,215,733	1,215,733
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	<u>(100,000)</u>	<u>(100,000)</u>	<u>(114,667)</u>	<u>(14,667)</u>
Net change in fund balances	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	1,101,066	<u>\$ 1,201,066</u>
FUND BALANCE, BEGINNING			<u>7,327,915</u>	
FUND BALANCE, ENDING			<u>\$ 8,428,981</u>	

MORGAN COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES

Year Ended August 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Current:				
General Government				
Commissioners' Office				
Commissioners' Salaries	\$ 110,250	\$ 110,250	\$ 110,250	\$ 0
Other Salaries	39,266	39,387	39,386	1
Services	8,000	7,879	5,338	2,541
Materials	<u>2,000</u>	<u>2,000</u>	<u>327</u>	<u>1,673</u>
Total Commissioners' Office	<u>159,516</u>	<u>159,516</u>	<u>155,301</u>	<u>4,215</u>
Treasurer's Office				
County Treasurer's Salary	61,350	61,350	61,350	0
Other Salaries	58,072	58,072	45,657	12,415
Services	6,000	5,866	3,076	2,790
Materials	<u>6,000</u>	<u>6,134</u>	<u>6,133</u>	<u>1</u>
Total Treasurer's Office	<u>131,422</u>	<u>131,422</u>	<u>116,216</u>	<u>15,206</u>
County Clerk's Office				
County Clerk's Salary	61,350	61,350	61,350	0
Other Salaries	147,633	153,728	153,727	1
Services	10,000	10,000	11,049	(1,049)
Materials	140,000	140,000	127,076	12,924
Election Grant Expense	20,000	20,000	13,125	6,875
Election	<u>182,825</u>	<u>248,979</u>	<u>248,979</u>	<u>0</u>
Total County Clerk's Office	<u>561,808</u>	<u>634,057</u>	<u>615,306</u>	<u>18,751</u>
Assessor's Office				
Salaries	171,351	171,351	169,175	2,176
Services	13,500	13,500	9,890	3,610
Materials	<u>9,000</u>	<u>9,000</u>	<u>5,902</u>	<u>3,098</u>
Total Assessor's Office	<u>\$ 193,851</u>	<u>\$ 193,851</u>	<u>\$ 184,967</u>	<u>\$ 8,884</u>

MORGAN COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended August 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
EXPENDITURES				
General Government (con't)				
General Expenditures				
E.D. Director	\$ 114,000	\$ 114,000	\$ 112,467	\$ 1,533
Other	35,000	35,000	32,357	2,643
Medical Insurance	734,000	734,000	704,240	29,760
Postage	70,000	70,000	52,206	17,794
Professional Fees	80,000	80,000	52,701	27,299
Computer Services	130,000	150,707	150,706	1
Merit Commission	3,000	3,000	150	2,850
Flood Control	5,000	5,000	5,000	0
Economic Development	35,000	35,000	35,000	0
Planning Commission	25,000	25,000	25,000	0
Animal Control	14,667	14,667	0	14,667
Solid Waste Planning	5,000	5,000	5,000	0
Liability Insurance	405,000	384,293	334,795	49,498
Health Committee	16,000	16,000	9,409	6,591
Drug Court	7,500	7,500		7,500
	<u>1,679,167</u>	<u>1,679,167</u>	<u>1,519,031</u>	<u>160,136</u>
Educational Service Region Office Services	<u>138,910</u>	<u>165,207</u>	<u>165,206</u>	<u>1</u>
Total Educational Service Region Office	<u>138,910</u>	<u>165,207</u>	<u>165,206</u>	<u>1</u>
Courthouse				
Salaries	31,159	31,159	30,346	813
Services	38,000	38,000	27,529	10,471
Materials	4,500	4,500	3,594	906
	<u>73,659</u>	<u>73,659</u>	<u>61,469</u>	<u>12,190</u>
Morgan County Center				
Salaries	1,500	1,500	855	645
Services	27,000	27,000	25,811	1,189
Materials	2,000	2,000	217	1,783
	<u>30,500</u>	<u>30,500</u>	<u>26,883</u>	<u>3,617</u>
Total Morgan County Center	\$ <u>30,500</u>	\$ <u>30,500</u>	\$ <u>26,883</u>	\$ <u>3,617</u>

MORGAN COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended August 31, 2015

EXPENDITURES	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government (con't)				
Retirement	\$ 249,600	\$ 232,848	\$ 228,983	\$ 3,865
Total Retirement	<u>249,600</u>	<u>232,848</u>	<u>228,983</u>	<u>3,865</u>
Total General Government	\$ <u>3,218,433</u>	\$ <u>3,300,227</u>	\$ <u>3,073,362</u>	\$ <u>226,865</u>
Law and Judicial				
Sheriff and Law Enforcement				
Sheriff's Salary	72,000	72,000	72,000	0
Other Salaries	747,149	747,149	719,043	28,106
Services	96,200	96,200	88,760	7,440
Materials	<u>83,200</u>	<u>83,200</u>	<u>74,201</u>	<u>8,999</u>
Total Sheriff and Law Enforcement	<u>998,549</u>	<u>998,549</u>	<u>954,004</u>	<u>44,545</u>
Civil Defense Office				
City/County Agreement	43,371	43,371	22,120	21,251
Payments to Other Governments	<u>16,554</u>	<u>16,554</u>	<u>16,554</u>	<u>0</u>
Total Civil Defense Office	<u>59,925</u>	<u>59,925</u>	<u>38,674</u>	<u>21,251</u>
Coroner's Office				
Coroner's Salary	29,750	29,750	29,750	0
Other Salaries	9,738	9,738	9,030	708
Services	48,500	53,959	53,958	1
Materials	<u>3,500</u>	<u>4,182</u>	<u>4,181</u>	<u>1</u>
Total Coroner's Office	<u>91,488</u>	<u>97,629</u>	<u>96,919</u>	<u>710</u>
Probation Office				
Salaries	471,594	471,594	468,834	2,760
Services	12,920	12,920	8,879	4,041
Materials	<u>2,210</u>	<u>2,210</u>	<u>2,188</u>	<u>22</u>
Total Probation Office	\$ <u>486,724</u>	\$ <u>486,724</u>	\$ <u>479,901</u>	\$ <u>6,823</u>

MORGAN COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended August 31, 2015

EXPENDITURES	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Law and Judicial (con't)				
County Jail				
Salaries	\$ 1,022,429	\$ 1,054,085	\$ 1,054,084	\$ 1
Services	210,200	210,200	202,009	8,191
Materials	29,000	29,000	63,435	(34,435)
	<u>1,261,629</u>	<u>1,293,285</u>	<u>1,319,528</u>	<u>(26,243)</u>
Total County Jail				
Circuit Clerk's Office				
Circuit Clerk's Salary	61,350	61,350	61,350	0
Other Salaries	125,500	125,500	123,738	1,762
Services	4,000	4,000	3,591	409
Materials	5,000	5,000	4,606	394
	<u>195,850</u>	<u>195,850</u>	<u>193,285</u>	<u>2,565</u>
Total Circuit Clerk's Office				
Public Defender's Office				
Salaries	189,649	189,649	189,649	0
	<u>189,649</u>	<u>189,649</u>	<u>189,649</u>	<u>0</u>
Total Public Defender's Office				
Court Related				
Salaries	38,245	38,245	38,245	0
Materials	2,500	2,500	1,394	1,106
Drug Court	0	0	6,253	(6,253)
Care and Support of Minors	55,000	48,152	16,737	31,415
Court Appointed Counsel	25,000	31,848	31,848	0
Publication	6,000	6,000	700	5,300
Interpreters	10,000	10,000	4,998	5,002
Jury	25,000	25,000	13,237	11,763
	<u>161,745</u>	<u>161,745</u>	<u>113,412</u>	<u>48,333</u>
Total Court Related				
Circuit Judge's Office				
Services	4,500	4,500	2,562	1,938
Materials	2,500	2,500	409	2,091
Equipment	5,000	5,000		5,000
	<u>12,000</u>	<u>12,000</u>	<u>2,971</u>	<u>9,029</u>
Total Circuit Judge's Office				

MORGAN COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended August 31, 2015

EXPENDITURES	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Law and Judicial (con't)				
Associate Circuit Judge's Office				
Services	\$ 3,500	\$ 3,500	\$ 1,901	\$ 1,599
Materials	1,500	1,500	1,368	132
Equipment	<u>3,000</u>	<u>3,000</u>	<u> </u>	<u>3,000</u>
Total Associate Circuit Judge's Office	<u>8,000</u>	<u>8,000</u>	<u>3,269</u>	<u>4,731</u>
State's Attorney				
State's Attorney Salary	166,500	166,508	166,508	0
Other Salaries	163,870	163,870	163,870	0
Victim Assistance	28,105	29,164	29,163	1
Services	26,000	24,933	22,173	2,760
Materials	<u>8,000</u>	<u>8,000</u>	<u>7,505</u>	<u>495</u>
Total State's Attorney	<u>392,475</u>	<u>392,475</u>	<u>389,219</u>	<u>3,256</u>
Retirement	<u>889,200</u>	<u>833,029</u>	<u>815,751</u>	<u>17,278</u>
Total Retirement	<u>889,200</u>	<u>833,029</u>	<u>815,751</u>	<u>17,278</u>
Total Law and Judicial	<u>\$ 4,747,234</u>	<u>\$ 4,728,860</u>	<u>\$ 4,596,582</u>	<u>\$ 132,278</u>
Health and Human Services				
Retirement	<u>265,200</u>	<u>247,462</u>	<u>243,294</u>	<u>4,168</u>
Total Retirement	<u>265,200</u>	<u>247,462</u>	<u>243,294</u>	<u>4,168</u>
Total Health and Human Services	<u>\$ 265,200</u>	<u>\$ 247,462</u>	<u>\$ 243,294</u>	<u>\$ 4,168</u>
Transportation				
Retirement	<u>156,000</u>	<u>148,115</u>	<u>143,114</u>	<u>5,001</u>
Total Retirement	<u>156,000</u>	<u>148,115</u>	<u>143,114</u>	<u>5,001</u>
Total Transportation	<u>\$ 156,000</u>	<u>\$ 148,115</u>	<u>\$ 143,114</u>	<u>\$ 5,001</u>
Capital Outlay	<u>\$ 250,000</u>	<u>\$ 212,203</u>	<u>\$ 52,926</u>	<u>\$ 159,277</u>
Total General Fund Expenditures	<u>\$ 8,636,867</u>	<u>\$ 8,636,867</u>	<u>\$ 8,109,278</u>	<u>\$ 527,589</u>

MORGAN COUNTY, ILLINOIS

COOPERATIVE EXTENSION FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended August 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUE				
Taxes	\$ 175,000	\$ 175,000	\$ 175,503	\$ 503
Total Revenue	<u>175,000</u>	<u>175,000</u>	<u>175,503</u>	<u>503</u>
EXPENDITURES				
Current				
General Government	<u>175,000</u>	<u>175,000</u>	<u>175,503</u>	<u>(503)</u>
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>175,503</u>	<u>(503)</u>
Net change in fund balances	\$ <u>0</u>	\$ <u>0</u>	-	\$ <u>0</u>
FUND BALANCE, BEGINNING			<u>-</u>	
FUND BALANCE, ENDING			\$ <u><u>-</u></u>	

MORGAN COUNTY, ILLINOIS

MOTOR FUEL TAX FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended August 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUE				
Intergovernmental:				
State	\$ 750,000	\$ 750,000	\$ 728,923	\$ (21,077)
Interest	190	190	2,050	1,860
	<u>750,190</u>	<u>750,190</u>	<u>730,973</u>	<u>(19,217)</u>
Total Revenue				
EXPENDITURES				
Current				
Transportation	1,063,500	1,063,500	897,110	166,390
Capital Outlay	0	0		0
	<u>1,063,500</u>	<u>1,063,500</u>	<u>897,110</u>	<u>166,390</u>
Total Expenditures				
Net Change in Fund Balance	\$ <u>(313,310)</u>	\$ <u>(313,310)</u>	(166,137)	\$ <u>(185,607)</u>
FUND BALANCE, BEGINNING			<u>1,099,814</u>	
FUND BALANCE, ENDING			\$ <u>933,677</u>	

MORGAN COUNTY, ILLINOIS
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP PLAN

LAST 10 CALENDAR YEARS (To be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 304,630	\$ 304,630	\$ -	\$ 1,488,178	20.47%

MORGAN COUNTY, ILLINOIS
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - ECO PLAN

LAST 10 CALENDAR YEARS (To be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 113,643	\$ 99,121	\$ 14,522	\$ 291,617	33.99%

MORGAN COUNTY, ILLINOIS
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN

LAST 10 CALENDAR YEARS (To be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 567,505	\$ 577,033	\$ (9,528)	\$ 4,022,005	14.35%

MORGAN COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP PLAN

LAST 10 CALENDAR YEARS (to be built prospectively from 2014)

Calendar Year Ending December 31,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 286,835									
Interest on the Total Pension Liability	933,944									
Benefit Changes	-									
Difference Between Expected and Actual Experience Assumption Changes	(76,513)									
Benefit Payments and Refunds	(648,460)									
Net Change in Total Pension Liability	735,296	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	12,633,404									
Total Pension Liability - Ending (a)	\$ 13,368,700	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	\$ 304,630									
Employee Contributions	111,614									
Pension Plan Net Investment Income	716,986									
Benefit Payments and Refunds	(648,460)									
Other	(53,981)									
Net Change in Plan Fiduciary Net Position	430,789	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	11,869,984									
Plan Fiduciary Net Position - Ending (b)	\$ 12,300,773	-	-	-	-	-	-	-	-	-
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 1,067,927									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.01%									
Covered Valuation Payroll	\$ 1,488,178									
Net Pension Liability as a Percentage of Covered Valuation Payroll	71.76%									

Notes to Schedule:

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

MORGAN COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - ECO PLAN

LAST 10 CALENDAR YEARS (to be built prospectively from 2014)

Calendar Year Ending December 31,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 73,737									
Interest on the Total Pension Liability	347,182									
Benefit Changes	-									
Difference Between Expected and Actual Experience	(21,647)									
Assumption Changes	110,014									
Benefit Payments and Refunds	(250,138)									
Net Change in Total Pension Liability	259,148	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	4,723,469									
Total Pension Liability - Ending (a)	\$ 4,982,617	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	\$ 99,121									
Employee Contributions	21,871									
Pension Plan Net Investment Income	258,759									
Benefit Payments and Refunds	(250,138)									
Other	32,894									
Net Change in Plan Fiduciary Net Position	162,507	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	4,306,522									
Plan Fiduciary Net Position - Ending (b)	\$ 4,469,029	-	-	-	-	-	-	-	-	-
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 513,588									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.69%									
Covered Valuation Payroll	\$ 291,617									
Net Pension Liability as a Percentage of Covered Valuation Payroll	176.12%									

Notes to Schedule:

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

MORGAN COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN

LAST 10 CALENDAR YEARS (to be built prospectively from 2014)

Calendar Year Ending December 31,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 477,577									
Interest on the Total Pension Liability	1,915,964									
Benefit Changes	-									
Difference Between Expected and Actual Experience	(7,087)									
Assumption Changes	1,105,334									
Benefit Payments and Refunds	(1,216,731)									
Net Change in Total Pension Liability	<u>2,275,057</u>	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	<u>25,949,872</u>									
Total Pension Liability - Ending (a)	<u>\$ 28,224,929</u>	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	\$ 577,033									
Employee Contributions	183,266									
Pension Plan Net Investment Income	1,444,217									
Benefit Payments and Refunds	(1,216,731)									
Other	23,646									
Net Change in Plan Fiduciary Net Position	<u>1,011,431</u>	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>23,903,903</u>									
Plan Fiduciary Net Position - Ending (b)	<u>\$ 24,915,334</u>	-	-	-	-	-	-	-	-	-
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 3,309,595</u>									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.27%									
Covered Valuation Payroll	\$ 4,022,005									
Net Pension Liability as a Percentage of Covered Valuation Payroll	82.29%									

Notes to Schedule:

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

MORGAN COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2015

Illinois Municipal Retirement Fund
Sheriff's Law Enforcement Personnel (SLEP)
(Unaudited)

NOTE 1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE*

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	29-year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

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

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

MORGAN COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2015

Illinois Municipal Retirement Fund
Elected County Official (ECO)
(Unaudited)

NOTE 1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE* (CONTINUED)

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	29-year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

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

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

MORGAN COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2015

Illinois Municipal Retirement Fund
Regular Plan (RP)
(Unaudited)

NOTE 1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE* (CONTINUED)

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	29-year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

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

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

MORGAN COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2015

NOTE 2. EXPENDITURES IN EXCESS OF BUDGET

The following fund had actual expenditures in excess of budget by the amount noted:

	Expenditures	Final Budget	Budget
Cooperative Extension Fund	\$ 175,503	\$ 175,000	\$ 503

MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

August 31, 2015

	Total	County Recorders Fund	Animal Control Fund
ASSETS			
Cash	\$ 5,021,075	\$ 23,023	\$ 471,065
Property Taxes Receivable	769,407		
Intergovernmental Receivables:			
Federal Grants	159,376		
State Grants	14,373		
Motor Fuel Tax	-		
Other Receivables	56,420		
Due from Other Funds	<u>233,223</u>		
 Total Assets	 \$ <u>6,253,874</u>	 \$ <u>23,023</u>	 \$ <u>471,065</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 209,291	\$	\$
Unearned Grant Revenue	29,013		
Due to Other Funds	<u>202,340</u>		<u>2,643</u>
 Total Liabilities	 440,644	 -	 2,643
Fund Balance			
Restricted for:			
Law and Judicial	407,264		
Transportation	2,431,783		
Health and Human Services	1,690,014		
Other Purposes	623,009	23,023	385,159
Committed	702,757		83,263
Unassigned	<u>(41,597)</u>		
 Total Fund Balances	 <u>5,813,230</u>	 <u>23,023</u>	 <u>468,422</u>
 Total Liabilities and Fund Balance	 \$ <u>6,253,874</u>	 \$ <u>23,023</u>	 \$ <u>471,065</u>

General Assistance Fund	Tuberculosis Sanitarium Fund	Health Department Fund	Coroner's Fund	E-Citation Fund
\$ 26,475	\$ 46,750	\$ 533,867	\$ 15,851	\$ 14,747
26,805	48,858	165,282		
		122,588		
		13,436		
	496	15,066		240
<u>53,280</u>	<u>96,104</u>	<u>850,239</u>	<u>15,851</u>	<u>14,987</u>
\$	\$	\$ 3,010	\$	\$
<u>3,000</u>	<u>15,000</u>			
3,000	15,000	3,010	-	-
50,280	81,104	847,229	15,851	14,987
<u>50,280</u>	<u>81,104</u>	<u>847,229</u>	<u>15,851</u>	<u>14,987</u>
<u>53,280</u>	<u>96,104</u>	<u>850,239</u>	<u>15,851</u>	<u>14,987</u>

MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

August 31, 2015

	Vital Statistics Fund	Drug Fee Fund	Marriage Fund
ASSETS			
Cash	\$ 1,703	\$ 31,084	\$ 8,691
Property Taxes Receivable			
Intergovernmental Receivables:			
Federal Grants			
State Grants			
Motor Fuel Tax			
Other Receivables			
Due from Other Funds			
	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>1,703</u>	\$ <u>31,084</u>	\$ <u>8,691</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$	\$	\$
Deferred Revenue			
Due to Other Funds			
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	-
Fund Balance			
Restricted for:			
Law and Judicial		31,084	
Transportation			
Health and Human Services			
Other Purposes	1,703		8,691
Committed			
Unassigned			
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,703</u>	<u>31,084</u>	<u>8,691</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>1,703</u>	\$ <u>31,084</u>	\$ <u>8,691</u>

Law Library Fund	Child Support Fund	Probation Office Fund	Court Automation Fund	Circuit Clerk Operating Fund	Drug Enforcement Fund
\$ 17,865	\$ 32,817	\$ 89,791	\$ 115,315	\$ 7,817	\$ 8,938
			595 307		
2,259	1,473	3,639	4,283	534	
<u>20,124</u>	<u>34,290</u>	<u>93,430</u>	<u>120,500</u>	<u>8,351</u>	<u>8,938</u>
\$	\$	\$	\$	\$	\$
<u>2,000</u>			<u>1,477</u>		
2,000	-	-	1,477	-	-
18,124	34,290	93,430	119,023	8,351	8,938
<u>18,124</u>	<u>34,290</u>	<u>93,430</u>	<u>119,023</u>	<u>8,351</u>	<u>8,938</u>
<u>20,124</u>	<u>34,290</u>	<u>93,430</u>	<u>120,500</u>	<u>8,351</u>	<u>8,938</u>

MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

August 31, 2015

	Court Document Storage Fund	911 Fee Fund	Police Vehicle Fund
ASSETS			
Cash	\$ 89,672	\$ 751,046	\$ 6,979
Property Taxes Receivable			
Intergovernmental Receivables:			
Federal Grants			
State Grants			
Motor Fuel Tax			
Other Receivables	4,352	9,327	
Due from Other Funds			
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>94,024</u>	\$ <u>760,373</u>	\$ <u>6,979</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$	\$ 73,778	\$
Deferred Revenue			
Due to Other Funds			
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	-	73,778	-
Fund Balance			
Restricted for:			
Law and Judicial	94,024		
Transportation			
Health and Human Services		686,595	
Other Purposes			6,979
Committed			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>94,024</u>	<u>686,595</u>	<u>6,979</u>
Total Liabilities and Fund Balance	\$ <u>94,024</u>	\$ <u>760,373</u>	\$ <u>6,979</u>

Title IV-D (KIDS) Fund	Highway Fund	Bridge Construction and Repair Fund	Marnico Special Service Fund	LIHEAP Fund	IHWAP Fund
\$ 1,907	\$ 595,147	\$ 614,092	\$ 18,312	\$ 23,586	\$ 10,913
	326,415	92,344	1,207		
1,223					23,016
630					
	10,749				
				8,085	30,898
<u>3,760</u>	<u>932,311</u>	<u>706,436</u>	<u>19,519</u>	<u>31,671</u>	<u>64,827</u>
\$	\$	\$	\$	\$	\$
	202	60,237		4,564	108
				19,452	4,561
				5,730	60,158
-	202	60,237	-	29,746	64,827
	932,109	646,199	19,519		
3,760				1,925	-
<u>3,760</u>	<u>932,109</u>	<u>646,199</u>	<u>19,519</u>	<u>1,925</u>	<u>-</u>
\$ <u>3,760</u>	\$ <u>932,311</u>	\$ <u>706,436</u>	\$ <u>19,519</u>	\$ <u>31,671</u>	\$ <u>64,827</u>

MORGAN COUNTY, ILLINOIS

NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

August 31, 2015

	Corporate and Miscellaneous Grant Programs	CSBG Programs	Aid Matching Fund
ASSETS			
Cash	\$ 1,954	\$ 9,387	\$ 784,352
Property Taxes Receivable			108,496
Intergovernmental Receivables:			
Federal Grants	6,403	5,551	
State Grants			
Motor Fuel Tax			
Other Receivables			
Due from Other Funds	119,473	3,544	
	<u>119,473</u>	<u>3,544</u>	<u> </u>
Total Assets	\$ <u>127,830</u>	\$ <u>18,482</u>	\$ <u>892,848</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 1,375	\$ 7,125	\$ 58,892
Deferred Revenue	5,000		
Due to Other Funds	48,294	11,357	
	<u>48,294</u>	<u>11,357</u>	<u> </u>
Total Liabilities	54,669	18,482	58,892
Fund Balance			
Restricted for:			
Law and Judicial			
Transportation			833,956
Health and Human Services	73,161		
Other Purposes			
Committed			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>73,161</u>	<u>-</u>	<u>833,956</u>
Total Liabilities and Fund Balance	\$ <u>127,830</u>	\$ <u>18,482</u>	\$ <u>892,848</u>

**Capital
Projects
Fund**

**Capital
Improvements
Fund**

Regional Planning Commission Fund	GIS Fund	County Clerk GIS Fund	State's Attorney Law Enforcement Fund	<u>Capital Projects Fund</u>
Fund	Fund	Fund	Fund	Fund
\$ 6,084	\$ 96,324	\$ 11,835	\$ 3,942	\$ 549,744
5,000		475		69,750
<u>11,084</u>	<u>96,324</u>	<u>12,310</u>	<u>3,942</u>	<u>619,494</u>
\$	\$	\$	\$	\$
<u>52,681</u>				
52,681	-	-	-	-
	96,324	12,310	3,942	619,494
<u>(41,597)</u>				
<u>(41,597)</u>	<u>96,324</u>	<u>12,310</u>	<u>3,942</u>	<u>619,494</u>
\$ <u>11,084</u>	\$ <u>96,324</u>	\$ <u>12,310</u>	\$ <u>3,942</u>	\$ <u>619,494</u>

MORGAN COUNTY, ILLINOIS
NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended August 31, 2015

	Total	County Recorders Fund	Animal Control Fund
REVENUE			
Taxes	\$ 1,880,437	\$	\$
Intergovernmental:			
Federal	1,958,265		
State	977,705		
Local	53,894		53,894
Licenses and Permits	600		
Fines and Forfeits	521,675		330
Revenue from Services	680,478	17,813	74,738
Interest	8,678	12	1,246
Miscellaneous	97,421		924
	<u>6,179,153</u>	<u>17,825</u>	<u>131,132</u>
Total Revenue			
EXPENDITURES			
Current:			
General Government	192,708	13,776	
Law and Judicial	673,662		135,469
Health and Human Services	3,764,879		
Transportation	606,819		
Capital Outlay	654,421	687	2,678
Debt Expense	-		
	<u>5,892,489</u>	<u>14,463</u>	<u>138,147</u>
Total Expenditures			
Revenue Over (Under) Expenditures	286,664	3,362	(7,015)
OTHER FINANCING SOURCES (USES)			
Gain/(Loss) on Sale of Asset	-		
Interfund Transfers	114,667		14,667
	<u>401,331</u>	<u>3,362</u>	<u>7,652</u>
Net change in fund balances			
FUND BALANCE, BEGINNING	<u>5,411,899</u>	<u>19,661</u>	<u>460,770</u>
FUND BALANCE, ENDING	<u>\$ 5,813,230</u>	<u>\$ 23,023</u>	<u>\$ 468,422</u>

General Assistance Fund	Tuberculosis Sanitarium Fund	Health Department Fund	Coroner's Fund	E-Citation Fund
\$ 56,017	\$ 102,309	\$ 345,949	\$	\$
		377,648		
		294,998		
15,000	855	264,165	3,786	2,962
10	32	1,988	19	13
	1,214			
<u>71,027</u>	<u>104,410</u>	<u>1,284,748</u>	<u>3,805</u>	<u>2,975</u>
100,361	96,045	1,198,932	7,474	
332	902	20,528		
<u>100,693</u>	<u>96,947</u>	<u>1,219,460</u>	<u>7,474</u>	<u>-</u>
(29,666)	7,463	65,288	(3,669)	2,975
<u>(29,666)</u>	<u>7,463</u>	<u>65,288</u>	<u>(3,669)</u>	<u>2,975</u>
79,946	73,641	781,941	19,520	12,012
<u>\$ 50,280</u>	<u>\$ 81,104</u>	<u>\$ 847,229</u>	<u>\$ 15,851</u>	<u>\$ 14,987</u>

MORGAN COUNTY, ILLINOIS
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended August 31, 2015

	Vital Statistics Fund	Drug Fee Fund	Marriage Fund
REVENUE			
Taxes	\$	\$	\$
Intergovernmental:			
Federal			
State			
Local			
Licenses and Permits			600
Fines and Forfeits		925	
Revenue from Services	6,022		
Interest	1	23	4
Miscellaneous		10,000	
	<hr/>	<hr/>	<hr/>
Total Revenue	6,023	10,948	604
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General Government	5,232		18
Law and Judicial		1,050	
Health and Human Services			
Transportation			
Capital Outlay			
Debt Expense			
	<hr/>	<hr/>	<hr/>
Total Expenditures	5,232	1,050	18
	<hr/>	<hr/>	<hr/>
Revenue Over (Under) Expenditures	791	9,898	586
OTHER FINANCING SOURCES (USES)			
Gain/(Loss) on Sale of Asset			
Interfund Transfers			
	<hr/>	<hr/>	<hr/>
Net change in fund balances	791	9,898	586
FUND BALANCE, BEGINNING	912	21,186	8,105
	<hr/>	<hr/>	<hr/>
FUND BALANCE, ENDING	\$ 1,703	\$ 31,084	\$ 8,691
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Law Library Fund	Child Support Fund	Probation Office Fund	Court Automation Fund	Circuit Clerk Operating Fund	Drug Enforcement Fund
\$	\$	\$	\$	\$	\$
			3,957 2,039		
27,599	22,382	54,952	59,698	6,776	279,470
15	31	76	40	-	4
<u>27,614</u>	<u>22,413</u>	<u>55,028</u>	<u>65,734</u>	<u>6,776</u>	<u>279,474</u>
23,186	18,817	31,391	85,617	10,000	280,205
		5,185	823		9,000
<u>23,186</u>	<u>18,817</u>	<u>36,576</u>	<u>86,440</u>	<u>10,000</u>	<u>289,205</u>
4,428	3,596	18,452	(20,706)	(3,224)	(9,731)
<u>4,428</u>	<u>3,596</u>	<u>18,452</u>	<u>(20,706)</u>	<u>(3,224)</u>	<u>(9,731)</u>
13,696	30,694	74,978	139,729	11,575	18,669
<u>13,696</u>	<u>30,694</u>	<u>74,978</u>	<u>139,729</u>	<u>11,575</u>	<u>18,669</u>
\$ <u>18,124</u>	\$ <u>34,290</u>	\$ <u>93,430</u>	\$ <u>119,023</u>	\$ <u>8,351</u>	\$ <u>8,938</u>

MORGAN COUNTY, ILLINOIS
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended August 31, 2015

	Court Document Storage Fund	911 Fee Fund	Police Vehicle Fund
REVENUE			
Taxes	\$	\$ 269,721	\$
Intergovernmental:			
Federal			
State			
Local			
Licenses and Permits			
Fines and Forfeits	62,583		3,998
Revenue from Services			
Interest	21	3,019	
Miscellaneous			
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>62,604</u>	<u>272,740</u>	<u>3,998</u>
EXPENDITURES			
Current:			
General Government			
Law and Judicial	67,277		180
Health and Human Services		327,561	
Transportation			
Capital Outlay			9,250
Debt Expense			
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>67,277</u>	<u>327,561</u>	<u>9,430</u>
Revenue Over (Under) Expenditures	(4,673)	(54,821)	(5,432)
OTHER FINANCING SOURCES (USES)			
Gain/(Loss) on Sale of Asset			
Interfund Transfers			
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(4,673)	(54,821)	(5,432)
FUND BALANCE, BEGINNING	<u>98,697</u>	<u>741,416</u>	<u>12,411</u>
FUND BALANCE, ENDING	<u>\$ 94,024</u>	<u>\$ 686,595</u>	<u>\$ 6,979</u>

Title IV-D (KIDS) Fund	Highway Fund	Bridge Construction and Repair Fund	Marnico Special Service Fund	LIHEAP Fund	IHWAP Fund
\$	\$ 683,267	\$ 193,325	\$ 2,823	\$	\$
4,350				905,443	242,481
2,241				492,338	52,844
	134,424				
2	188	983	16	2	2
	7,898				75,976
<u>6,593</u>	<u>825,777</u>	<u>194,308</u>	<u>2,839</u>	<u>1,397,783</u>	<u>371,303</u>
12,996					
	606,819			1,397,783	371,303
		141,496			
<u>12,996</u>	<u>606,819</u>	<u>141,496</u>	<u>-</u>	<u>1,397,783</u>	<u>371,303</u>
(6,403)	218,958	52,812	2,839	-	-
<u>(6,403)</u>	<u>218,958</u>	<u>52,812</u>	<u>2,839</u>	<u>-</u>	<u>-</u>
10,163	713,151	593,387	16,680	1,925	
<u>\$ 3,760</u>	<u>\$ 932,109</u>	<u>\$ 646,199</u>	<u>\$ 19,519</u>	<u>\$ 1,925</u>	<u>\$ -</u>

MORGAN COUNTY, ILLINOIS
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended August 31, 2015

	Corporate and Miscel- laneous Grant Programs	CSBG Programs	Aid Matching Fund
REVENUE			
Taxes	\$	\$	\$ 227,026
Intergovernmental:			
Federal	89,591	135,778	199,017
State	39,054		
Local			
Licenses and Permits			
Fines and Forfeits			
Revenue from Services			
Interest	6	2	706
Miscellaneous	205		
	<u>128,856</u>	<u>135,780</u>	<u>426,749</u>
Total Revenue			
EXPENDITURES			
Current:			
General Government			
Law and Judicial			
Health and Human Services	137,114	135,780	
Transportation			
Capital Outlay			273,889
Debt Expense			
	<u>137,114</u>	<u>135,780</u>	<u>273,889</u>
Total Expenditures			
Revenue Over (Under) Expenditures	(8,258)	-	152,860
OTHER FINANCING SOURCES (USES)			
Gain/(Loss) on Sale of Asset			
Interfund Transfers			
	<u>(8,258)</u>	<u>-</u>	<u>152,860</u>
Net change in fund balances			
	(8,258)	-	152,860
FUND BALANCE, BEGINNING	<u>81,419</u>	<u>-</u>	<u>681,096</u>
FUND BALANCE, ENDING	<u>\$ 73,161</u>	<u>\$ -</u>	<u>\$ 833,956</u>

**Capital
Projects
Fund**

Capital
Improvements
Fund

94,191

122

94,313

0

189,651

189,651

(95,338)

100,000

4,662

614,832

619,494

Regional Planning Commission Fund	GIS Fund	County Clerk GIS Fund	State's Attorney Law Enforcement Fund
54,638 1	103,220 87 1,204	5,637 7	180
54,639	104,511	5,644	180
70,657	99,025	4,000	0
70,657	99,025	4,000	-
(16,018)	5,486	1,644	180
(16,018)	5,486	1,644	180
(25,579)	90,838	10,666	3,762
(41,597)	96,324	12,310	3,942

MORGAN COUNTY, ILLINOIS

ALL AGENCY FUNDS
COMBINING BALANCE SHEET

August 31, 2015

	Total	Tax Collector's Fund	Road District Motor Fuel Tax Allotment Fund	Trust Fund
ASSETS				
Cash	\$ 13,750,618	\$ 11,046,356	\$ 609,256	\$ 127,632
Intergovernmental Receivables:				
Motor Fuel Tax	<u>144,546</u>	<u> </u>	<u>144,546</u>	<u> </u>
Total Assets	<u>\$ 13,895,164</u>	<u>\$ 11,046,356</u>	<u>\$ 753,802</u>	<u>\$ 127,632</u>
LIABILITIES				
Intergovernmental Payables:				
Accounts Payable	\$ 286,910	\$	\$ 45,963	\$
Funds Available for Distribution	<u>13,608,254</u>	<u>11,046,356</u>	<u>707,839</u>	<u>127,632</u>
Total Liabilities	<u>13,895,164</u>	<u>11,046,356</u>	<u>753,802</u>	<u>127,632</u>
NET ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Circuit Clerk Bond Fund	Tax Sale Indemnity Fund	Road District Bridge Fund	Trustee Escrow Fund	Trustee Fund
\$ 1,442,107	\$ 224,190	\$ 268,262	\$ 0	\$ 3,665
<u>1,442,107</u>	<u>224,190</u>	<u>268,262</u>	<u>0</u>	<u>3,665</u>
\$ 1,442,107	\$ 224,190	\$ 268,262	\$ 0	\$ 3,665
<u>1,442,107</u>	<u>224,190</u>	<u>268,262</u>	<u>0</u>	<u>3,665</u>
\$ 1,442,107	\$ 224,190	\$ 240,947	\$ 0	\$ 3,665
<u>1,442,107</u>	<u>224,190</u>	<u>27,315</u>	<u>0</u>	<u>3,665</u>
<u>1,442,107</u>	<u>224,190</u>	<u>268,262</u>	<u>0</u>	<u>3,665</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

MORGAN COUNTY, ILLINOIS
 ALL AGENCY FUNDS
 COMBINING BALANCE SHEET (CONTINUED)

August 31, 2015

	Sheriff Bond Fund	MCS Revolving Loan Fund	Health Benefit Fund
ASSETS			
Cash	\$ 3,328	\$ 22,852	\$ 2,970
Intergovernmental Receivables: Motor Fuel Tax	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,328</u>	<u>\$ 22,852</u>	<u>\$ 2,970</u>
LIABILITIES			
Intergovernmental Payables: Accounts Payable	\$	\$	\$
Funds Available for Distribution	<u>3,328</u>	<u>22,852</u>	<u>2,970</u>
Total Liabilities	<u>3,328</u>	<u>22,852</u>	<u>2,970</u>
NET ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MORGAN COUNTY, ILLINOIS

ALL AGENCY FUNDS
 COMBINIG SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN FUNDS AVAILABLE FOR DISTRIBUTION

Year Ended August 31, 2015

	Funds Available For Distribution Beginning Of Year	Receipts	Disbursements	Funds Available For Distribution End Of Year
Tax Collector's Fund	\$ 12,329,153	\$ 43,596,385	\$ 44,879,182	\$ 11,046,356
Road District Motor Fuel				
Tax Allotment Fund	545,409	1,014,367	851,937	707,839
Trust Fund	121,487	6,145	0	127,632
Circuit Clerk Bond Fund	1,303,398	1,507,641	1,368,932	1,442,107
Tax Sale Indemnity Fund	214,537	9,653	0	224,190
Road District Bridge Fund	10,372	371,495	354,552	27,315
Trustee Escrow Fund	0	32,792	32,792	0
Trustee Fund	3,508	1,493	1,336	3,665
Sheriff Bond Fund	3,479	117,201	117,352	3,328
MCS Revolving Loan Fund	22,847	5	0	22,852
Health Benefit Fund	40,795	1,170,347	1,208,172	2,970
	<u>\$ 14,594,985</u>	<u>\$ 47,827,524</u>	<u>\$ 48,814,255</u>	<u>\$ 13,608,254</u>

SCHEDULE OF EQUALIZED ASSESSED VALUATIONS AND TAX EXTENSIONS

August 31, 2015

	2014	2013	2012
EQUALIZED ASSESSED VALUATIONS			
Residential	\$ 272,216,072	\$ 275,835,693	\$ 273,357,954
Farm	125,017,420	116,926,999	109,143,634
Commercial	86,703,926	85,300,641	85,026,048
Industrial	34,738,071	35,923,091	34,801,694
Railroads	<u>8,369,400</u>	<u>8,329,505</u>	<u>8,175,473</u>
 Total Equalized Assessed Valuations	 \$ <u>527,044,889</u>	 \$ <u>522,315,929</u>	 \$ <u>510,504,803</u>
TAX EXTENSIONS			
County Totals	\$ 5,584,674	\$ 5,466,350	\$ 5,315,323
School Districts	25,735,695	24,436,741	23,562,801
Junior College Districts	2,479,528	2,356,331	2,311,830
Cities and Villages	6,231,844	5,724,826	6,010,922
Road Districts	2,097,731	2,030,242	1,971,694
Airport Authority	142,628	138,175	133,502
Fire Protection Districts	317,109	238,735	229,964
Tax Increment Financing Districts	691,436	512,511	495,362
Special Districts	80,697	76,824	77,740
Library Districts	<u>75,411</u>	<u>69,190</u>	<u>67,763</u>
 Total Tax Extensions	 \$ <u>43,436,753</u>	 \$ <u>41,049,925</u>	 \$ <u>40,176,901</u>

MORGAN COUNTY, ILLINOIS

SCHEDULE OF EQUALIZED ASSESSED VALUATIONS, TAX LEVIES,
RATES, EXTENSIONS AND COLLECTIONS

August 31, 2015

	2014	2013	2012
TAX LEVIES			
General	\$ 3,900,318	\$ 3,833,215	\$ 3,660,679
Highway	707,000	650,000	670,000
Bridge	200,000	245,000	245,000
Aid Matching	235,000	230,000	230,000
Health	358,000	320,000	315,000
Extension Education	175,000	170,000	165,000
General Assistance	58,000	25,000	25,000
Tuberculosis	105,800	107,343	75,000
	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>5,739,118</u>	\$ <u>5,580,558</u>	\$ <u>5,385,679</u>

TAX RATES	MAX			
General	As Needed	0.74004	0.71882	0.70763
Highway	0.20000	0.13415	0.12190	0.12954
Bridge	0.25000	0.03795	0.04595	0.04738
Aid Matching	0.05000	0.04459	0.04314	0.04447
Health	0.10000	0.06793	0.06002	0.06091
Extension Education	0.05000	0.03321	0.03189	0.03191
General Assistance	0.10000	0.01101	0.00470	0.00484
Tuberculosis	0.07500	0.02008	0.02014	0.01451
		<u> </u>	<u> </u>	<u> </u>
Total		<u>1.08896</u>	<u>1.04656</u>	<u>1.04119</u>

	2014	2013	2012
TAX EXTENSIONS			
General	\$ 3,795,145	\$ 3,754,512	\$ 3,612,485
Highway	688,004	636,703	661,308
Bridge	194,638	240,004	241,877
Aid Matching	228,685	225,327	227,021
Health	348,377	313,494	310,948
Extension Education	170,341	166,566	162,902
General Assistance	56,499	24,549	24,708
Tuberculosis	102,985	105,195	74,074
	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>5,584,674</u>	\$ <u>5,466,350</u>	\$ <u>5,315,323</u>

TAX COLLECTIONS

General	\$ 1,956,631	\$ 3,729,595	\$ 3,613,199
Highway	354,709	632,479	661,438
Bridge	100,348	238,413	241,927
Aid Matching	117,902	223,833	227,068
Health	179,610	311,415	311,009
Extension Education	87,823	165,460	162,937
General Assistance	29,129	24,386	24,716
Tuberculosis	53,096	104,496	74,089
	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>2,879,248</u>	\$ <u>5,430,077</u>	\$ <u>5,316,383</u>

**EQUALIZED ASSESSED
VALUATIONS**

	\$ <u>527,044,889</u>	\$ <u>522,315,929</u>	\$ <u>510,504,803</u>
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MORGAN COUNTY, ILLINOIS
FEDERAL SINGLE AUDIT REPORT
For the Year Ended August 31, 2015

INDEX

INDEPENDENT AUDITORS' 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	1
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INDEPENDENT AUDITORS' 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*

Members of the County Board
Morgan County, 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Morgan County, Illinois' basic financial statements, and have issued our report thereon dated January 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan 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 the Morgan County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Morgan 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morgan County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

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

Zumbahlen, Eyth, Surratt, Foote & Flynn, Ltd.

Jacksonville, Illinois
January 29, 2016

ZUMBAHLEN, EYTH, SURRETT, FOOTE & FLYNN, LTD

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

Members of the County Board
Morgan County, Illinois

Report on Compliance for Each Major Federal Program

We have audited Morgan County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Morgan County, Illinois' major federal programs for the year ended August 31, 2015. Morgan County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Morgan County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Morgan 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 Morgan County, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, Morgan County, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015.

Report on Internal Control over Compliance

Management of Morgan 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 Morgan County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Illinois' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County, Illinois, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Morgan County, Illinois' basic financial statements. We issued our report thereon dated January 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Zumbahlen, Eyth, Surratt, Foote & Flynn, Ltd.

Jacksonville, IL
January 29, 2016

MORGAN COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2015

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Morgan County, Illinois.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements of Morgan County, Illinois were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the *Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133*.
5. The auditors' report on compliance for the major federal award programs for Morgan County, Illinois expresses an unmodified opinion.
6. The audit of the major federal award programs of Morgan County, Illinois did not disclose any audit findings relating to major programs that are required to be reported in accordance with Section 510(a) of Circular A-133.
7. The programs tested as major programs include: Department of Health and Human Services, Low Income Home Energy Assistance CFDA #93.568 and Department of Agriculture, WIC Nutrition Program CFDA #10.557.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Morgan County, Illinois, was not determined to be a low-risk auditee.
10. Morgan County, Illinois had no audit findings from prior year.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT REPORTABLE CONDITIONS

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AUDIT

NONE

MORGAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantors Numbers
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs		
Permanent Supportive Housing Program renewal	14.235	IL0476L5T191301
Permanent Supportive Housing Program renewal 2	14.235	IL0569L5T191300

Total CFDA 14.235

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY		
Emergency Solutions Grant Program - 2014	14.231	FCSTH03757

Total CFDA 14.231

**TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH ILLINOIS EMERGENCY MANAGEMENT AGENCY		
Emergency Management Performance Grant	97.042	497-58830-4400

Total CFDA 97.042

TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY

Revenue Recognized	Expenditures
\$ 22,853	\$ 22,853
<u>49,538</u>	<u>49,538</u>
<u>72,391</u>	<u>72,391</u>
\$ <u>17,200</u>	\$ <u>17,200</u>
<u>17,200</u>	<u>17,200</u>
<u>\$ 89,591</u>	<u>\$ 89,591</u>
\$ <u>22,072</u>	\$ <u>22,072</u>
<u>22,072</u>	<u>22,072</u>
<u>\$ 22,072</u>	<u>\$ 22,072</u>

MORGAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantors Numbers
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH ILLINOIS DEPARTMENT OF HUMAN SERVICES		
WIC Admin	10.557	FCSTQ01068
WIC Admin	10.557	FCSUQ01068
WIC Supplemental Nutrition	10.557	FCSTQ01068
Total CFDA 10.557 ***		
WIC Farmers Market Nutrition Prog.	10.572	FCSUQ01268
Total CFDA 10.572		
TOTAL U.S. DEPARTMENT OF AGRICULTURE		
U.S. DEPARTMENT OF ENERGY PASSED THROUGH ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY		
Weatherization Assistance for Low-Income Persons		
DOE	81.042	13-403037
DOE	81.042	13-402037
DOE WX ARRA	81.042	14-258037
Total CFDA 81.042		
TOTAL U.S. DEPARTMENT OF ENERGY		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY		
Low Income Home Energy Assistance-LIHEAP	93.568	15-224037
Low Income Home Energy Assistance-LIHEAP	93.568	14-224037
Low Income Home Energy Assistance-IHWAP	93.568	15-221037
Low Income Home Energy Assistance-IHWAP	93.568	14-221037
Total CFDA 93.568 ***		

Revenue Recognized	Expenditures
\$ 81,051	\$ 81,051
30,116	30,116
<u>320,750</u>	<u>320,750</u>
<u>431,917</u>	<u>431,917</u>
\$ 1,000	\$ 1,000
<u>1,000</u>	<u>1,000</u>
<u>432,917</u>	<u>432,917</u>
\$ 8,578	\$ 8,578
146,519	146,519
<u>11,697</u>	<u>11,697</u>
<u>166,794</u>	<u>166,794</u>
\$ 166,794	\$ 166,794
<u>166,794</u>	<u>166,794</u>
<u>166,794</u>	<u>166,794</u>
\$ 346,488	\$ 346,488
558,955	558,955
14,439	14,439
<u>61,248</u>	<u>61,248</u>
<u>981,130</u>	<u>981,130</u>

MORGAN COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantors Numbers
Community Services Block Grant-EHP	93.569	14-231037
Community Services Block Grant-EHP	93.569	15-231037
Total CFDA 93.569		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES		
Child Support Enforcement Program	93.563	2015-55-007-KL
Total CFDA 93.563		
Medical Assistance Program-Medicaid	93.778	
Total CFDA 93.778		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH ILLINOIS DEPARTMENT OF PUBLIC HEALTH		
Social Services Block Grant-Family Case Mgt	93.667	56180063C
Total CFDA 93.667		
Family Planning Services	93.217	56180063C
Family Planning Services	93.217	66180066D
Total CFDA 93.217		
Maternal and Child H. S. Block Gr -Family Planning	93.994	56180063C
Maternal and Child H. S. Block Gr -Teen Preg Prev	93.994	56180063C
Maternal and Child H. S. Block Gr -Teen Preg Prev	93.994	66180066D
Total CFDA 93.994		
Bioterrorism	93.069	57180066C
Bioterrorism	93.069	67180066D
Total CFDA 93.069		

TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

TOTAL FEDERAL AWARDS

*** Indicates Major Program

Revenue Recognized	Expenditures
\$ 81,017	\$ 81,017
54,761	54,761
<u>135,778</u>	<u>135,778</u>
8,307	8,307
<u>8,307</u>	<u>8,307</u>
\$ 125,697	\$ 125,697
<u>125,697</u>	<u>125,697</u>
\$ 12,326	\$ 12,326
<u>12,326</u>	<u>12,326</u>
\$ 29,338	\$ 29,338
9,600	9,600
<u>38,938</u>	<u>38,938</u>
\$ 3,746	\$ 3,746
31,938	31,938
2,849	2,849
<u>38,533</u>	<u>38,533</u>
\$ 37,426	\$ 37,426
12,561	12,561
<u>49,987</u>	<u>49,987</u>
<u>\$ 1,390,696</u>	<u>\$ 1,390,696</u>
<u>\$ 2,102,070</u>	<u>\$ 2,102,070</u>

MORGAN COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2015

Note 1 – Summary of Significant Accounting Policies

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Morgan County, Illinois. The County's reporting entity is defined in Note 1 to the County's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

Relationship to Basic Financial Statements

Federal awards received are reflected in the County's financial statements as revenue from federal sources.

Note 2 – Non-Cash Assistance

The County Health Department received non-cash assistance for Special Supplemental Nutrition program for Women, Infant and Children (WIC). The dollar value WIC Food Instruments redemptions for WIC Food benefit issued by the Health Department was \$320,750. The CFDA # for the program is 10.557.

Note 3 – Reconciliation of Financial Statement Federal Revenues to Schedule of Expenditures of Federal Awards

Federal Revenues Per Financial Statements	\$	1,980,337
Federal Funds Spent on County Road Improvements on Behalf of the County by the Illinois Department of Transportation Not Included on the County's Schedule of Expenditures of Federal Awards		(199,017)
Non-Cash Assistance Not Included in Financial Statements		320,750
Federal Revenues Per Schedule of Expenditures of Federal Awards	\$	<u>2,102,070</u>

MORGAN COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2015

Note 4 – Federal Insurance

Morgan County, Illinois had no Federal insurance in effect during the year ended August 31, 2015.

Note 5 – Federal Loans/Loan Guarantees

Morgan County, Illinois had no Federal loans or Federal loan guarantees outstanding as of August 31, 2015.

Note 6 – Payments to Subrecipients

During the year ended August 31, 2015, Morgan County, Illinois paid \$16,554 to the City of Jacksonville, Illinois as a subrecipient of the Emergency Management Performance Grant (CFDA 97.042).