

**Knox County, Illinois**  
Galesburg, Illinois

**Financial Report**  
Year Ended November 30, 2016

# Knox County, Illinois

Year Ended November 30, 2016

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# Knox County, Illinois

Year Ended November 30, 2016

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## **Independent Auditor's Report**

To the County Board  
Knox County, Illinois  
Galesburg, Illinois

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Knox County, Illinois, (the "County") as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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, business-type activities, each major fund, and the aggregate remaining fund information of Knox County, Illinois, as of November 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the management's discussion and analysis and required supplementary information on pages 3 through 17 and 64 through 71 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, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Knox County, Illinois' financial statements as a whole. The schedules listed as supplementary information on pages 72 through 93 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2017, on our consideration of the County's 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 the 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 the County's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
May 22, 2017

## **Management Discussion And Analysis**

# Knox County, Illinois

## Management Discussion and Analysis

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As Treasurer of Knox County, Illinois, I offer readers of Knox County's financial statements this narrative overview and analysis of the financial activities of Knox County for the fiscal year ended November 30, 2016. I encourage readers to read the information presented here in conjunction with additional information that is furnished in the County's financial statements, which follow this narrative. The management discussion and analysis (MD&A) is generally intended to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the County's financial activities, (3) identify changes in the County's financial position (its ability to meet future financial demands and conditions), (4) identify any material deviations from the governmental unit's financial plan (approved budget) and (5) identify individual fund issues or concerns.

This summary should not be taken as a replacement for the audit report, which consists of the basic financial statements, notes to the financial statements, required and supplementary information.

### **GOVERNMENTAL FINANCIAL HIGHLIGHTS FOR FY2016**

- The County's governmental assets exceeded its liabilities at the close of the fiscal year by \$66.6 million (net position). Of this amount, \$1.9 million (unrestricted net position) may be used to meet the County's ongoing obligations.
- The County's governmental total net position increased by \$0.1 million during fiscal year November 30, 2016 as reported in the statement of activities.
- The County's governmental major revenues consisted of \$9.9 million in property tax revenues, \$5.2 million in charges for services, \$5.2 million in operating grants and contributions, and \$5.3 million other tax revenues.
- At the close of fiscal year November 30, 2016, the County's governmental funds reported combined ending fund balances of \$19.3 million, an increase of \$2.5 million in comparison to 2015.
- At the end of fiscal year November 30, 2016, the unassigned fund balance in the General Fund was \$1.5 million. The General Fund consists of the General Fund (County Clerk Micro Fees, Tax Sale Automation, Annual Support Maintenance, Circuit Clerk Automation, and Records Computer and Micro Fee Funds) the Self Insurance Fund, and the Special Contingency Fund.

### **BUSINESS-TYPE FINANCIAL HIGHLIGHTS FOR FY2016**

- The County's business-type assets exceeded its liabilities at the close of the fiscal year by \$12.6 million (net position). Of this amount \$0.6 million (unrestricted net position) may be used to meet the County's ongoing obligations. The restricted net position of \$7.5 million is restricted for landfill closure costs.
- The County's business-type net position decreased \$1.1 million during fiscal year 2016 as reported in the statement of activities.
- The County's major business-type revenue consisted of \$11.8 million in charges for services.

# Knox County, Illinois

## Management Discussion and Analysis

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### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to Knox County's basic financial statements. Knox County's basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements* and 3) *notes to the financial statements*. The basic financial statements present two different views of the County through the use of government-wide and fund statements. In addition to the basic financial statements, this report contains supplementary information that will enhance the reader's understanding of the financial condition of Knox County.

### **BASIC FINANCIAL STATEMENTS**

The first two statements in the basic financial statements are the *Government-wide Financial Statements*. They provide both short and long-term information about the County's financial status.

The next statements are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) *the governmental funds statements*, 2) *the proprietary fund statements* and 3) *the fiduciary fund statements*.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes is the required supplementary information. This section contains funding information about the County's pension plans and budget variances for the major governmental funds. After the required supplementary information, supplementary information is provided to show details about the County's General Fund and the non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

These statements are designed to provide readers with a broad overview of Knox County's finances, in a manner similar to private-sector business, using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of improvements or deterioration of the financial position of the County.

The statement of activities presents information that shows how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.



# Knox County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

These statements highlight the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Knox County include general control and administration, public safety, judiciary and courts, transportation, corrections, public welfare, public health, and interest. The business-type activities of the County include Nursing Home and Landfill.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Knox County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The County's Governmental Funds during the reporting period use the modified accrual basis of accounting for reporting purposes.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the county's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Knox County maintains governmental funds and business-type funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major funds, (the General, Illinois Municipal Retirement, and the Public Safety Improvement Bond Funds). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

# Knox County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

*Proprietary Funds.* Proprietary funds provide the same type of information as the government-wide financial statements. The County maintains two kinds of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The County has two enterprise funds which account for the operations of the nursing home and to account for the operation, maintenance, and development of the landfill. Internal Service Funds are a type of proprietary fund and provide service to other funds in the County. The County's internal service fund accounts for the self-insured medical benefits for County employees.

The proprietary fund financial statements provide separate information for the Nursing Home and Landfill, considered to be major funds of the County.

*Fiduciary Funds.* The County also maintains a number of fiduciary funds in the form of agency funds, which are used to account for resources - almost exclusively cash and investments - held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

#### Notes to the Financial Statements

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

#### Required Supplementary Information

This information addresses the County's budgetary comparison schedules of major funds, Multiyear Schedules of Changes in Net Pension Liability and Related Ratios, and the Multiyear Schedule of IMRF Contributions represent financial information required by GASB to be presented. The County adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Funds, Internal Service Fund, and Enterprise Funds. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. The Multiyear Schedules of Changes in Net Pension Liability and Related Ratios and the Multiyear Schedule of IMRF Contributions have been provided to present the County's progress in funding its obligation to provide pension benefits to County employees through the IMRF system.

#### Supplementary Information

This information as discussed earlier in connection with the General Fund, non-major governmental funds, agency funds, and tort immunity expenditures is presented immediately following the required supplementary information on pensions.

# Knox County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the County's net position is reflected in its investments in capital assets (i.e., land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The County uses these assets to provide services. Therefore these assets are not available for future spending. Although the County's investments in its capital assets are reported net of available debt, it is important to note that under this consideration the resources required to repay this type of debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

As previously addressed, net position may serve the purpose over time as a useful indicator of a government's financial position. To that end, Knox County's assets exceeded its liabilities by \$79.2 million for FY2016.

The following condensed financial information was derived from the *Government-Wide Statement of Net Position*.

**Condensed Statement of Net Position (in millions)**  
**November 30, 2016**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total Primary Government</b>
Current assets	\$33.9	\$6.5	\$40.4
Noncurrent assets	51.5	13.5	65.0
<b>Total assets</b>	<b>85.4</b>	<b>20.0</b>	<b>105.4</b>
Deferred outflow of resources	6.8	2.1	8.9
<b>Total assets and deferred outflow of resources</b>	<b>92.2</b>	<b>22.1</b>	<b>114.3</b>
Current liabilities	3.1	1.1	4.2
Long term liabilities	12.1	8.4	20.5
<b>Total liabilities</b>	<b>15.2</b>	<b>9.5</b>	<b>24.7</b>
Deferred inflows of resources	10.4	0.0	10.4
<b>Total liabilities and deferred inflows of resources</b>	<b>25.6</b>	<b>9.5</b>	<b>35.1</b>
<b>Net position</b>			
Net investment in capital assets	45.4	4.5	49.9
Restricted	19.3	7.5	26.8
Unrestricted	1.9	0.6	2.5
<b>Total net position</b>	<b>\$66.6</b>	<b>\$12.6</b>	<b>\$79.2</b>

# Knox County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Condensed Statement of Net Position (in millions)**  
**November 30, 2015**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total Primary Government</b>
Current assets	\$30.2	\$6.3	\$36.5
Noncurrent assets	53.1	14.3	67.4
<b>Total assets</b>	<b>83.3</b>	<b>20.6</b>	<b>103.9</b>
Deferred outflow of resources	3.4	1.0	4.4
<b>Total assets and deferred outflow of resources</b>	<b>86.7</b>	<b>21.6</b>	<b>108.3</b>
Current liabilities	2.0	1.1	3.1
Long term liabilities	8.3	6.8	15.1
<b>Total liabilities</b>	<b>10.3</b>	<b>7.9</b>	<b>18.2</b>
Deferred inflows of resources	9.9	0.0	9.9
<b>Total liabilities and deferred inflows of resources</b>	<b>20.2</b>	<b>7.9</b>	<b>28.1</b>
<b>Net position</b>			
Net investment in capital assets	46.1	5.0	51.1
Restricted	17.1	7.4	24.5
Unrestricted	3.3	1.3	4.6
<b>Total net position</b>	<b>\$66.5</b>	<b>\$13.7</b>	<b>\$80.2</b>

# Knox County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The following condensed financial information was derived from the *Government-Wide Statement of Activities* and reflects how the County's net position changed during the fiscal years.

<b>Changes in Net Position (in millions)</b>			
<b>For the year ended November 30, 2016</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Revenues:			
Program revenues:			
Charge for services	\$5.2	\$11.8	\$17.0
Operating grants and contributions	5.2	0.0	5.2
Capital grants and contributions	0.2	0.0	0.2
General revenue:			
Property taxes	9.9	0.0	9.9
Other taxes	5.3	0.0	5.3
Unrestricted investment earnings	0.2	0.2	0.4
Miscellaneous	0.8	0.0	0.8
Total revenues	26.8	12.0	38.8
Expenses:			
General control and administration	4.4	0.0	4.4
Public safety	7.6	0.0	7.6
Judiciary and courts	3.6	0.0	3.6
Transportation	3.8	0.0	3.8
Corrections	1.9	0.0	1.9
Public welfare	0.1	0.0	0.1
Public health	4.5	0.0	4.5
Nursing Home	0.0	9.9	9.9
Landfill	0.0	3.7	3.7
Interest on long-term debt	0.3	0.0	0.3
Total expenses	26.2	13.6	39.8
Transfers	(0.5)	0.5	0.0
Change in net position	0.1	(1.1)	(1.0)
Net position beginning	66.5	13.7	80.2
Net position, ending	\$66.6	\$12.6	\$79.2

# Knox County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Changes in Net Position (in millions)  
For the year ended November 30, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
<b>Revenues:</b>			
Program revenues:			
Charge for services	\$5.0	\$11.3	\$16.3
Operating grants and contributions	5.0	0.0	5.0
Capital grants and contributions	0.3	0.0	0.3
General revenue:			
Property taxes	9.7	0.0	9.7
Other taxes	4.8	0.0	4.8
Unrestricted investment earnings	0.3	0.4	0.7
Miscellaneous	0.1	0.0	0.1
Total revenues	25.2	11.7	36.9
<b>Expenses:</b>			
General control and administration	4.0	0.0	4.0
Public safety	5.7	0.0	5.7
Judiciary and courts	2.9	0.0	2.9
Transportation	4.1	0.0	4.1
Corrections	1.2	0.0	1.2
Public welfare	0.1	0.0	0.1
Public health	2.9	0.0	2.9
Nursing Home	0.0	9.8	9.8
Landfill	0.0	2.8	2.8
Interest on long-term debt	0.2	0.0	0.2
Total expenses	21.1	12.6	33.7
Transfers	(0.5)	0.5	0.0
Change in net position	3.6	(0.4)	3.2
Net position beginning, as restated	62.9	14.1	77.0
Net position, ending	\$66.5	\$13.7	\$80.2

#### Changes in net position

The net position of the County decreased by \$1.0 million during the fiscal year ending November 30, 2016. An increase in the landfill liability overall related to the net position decrease.

# Knox County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

#### Governmental Activities

Net position increased \$0.1 million over the previous year.

For the fiscal year ended November 30, 2016, revenues from governmental activities totaled \$26.8 million. Property taxes (\$9.9 million or 26%) represent the largest source of revenues.

#### Business-Type Activities

Net position decreased \$1.1 million over the previous year.

The County's 2016 total revenues come from a variety of sources including 26% from property taxes, and 13% comes from operating grants and contributions. Another 44% comes from charges for services and much of the remainder is some other type of tax.

The County's 2016 expenses cover a range of services, with about 19% related to public safety. Another 11% is devoted to general control and administration and 10% for transportation. Nursing home and landfill account for 25% and 9%, respectively.

In the following table, we have presented the cost of each of the County's functions as well as the net cost (total cost less revenues generated by the activities) for each. Net costs help to show what functions are being covered by direct revenue and those that are covered by the net revenue of others.

<b>For the year ended November 30, 2016</b>		
	<b>Total cost of service (in millions)</b>	<b>Net cost of service (in millions)</b>
<b>Governmental Activities:</b>		
General control and administration	\$4.4	(\$3.2)
Public safety	7.6	(5.0)
Judiciary and courts	3.6	(1.8)
Transportation	3.8	(2.8)
Corrections	1.9	(1.3)
Public welfare	0.1	(0.2)
Public health	4.5	(1.2)
Interest on long-term debt	0.3	(0.2)
<b>Business-type Activities:</b>		
Nursing Home	9.9	(1.7)
Landfill	3.7	(0.1)
Total primary government	\$39.8	(\$17.5)

# Knox County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

<b>For the year ended November 30, 2015</b>		
	<b>Total cost of service (in millions)</b>	<b>Net cost of service (in millions)</b>
<b>Governmental Activities:</b>		
General control and administration	\$4.0	(\$2.8)
Public safety	5.7	(2.2)
Judiciary and courts	2.9	(1.4)
Transportation	4.1	(2.8)
Corrections	1.2	(1.0)
Public welfare	0.1	(0.2)
Public health	2.9	(0.2)
Interest on long-term debt	0.2	(0.2)
<b>Business-type Activities:</b>		
Nursing Home	9.8	(1.4)
Landfill	2.8	0.1
Total primary government	\$33.7	(\$12.1)

For the fiscal year ended November 30, 2016, expenses for governmental activities totaled \$26.2 million. General and administrative expenses accounted for \$4.4 million of the governmental activities total. These expenses are used for the operations of departments conducting such functions as administrative and financial functions, elections, document recording and retrieval, and assessment of property.

Public Safety accounted for \$7.6 million in expenses during 2016. The highest percentage of public safety is directly tied to the operations of the Sheriff's Department. The emergency service function is also part of this activity group.

Judiciary and courts expenses totaled \$3.6 million in 2016. Expenses relating to the circuit court, public defender, court services, and the State's Attorney relate to this function.

Transportation accounted for \$3.8 million of the total governmental activities expenses in 2016. Various funds established for the County Highway Department account for these expenses.

Corrections accounted for \$1.9 million in expenditures during 2016. These expenses are directly tied to the operations of the County Jail.

Public welfare expenses represented \$0.1 million of the total governmental expenditures activity, expenses relating to the assistance of veterans.

Public health expenses represented \$4.5 million of the total governmental expenditures activity. The Health Department is the main contributor to this function's expenses.



# Knox County, Illinois

## Management Discussion and Analysis

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### **FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

Knox County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year the County's governmental funds reported combined ending fund balances of \$19.3 million, an increase of \$2.5 million in comparison with the previous fiscal year.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1.5 million.

The fund balance of the General Fund decreased by \$1.1 million before debt proceeds and transfers during the current fiscal year.

#### Budgetary Highlights

The County's budget is prepared according to Illinois law and is based on accounting for certain transactions on the cash basis of accounting. A budget to actual schedule is provided as required supplementary information for the General Fund and major special revenue funds.

#### General Fund Budgetary Variances

##### Revenues

Charges for services for 2016 were \$2.5 million compared with budgeted amount of \$2.6 million. This variance is due to the County receiving less for County Recorder than anticipated.

##### Expenditures

Personnel Services remains the highest expenditure in County operations. Government service requires people to provide both services and information to the citizens it supports. It is a sizeable expenditure; however, it is also a long-term investment. Benefit payments remain a significant portion of the total personnel services costs. Pension, FICA and Health Insurance rates have all affected the total cost of personnel services.

The general control and administration expenditures for 2016 were \$2.9 million compared to a budgeted amount of \$3.2 million. The positive variance is the result of employer hospital and life insurance in this function being less than budgeted amount.

#### Illinois Municipal Retirement Fund Budgetary Variances

##### Revenues

Actual revenue was comparable to budget.

##### Expenditures

Employer's IMRF expenditures for 2016 were \$2.7 million compared to a budgeted amount of \$3.3 million. The positive variance is the result of IMRF expenditures being less than budgeted.

# Knox County, Illinois

## Management Discussion and Analysis

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### **FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS (continued)**

#### Public Safety Improvement Bonds Fund Budgetary Variances

##### Revenues

Sales taxes for 2016 were \$2.1 million compared with budgeted amount of \$2.0 million. This variance is due to the County receiving more sales taxes than anticipated

##### Expenditures

The public safety expenditures for 2016 were \$0.8 million compared to a budgeted amount of \$0.9 million. The positive variance is the result of fewer other public safety charges than budgeted.

##### Overall Analysis

The following is the analysis of expenditures for the year for the General Fund and other major Governmental Funds of the County.

- From a governmental fund type perspective, overall governmental fund expenditures were up 7.3% in 2016 compared with 2015.
- Within the General Fund, the functions which reflected the largest portion of total expenditures were General Control and Administration and Judiciary and Courts. The functions which reflected that largest percent increase over 2015 were Public Safety and Corrections.

### **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

#### Capital Assets

The County's investment in capital assets for its governmental activities at year end totaled \$51.5 million (net of accumulated depreciation) and business-type activities at year end totaled \$6.0 million (net of accumulated depreciation). This investment in capital assets includes, land, construction in progress, land improvements, buildings and improvements, equipment, furniture and fixtures, vehicles, and infrastructure such as roads and bridges. There were \$0.8 million of capital asset additions recorded during the year and \$3.2 million of depreciation charges were expensed on the total capital assets. See Note 5 for details of capital assets.

Major capital asset events during the fiscal year included the following:

- Infrastructure = \$619,652

<b>Net Book Value of Capital Assets at November 30, 2016 (in millions)</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Land	\$0.8	\$1.2
Construction in progress	0.5	0.0
Land improvements	0.0	0.3
Buildings and improvements	11.7	2.9
Equipment and machinery	0.4	1.5
Furniture and fixtures	0.0	0.0
Vehicles	0.3	0.1
Infrastructure	37.8	0.0
<b>Total</b>	<b>\$51.5</b>	<b>\$6.0</b>

# Knox County, Illinois

## Management Discussion and Analysis

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### **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (continued)**

<b>Net Book Value of Capital Assets at November 30, 2015 (in millions)</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Land	\$0.8	\$1.2
Construction in progress	1.2	0.0
Land improvements	0.0	0.3
Buildings and improvements	12.3	3.2
Equipment and machinery	0.5	2.1
Furniture and fixtures	0.0	0.0
Vehicles	0.4	0.1
Infrastructure	37.9	0.0
<b>Total</b>	<b>\$53.1</b>	<b>\$6.9</b>

### **Debt Administration**

At November 30, 2016, the County had \$7.8 million in governmental activities long term debt which consisted of general obligation bonds and notes payables. Amounts due next year on these obligations are \$1.2 million. See Notes 11 and 12 for details of debt.

<b>Governmental Activities Outstanding Debt at November 30, 2016 (in millions)</b>	
General obligation bond payable	\$5.2
Notes payable and capital leases	2.2
Accrued compensated absences	0.4
	<b>\$7.8</b>

<b>Governmental Activities Outstanding Debt at November 30, 2015 (in millions)</b>	
General obligation bond payable	\$6.0
Notes payable	1.1
Accrued compensated absences	0.3
	<b>\$7.4</b>

# Knox County, Illinois

## Management Discussion and Analysis

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### **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (continued)**

At November 30, 2016, the County had \$1.7 million in business-type activities long term debt. Amounts due next year on these obligations are \$0.4. See Notes 11 and 12 for details of debt.

<b>Business-Type Activities</b>	
<b>Outstanding Debt at November 30, 2016</b>	
General obligation bond payable	\$0.7
Notes payable and capital leases	0.9
Accrued compensated absences	0.1
	\$1.7
<b>Business-Type Activities</b>	
<b>Outstanding Debt at November 30, 2015</b>	
General obligation bond payable	\$0.8
Notes payable and capital leases	1.1
Accrued compensated absences	0.1
	\$2.0

### **ECONOMIC FACTORS**

The local, state and national economic factors are an indication that we can expect continual challenges to the County's budget. The State of Illinois continues to struggle to pay their obligations in a timely fashion, if at all, resulting in constant undue pressure on the County's financial position. Pro-active strategies and policies for maintaining sound fiscal balances will constantly need to be monitored and enforced by management.

The annual budget is developed to provide efficient, effective and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Board sets the direction of the County, allocates its resources and establishes its priorities. In considering the budget for FY 2017, the County Board and management have continued to use zero based budgeting to control operational and personnel costs. Each budgetary line item was reviewed by the County Finance Committee to evaluate costs. Budget control is strictly going to be utilized and enforced to keep expenditures from exceeding budgetary amounts. The County Board has had to diversify the revenue sources and reduce spending to maintain adequate reserves.

Management is continuing to evaluate policies to reduce expenditures and increase reserves. Hiring a compliance officer for court fine collection and increasing fees via a fee study will alleviate some financial pressure on the General Fund. Knox County also works cooperatively with the Knox County Area Partnership for Economic Development to create economic growth.

# Knox County, Illinois

## Management Discussion and Analysis

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### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and potential creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Robin E. Davis, County Treasurer  
Knox County, Illinois  
200 South Cherry Street, Galesburg, IL 61401  
Phone number (309) 345-3813

## **Basic Financial Statements**

# Knox County, Illinois

## Statement of Net Position

November 30, 2016

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash, deposits, and investments	\$20,613,491	\$4,283,045	\$24,896,536
Receivables:			
Accounts (net of allowance)	770,488	1,297,160	2,067,648
Property tax	10,545,210	0	10,545,210
Due from other governments	1,975,268	848,827	2,824,095
Inventories	38,039	0	38,039
Prepaid expenses	44,948	0	44,948
Temporarily restricted assets -			
Cash	0	23,466	23,466
Internal balances	0	0	0
Total current assets	33,987,444	6,452,498	40,439,942
Noncurrent assets:			
Investments	0	7,546,916	7,546,916
Capital assets:			
Land and construction in progress	1,292,355	1,174,645	2,467,000
Other capital assets, net of depreciation	50,275,421	4,853,331	55,128,752
Total capital assets	51,567,776	6,027,976	57,595,752
Total noncurrent assets	51,567,776	13,574,892	65,142,668
Total assets	85,555,220	20,027,390	105,582,610
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows of pension resources	6,709,234	2,090,801	8,800,035
Unamortized loss on refunding	74,565	0	74,565
Total deferred outflows of resources	6,783,799	2,090,801	8,874,600
Total assets and deferred outflows of resources	92,339,019	22,118,191	114,457,210
<b>LIABILITIES</b>			
Accounts payable and accrued payroll	1,778,419	709,366	2,487,785
Accrued interest payable	101,892	28,465	130,357
Capital lease payable	34,320	34,751	69,071
Bonds and notes payable, current portion	1,164,802	360,804	1,525,606
Total current liabilities	3,079,433	1,133,386	4,212,819
Landfill closure liability	0	5,453,108	5,453,108
Accrued compensated absences	374,192	134,575	508,767
Capital lease payable	35,834	49,321	85,155
Bonds and notes payable, noncurrent portion	6,164,674	1,125,949	7,290,623
Net pension liability	5,565,233	1,584,316	7,149,549
Total noncurrent liabilities	12,139,933	8,347,269	20,487,202
Total liabilities	15,219,366	9,480,655	24,700,021
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of pension resources	183,820	0	183,820
Unavailable property taxes	10,425,970	0	10,425,970
Total deferred inflows of resources	10,609,790	0	10,609,790
Total liabilities and deferred inflows of resources	25,829,156	9,480,655	35,309,811
<b>NET POSITION</b>			
Net investment in capital assets	45,402,264	4,457,151	49,859,415
Restricted	19,251,346	7,546,916	26,798,262
Unrestricted	1,856,253	633,469	2,489,722
Total net position	\$66,509,863	\$12,637,536	\$79,147,399

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

## Statement of Activities

For the year ended November 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General control and administration	\$4,415,001	\$1,107,111	\$150,334	\$0	(\$3,157,556)		(\$3,157,556)
Public safety	7,587,042	1,229,965	1,303,796	0	(5,053,281)		(5,053,281)
Judiciary and courts	3,646,938	1,286,386	518,156	0	(1,842,396)		(1,842,396)
Transportation	3,823,768	0	847,490	185,357	(2,790,921)		(2,790,921)
Corrections	1,862,747	574,302	0	0	(1,288,445)		(1,288,445)
Public welfare	157,011	0	0	0	(157,011)		(157,011)
Public health	4,502,781	957,910	2,349,361	0	(1,195,510)		(1,195,510)
Interest on long-term debt	252,346	0	0	0	(252,346)		(252,346)
<b>Total governmental activities</b>	<b>26,247,634</b>	<b>5,155,674</b>	<b>5,169,137</b>	<b>185,357</b>	<b>(15,737,466)</b>	<b>\$0</b>	<b>(15,737,466)</b>
Business-Type activities:							
Nursing home	9,987,912	8,297,268	0	0		(1,690,644)	(1,690,644)
Sanitary landfill	3,696,929	3,577,555	0	0		(119,374)	(119,374)
<b>Total business-type activities</b>	<b>13,684,841</b>	<b>11,874,823</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,810,018)</b>	<b>(1,810,018)</b>
<b>Total primary government</b>	<b>\$39,932,475</b>	<b>\$17,030,497</b>	<b>\$5,169,137</b>	<b>\$185,357</b>	<b>(15,737,466)</b>	<b>(1,810,018)</b>	<b>(17,547,484)</b>
General revenues:							
Property taxes					9,893,254	0	9,893,254
Replacement taxes					559,108	0	559,108
Sales taxes					3,871,595	0	3,871,595
State income taxes					889,044	0	889,044
Unrestricted investment earnings					201,741	203,739	405,480
Miscellaneous					83,014	54,728	137,742
Gain (loss) on sale of capital assets					768,323	0	768,323
<b>Total general revenues</b>					<b>16,266,079</b>	<b>258,467</b>	<b>16,524,546</b>
Transfers					(502,300)	502,300	0
Change in net position					26,313	(1,049,251)	(1,022,938)
Net position - beginning of year					66,483,550	13,686,787	80,170,337
Net position - ending					\$66,509,863	\$12,637,536	\$79,147,399

See Accompanying Notes to Financial Statements.



# Knox County, Illinois

Governmental Funds

Balance Sheet

November 30, 2016

ASSETS	General	Special Revenue	Debt Service	Other Governmental Funds	Total Governmental Funds
		Illinois Municipal Retirement	Public Safety Improvement Bonds		
Cash, deposits, and investments	\$941,926	\$1,896,467	\$2,722,350	\$12,309,490	\$17,870,233
Accounts receivable	419,350	0	2,739	348,399	770,488
Property tax receivable	2,151,805	2,144,248	792,194	5,456,963	10,545,210
Due from other governments	677,186	0	538,435	759,647	1,975,268
Inventory	16,230	0	0	21,809	38,039
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$4,206,497</b>	<b>\$4,040,715</b>	<b>\$4,055,718</b>	<b>\$18,896,308</b>	<b>\$31,199,238</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$243,114	\$0	\$20,584	\$686,776	\$950,474
Accrued payroll	178,077	181,121	0	175,265	534,463
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>421,191</b>	<b>181,121</b>	<b>20,584</b>	<b>862,041</b>	<b>1,484,937</b>
Deferred inflows of resources -					
Unavailable property taxes	2,127,600	2,120,000	782,774	5,395,596	10,425,970
Fund balances:					
Nonspendable	16,230	0	0	21,809	38,039
Restricted	159,114	1,739,594	3,252,360	11,742,859	16,893,927
Committed	784	0	0	874,003	874,787
Unassigned	1,481,578	0	0	0	1,481,578
<b>Total fund balance</b>	<b>1,657,706</b>	<b>1,739,594</b>	<b>3,252,360</b>	<b>12,638,671</b>	<b>19,288,331</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$4,206,497</b>	<b>\$4,040,715</b>	<b>\$4,055,718</b>	<b>\$18,896,308</b>	<b>\$31,199,238</b>

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

## Reconciliation of the Balance Sheet to the Statement of Net Position

November 30, 2016

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Total fund balances - governmental funds	\$19,288,331
Amounts reported for governmental activities in the statement of net position are different because:	
An internal service fund is used to account for self insurance of medical claims. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
	2,494,724
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Net book value of assets reported.	
	51,567,776
Loss on refunding revenue is amortized over the life of the bonds in the governmental activities.	
	74,565
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds:	
Bonds, notes payable, capital leases, and discounts/premiums on bonds	(7,399,630)
Net pension liability and related deferred outflows of resources	960,181
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	
	(101,892)
Compensated absences not due and payable from current resources are not reported in the governmental funds.	
	(374,192)
Total net position - governmental activities	<u>\$66,509,863</u>

# Knox County, Illinois

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the year ended November 30, 2016

	General	Special Revenue Illinois Municipal Retirement	Debt Service Public Safety Improvement Bonds	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	\$2,008,306	\$2,011,809	\$781,556	\$5,091,583	\$9,893,254
Replacement	559,108	0	0	0	559,108
Sales	1,746,289	0	2,125,306	0	3,871,595
State income	889,044	0	0	0	889,044
Charges for services	2,616,868	0	0	2,538,806	5,155,674
Intergovernmental revenue	658,483	0	0	4,696,011	5,354,494
Investment income	9,594	8,526	8,692	139,036	165,848
Miscellaneous	32,033	0	2,739	48,242	83,014
<b>Total revenues</b>	<b>8,519,725</b>	<b>2,020,335</b>	<b>2,918,293</b>	<b>12,513,678</b>	<b>25,972,031</b>
Expenditures:					
Current:					
General control and administration	3,097,904	207,419	0	848,288	4,153,611
Public safety	2,254,922	635,166	891,679	2,465,145	6,246,912
Judiciary and courts	2,927,034	379,464	0	390,221	3,696,719
Transportation	0	169,683	0	2,172,898	2,342,581
Corrections	1,346,958	275,964	0	324,388	1,947,310
Public welfare	0	16,336	0	142,132	158,468
Public health	0	555,918	0	4,039,784	4,595,702
Debt service:					
Principal	32,982	366,882	771,046	60,530	1,231,440
Interest and fiscal agent fees	4,183	29,118	52,431	124,458	210,190
Bond issuance costs	0	0	0	0	0
Capital outlay	106,620	0	0	641,466	748,086
<b>Total expenditures</b>	<b>9,770,603</b>	<b>2,635,950</b>	<b>1,715,156</b>	<b>11,209,310</b>	<b>25,331,019</b>
Excess (deficiency) of revenues over expenditures	(1,250,878)	(615,615)	1,203,137	1,304,368	641,012
Other financing sources and (uses):					
Sale of capital asset	0	0	0	768,323	768,323
Issuance of debt	0	1,601,000	0	0	1,601,000
Transfers in	1,735,614	0	365,130	271,463	2,372,207
Transfers out	(685,870)	(365,354)	(308,058)	(1,515,225)	(2,874,507)
<b>Total other financing sources (uses)</b>	<b>1,049,744</b>	<b>1,235,646</b>	<b>57,072</b>	<b>(475,439)</b>	<b>1,867,023</b>
Net change in fund balance	(201,134)	620,031	1,260,209	828,929	2,508,035
Fund balances, beginning of year	1,858,840	1,119,563	1,992,151	11,809,742	16,780,296
<b>Fund balances, end of year</b>	<b>\$1,657,706</b>	<b>\$1,739,594</b>	<b>\$3,252,360</b>	<b>\$12,638,671</b>	<b>\$19,288,331</b>

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the year ended November 30, 2016

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Net change in fund balance - Governmental funds	\$2,508,035
Amounts reported for governmental activities in the statement of activities are different because:	
An internal service fund is used to account for self insurance of medical claims. The net revenue of the internal service fund is reported with governmental activities.	89,558
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expenses to allocate those expenditures over the life of the assets:	
Capital asset purchases	748,086
Depreciation expense	(2,281,119)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Issuance of notes payable	(1,601,000)
Payment of refunded bonds	
Note payable repayment	506,440
Bond principal repayment	725,000
Loss on refunding	
Some expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in net pension liability and deferred pension resources	(535,636)
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.	(3,132)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Amortization of bond premiums	(1,742)
Amortization of loss on refunding	(37,282)
Vacation and compensated pay	(90,895)
Change in net position of governmental activities	<u><u>\$26,313</u></u>

# Knox County, Illinois

Proprietary Funds  
Statement of Net Position  
November 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Nursing Home	Sanitary Landfill	Total	Hospitalization
<b>ASSETS</b>				
Current assets:				
Cash, deposits, and investments	\$103,688	\$4,179,357	\$4,283,045	\$2,743,258
Restricted cash - patient trust funds	23,466	0	23,466	0
Accounts receivable	916,472	380,688	1,297,160	0
Due from other governments	848,827	0	848,827	0
Prepaid expenses	0	0	0	44,948
Other assets	0	0	0	0
Total current assets	1,892,453	4,560,045	6,452,498	2,788,206
Noncurrent assets:				
Other assets	0	0	0	0
Restricted investments - landfill closure	0	7,546,916	7,546,916	0
Capital assets:				
Land and construction in progress	156,600	1,018,045	1,174,645	0
Other capital assets, net of depreciation	2,638,164	2,215,167	4,853,331	0
Total capital assets (net of accumulated depreciation)	2,794,764	3,233,212	6,027,976	0
Total noncurrent assets	2,794,764	10,780,128	13,574,892	0
Total assets	4,687,217	15,340,173	20,027,390	2,788,206
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of pension resources	1,670,747	420,054	2,090,801	0
Total assets and deferred outflows of resources	6,357,964	15,760,227	22,118,191	2,788,206
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	162,517	94,035	256,552	293,482
Accrued payroll	383,936	45,412	429,348	0
Patient funds held in trust	23,466	0	23,466	0
Interest payable	0	28,465	28,465	0
Capital lease payable	0	34,751	34,751	0
Note payable	0	301,438	301,438	0
Bond payable, net of unamortized discounts	0	59,366	59,366	0
Due to other funds	0	0	0	0
Total current liabilities	569,919	563,467	1,133,386	293,482
Noncurrent liabilities:				
Landfill closure liability	0	5,453,108	5,453,108	0
Accrued compensated absences	127,774	6,801	134,575	0
Capital lease payable	0	49,321	49,321	0
Note payable	0	466,044	466,044	0
Bond payable, net of unamortized discounts	0	659,905	659,905	0
Net pension liability	1,266,018	318,298	1,584,316	0
Total noncurrent liabilities	1,393,792	6,953,477	6,762,953	0
Total liabilities	1,963,711	7,516,944	9,480,655	293,482
<b>NET POSITION</b>				
Net investment in capital assets	2,794,764	1,662,387	4,457,151	0
Restricted for -				
Landfill closure costs	0	7,546,916	7,546,916	0
Unrestricted	1,599,489	(966,020)	633,469	2,494,724
Total net position	\$4,394,253	\$8,243,283	\$12,637,536	\$2,494,724

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

## Proprietary Funds

### Statement of Revenues, Expenses, and Changes in Net Position

For the year ended November 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Nursing Home	Sanitary Landfill	Total	Hospitalization
Operating revenues:				
Charges for services	\$8,297,268	\$3,577,555	\$11,874,823	\$2,625,889
Other	46,417	8,311	54,728	125,256
<b>Total operating revenues</b>	<b>8,343,685</b>	<b>3,585,866</b>	<b>11,929,551</b>	<b>2,751,145</b>
Operating expenses:				
Personnel	7,415,718	978,625	8,394,343	0
Insurance	221,966	75,971	297,937	0
Plant and operations	2,088,062	1,714,553	3,802,615	0
Depreciation and amortization	262,166	648,713	910,879	0
Medical claims	0	0	0	2,697,480
Illinois EPA fees	0	234,867	234,867	0
<b>Total operating expenses</b>	<b>9,987,912</b>	<b>3,652,729</b>	<b>13,640,641</b>	<b>2,697,480</b>
<b>Operating income (loss)</b>	<b>(1,644,227)</b>	<b>(66,863)</b>	<b>(1,711,090)</b>	<b>53,665</b>
Nonoperating revenue (expense):				
Investment income	117	203,622	203,739	35,893
Grant income	0	0	0	0
Loss on sale of equipment	0	0	0	0
Interest expense	0	(44,200)	(44,200)	0
<b>Total nonoperating revenue</b>	<b>117</b>	<b>159,422</b>	<b>159,539</b>	<b>35,893</b>
<b>Income (loss) before transfers</b>	<b>(1,644,110)</b>	<b>92,559</b>	<b>(1,551,551)</b>	<b>89,558</b>
Other financing sources (uses):				
Transfers in	1,167,110	22,360	1,189,470	0
Transfers out	(29,127)	(658,043)	(687,170)	0
<b>Changes in net position</b>	<b>(506,127)</b>	<b>(543,124)</b>	<b>(1,049,251)</b>	<b>89,558</b>
<b>Total net position, beginning of year</b>	<b>4,900,380</b>	<b>8,786,407</b>	<b>13,686,787</b>	<b>2,405,166</b>
<b>Total net position, ending</b>	<b>\$4,394,253</b>	<b>\$8,243,283</b>	<b>\$12,637,536</b>	<b>\$2,494,724</b>

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

Proprietary Funds

Statement of Cash Flows

For the year ended November 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Nursing Home	Sanitary Landfill	Total	Hospitalization
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$8,105,494	\$3,368,819	\$11,474,313	\$2,625,889
Other receipts	30,723	8,311	39,034	125,256
Payments to suppliers	(2,324,067)	(958,881)	(3,282,948)	(2,611,323)
Payments to employees	(7,200,928)	(1,443,674)	(8,644,602)	0
Net cash flows from operating activities	(1,388,778)	974,575	(414,203)	139,822
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers to other funds	(29,127)	(658,043)	(687,170)	0
Transfers from other funds	1,167,110	22,360	1,189,470	0
Proceeds from grants	0	0	0	0
Net cash flows from noncapital financing activities	1,137,983	(635,683)	502,300	0
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from capital leases and note payables	0	0	0	0
Acquisition and construction of capital assets	(41,811)	0	(41,811)	0
Proceeds from sale of capital assets	0	0	0	0
Interest paid on long term debt	0	(42,774)	(42,774)	0
Principal paid on long-term debt	0	(330,120)	(330,120)	0
Net cash flows from capital and related financing activities	(41,811)	(372,894)	(414,705)	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net proceeds from sale of (purchase of) investments	545	283,267	283,812	(645,653)
Interest received	117	203,622	203,739	35,893
Net cash flows from investing activities	662	486,889	487,551	(609,760)
Net increase (decrease) in cash and cash equivalents	(291,944)	452,887	160,943	(469,938)
Cash and cash equivalents - beginning	419,093	128,161	547,254	662,015
Cash and cash equivalents - ending	\$127,149	\$581,048	\$708,197	\$192,077
<b>Reconciliation of cash and cash equivalents:</b>				
Cash and cash equivalents	\$127,149	\$128,161	\$255,310	\$192,077
Investments	5	4,051,196	4,051,201	2,551,181
Net cash provided (used) by investing activities	\$127,154	\$4,179,357	\$4,306,511	\$2,743,258

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

Proprietary Funds

Statement of Cash Flows (Continued)

For the year ended November 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Nursing Home	Sanitary Landfill	Total	Hospitalization
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>				
Operating income (loss)	(\$1,644,227)	(\$66,863)	(\$1,711,090)	\$53,665
Adjustments to reconcile operating income (loss) to net cash flows for operating activities:				
Depreciation and amortization	262,166	648,713	910,879	0
(Increase) decrease in:				
Accounts receivables	(207,468)	(208,736)	(416,204)	0
Prepaid items	0	0	0	(44,948)
Increase (decrease) in:				
Accounts payable	(14,039)	(129,200)	(143,239)	131,105
Accrued expenses	214,790	19,744	234,534	0
Landfill closure liability	0	710,917	710,917	0
<b>Net cash flows from operating activities</b>	<b>(\$1,388,778)</b>	<b>\$974,575</b>	<b>(\$414,203)</b>	<b>\$139,822</b>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>				
Cost of capital assets financed by accounts payable	\$0	\$0	\$0	\$0
Capital assets financed by accounts payable	0	0	0	0
Cost of capital assets financed by note payables	0	0	0	0
Capital assets financed by note payables	0	0	0	0
<b>Net cash flows from investing activities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

See Accompanying Notes to Financial Statements.



# Knox County, Illinois

## Statement of Fiduciary Net Position

November 30, 2016

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<b>ASSETS</b>	<b>Agency Funds</b>
Cash in banks	\$3,486,562
Investments	562,610
Due from other governments	99,533
<b>Total assets</b>	<b>\$4,148,705</b>
<b>LIABILITIES</b>	
Accounts payable	\$18,456
Due to others	4,130,249
<b>Total liabilities</b>	<b>\$4,148,705</b>

See Accompanying Notes to Financial Statements.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies

#### Introduction

The financial statements of Knox County, Illinois (the "County"), with the county seat located in Galesburg, Illinois have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below.

#### Description of Government-wide 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 primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

#### Financial Reporting Entity

The County is governed by a fifteen member County Board. The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but 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. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. Based on these criteria, the County is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

Blended Component Unit - The 911 Fund serves all the citizens of the County. The budget and appropriation ordinance is approved by the 911 Board of Trustees, and the legal liability for any 911 Fund debt remains with the County. The 911 Fund is reported as a Special Revenue Fund.

#### Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

# Knox County, Illinois

## Notes to Financial Statements

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

#### **Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

**General Fund** – The General Fund is used to account for all financial resources of the County except those which are required to be accounted for in another fund. The General Fund consists of the General Fund, the Self Insurance Fund, and Special Contingency Fund. A brief description of the County's four General Funds follows:

General Fund - This 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 services which are administered by the Department and accounted for in the general fund include general control and administration, public safety, judiciary and courts, and corrections.

Self Insurance Fund – This fund accumulates resources to pay workers compensation claims.

Special Contingency Fund – This fund was created by the County Board to fund unexpected expenditures and to cover State of Illinois shortfalls.

Chaplain Fund – This fund accounts for chaplain revenue and expenses.

**Illinois Municipal Retirement Fund (IMRF)** – This fund is used to pay retirement for SLEP and non-SLEP employees of the County.

**Public Safety Improvement Bonds Fund** – This fund accounts for the revenue and expenses related to public safety capital improvements and debt service on bond.

The County reports the following major enterprise funds:

**Nursing Home Fund** – This fund accounts for the revenue and expenses related to the operations of the County nursing home.

**Sanitary Landfill Fund** – This fund accounts for the revenue and expenses related to the operations of the County landfill.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

The County administers an internal service fund (reported as a proprietary fund type) to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County administers the following internal service fund:

**Hospitalization Fund** – This fund accounts for the County's self-insured health plan.

Additionally, the County administers fiduciary (agency) funds for assets held by the County in a fiduciary capacity.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

### **Measurement Focus and Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County has elected to take exception to this assumption for revenue remitted by the State. Due to the State being late with payments, the County considers those amounts applicable to the current fiscal year to be available as it is vouchered by the State and will be paid after the 60 day period. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **Budgetary Basis of Accounting**

Annual budgets are adopted on a cash basis and include a statement of the cash revenue and expenditures of the immediately preceding fiscal year and a projection of the cash revenue (including the available beginning cash balance) and the proposed itemized appropriations of the ensuing fiscal year. All appropriations cease with the close of the fiscal year.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Appropriations in all budgeted funds lapse at the end of the fiscal year.

#### **Cash and Cash Equivalents**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The cash balances of most County funds are pooled and invested. Each fund's share of the investment pool is reflected on its respective balance sheet.

# Knox County, Illinois

## Notes to Financial Statements

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

#### Investments

The County is a participant in the Local Government Investment Pool (LGIP) which is authorized in Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in LGIP. The investment is not subject to the fair value hierarchy disclosures.

In addition, the County invests in federal agency securities and certificates of deposits. Investments are reported at fair value which is determined using selected bases.

#### Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of two years and individual cost of more than the following:

Infrastructure	\$25,000
Land, buildings, and improvements	25,000
Machinery, equipment and vehicles	5,000

# Knox County, Illinois

## Notes to Financial Statements

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

#### Capital Assets (continued)

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Land improvements	4 - 20 years
Buildings and improvements	10 - 50 years
Equipment	3 - 15 years
Furniture and fixtures	3 - 15 years
Vehicles	5 - 15 years
Infrastructure	7 - 50 years

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

#### Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Board has by resolution authorized an official of the County Board to assign fund balance. The County Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### **Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

#### **Property Taxes**

The County's property tax is levied each year on all taxable real property located in the County. Since the 2016 property tax levy is levied to finance the operations of fiscal year 2017, the 2016 property tax is recorded as a receivable and the 2016 property tax revenue is deferred. The 2015 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2015. The County must file its tax levy by the last Tuesday of December each year. The 2015 levy was approved on November 25, 2015. The 2016 levy was approved on November 23, 2016.

The township assessors are responsible for assessment of all taxable real property within the County. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2015 became due and payable in two installments, generally in June 2016 and September 2016. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.



# Knox County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Compensated Absences**

##### ***Vacation***

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

##### ***Sick Leave***

Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service excluding retirement, no monetary obligation exists. Employees have the option upon retirement to receive a payout of up to thirty days of sick leave.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Note 2 Stewardship, Compliance and Accountability**

#### ***Excess of expenditures over appropriations***

There were no funds with excess of expenditures over appropriations.

# Knox County, Illinois

## Notes to Financial Statements

### Note 2 Stewardship, Compliance and Accountability (continued)

#### Deficit Fund Equity

As of November 30, 2016, there were no funds with deficit fund balances.

### Note 3 Cash Deposits with Financial Institutions

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of November 30, 2016, the County's bank balance was \$10,033,520 and the entire balance was insured and collateralized with securities in the County's name.

### Note 4 Investments

As of November 30, 2016, the County had the following investments

	Fair Value
Federal agency securities	\$12,450,221
Money market mutual funds	13,209,513
Certificates of deposit	2,020,039
	\$27,679,773

*Interest rate risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no specific policy on the interest rate risk at year-end.

As of November 30, 2016, the County had the following investments with stated maturities.

Investment Type	Remaining Maturity (in Years)				Total
	< 1 year or Less	1-5 Years	6-10 Years	More than 10 Years	
Federal agency securities	\$0	\$1,697,854	\$10,410,375	\$341,992	\$12,450,221
Money market mutual fund	13,209,513	0	0	0	13,209,513
Certificates of deposit	0	1,664,272	355,767	0	2,020,039
	\$13,209,513	\$3,362,126	\$10,766,142	\$341,992	\$27,679,773

*Credit risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U.S. Government obligations are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. Presented below is the actual rating as of year-end for each investment type:

# Knox County, Illinois

## Notes to Financial Statements

### Note 4 Investments (continued)

Investment Type	Total as of 11/30/16	AAAm	AA+	Unrated
Federal agency securities	\$12,450,221	\$0	\$12,450,221	\$0
Money market mutual fund	13,209,513	13,209,513	0	0
Certificates of deposits	2,020,039	0	0	2,020,039
	<u>\$27,679,773</u>	<u>\$13,209,513</u>	<u>\$12,450,221</u>	<u>\$2,020,039</u>

*Concentration of credit risk.* The County's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the County's total investments.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of November 30, 2016, there are no investments with custodial credit risk in that all of its investments are insured.

*Foreign Currency Risk.* The County has no foreign currency risk for investments at year end.

### Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2016 is as follows:

Governmental activities:	Balance 12/1/15	Additions	Deletions and Transfers	Balance 11/30/16
Capital assets, not being depreciated -				
Land	\$762,065	\$0	\$0	\$762,065
Work in progress	1,196,062	381,307	(1,047,079)	530,290
Total capital assets, not being depreciated	1,958,127	381,307	(1,047,079)	1,292,355
Capital assets, being depreciated:				
Buildings and improvements	18,887,624	0	0	18,887,624
Equipment	4,110,967	93,260	0	4,204,227
Furniture and fixtures	107,867	0	0	107,867
Vehicles	2,759,002	35,174	0	2,794,176
Infrastructure	49,802,970	238,345	1,047,079	51,088,394
Total capital assets, being depreciated	75,668,430	366,779	1,047,079	77,082,288

# Knox County, Illinois

## Notes to Financial Statements

### Note 5 Capital Assets (continued)

<b>Governmental activities:</b>	<b>Balance 12/1/15</b>	<b>Additions</b>	<b>Deletions and Transfers</b>	<b>Balance 11/30/16</b>
Accumulated depreciation:				
Buildings and improvements	(6,583,903)	(579,627)	0	(7,163,530)
Equipment	(3,614,754)	(155,409)	0	(3,770,163)
Furniture and fixtures	(103,021)	(2,060)	0	(105,081)
Vehicles	(2,337,268)	(140,306)	0	(2,477,574)
Infrastructure	(11,886,802)	(1,403,717)	0	(13,290,519)
Total accumulated depreciation	(24,525,748)	(2,281,119)	0	(26,806,867)
Total capital assets, being depreciated, net	51,142,682	(1,914,340)	1,047,079	50,275,421
Governmental activities capital assets, net	\$53,100,809	(\$1,533,033)	\$0	\$51,567,776

The business-type activities capital asset activity for the year ended November 30, 2016 is as follows:

<b>Business-Type activities:</b>	<b>Balance 12/1/15</b>	<b>Additions</b>	<b>Deletions and Transfers</b>	<b>Balance 11/30/16</b>
Capital assets, not being depreciated -				
Land	\$1,174,645	\$0	\$0	\$1,174,645
Construction in progress	0	0	0	0
Total capital assets, being depreciated	1,174,645	0	0	1,174,645
Capital assets, being depreciated:				
Land improvements	3,794,252	0	0	3,794,252
Buildings and improvements	7,897,602	34,013	0	7,931,615
Equipment and machinery	7,212,368	7,798	0	7,220,166
Furniture and fixtures	612,586	0	0	612,586
Vehicles	387,372	0	0	387,372
Infrastructure	205,218	0	0	205,218
Total capital assets, being depreciated	20,109,398	41,811	0	20,151,209
Accumulated depreciation:				
Land improvements	(3,467,209)	(40,194)	0	(3,507,403)
Buildings and improvements	(4,719,004)	(242,180)	0	(4,961,184)
Equipment and machinery	(5,123,138)	(548,869)	0	(5,672,007)
Furniture and fixtures	(580,600)	(15,730)	0	(596,330)
Vehicles	(316,895)	(38,841)	0	(355,736)
Infrastructure	(180,787)	(24,431)	0	(205,218)
Total accumulated depreciation	(14,387,633)	(910,245)	0	(15,297,878)
Total capital assets, being depreciated, net	5,721,765	(868,434)	0	4,853,331
Business-type activities capital assets, net	\$6,896,410	\$(868,434)	0	\$6,027,976

# Knox County, Illinois

## Notes to Financial Statements

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### Note 5 Capital Assets (continued)

Depreciation expense was charged to the functions as follows:

Governmental activities:	
General control and administration	\$300,202
Public safety	408,527
Judiciary and courts	20,275
Transportation	1,518,926
Public health	33,189
<hr/>	
Total depreciation expense-governmental activities	2,281,119
<hr/>	
Business-type activities -	
Nursing Home	262,166
Landfill	648,079
<hr/>	
Total depreciation expense-business-type activities	910,245
<hr/>	
Total depreciation expense	\$3,191,364
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### Note 6 Retirement Plans

#### 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](http://www.imrf.org).

#### Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 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.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

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.

*Regular Personnel:*

#### Employees Covered by the Benefit Terms –

As of December 31, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	518
Active employees	391
<hr/>	
Total	1,235

#### Contributions

As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 9.18%. For the fiscal year ended November 30, 2016, the County contributed \$1,284,442 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### Net Pension Liability

The County's net pension liability was measured as of December 31, 2015. 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, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.49%.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

Regular Personnel (continued):

#### Actuarial assumptions (continued)

- **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.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
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:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

# Knox County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

Regular Personnel (continued):

- 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 3.57%, and the resulting single discount rate is 7.49%.

### Changes in Net Plan Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2015	\$60,435,156	\$58,744,351	\$1,690,805
Service costs	1,445,754	0	1,445,754
Interest on total pension liability	4,469,385	0	4,469,385
Difference between expected and actual experience	2,027,462	0	2,027,462
Changes in assumptions	81,908	0	81,908
Employer contributions	0	2,987,343	(2,987,343)
Employee contributions	0	781,329	(781,329)
Net investment income	0	295,312	(295,312)
Benefit payments – net of refunds	(3,132,453)	(3,132,453)	0
Administrative expense	0	0	0
Other changes	0	(304,970)	304,970
Net changes	4,892,056	626,561	4,265,495
Balances as of December 31, 2015	\$65,327,212	\$59,370,912	\$5,956,300

### Sensitivity of the plan's proportionate share of the net pension liability to changes in the discount rate

The following presents the Plan's proportionate share of the net pension liability calculated using the discount rate of 7.49 percent, as well as what the plan's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.49 percent) or 1-percentage-point higher (8.49 percent) than the current rate:

	1% Decrease (6.49%)	Current Rate (7.49%)	1% Increase (8.49%)
Plan's proportionate share of the net Pension liability	\$14,868,274	\$5,956,300	(\$1,226,979)



# Knox County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

*Regular Personnel (continued):*

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended November 30, 2016, the Plan recognized pension expense of \$1,284,442. At November 30, 2016, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$2,014,192	\$0
Changes in assumptions	945,662	0
Net difference between projected and actual earnings	3,769,771	0
Employer contributions subsequent to the measurement date	1,130,826	0
<b>Total</b>	<b>\$7,860,451</b>	<b>\$0</b>

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:

<b>Year Ending December 31:</b>	<b>Net Deferred Outflows of Resources</b>
2016	\$2,404,219
2017	2,158,104
2018	1,342,714
2019	824,588
2020	0
Thereafter	0
<b>Total</b>	<b>\$6,729,625</b>

#### **Payable to the Pension Plan**

At November 30, 2016, the Plan reported a payable of \$119,162 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2016.

*Sheriff's Law Enforcement (SLEP):*

#### **Employees Covered by the Benefit Terms**

As of December 31st 2015 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	5
Active employees	22
<b>Total</b>	<b>51</b>

# Knox County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

*Sheriff's Law Enforcement (SLEP) (continued):*

#### Contributions

As set by statute, the County's Regular 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 2015 was 26.78%. For the fiscal year ended November 30, 2016, the County contributed \$205,107 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### Net Pension Liability

The County's net pension liability was measured as of December 31, 2015. 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, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- 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.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

# Knox County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

*Sheriff's Law Enforcement (SLEP) (continued):*

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
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:

3. 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
4. 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 3.57%, and the resulting single discount rate is 7.49%.

# Knox County, Illinois

## Notes to Financial Statements

### Note 6 Retirement Plans (continued)

*Sheriff's Law Enforcement (SLEP) (continued):*

#### Changes in Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2015	\$9,921,070	\$9,385,588	\$535,482
Service costs	226,848	0	226,848
Interest on total pension liability	735,569	0	735,569
Difference between expected and actual experience	62,672	0	62,672
Changes in assumptions	12,903	0	12,903
Employer contributions	0	266,045	(266,045)
Employee contributions	0	103,406	(103,406)
Net investment income	0	46,717	(46,717)
Benefit payments – net of refunds	(453,807)	(453,807)	0
Other changes	0	(35,943)	35,943
<b>Net changes</b>	<b>584,185</b>	<b>(73,582)</b>	<b>657,767</b>
<b>Balances as of December 31, 2015</b>	<b>\$10,505,255</b>	<b>\$9,312,006</b>	<b>\$1,193,249</b>

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.49 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.49 percent) or 1-percentage-point higher (8.49 percent) than the current rate:

	1% Decrease (6.49%)	Current Rate (7.49%)	1% Increase (8.49%)
County's proportionate share of the net Pension liability	\$2,591,253	\$1,193,249	\$44,836

# Knox County, Illinois

## Notes to Financial Statements

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### Note 6 Retirement Plans (continued)

*Sheriff's Law Enforcement (SLEP) (continued):*

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended November 30, 2016, the County recognized pension expense of \$205,107. At November 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$50,259	\$183,820
Changes in assumptions	111,903	0
Net difference between projected and actual earnings	596,392	0
Employer contributions subsequent to the measurement date	181,030	0
<b>Total</b>	<b>\$939,584</b>	<b>\$183,820</b>

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:

<b><u>Year Ending December 31:</u></b>	<b>Net Deferred Outflows of Resources</b>
2016	\$145,386
2017	145,386
2018	145,387
2019	137,845
2020	730
Thereafter	0
<b>Total</b>	<b>\$574,734</b>

#### **Payable to the Pension Plan**

At November 30, 2016, the Plan reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2016.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 7 Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was approved to comply with IRC Section 457(g) which allows for the plan to hold its assets in trust. Under these requirements, the assets of the plan are not subject to the general creditors of the County, the County does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

### **Note 8 Other Post-Employment Benefits**

The County has evaluated its potential other postemployment benefits liability. The County provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the County are required to pay 100% of the current premium. However, only one former employee has chosen to stay in the County's current health insurance plan. Management believes based on the results of prior actuarial studies that any resulting liability is immaterial to the financial statements based on a calculation accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the County has no former employees for whom the County was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the County has not recorded any postemployment benefit liability as of November 30, 2016.

### **Note 9 Construction and Other Significant Commitments**

*Construction commitments.* The County has an active highway construction project as of November 30, 2016.

The County signed a local agency agreement with the Illinois Department of Transportation for County Highway 11 bridge reconstruction. The estimated cost of the project is \$1.7 million with an estimated \$0.8 million in federal funding and \$0.9 million in local sharing, including the preliminary engineering and construction costs. As of November 30, 2016, the County has expended \$0.5 million for this project. The estimated completion date is June 2017.

### **Note 10 Risk Management**

The County maintains a comprehensive self-insurance plan through a third party administrator as an option for its employees' health coverage. Under this plan, the County had coverage for medical claims when individual claims exceeded \$100,000 with an unlimited maximum benefit per individual per life time and aggregate claims exceeded \$3,408,717 over an annual liability period. Coverage from a private insurance company was maintained for losses in excess of the stop-loss amounts.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 10 Risk Management (continued)

Liabilities were reported when it was probable that a loss had occurred and the amount of the loss could be reasonably estimated. This liability is reported in the Internal Service Fund. Claims payable included all known claims and an amount for claims that had been incurred but not reported (IBNR).

Claim liabilities were estimated by considering the effects of inflation, recent claim settlement trends, including frequency and accrued liabilities on the statements of net position.

The change in the aggregate liability for claims for the year ended November 30 were as follows:

	2016	2015	2014
Claims payable including IBNR, beginning of year	\$162,377	\$429,913	\$785,832
Claims expense	2,164,576	1,274,298	1,954,090
Claim payments	(2,034,226)	(1,541,834)	(2,310,009)
Claims payable including IBNR, end of year	\$292,727	\$162,377	\$429,913

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters; workers' compensation claims of its employees; and medical claims of its employees and their dependents. In order to protect against such risks of loss, the County purchases insurance coverage. The maximum deductible in effect through these policies as of November 30, 2016 was \$25,000. During the year ended November 30, 2016, there were no significant reductions in coverage. Also, there have been no settlements which have exceeded insurance coverage in the past three years.

For risks of loss related to injuries to employees, the County purchases coverage through the Illinois Counties Risk Management Pool. Potentially the County could be assessed additional premiums for its share of any losses of the pool. Historically, the County has not been assessed any additional premiums.

Until 2012, the County was self-insured for workers' compensation. The County is now fully insured through the Illinois Counties Risk Management Pool. Prior to 2012, the County maintained a comprehensive self-insurance plan through a third party administrator for workers' compensation. Under this plan, the County had coverage for workers' compensation claims when individual claims exceeded \$400,000 with a maximum benefit of \$1,000,000 per each accident and \$1,000,000 per each employee for disease. Coverage from a private insurance company was maintained for losses in excess of the stop-loss amounts.

Liabilities were reported when it was probable that a loss had occurred and the amount of the loss could be reasonably estimated. Claims payable included all known claims and are recorded in the Self Insurance Fund. Claim liabilities were estimated by considering the effects of inflation, recent claim settlement trends, including frequency and accrued liabilities on the statements of net assets. The change in the aggregate liability for claims for the year ended November 30 were as follows:

	2016	2015	2014
Claims payable, beginning of year	\$0	\$0	\$46,747
Claims expense	0	0	(40,840)
Claim payments	0	0	(5,907)
Claims payable, end of year	\$0	\$0	\$0

# Knox County, Illinois

## Notes to Financial Statements

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### Note 11 Lease Obligations

#### **Capital lease**

The County obtained a capital lease with GE Capital for a 2012 International Truck for the Landfill. The value of the lease is \$106,500 with an interest rate of 4.02% payable in monthly installments of \$1,962 through February 1, 2017.

The County obtained a capital lease with GE Capital for a 2014 International Truck for the Landfill. The value of the lease is \$87,705 with an interest rate of 3.27% payable in monthly installments of \$1,949 through June 10, 2017.

The County obtained a capital lease with Caterpillar Financial Services Corporation for a 2016 Caterpillar On-Highway Truck for the Landfill. The value of the lease is \$89,218 with an interest rate of 3.20% payable in monthly installments of \$1,611 through August 5, 2020.

The County obtained a capital lease with Computer Information Concept (CIC) for computer software. The value of the lease is \$103,136 with an interest rate of 4% payable in annual installments of \$37,165 through December 12, 2017.

Leased machinery and equipment under capital leases in capital assets at November 30, 2016, included the following:

Machinery and equipment	\$1,786,091
Less: Accumulated depreciation	(1,478,974)
<hr/>	<hr/>
Total	\$307,117

Amortization of leased machinery and equipment under capital assets is included with depreciation expense.

Annual debt service requirements to maturity are as follows:

#### **Governmental activities:**

<u>Fiscal Year Ended</u> <u>November 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$34,320	\$2,845
2018	35,834	1,331
<hr/>	<hr/>	<hr/>
	\$70,154	\$4,176



# Knox County, Illinois

## Notes to Financial Statements

### Note 11 Lease Obligations (continued)

#### *Capital lease (continued)*

#### Business-type activities:

Fiscal Year Ended November 30,	Principal	Interest
2017	\$34,751	\$2,072
2018	17,997	1,335
2019	18,592	740
2020	12,732	157
	<b>\$84,072</b>	<b>\$4,304</b>

#### *Operating lease*

The County leases software under an operating lease agreement which expires in 2018. Total lease expense paid for November 30, 2016, was \$47,855. The following is a schedule of future minimum lease payments under operating leases at November 30, 2016:

Fiscal Year Ended November 30,	Operating Leases
2017	\$47,855
2018	47,855
	<b>\$95,710</b>

### Note 12 Long-Term Debt

#### *General Obligation Bonds*

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 5 to 20 years. General obligation bonds outstanding at November 30, 2016 are as follows:

#### Governmental Activities:

General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 11/30/16
Series 2010A	6/15/10	\$1,055,000	4.55 – 5.55	12/15/23	\$1,055,000
Series 2010B	6/15/10	\$1,945,000	5.20 – 5.80	12/15/29	1,945,000
Series 2013A	12/23/13	\$3,635,000	0.65 – 2.71	12/15/18	2,245,000
Total					<b>\$5,245,000</b>

# Knox County, Illinois

## Notes to Financial Statements

### Note 12 Long-Term Debt (continued)

#### *General Obligation Bonds (continued)*

##### Business-Type Activities:

General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 11/30/16
Series 2010A	6/15/10	\$1,000,000	1.35 – 5.55	12/15/25	\$725,000

On March 24, 2010, the County authorized issuing \$4,000,000 of General Obligation Alternate Revenue Bonds Series 2010A and 2010B for the purpose of renovating the County courthouse and acquiring land for landfill purposes. Of the \$4,000,000 General Obligation Alternate Revenue Bonds, \$1,000,000 of General Obligation Alternate Revenue Bonds must be paid by the revenue of the Landfill Fund and \$3,000,000 of General Obligation Alternate Revenue Bonds must be paid by public safety and sales taxes for them not to be classified as general obligation only bonds.

Of the \$4,000,000 bond issuance, \$50,000 is general obligation alternate revenue bonds (taxable) Series 2010A, \$2,005,000 is general obligation alternate revenue bonds (taxable Build America Bonds – direct pay) Series 2010A, and \$1,945,000 is general obligation alternate revenue bonds (taxable recovery zone economic development bonds) Series 2010B. Direct Pay Build America Bonds (BABs) allow the County to receive a 35% treasury rebate on each interest payment date and the bond proceeds must be used for capital purchases. Recovery Zone Bonds allow the County to receive a 45% treasury rebate on each interest payment date and the bond proceeds must be used for qualified economic development purposes in a designated recovery zone. Qualified economic development purposes include capital expenditures with respect to property located in a recovery zone. A recovery zone is any area designated as having significant poverty, unemployment, rate of home foreclosures, or general distress.

- A. Of the Series 2010A BABs, \$1,055,000 was used for renovating the County courthouse. These bonds are due on June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year beginning on December 15, 2019, with final maturity on December 15, 2023. The County anticipates receiving \$194,640 in treasury rebates. The amount of treasury rebates due to the County in the next fiscal year total \$17,940. The bond proceeds were used 100.00% to purchase capital assets. It is the intent of the County officials to service this debt from public safety tax revenue.
- B. The remaining \$1,000,000 of the Series 2010A bonds were used to purchase additional land at the landfill. These bonds are due June 15 and December 15 of each year beginning June 15, 2012, while principal amounts mature serially on December 15 of each year beginning 2012, with final maturity on December 15, 2025. The County anticipates receiving \$147,356 in treasury rebates. The amount of treasury rebates due to the County in the next fiscal year total \$11,438. The bond proceeds were used 100.00% to purchase capital assets. It is the intent of the County officials to service this debt from landfill tipping fee revenues.
- C. \$1,945,000 of the Series 2010B Recovery Zone Economic Development Bonds for additional renovations to the County courthouse. These bonds are due June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year beginning on December 15, 2023, with final maturity on December 15, 2029. The County anticipates receiving \$806,917 in treasury rebates. The amount of treasury rebates due to the County in the next fiscal year total \$48,647. The bond proceeds were used 100.00% to purchase capital assets. It is the intent of the County officials to service this debt from public safety tax revenue.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 12 Long-Term Debt (continued)

#### **General Obligation Bonds (continued)**

The general obligation refunding bonds, Series 2013, bear interest at 2.00 to 3.00 percent, which is due June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year, with final maturity on December 15, 2018. The original issue was \$4,055,000. The bond proceeds were used 100.00% for the defeasment of the General Obligation Alternate Refunding Bond, Series 2003. This bond was defeased by the Taxable General Obligation Refunding Bond, Series 2013A in fiscal year ending November 30, 2014.

The taxable general obligation refunding bonds, Series 2013A, bear interest at 0.65 to 2.71 percent, which is due June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year, with final maturity on December 15, 2018. The original issue was \$3,635,000. The bond proceeds were used 100.00% for the defeasment of the General Obligation Refunding Bond, Series 2013.

#### **Health Department Note Payable**

The County obtained a \$1,150,000 loan from Farmers and Mechanics Bank for the Health Department building with an interest rate of 3.83% payable in monthly installments of \$6,866 through February 5, 2018 and one balloon payment of \$728,831 on March 5, 2018.

<b>Note Payable</b>	<b>Date</b>	<b>Original Borrowing</b>	<b>Interest Rates to Maturity</b>	<b>Final Maturity</b>	<b>Outstanding 11/30/16</b>
Health Department	3/5/08	\$1,150,000	3.83	6/30/26	\$778,368

#### **Sheriff Department Note Payable**

The County obtained a \$136,142 loan from Farmers and Mechanics Bank for six Ford Utility vehicles with an interest rate of 2.15% payable in annual installments of \$46,534 through December 1, 2017.

<b>Note Payable</b>	<b>Date</b>	<b>Original Borrowing</b>	<b>Interest Rates to Maturity</b>	<b>Final Maturity</b>	<b>Outstanding 11/30/16</b>
Sheriff's Office	10/1/15	\$136,142	2.15	12/1/17	\$90,096

#### **IMRF ERI Note Payable**

The County obtained a \$1,601,000 loan from Farmers and Mechanics Bank for the early retirement incentive with an interest rate of 2.20% payable in monthly installments ranging from of \$28,225 through \$33,000 from December 1, 2015 through December 1, 2020.

<b>Note Payable</b>	<b>Date</b>	<b>Original Borrowing</b>	<b>Interest Rates to Maturity</b>	<b>Final Maturity</b>	<b>Outstanding 11/30/16</b>
IMRF ERI	12/1/15	\$1,601,000	2.20	12/1/20	\$1,234,118

# Knox County, Illinois

## Notes to Financial Statements

### Note 12 Long-Term Debt (continued)

#### **Landfill Note Payables**

The County obtained a \$233,538 loan from Farmers and Mechanics Bank for a Caterpillar Bulldozer with an interest rate of 2.27% payable in annual installments of \$61,910 through December 1, 2018.

The County obtained a \$99,238 loan from Farmers and Mechanics Bank for a John Deere Scrapper with an interest rate of 1.99% payable in annual installments of \$34,538 through December 1, 2017.

The County obtained a \$557,195 loan from First Mid-Illinois Bank & Trust for a 2016 Caterpillar Compactor with an interest rate of 1.90% payable in annual installments of \$145,985 through October 28, 2019.

The County obtained a \$106,922 loan from Farmers and Mechanics Bank for (2) 2015 Sheet & Post Unloader Trailers with an interest rate of 2.15% payable in annual installments \$21,344 - \$29,314 through December 1, 2017.

<b>Note Payable</b>	<b>Date</b>	<b>Original Borrowing</b>	<b>Interest Rates to Maturity</b>	<b>Final Maturity</b>	<b>Outstanding 11/30/16</b>
Caterpillar Bulldozer	10/29/14	\$233,538	2.27	12/1/18	\$119,675
John Deere Scrapper	10/1/14	\$99,238	1.99	12/1/17	33,855
2016 Caterpillar Compactor	10/28/15	\$557,195	1.90	10/28/19	557,195
2015 Trailers	8/28/15	\$106,922	2.15	12/1/17	56,757
<b>Total</b>					<b>\$767,482</b>

Debt service requirements to maturity are as follows:

#### **Governmental activities**

<b>Year ending November 30:</b>	<b>Leases Payable</b>		<b>Bonds Payable</b>		<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	\$34,320	\$2,845	\$735,000	\$135,037	\$431,544	\$47,055
2018	35,834	1,331	745,000	121,515	441,635	36,964
2019	0	0	765,000	103,141	405,461	26,605
2020	0	0	245,000	91,103	348,443	17,131
2021	0	0	255,000	83,712	81,100	12,261
2022 – 2026	0	0	1,305,000	335,836	394,399	25,721
2027 – 2030	0	0	1,195,000	56,767	0	0
	<b>\$70,154</b>	<b>\$4,176</b>	<b>\$5,245,000</b>	<b>\$927,111</b>	<b>\$2,102,582</b>	<b>\$165,737</b>

# Knox County, Illinois

## Notes to Financial Statements

### Note 12 Long-Term Debt (continued)

#### Business-type activities

Year ending November 30:	Leases Payable		Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$34,751	\$2,072	\$60,000	\$22,324	\$301,438	\$19,842
2018	17,997	1,335	65,000	20,878	262,292	9,456
2019	18,592	740	65,000	19,269	203,752	4,144
2020	12,732	157	70,000	17,491	0	0
2021	0	0	70,000	15,402	0	0
2022 – 2026	0	0	395,000	39,747	0	0
2027 – 2030	0	0	0	0	0	0
	\$84,072	\$4,304	\$725,000	\$135,311	\$767,482	\$33,442

Long term liability activity for the year ended November 30, 2016, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$5,970,000	\$0	(\$725,000)	\$5,245,000	\$735,000
Discount/premium on bonds	(19,848)	0	1,742	(18,106)	(1,742)
Note payable	975,040	1,601,000	(473,458)	2,102,582	431,544
Capital lease	103,136	0	(32,982)	70,154	34,320
Accrued compensated absences	333,292	493,852	(452,952)	374,192	0
Governmental activity long-term liabilities	\$7,361,620	\$2,094,852	(\$1,682,650)	\$7,773,822	\$1,199,122
	<b>Balance 12/1/15</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 11/30/16</b>	<b>Due Within One Year</b>
<b>Business-type activities:</b>					
General obligation bonds	\$785,000	\$0	(\$60,000)	\$725,000	\$60,000
Discount on bonds	(6,363)	0	634	(5,729)	(634)
Note payable	975,549	0	(208,067)	767,482	301,438
Capital leases	146,759	0	(62,687)	84,072	34,751
Accrued compensated Absences	134,440	310,352	(310,217)	134,575	0
Business-type activity Long-term liabilities	\$2,035,385	\$310,352	(\$640,337)	\$1,705,400	\$395,555

The County is subject to a debt limitation of 5.750% of its assessed valuation of \$748,178,881. As of November 30, 2016, the County had \$37,793,392 of remaining legal debt margin.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 13 Net Position

Net position reported on the government wide statement of net position at November 30, 2016, as follows:

#### **Governmental Activities:**

Net investment in capital assets:

Land and construction in progress	\$1,292,355
Other capital assets, net of accumulated depreciation	50,275,421
Less: related long-term debt outstanding	(6,165,512)

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Total net investment in capital assets	45,402,264
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Restricted:

State statutes and enabling legislation	15,687,871
Debt services	3,252,360
Externally imposed by grantors	311,115

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Total restricted	19,251,346
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Unrestricted	1,856,253
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Total governmental activities net position	\$66,509,863
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#### **Business-type Activities:**

Net investment in capital assets:

Land	\$1,174,645
Other capital assets, net of accumulated depreciation	4,853,331
Less: related long-term debt outstanding	(1,570,825)

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Total net investment in capital assets	4,457,151
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Restricted -

Externally imposed for landfill closure costs	7,546,916
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Unrestricted	633,469
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Total business-type activities net position	\$12,637,536
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### Note 14 Fund Balance

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

# Knox County, Illinois

## Notes to Financial Statements

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### Note 14 Fund Balance (continued)

#### **Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The County has nonspendable balances at year end that are listed below.

#### ***Restricted Fund Balance***

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The County has restricted balances at year end that are listed below.

#### ***Committed Fund Balance***

The County commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The County has committed balances at year end that are listed below.

#### ***Assigned Fund Balance***

The assigned fund balance classification refers to amounts that are constrained by the County’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The County has no assigned balances at year end.

#### ***Unassigned Fund Balance***

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund and for funds with negative fund balances.

#### **Nonspendable Fund Balance**

Major Funds -	
General	\$16,230
Non-Major Funds -	
County Health	21,809
<hr/>	
Total nonspendable fund balance	\$38,039
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# Knox County, Illinois

## Notes to Financial Statements

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### Note 14 Fund Balance (continued)

#### Restricted Fund Balance

##### Major Funds:

General -	
Self Insurance	\$159,114
Bond agreement:	
Public Safety Improvement Bonds	3,252,360
State statutes and enabling legislation -	
Illinois Municipal Retirement	1,739,594

##### Non-Major Funds:

State statutes and enabling legislation:	
Mary Davis Home	593,054
Federal Aid Matching	1,243,073
Nursing Home Referendum	1,152,644
County Bridge	1,617,320
County Highway	247,928
County Motor Fuel Tax	696,094
Veteran's Assistance	423,299
Law Library	26,926
Animal Control	80,787
Indemnity	248,312
Insurance Tort Levy	162,346
County Farm	58,704
911 Fund	1,131,949
Probation Service Fees	349,016
Drug Court	45,764
Social Security	1,374,513
State's Attorney Automation Fee	6,712
Electronic Citation	24,558
Sheriff Electronic Citation	2,276
County Health	1,564,109
Arrestee Medical	1,377
Article 36	2,374
DUI	18,745
Vehicle Replacement	10,042
Drug OFT	9,337
County Inmate	6,663
Sheriff Motor Vehicle Impound	62,545
Court Document Storage	66,570
Sale in Error	122,807
Circuit Clerk Admin	34,603
Drug Forfeiture	40,894
Court Security	6,403
Externally imposed by grantors-	
Federally Qualified Health Clinic	311,115

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Total restricted fund balance	\$16,893,927
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# Knox County, Illinois

## Notes to Financial Statements

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### Note 14 Fund Balance (continued)

#### Committed Fund Balance

Major Funds-	
General Fund:	
Special Contingency	\$1
Chaplain	783
Non-Major Funds -	
County Building	874,003
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Total committed fund balance	\$874,787
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#### Unassigned Fund Balance

Major Funds-	
General Fund -	
County General	\$1,481,578
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### Note 15 Interfund Receivables and Payables

There were no interfund balances as of November 30, 2016.

### Note 16 Interfund Transfers

Below are the interfund transfers as of November 30, 2016:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major funds:		
General	\$1,735,614	\$685,870
Illinois Municipal Retirement	0	365,354
Public Safety Improvement Bonds	365,130	308,058
Non-major funds	271,463	1,515,225
Proprietary funds:		
Nursing Home	1,167,110	29,127
Landfill	22,360	658,043
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	\$3,561,677	\$3,561,677
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All transfers were made to simplify cash flows within the County, for budgeted capital outlays, and accumulation of funds for future needs of the County.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 17 Contingencies**

From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

### **Note 18 Major Customers**

Waste Management, Kewanee Transfer Station, and City of Galesburg accounted for 32%, 18%, and 11%, respectively, of the Knox County Landfill's 2016 tipping fee revenues.

### **Note 19 Landfill Closure and Post-Closure Care Costs**

State and federal laws and regulations require Knox County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closures and post-closure care costs is based on the amount of the landfill used during the year.

The landfill has expanded throughout the years and the total in-place capacity as of November 30, 2016, is approximately 5,757,000 cubic yards. Based on this capacity the estimated liability for landfill closure and post-closure care costs has a balance of \$5,453,108 as of November 30, 2016, which is based on 87.56% usage (filled) of the landfill. Although the majority of closure and post-closure care costs will be paid only near or after the date that a landfill site stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date. The current year operating expense of the landfill closure and post-closure care is \$710,917. It is estimated that an additional \$774,880 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is currently expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care (\$6,227,988) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of November 30, 2016. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Based on current demographic information and engineering estimates of landfill consumption, the County expects to close the landfill in approximately 2021.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 20 Landfill Closure Reserve**

Effective January 1, 1994, the landfill was required to establish a local solid waste management reserve. This is to be funded with approximately \$.95 per ton of waste that the landfill takes in for disposal. From December 1, 1997 through November 30, 2016, Knox County has complied with this requirement by increasing the fund to \$7,546,916.

The landfill also established a Landfill Composting Closure cash reserve to be used to close the composting area. This cash reserve was funded by a one-time deposit of \$5,000 and has a balance of \$9,427 as of November 30, 2016.

### **Note 21 Impact of Pending Accounting Principles**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The County has not determined the effect of this Statement.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires governments that enter into tax abatement agreements to disclose the certain information about the agreements to allow readers of the financial statements to better access the revenue-generating capacity of the government. The provisions in Statement No. 77 are effective for reporting periods beginning after December 15, 2015. The County has not determined the effect of this Statement.

GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* amends the blending requirements by requiring the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The County has not determined the effect of this Statement.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. The County has not determined the effect of this Statement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* amends the required the presentation to include the covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2017. The County has not determined the effect of this Statement.

# Knox County, Illinois

## Notes to Financial Statements

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### **Note 21 Impact of Pending Accounting Principles (continued)**

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, and requires the current value of a government's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2018. The County has not determined the effect of this Statement.

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County has not determined the effect of this Statement.

### **Note 22 Subsequent Events**

In April 2017, the County Landfill financed two trucks for \$241,550 at an interest rate of 4.25% payable in monthly installments through April 2021.

## **Required Supplementary Information**

# Knox County, Illinois

## General Fund

### Budgetary Comparison Schedule

#### Required Supplementary Information

For the year ended November 30, 2016

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Property	\$2,011,500	\$2,011,500	\$2,013,521	\$2,021
Replacement	631,307	631,307	559,363	(71,944)
Sales	1,707,922	1,707,922	1,782,269	74,347
Income	990,000	990,000	909,657	(80,343)
Charges for services	2,504,402	2,628,828	2,504,694	(124,134)
Intergovernmental	664,025	797,005	734,012	(62,993)
Investment income	5,400	5,400	5,836	436
Miscellaneous	29,754	29,754	20,685	(9,069)
<b>Total revenues</b>	<b>8,544,310</b>	<b>8,801,716</b>	<b>8,530,037</b>	<b>(271,679)</b>
<b>Expenditures:</b>				
General control and administration	3,252,423	3,234,742	2,946,177	288,565
Public safety	2,250,442	2,361,823	2,333,447	28,376
Judiciary and courts	2,924,804	2,949,061	2,865,015	84,046
Transportation	0	0	0	0
Corrections	1,291,935	1,332,370	1,332,370	0
Public welfare	0	0	0	0
Public health	0	0	0	0
Debt service	0	0	0	0
<b>Total expenditures</b>	<b>9,719,604</b>	<b>9,877,996</b>	<b>9,477,009</b>	<b>400,987</b>
Excess (deficiency) of revenues over (under) expenditures	(1,175,294)	(1,076,280)	(946,972)	129,308
<b>Other financing sources (uses):</b>				
Transfers in	1,085,268	1,107,383	1,171,399	64,016
Transfers out	(18,000)	(139,130)	(133,130)	6,000
<b>Total other financing sources (uses)</b>	<b>1,067,268</b>	<b>968,253</b>	<b>1,038,269</b>	<b>70,016</b>
Net change in fund balance	<u>(\$108,026)</u>	<u>(\$108,027)</u>	91,297	<u>\$199,324</u>
Adjustment from budgetary basis to generally accepted accounting principles basis			(133,678)	
Fund balance, beginning of year			<u>1,540,189</u>	
Fund balance, end of year			<u>\$1,497,808</u>	
<b>GAAP fund balances for General Revenue Funds:</b>				
County General			\$1,497,808	
Self Insurance			159,114	
Special Contingency			1	
Chaplain			783	
<b>GAAP fund balances for General Revenue Funds</b>			<u>\$1,657,706</u>	

See Notes to Required Supplementary Information.

# Knox County, Illinois

Illinois Municipal Retirement Fund  
 Budgetary Comparison Schedule  
 Required Supplementary Information  
 For the year ended November 30, 2016

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property	\$2,015,000	\$2,015,000	\$2,016,167	\$1,167
Replacement	0	0	0	0
Investment income	4,000	4,000	9,143	5,143
Total revenues	2,019,000	2,019,000	2,025,310	6,310
Expenditures:				
Current:				
Employer's IMRF	3,000,000	2,981,646	2,288,943	692,703
Debt service	400,000	400,000	396,000	4,000
Total expenditures	3,400,000	3,381,646	2,684,943	696,703
Excess (deficiency) of revenues over (under) expenditures	(1,381,000)	(1,362,646)	(659,633)	703,013
Other financing sources (uses):				
Issuance of debt	1,600,000	1,600,000	1,600,000	0
Transfers in	0	0	0	0
Transfers out	(347,000)	(365,354)	(365,354)	0
Total other financing sources (uses)	1,253,000	1,234,646	1,234,646	0
Net change in fund balance	<u>(\$128,000)</u>	<u>(\$128,000)</u>	575,013	<u>\$703,013</u>
Adjustment from budgetary basis to generally accepted accounting principles basis			45,018	
Fund balance, beginning of year			<u>1,119,563</u>	
Fund balance, end of year			<u>\$1,739,594</u>	

See Notes to Required Supplementary Information.

# Knox County, Illinois

Public Safety Improvement Bonds  
 Budgetary Comparison Schedule  
 Required Supplementary Information  
 For the year ended November 30, 2016

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property	\$776,943	\$776,943	\$783,773	\$6,830
Replacement	0	0	0	0
Sales	2,000,000	2,000,000	2,112,414	112,414
Income	0	0	0	0
Charges for services	0	0	0	0
Intergovernmental	0	0	0	0
Investment income	7,000	7,000	8,539	1,539
Miscellaneous	0	0	0	0
<b>Total revenues</b>	<b>2,783,943</b>	<b>2,783,943</b>	<b>2,904,726</b>	<b>120,783</b>
Expenditures:				
General control and administration	0	0	0	0
Public safety	1,401,200	979,085	871,095	107,990
Judiciary and courts	0	0	0	0
Transportation	0	0	0	0
Corrections	0	0	0	0
Public welfare	0	0	0	0
Public health	0	0	0	0
Debt service	826,943	826,943	823,477	3,466
<b>Total expenditures</b>	<b>2,228,143</b>	<b>1,806,028</b>	<b>1,694,572</b>	<b>111,456</b>
Excess (deficiency) of revenues over (under) expenditures	555,800	977,915	1,210,154	232,239
Other financing sources (uses):				
Transfers in	0	0	365,130	365,130
Transfers out	(98,637)	(520,752)	(308,058)	212,694
<b>Total other financing sources (uses)</b>	<b>(98,637)</b>	<b>(520,752)</b>	<b>57,072</b>	<b>577,824</b>
Net change in fund balance	<u>\$457,163</u>	<u>\$457,163</u>	1,267,226	<u>\$810,063</u>
Adjustment from budgetary basis to generally accepted accounting principles basis			(7,017)	
Fund balance, beginning of year			<u>1,992,151</u>	
Fund balance, end of year			<u>\$3,252,360</u>	

See Notes to Required Supplementary Information.



# Knox County, Illinois

## Schedules of Required Supplementary Information

### Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

#### IMRF Regular Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$1,445,754	\$1,537,273								
Interest on the total pension liability	4,469,385	4,047,802								
Changes of benefit changes	0	0								
Difference between expected and actual experience of the total pension liability	2,027,462	1,187,699								
Changes of assumptions	81,908	1,924,974								
Benefit payments, including refunds of employee contributions	(3,132,453)	(2,929,286)								
Net change in total pension liability	4,892,056	5,768,462								
Total pension liability - beginning	60,435,156	54,666,694								
Total pension liability - ending (a)	\$65,327,212	\$60,435,156								
Plan fiduciary net position:										
Contributions - employer	\$2,987,343	\$1,950,556								
Contributions - employees	781,329	775,965								
Net investment income	295,312	3,361,388								
Benefit payments, including refunds of employee contributions	(3,132,453)	(2,929,286)								
Other (net transfers)	(304,970)	379,632								
Net change in plan fiduciary net position	626,561	3,538,255								
Plan fiduciary net position - beginning	58,744,351	55,206,096								
Plan fiduciary net position - ending (b)	\$59,370,912	\$58,744,351								
Net pension liability(asset) - Ending (a) - (b)	5,956,300	1,690,805								
Plan fiduciary net position as a percentage of total pension liability	90.88%	97.20%								
Covered valuation payroll	14,487,306	13,753,968								
Net pension liability as a percentage of covered valuation payroll	41.11%	12.29%								

The County implemented GASB Statement No. 68 in November 30, 2015.

# Knox County, Illinois

## Schedules of Required Supplementary Information

### Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

#### IMRF SLEP Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability:										
Service cost	\$226,848	\$228,961								
Interest on the total pension liability	735,569	708,180								
Changes of benefit changes	0	0								
Difference between expected and actual experience of the total pension liability	62,672	(294,952)								
Changes of assumptions	12,903	162,954								
Benefit payments, including refunds of employee contributions	(453,807)	(423,994)								
Net change in total pension liability	584,185	381,149								
Total pension liability - beginning	9,921,070	9,539,921								
Total pension liability - ending (a)	\$10,505,255	\$9,921,070								
Plan fiduciary net position:										
Contributions - employer	\$266,045	\$311,771								
Contributions - employees	103,406	87,428								
Net investment income	46,717	540,972								
Benefit payments, including refunds of employee contributions	(453,807)	(423,994)								
Other (net transfers)	(35,943)	(11,385)								
Net change in plan fiduciary net position	(73,582)	504,792								
Plan fiduciary net position - beginning	9,385,588	8,880,796								
Plan fiduciary net position - ending (b)	\$9,312,006	\$9,385,588								
Net pension liability(asset) - Ending (a) - (b)	1,193,249	535,482								
Plan fiduciary net position as a percentage of total pension liability	88.64%	94.60%								
Covered valuation payroll	1,194,270	1,164,069								
Net pension liability as a percentage of covered valuation payroll	99.91%	46.00%								

The County implemented GASB Statement No. 68 in November 30, 2015.

Knox County, Illinois  
 Required Supplementary Information  
 Multiyear Schedule of IMRF Contributions

**Multiyear Schedule of Contributions (IMRF – RP)**  
**Last 10 Fiscal Years**

<b>Fiscal Year Ending November 30,</b>	<b>Actuarially Determined Contribution*</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution As a % of Covered Valuation Payroll</b>
2016	\$1,284,807	\$1,284,442	\$365	\$13,994,821	9.18%
2015	1,356,360	1,345,130	11,230	13,973,134	9.63%

\*Estimated based on 9.13% 2016 calendar year contribution rate, 9.57% 2015 calendar year contribution rate, and covered valuation payroll of \$13,994,821.

**Multiyear Schedule of Contributions (IMRF – SLEP)**  
**Last 10 Fiscal Years**

<b>Fiscal Year Ending November 30,</b>	<b>Actuarially Determined Contribution*</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution As a % of Covered Valuation Payroll</b>
2016	\$205,107	\$205,107	\$0	\$1,163,089	17.63%
2015	224,884	223,787	1,097	1,156,245	19.45%

\*Estimated based on 17.44% 2016 calendar year contribution rate, 19.25% 2015 calendar year contribution rate, and covered valuation payroll of \$1,163,089.

The County implemented GASB Statement No. 68 in 11/30/15

# Knox County, Illinois

## Notes to Required Supplementary Information

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### **Note 1 Budgetary Basis**

The budgets are prepared for County funds on a cash basis and include a statement of the cash revenue and expenditures of the immediately preceding fiscal year and a projection of the cash revenue (including the available beginning cash balance) and the proposed itemized appropriations of the ensuing fiscal year. All appropriations cease with the close of the fiscal year.

### **Note 2 Excess Expenditures Over Appropriations**

There were no major funds with excess of disbursements over appropriations.

### **Note 3 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate for IMRF \***

#### **Valuation date:**

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

#### **Methods and Assumptions Used to Determine 2015 Contribution Rates:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period.  Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period).  Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation



## **Supplementary Information**

# Knox County, Illinois

General Fund

Combining Balance Sheet

November 30, 2016

<b>ASSETS</b>	<b>County General</b>	<b>Self Insurance</b>	<b>Special Contingency</b>	<b>Chaplain</b>	<b>Total General</b>
Cash, deposits, and investments	\$782,028	\$159,114	\$1	\$783	\$941,926
Accounts receivable	419,350	0	0	0	419,350
Property tax receivable	2,151,805	0	0	0	2,151,805
Due from other governments	677,186	0	0	0	677,186
Inventory	16,230	0	0	0	16,230
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$4,046,599</b>	<b>\$159,114</b>	<b>\$1</b>	<b>\$783</b>	<b>\$4,206,497</b>

## **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES**

### Liabilities:

Accounts payable	\$243,114	\$0	\$0	\$0	\$243,114
Accrued payroll	178,077	0	0	0	178,077
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>421,191</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,191</b>

### Deferred inflows of resources -

Unavailable property taxes	2,127,600	0	0	0	2,127,600
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### Fund balances:

Nonspendable	16,230	0	0	0	16,230
Restricted	0	159,114	0	0	159,114
Committed	0	0	1	783	784
Unassigned	1,481,578	0	0	0	1,481,578
<b>Total fund balance</b>	<b>1,497,808</b>	<b>159,114</b>	<b>1</b>	<b>783</b>	<b>1,657,706</b>

### Total liabilities, deferred inflows of resources and fund balances

	\$4,046,599	\$159,114	\$1	\$783	\$4,206,497
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# Knox County, Illinois

## General Fund

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended November 30, 2016

	County General	Self Insurance	Special Contingency	Chaplain	Total General
Revenues:					
Taxes:					
Property	\$2,008,306	\$0	\$0	\$0	\$2,008,306
Replacement	559,108	0	0	0	559,108
Sales	1,746,289	0	0	0	1,746,289
Income	889,044	0	0	0	889,044
Charges for services	2,616,868	0	0	0	2,616,868
Intergovernmental	658,483	0	0	0	658,483
Investment income	6,191	3,009	394	0	9,594
Miscellaneous	24,405	7,628	0	0	32,033
<b>Total revenues</b>	<b>8,508,694</b>	<b>10,637</b>	<b>394</b>	<b>0</b>	<b>8,519,725</b>
Expenditures:					
General control and administration	2,906,582	166,322	25,000	0	3,097,904
Public safety	2,361,542	0	0	0	2,361,542
Judiciary and courts	2,927,034	0	0	0	2,927,034
Transportation	0	0	0	0	0
Corrections	1,346,958	0	0	0	1,346,958
Public welfare	0	0	0	0	0
Public health	0	0	0	0	0
Debt service	37,165	0	0	0	37,165
<b>Total expenditures</b>	<b>9,579,281</b>	<b>166,322</b>	<b>25,000</b>	<b>0</b>	<b>9,770,603</b>
Excess (deficiency) of revenues over (under) expenditures	(1,070,587)	(155,685)	(24,606)	0	(1,250,878)
Other financing sources (uses):					
Transfers in	1,161,336	0	574,278	0	1,735,614
Transfers out	(133,130)	(3,067)	(549,673)	0	(685,870)
Proceeds from long-term debt	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>1,028,206</b>	<b>(3,067)</b>	<b>24,605</b>	<b>0</b>	<b>1,049,744</b>
Net change in fund balance	(42,381)	(158,752)	(1)	0	(201,134)
Fund balance, beginning of year	1,540,189	317,866	2	783	1,858,840
<b>Fund balance, end of year</b>	<b>\$1,497,808</b>	<b>\$159,114</b>	<b>\$1</b>	<b>\$783</b>	<b>\$1,657,706</b>



# Knox County, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 November 30, 2016

ASSETS	Special Revenue Funds				
	Total Nonmajor Governmental	Mary Davis Home	Federal Aid Matching	Nursing Home Referendum	County Bridge
Cash, deposits, and investments	\$12,309,490	\$317,997	\$1,351,136	\$1,196,078	\$1,953,044
Accounts receivable	348,399	68,199	0	0	0
Property tax receivable	5,456,963	133,093	398,483	796,965	398,483
Due from other governments	759,647	261,794	0	0	0
Inventory	21,809	0	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$18,896,308</b>	<b>\$781,083</b>	<b>\$1,749,619</b>	<b>\$1,993,043</b>	<b>\$2,351,527</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$686,776	\$13,602	\$112,546	\$52,399	\$340,207
Accrued payroll	175,265	42,831	0	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>862,041</b>	<b>56,433</b>	<b>112,546</b>	<b>52,399</b>	<b>340,207</b>
Deferred inflows of resources -					
Unavailable property taxes	5,395,596	131,596	394,000	788,000	394,000
Fund balances:					
Nonspendable	21,809	0	0	0	0
Restricted	11,742,859	593,054	1,243,073	1,152,644	1,617,320
Committed	874,003	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>12,638,671</b>	<b>593,054</b>	<b>1,243,073</b>	<b>1,152,644</b>	<b>1,617,320</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$18,896,308</b>	<b>\$781,083</b>	<b>\$1,749,619</b>	<b>\$1,993,043</b>	<b>\$2,351,527</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	County Highway	County Motor Fuel Tax	Veterans' Assistance	Extension Education	Law Library
Cash, deposits, and investments	\$289,661	\$641,900	\$423,642	\$0	\$26,753
Accounts receivable	22,303	0	0	0	1,365
Property tax receivable	796,965	0	172,046	227,708	0
Due from other governments	0	59,499	0	0	0
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$1,108,929</b>	<b>\$701,399</b>	<b>\$595,688</b>	<b>\$227,708</b>	<b>\$28,118</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$39,893	\$0	\$0	\$2,708	\$1,157
Accrued payroll	33,108	5,305	2,389	0	35
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>73,001</b>	<b>5,305</b>	<b>2,389</b>	<b>2,708</b>	<b>1,192</b>
Deferred inflows of resources -					
Unavailable property taxes	788,000	0	170,000	225,000	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	247,928	696,094	423,299	0	26,926
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>247,928</b>	<b>696,094</b>	<b>423,299</b>	<b>0</b>	<b>26,926</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$1,108,929</b>	<b>\$701,399</b>	<b>\$595,688</b>	<b>\$227,708</b>	<b>\$28,118</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

<b>Special Revenue Funds</b>					
<b>ASSETS</b>	<b>Animal Control</b>	<b>Indemnity</b>	<b>Insurance Tort Levy</b>	<b>County Farm</b>	<b>911 Fund</b>
Cash, deposits, and investments	\$77,038	\$233,732	\$157,883	\$58,704	\$932,949
Accounts receivable	5,770	14,580	478	0	44,486
Property tax receivable	0	0	808,424	0	0
Due from other governments	0	0	0	0	170,957
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$82,808</b>	<b>\$248,312</b>	<b>\$966,785</b>	<b>\$58,704</b>	<b>\$1,148,392</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$1,030	\$0	\$4,439	\$0	\$16,443
Accrued payroll	991	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>2,021</b>	<b>0</b>	<b>4,439</b>	<b>0</b>	<b>16,443</b>
Deferred inflows of resources -					
Unavailable property taxes	0	0	800,000	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	80,787	248,312	162,346	58,704	1,131,949
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>80,787</b>	<b>248,312</b>	<b>162,346</b>	<b>58,704</b>	<b>1,131,949</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$82,808</b>	<b>\$248,312</b>	<b>\$966,785</b>	<b>\$58,704</b>	<b>\$1,148,392</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	Probation Service Fees	Drug Court	Social Security	State's Attorney Automation Fee	Circuit Clerk Electronic Citation
Cash, deposits, and investments	\$346,167	\$45,796	\$1,379,047	\$6,516	\$24,289
Accounts receivable	7,762	450	0	196	269
Property tax receivable	0	0	1,112,515	0	0
Due from other governments	0	0	0	0	0
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$353,929</b>	<b>\$46,246</b>	<b>\$2,491,562</b>	<b>\$6,712</b>	<b>\$24,558</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$4,913	\$482	\$0	\$0	\$0
Accrued payroll	0	0	17,049	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>4,913</b>	<b>482</b>	<b>17,049</b>	<b>0</b>	<b>0</b>
Deferred inflows of resources -					
Unavailable property taxes	0	0	1,100,000	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	349,016	45,764	1,374,513	6,712	24,558
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>349,016</b>	<b>45,764</b>	<b>1,374,513</b>	<b>6,712</b>	<b>24,558</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$353,929</b>	<b>\$46,246</b>	<b>\$2,491,562</b>	<b>\$6,712</b>	<b>\$24,558</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	Sheriff Electronic Citation	County Health	Federally Qualified Health Clinic	Arrestee Medical	Article 36
Cash, deposits, and investments	\$2,229	\$1,480,108	\$114,163	\$958	\$2,374
Accounts receivable	47	10,740	121,187	419	0
Property tax receivable	0	612,281	0	0	0
Due from other governments	0	108,742	158,655	0	0
Inventory	0	21,809	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$2,276</b>	<b>\$2,233,680</b>	<b>\$394,005</b>	<b>\$1,377</b>	<b>\$2,374</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$0	\$20,495	\$31,600	\$0	\$0
Accrued payroll	0	22,267	51,290	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>42,762</b>	<b>82,890</b>	<b>0</b>	<b>0</b>
Deferred inflows of resources -					
Unavailable property taxes	0	605,000	0	0	0
Fund balances:					
Nonspendable	0	21,809	0	0	0
Restricted	2,276	1,564,109	311,115	1,377	2,374
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>2,276</b>	<b>1,585,918</b>	<b>311,115</b>	<b>1,377</b>	<b>2,374</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$2,276</b>	<b>\$2,233,680</b>	<b>\$394,005</b>	<b>\$1,377</b>	<b>\$2,374</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Special Revenue Funds					
	DUI	Vehicle Replacement	Drug OFT	County Inmate	Sheriff Motor Vehicle Impound	Court Document Storage
Cash, deposits, and investments	\$17,970	\$9,692	\$9,337	\$35,003	\$60,045	\$59,911
Accounts receivable	775	350	0	0	3,000	6,918
Property tax receivable	0	0	0	0	0	0
Due from other governments	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
<b>Total assets</b>	<b>\$18,745</b>	<b>\$10,042</b>	<b>\$9,337</b>	<b>\$35,003</b>	<b>\$63,045</b>	<b>\$66,829</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$0	\$0	\$0	\$28,340	\$500	\$259
Accrued payroll	0	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,340</b>	<b>500</b>	<b>259</b>
Deferred inflows of resources -						
Unavailable property taxes	0	0	0	0	0	0
Fund balances:						
Nonspendable	0	0	0	0	0	0
Restricted	18,745	10,042	9,337	6,663	62,545	66,570
Committed	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
<b>Total fund balance</b>	<b>18,745</b>	<b>10,042</b>	<b>9,337</b>	<b>6,663</b>	<b>62,545</b>	<b>66,570</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$18,745</b>	<b>\$10,042</b>	<b>\$9,337</b>	<b>\$35,003</b>	<b>\$63,045</b>	<b>\$66,829</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	Sale in Error	Circuit Clerk Admin	Drug Forfeiture	Court Improvement	Court Security
Cash, deposits, and investments	\$100,081	\$34,721	\$39,295	\$0	\$291
Accounts receivable	28,620	507	3,866	0	6,112
Property tax receivable	0	0	0	0	0
Due from other governments	0	0	0	0	0
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
<b>Total assets</b>	<b>\$128,701</b>	<b>\$35,228</b>	<b>\$43,161</b>	<b>\$0</b>	<b>\$6,403</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$5,894	\$625	\$2,267	\$0	\$0
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Due to other funds	0	0	0	0	0
<b>Total liabilities</b>	<b>5,894</b>	<b>625</b>	<b>2,267</b>	<b>0</b>	<b>0</b>
Deferred inflows of resources -					
Unavailable property taxes	0	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	122,807	34,603	40,894	0	6,403
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total fund balance</b>	<b>122,807</b>	<b>34,603</b>	<b>40,894</b>	<b>0</b>	<b>6,403</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$128,701</b>	<b>\$35,228</b>	<b>\$43,161</b>	<b>\$0</b>	<b>\$6,403</b>

# Knox County, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds (Continued)

November 30, 2016

	Debt Service	Capital Projects		
	2009 Debt Service	2010 Build America Bonds	2010 Recovery Zone Bonds	County Building
<b>ASSETS</b>				
Cash, deposits, and investments	\$0	\$0	\$0	\$880,980
Accounts receivable	0	0	0	0
Property tax receivable	0	0	0	0
Due from other governments	0	0	0	0
Inventory	0	0	0	0
Due from other funds	0	0	0	0
<b>Total assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$880,980</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$6,977
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Due to other funds	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,977</b>
Deferred inflows of resources -				
Unavailable property taxes	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	874,003
Unassigned	0	0	0	0
<b>Total fund balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>874,003</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$880,980</b>



# Knox County, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the year ended November 30, 2016

	Special Revenue Funds				
	Total Nonmajor Governmental	Mary Davis Home	Federal Aid Matching	Nursing Home Referendum	County Bridge
Revenues:					
Taxes:					
Property	\$5,091,583	\$124,219	\$371,917	\$743,833	\$371,917
Replacement	0	0	0	0	0
Sales	0	0	0	0	0
State income	0	0	0	0	0
Charges for services	2,538,806	809,589	0	0	0
Intergovernmental revenue	4,696,011	735,587	0	0	18,376
Investment income	139,036	3,944	18,754	11,609	32,287
Miscellaneous	48,242	0	0	0	0
<b>Total revenues</b>	<b>12,513,678</b>	<b>1,673,339</b>	<b>390,671</b>	<b>755,442</b>	<b>422,580</b>
Expenditures:					
Current:					
General control and administration	848,288	0	0	0	0
Public safety	2,465,145	1,900,552	0	0	0
Judiciary and courts	390,221	0	0	0	0
Transportation	2,172,898	0	351,326	0	228,058
Corrections	324,388	0	0	0	0
Public welfare	142,132	0	0	0	0
Public health	4,039,784	0	0	505,816	0
Debt service:	0				
Principal	60,530	0	0	0	0
Interest and fiscal agent fees	124,458	0	0	0	0
Bond issuance costs	0	0	0	0	0
Capital outlay	641,466	0	0	0	619,652
<b>Total expenditures</b>	<b>11,209,310</b>	<b>1,900,552</b>	<b>351,326</b>	<b>505,816</b>	<b>847,710</b>
Excess (deficiency) of revenues over expenditures	1,304,368	(227,213)	39,345	249,626	(425,130)
Other financing sources (uses):					
Sale of capital asset	768,323	0	0	0	0
Issuance of debt	0	0	0	0	0
Transfers in	271,463	32,465	0	0	0
Transfers out	(1,515,225)	(252,901)	0	(572,928)	0
<b>Total other financing sources (uses)</b>	<b>(475,439)</b>	<b>(220,436)</b>	<b>0</b>	<b>(572,928)</b>	<b>0</b>
Net change in fund balance	828,929	(447,649)	39,345	(323,302)	(425,130)
Fund balances, beginning of year	11,809,742	1,040,703	1,203,728	1,475,946	2,042,450
<b>Fund balances, end of year</b>	<b>\$12,638,671</b>	<b>\$593,054</b>	<b>\$1,243,073</b>	<b>\$1,152,644</b>	<b>\$1,617,320</b>

# Knox County, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds (Continued)

For the year ended November 30, 2016

	<b>Special Revenue Funds</b>				
	<b>County Highway</b>	<b>County Motor Fuel Tax</b>	<b>Veterans' Assistance</b>	<b>Extension Education</b>	<b>Law Library</b>
<b>Revenues:</b>					
Taxes:					
Property	\$743,833	\$0	\$169,788	\$224,703	\$0
Replacement	0	0	0	0	0
Sales	0	0	0	0	0
State income	0	0	0	0	0
Charges for services	0	0	0	0	18,695
Intergovernmental revenue	166,981	847,490	0	0	0
Investment income	1,238	1,804	4,439	0	254
Miscellaneous	4,792	0	18,130	0	0
<b>Total revenues</b>	<b>916,844</b>	<b>849,294</b>	<b>192,357</b>	<b>224,703</b>	<b>18,949</b>
<b>Expenditures:</b>					
Current:					
General control and administration	0	0	0	224,703	0
Public safety	0	0	0	0	0
Judiciary and courts	0	0	0	0	15,277
Transportation	752,144	806,204	0	0	0
Corrections	0	0	0	0	0
Public welfare	0	0	138,746	0	0
Public health	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest and fiscal agent fees	0	0	0	0	0
Bond issuance costs	0	0	0	0	0
Capital outlay	21,814	0	0	0	0
<b>Total expenditures</b>	<b>773,958</b>	<b>806,204</b>	<b>138,746</b>	<b>224,703</b>	<b>15,277</b>
Excess (deficiency) of revenues over expenditures	142,886	43,090	53,611	0	3,672
<b>Other financing sources (uses):</b>					
Sale of capital asset	0	0	0	0	0
Issuance of debt	0	0	0	0	0
Transfers in	14,200	0	2,214	0	0
Transfers out	(5,439)	0	(2,478)	0	0
<b>Total other financing sources (uses)</b>	<b>8,761</b>	<b>0</b>	<b>(264)</b>	<b>0</b>	<b>0</b>
Net change in fund balance	151,647	43,090	53,347	0	3,672
Fund balances, beginning of year	96,281	653,004	369,952	0	23,254
<b>Fund balances, end of year</b>	<b>\$247,928</b>	<b>\$696,094</b>	<b>\$423,299</b>	<b>\$0</b>	<b>\$26,926</b>

# Knox County, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds (Continued)

For the year ended November 30, 2016

	<b>Special Revenue Funds</b>				
	<b>Animal Control</b>	<b>Indemnity</b>	<b>Insurance Tort Levy</b>	<b>County Farm</b>	<b>911 Fund</b>
<b>Revenues:</b>					
<b>Taxes:</b>					
Property	\$0	\$0	\$698,937	\$0	\$0
Replacement	0	0	0	0	0
Sales	0	0	0	0	0
State income	0	0	0	0	0
Charges for services	100,007	14,580	0	0	65,906
Intergovernmental revenue	0	0	0	0	527,290
Investment income	1,055	2,633	23,188	1,150	3,352
Miscellaneous	0	0	478	0	0
<b>Total revenues</b>	<b>101,062</b>	<b>17,213</b>	<b>722,603</b>	<b>1,150</b>	<b>596,548</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General control and administration	0	0	394,131	757	0
Public safety	88,407	0	0	0	333,473
Judiciary and courts	0	0	0	0	0
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Public welfare	0	0	0	0	0
Public health	0	0	0	0	0
<b>Debt service:</b>					
Principal	0	0	0	0	0
Interest and fiscal agent fees	0	0	0	0	0
Bond issuance costs	0	0	0	0	0
Capital outlay	0	0	0	0	0
<b>Total expenditures</b>	<b>88,407</b>	<b>0</b>	<b>394,131</b>	<b>757</b>	<b>333,473</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>12,655</b>	<b>17,213</b>	<b>328,472</b>	<b>393</b>	<b>263,075</b>
<b>Other financing sources (uses):</b>					
Sale of capital asset	0	0	0	0	0
Issuance of debt	0	0	0	0	0
Transfers in	1,107	0	0	0	0
Transfers out	0	(32,799)	(362,969)	0	0
<b>Total other financing sources (uses)</b>	<b>1,107</b>	<b>(32,799)</b>	<b>(362,969)</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>13,762</b>	<b>(15,586)</b>	<b>(34,497)</b>	<b>393</b>	<b>263,075</b>
<b>Fund balances, beginning of year</b>	<b>67,025</b>	<b>263,898</b>	<b>196,843</b>	<b>58,311</b>	<b>868,874</b>
<b>Fund balances, end of year</b>	<b>\$80,787</b>	<b>\$248,312</b>	<b>\$162,346</b>	<b>\$58,704</b>	<b>\$1,131,949</b>

# Knox County, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds (Continued)

For the year ended November 30, 2016

	Special Revenue Funds				
	Probation Service Fees	Drug Court	Social Security	State's Attorney Automation Fee	Circuit Clerk Electronic Citation
Revenues:					
Taxes:					
Property	\$0	\$0	\$1,038,364	\$0	\$0
Replacement	0	0	0	0	0
Sales	0	0	0	0	0
State income	0	0	0	0	0
Charges for services	104,535	8,547	0	2,351	4,307
Intergovernmental revenue	0	33,129	0	0	0
Investment income	4,469	272	8,811	1	4
Miscellaneous	0	0	0	0	0
<b>Total revenues</b>	<b>109,004</b>	<b>41,948</b>	<b>1,047,175</b>	<b>2,352</b>	<b>4,311</b>
Expenditures:					
Current:					
General control and administration	0	0	42,987	0	0
Public safety	0	0	131,635	0	0
Judiciary and courts	31,746	13,132	78,643	1,742	0
Transportation	0	0	35,166	0	0
Corrections	0	0	57,193	0	0
Public welfare	0	0	3,386	0	0
Public health	0	0	115,212	0	0
Debt service:					
Principal	0	0	0	0	0
Interest and fiscal agent fees	0	0	0	0	0
Bond issuance costs	0	0	0	0	0
Capital outlay	0	0	0	0	0
<b>Total expenditures</b>	<b>31,746</b>	<b>13,132</b>	<b>464,222</b>	<b>1,742</b>	<b>0</b>
Excess (deficiency) of revenues over expenditures	77,258	28,816	582,953	610	4,311
Other financing sources (uses):					
Sale of capital asset	0	0	0	0	0
Issuance of debt	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers out	(26,463)	0	(230,429)	0	(2,094)
<b>Total other financing sources (uses)</b>	<b>(26,463)</b>	<b>0</b>	<b>(230,429)</b>	<b>0</b>	<b>(2,094)</b>
Net change in fund balance	50,795	28,816	352,524	610	2,217
Fund balances, beginning of year	298,221	16,948	1,021,989	6,102	22,341
<b>Fund balances, end of year</b>	<b>\$349,016</b>	<b>\$45,764</b>	<b>\$1,374,513</b>	<b>\$6,712</b>	<b>\$24,558</b>

# Knox County, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds (Continued)

For the year ended November 30, 2016

	Special Revenue Funds				
	Sheriff Electronic Citation	County Health	Federally Qualified Health Clinic	Arrestee Medical	Article 36
Revenues:					
Taxes:					
Property	\$0	\$604,072	\$0	\$0	\$0
Replacement	0	0	0	0	0
Sales	0	0	0	0	0
State income	0	0	0	0	0
Charges for services	181	139,534	818,376	6,604	1,260
Intergovernmental revenue	0	685,872	1,663,489	0	0
Investment income	0	15,509	143	0	0
Miscellaneous	0	23,606	1,236	0	0
<b>Total revenues</b>	<b>181</b>	<b>1,468,593</b>	<b>2,483,244</b>	<b>6,604</b>	<b>1,260</b>
Expenditures:					
Current:					
General control and administration	0	0	0	0	0
Public safety	0	0	0	0	396
Judiciary and courts	0	0	0	0	0
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Public welfare	0	0	0	0	0
Public health	0	1,103,288	2,315,468	0	0
Debt service:					
Principal	0	25,575	34,955	0	0
Interest and fiscal agent fees	0	11,636	15,905	0	0
Bond issuance costs	0	0	0	0	0
Capital outlay	0	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>1,140,499</b>	<b>2,366,328</b>	<b>0</b>	<b>396</b>
Excess (deficiency) of revenues over expenditures	181	328,094	116,916	6,604	864
Other financing sources (uses):					
Sale of capital asset	0	0	0	0	0
Issuance of debt	0	0	0	0	0
Transfers in	2,095	19,027	23,258	0	0
Transfers out	0	(2,901)	0	(6,000)	0
<b>Total other financing sources (uses)</b>	<b>2,095</b>	<b>16,126</b>	<b>23,258</b>	<b>(6,000)</b>	<b>0</b>
Net change in fund balance	2,276	344,220	140,174	604	864
Fund balances, beginning of year	0	1,241,698	170,941	773	1,510
<b>Fund balances, end of year</b>	<b>\$2,276</b>	<b>\$1,585,918</b>	<b>\$311,115</b>	<b>\$1,377</b>	<b>\$2,374</b>

# Knox County, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds (Continued)  
 For the year ended November 30, 2016

	Special Revenue Funds					
	DUI	Vehicle Replacement	Drug OFT	County Inmate	Sheriff Motor Vehicle Impound	Court Document Storage
Revenues:						
Taxes:						
Property	\$0	\$0	\$0	\$0	\$0	\$0
Replacement	0	0	0	0	0	0
Sales	0	0	0	0	0	0
State income	0	0	0	0	0	0
Charges for services	6,310	7,725	8,442	163,358	38,000	92,929
Intergovernmental revenue	0	0	0	0	0	17,797
Investment income	2	1	1	8	6	9
Miscellaneous	0	0	0	0	0	0
<b>Total revenues</b>	<b>6,312</b>	<b>7,726</b>	<b>8,443</b>	<b>163,366</b>	<b>38,006</b>	<b>110,735</b>
Expenditures:						
Current:						
General control and administration	0	0	0	0	0	0
Public safety	0	5,624	4,558	0	500	0
Judiciary and courts	0	0	0	0	0	128,223
Transportation	0	0	0	0	0	0
Corrections	0	0	0	267,195	0	0
Public welfare	0	0	0	0	0	0
Public health	0	0	0	0	0	0
Debt service:						
Principal	0	0	0	0	0	0
Interest and fiscal agent fees	0	0	0	0	0	0
Bond issuance costs	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>5,624</b>	<b>4,558</b>	<b>267,195</b>	<b>500</b>	<b>128,223</b>
Excess (deficiency) of revenues over expenditures	6,312	2,102	3,885	(103,829)	37,506	(17,488)
Other financing sources (uses):						
Sale of capital asset	0	0	0	0	0	0
Issuance of debt	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balance	6,312	2,102	3,885	(103,829)	37,506	(17,488)
Fund balances, beginning of year	12,433	7,940	5,452	110,492	25,039	84,058
Fund balances, end of year	\$18,745	\$10,042	\$9,337	\$6,663	\$62,545	\$66,570

# Knox County, Illinois

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds (Continued)  
 For the year ended November 30, 2016

	<b>Special Revenue Funds</b>				
	<b>Sale in Error</b>	<b>Circuit Clerk Admin</b>	<b>Drug Forfeiture</b>	<b>Court Improvement</b>	<b>Court Security</b>
<b>Revenues:</b>					
Taxes:					
Property	\$0	\$0	\$0	\$0	\$0
Replacement	0	0	0	0	0
Sales	0	0	0	0	0
State income	0	0	0	0	0
Charges for services	28,620	7,684	6,912	0	84,354
Intergovernmental revenue	0	0	0	0	0
Investment income	99	5	7	0	0
Miscellaneous	0	0	0	0	0
<b>Total revenues</b>	<b>28,719</b>	<b>7,689</b>	<b>6,919</b>	<b>0</b>	<b>84,354</b>
<b>Expenditures:</b>					
Current:					
General control and administration	16,474	0	0	0	0
Public safety	0	0	0	0	0
Judiciary and courts	0	5,124	31,846	0	84,488
Transportation	0	0	0	0	0
Corrections	0	0	0	0	0
Public welfare	0	0	0	0	0
Public health	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest and fiscal agent fees	0	0	0	0	0
Bond issuance costs	0	0	0	0	0
Capital outlay	0	0	0	0	0
<b>Total expenditures</b>	<b>16,474</b>	<b>5,124</b>	<b>31,846</b>	<b>0</b>	<b>84,488</b>
Excess (deficiency) of revenues over expenditures	12,245	2,565	(24,927)	0	(134)
<b>Other financing sources (uses):</b>					
Sale of capital asset	0	0	0	0	0
Issuance of debt	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers out	(17,824)	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>(17,824)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balance	(5,579)	2,565	(24,927)	0	(134)
Fund balances, beginning of year	128,386	32,038	65,821	0	6,537
<b>Fund balances, end of year</b>	<b>\$122,807</b>	<b>\$34,603</b>	<b>\$40,894</b>	<b>\$0</b>	<b>\$6,403</b>

# Knox County, Illinois

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds (Continued)

For the year ended November 30, 2016

	Debt Service	Capital Projects		
	2009 Debt Service	2010 Build America Bonds	2010 Recovery Zone Bonds	County Building
Revenues:				
Taxes:				
Property	\$0	\$0	\$0	\$0
Replacement	0	0	0	0
Sales	0	0	0	0
State income	0	0	0	0
Charges for services	0	0	0	0
Intergovernmental revenue	0	0	0	0
Investment income	0	0	0	3,982
Miscellaneous	0	0	0	0
Total revenues	0	0	0	3,982
Expenditures:				
Current:				
General control and administration	0	0	0	169,236
Public safety	0	0	0	0
Judiciary and courts	0	0	0	0
Transportation	0	0	0	0
Corrections	0	0	0	0
Public welfare	0	0	0	0
Public health	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest and fiscal agent fees	0	0	0	96,917
Bond issuance costs	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	0	0	0	266,153
Excess (deficiency) of revenues over expenditures	0	0	0	(262,171)
Other financing sources (uses):				
Sale of capital asset	0	0	0	768,323
Issuance of debt	0	0	0	0
Transfers in	0	0	0	177,097
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	945,420
Net change in fund balance	0	0	0	683,249
Fund balances, beginning of year	0	0	0	190,754
Fund balances, end of year	\$0	\$0	\$0	\$874,003



# Knox County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds

November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Township Motor Fuel Tax</b>				
Assets:				
Cash in banks	\$195,455	\$1,442,029	\$1,499,677	\$137,807
Investments	57,970	1,732,170	1,285,925	504,215
Due from other governments	491,675	99,533	491,675	99,533
<b>Total assets</b>	<b>\$745,100</b>	<b>\$3,273,732</b>	<b>\$3,277,277</b>	<b>\$741,555</b>
Liabilities:				
Accounts payable	\$6,818	\$18,456	\$6,818	\$18,456
Agency funds due to others	738,282	3,255,276	3,270,459	723,099
<b>Total liabilities</b>	<b>\$745,100</b>	<b>\$3,273,732</b>	<b>\$3,277,277</b>	<b>\$741,555</b>
<b>Trust Fund</b>				
Assets -				
Cash in banks	\$206,775	\$47,784	\$217,915	\$36,644
Liabilities -				
Agency funds due to others	\$206,775	\$47,784	\$217,915	\$36,644
<b>Township Bridge Program</b>				
Assets :				
Cash in banks	\$187,205	\$222,072	\$177,074	\$232,203
Investments	28,231	28,408	28,319	28,320
<b>Total assets</b>	<b>\$215,436</b>	<b>\$250,480</b>	<b>\$205,393</b>	<b>\$260,523</b>
Liabilities -				
Agency funds due to others	\$215,436	\$250,480	\$205,393	\$260,523

# Knox County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>County Collector</b>				
Assets :				
Cash in banks	\$1,272,445	\$32,130,790	\$32,107,716	\$1,295,519
Investments	25,339	36,546,460	36,543,732	28,067
<b>Total assets</b>	<b>\$1,297,784</b>	<b>\$68,677,250</b>	<b>\$68,651,448</b>	<b>\$1,323,586</b>
Liabilities -				
Agency funds due to others	\$1,297,784	\$68,677,250	\$68,651,448	\$1,323,586
<b>Sheriff Inmate</b>				
Assets -				
Cash in banks	\$22,109	\$243,265	\$225,289	\$40,085
Liabilities -				
Agency funds due to others	\$22,109	\$243,265	\$225,289	\$40,085
<b>Sheriff Sales</b>				
Assets -				
Cash in banks	\$7,612	\$96,481	\$73,000	\$31,093
Liabilities -				
Agency funds due to others	\$7,612	\$96,481	\$73,000	\$31,093
<b>County Clerk Office Accounts</b>				
Assets -				
Cash in banks	\$84,230	\$1,472,059	\$1,135,037	\$421,252
Liabilities -				
Agency funds due to others	\$84,230	\$1,472,059	\$1,135,037	\$421,252
<b>Circuit Clerk</b>				
Assets:				
Cash in banks	\$947,851	\$4,216,834	\$3,872,726	\$1,291,959
Investments	577	72,297	70,866	2,008
<b>Total assets</b>	<b>\$948,428</b>	<b>\$4,289,131</b>	<b>\$3,943,592</b>	<b>\$1,293,967</b>
Liabilities -				
Agency funds due to others	\$948,428	\$4,289,131	\$3,943,592	\$1,293,967

# Knox County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

November 30, 2016

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b>All Agency Funds</b>				
Assets:				
Cash in banks	\$2,923,682	\$39,871,314	\$39,308,434	\$3,486,562
Investments	112,117	38,379,335	37,928,842	562,610
Due from other governments	491,675	99,533	491,675	99,533
<b>Total assets</b>	<b>\$3,527,474</b>	<b>\$78,350,182</b>	<b>\$77,728,951</b>	<b>\$4,148,705</b>
Liabilities:				
Accounts payable	\$6,818	\$18,456	\$6,818	\$18,456
Agency funds due to others	3,520,656	78,331,726	77,722,133	4,130,249
<b>Total liabilities</b>	<b>\$3,527,474</b>	<b>\$78,350,182</b>	<b>\$77,728,951</b>	<b>\$4,148,705</b>

# Knox County, Illinois

## Schedule of Expenditures From Taxes Extended For Tort Immunity Purposes For the year ended November 30, 2016

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Salaries	\$29,244
Property and liability insurance	311,799
Unemployment	1,463
Professional services	51,625
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Total	\$394,131
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