

**CLARK COUNTY, ILLINOIS**  
**FINANCIAL STATEMENTS,**  
**SUPPLEMENTARY AND OTHER**  
**INFORMATION**

**November 30, 2017**

**Clark County, Illinois**  
**November 30, 2017**

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# Holbert & Phipps, LLP

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

To the Board Members of  
Clark County, Illinois  
Marshall, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and aggregate remaining fund information of Clark County, Illinois as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise Clark County Illinois' basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis of Qualified Opinion on Governmental Activities**

As described in Note 1, Clark County, Illinois prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis of accounting requires the government-wide financial statements present the value of inventory on hand at year end.

### **Basis of Qualified Opinion on Governmental Activities, Concluded**

These financial statements omit inventory of the County Highway Fund. If inventory were included in these financial statements total assets and net assets would increase and change the expenditures. The amount by which the omission would affect assets, fund balance, and current period expenditures is not known.

### **Qualified Opinion**

In our opinion, except for the effect of the matter described in the “Basis of Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities Clark County, Illinois as of November 30, 2017, and the changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of each major fund and the aggregate remaining fund information of Clark County, Illinois, as of November 30, 2017, and the respective changes in the modified cash basis financial position for the year then ended in accordance with the modified cash basis as described in Note 1.

### **Basis of Accounting**

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

### **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County Illinois’ basic financial statements. The *Supplementary Information* and *Other Information*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

#### *Supplementary Information*

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

The budgetary comparison information and the Schedule of Assessed Valuation, Rates, Extensions and Collections, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2018 on our consideration of Clark County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clark County, Illinois' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Holbert & Phipps, LLP". The script is cursive and fluid, with the letters "H", "P", and "L" being particularly prominent.

Holbert & Phipps, LLP  
Certified Public Accountants

September 15, 2018

## **BASIC FINANCIAL STATEMENTS**

**Clark County, Illinois**  
**Statement of Net Position - Modified Cash Basis**  
**November 30, 2017**

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,676,247	\$ 13,676,247
Capital assets (net of accumulated depreciation)	10,639,748	10,639,748
Total assets	<u>\$ 24,315,995</u>	<u>\$ 24,315,995</u>
 <b>LIABILITIES AND NET POSITION</b>		
Liabilities:		
Due within one year:		
Capital lease payable	\$ 5,183	\$ 5,183
Total liabilities	<u>5,183</u>	<u>5,183</u>
Net Position:		
Invested in capital assets, net of related debt	10,634,565	10,634,565
Restricted for:		
Other purposes	8,812,268	8,812,268
Unrestricted	4,863,979	4,863,979
Total net position	<u>24,310,812</u>	<u>24,310,812</u>
Total liabilities and net position	<u>\$ 24,315,995</u>	<u>\$ 24,315,995</u>

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

**Clark County, Illinois**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended November 30, 2017**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Primary Government:</b>					
Governmental activities:					
General government	\$ 1,969,050	\$ -	\$ 27,500	\$ -	\$ (1,941,550)
Public safety	2,277,884	-	3,156	-	(2,274,728)
Corrections	174,084	-	65,613	-	(108,471)
Judiciary and legal	725,149	-	147,649	-	(577,500)
Transportation and public works	5,263,116	1,571,848	2,506,836	-	(1,184,432)
Public health and welfare	1,260,086	462,332	329,453	-	(468,301)
Interest on long-term debt	6,488	-	-	-	(6,488)
Total primary government	\$ 11,675,857	\$ 2,034,180	\$ 3,080,207	\$ -	(6,561,470)

General revenues:					
Taxes:					
Property taxes, levied for general purposes			2,945,560		2,945,560
Intergovernmental:					
Income and use taxes			1,036,000		1,036,000
Sales tax			429,224		429,224
Personal property replacement tax			145,823		145,823
Public safety tax			1,023,649		1,023,649
Other intergovernmental			870,322		870,322
Fees and fines			749,858		749,858
Interest			19,088		19,088
Miscellaneous			189,822		189,822
Gain on sale of capital assets			24,324		24,324
Total general revenues			7,433,670		7,433,670
Change in net position			872,200		872,200
Net position - beginning			23,438,612		23,438,612
Net position - ending			\$ 24,310,812		\$ 24,310,812

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



**Clark County, Illinois**  
**Balance Sheet - Modified Cash Basis**  
**Governmental Funds**  
**November 30, 2017**

	General Fund	County Highway Fund	Aid to Federal Road Fund	Social Security and Retirement Fund	Township Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,714,059	\$ 358,022	\$ 2,018,025	\$ 1,413,559	\$ 535,107	\$ 4,637,475	\$ 13,676,247
Due from other funds	391,076	-	-	-	-	-	391,076
Total assets	<u>\$ 5,105,135</u>	<u>\$ 358,022</u>	<u>\$ 2,018,025</u>	<u>\$ 1,413,559</u>	<u>\$ 535,107</u>	<u>\$ 4,637,475</u>	<u>\$ 14,067,323</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Due to other funds	\$ -	\$ 391,076	\$ -	\$ -	\$ -	\$ -	\$ 391,076
Total liabilities	<u>\$ -</u>	<u>391,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,076</u>
Fund Balances:							
Restricted:							
Other purposes	241,156	(33,054)	2,018,025	1,413,559	535,107	4,637,475	8,812,268
Unassigned							
General fund	4,863,979	-	-	-	-	-	4,863,979
Total fund balances	<u>5,105,135</u>	<u>(33,054)</u>	<u>2,018,025</u>	<u>1,413,559</u>	<u>535,107</u>	<u>4,637,475</u>	<u>13,676,247</u>
Total liabilities and fund balances	<u>\$ 5,105,135</u>	<u>\$ 358,022</u>	<u>\$ 2,018,025</u>	<u>\$ 1,413,559</u>	<u>\$ 535,107</u>	<u>\$ 4,637,475</u>	

**Reconciliation to Statement of Net Position:**

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

Capital assets used in governmental activities of \$18,210,099 net of accumulated depreciation of \$7,570,351 are not financial resources and, therefore, are not reported in the funds.

Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds

Net position of governmental activities

10,639,748

(5,183)

\$ 24,310,812

Clark County, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis  
(Governmental Funds)  
For the Year Ended November 30, 2017

	General Fund	County Highway Fund	Aid to Federal Roads Fund	Social Security and Retirement Fund	Township Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 576,714	\$ 208,585	\$ 104,672	\$ 972,645	\$ -	\$ 1,082,944	\$ 2,945,560
Intergovernmental	1,036,000	-	-	-	-	-	1,036,000
Income and use taxes	279,224	-	(50,000)	-	-	-	429,224
Sales tax	136,449	-	-	9,374	-	-	145,823
Personal property replacement taxes	1,023,649	-	-	-	-	-	1,023,649
Public safety tax	47,244	256,444	-	-	99,256	467,378	870,322
Other intergovernmental	499,126	-	-	-	-	250,732	749,858
Fees and fines	243,919	1,568,212	-	-	3,636	462,332	2,054,180
Charges for services	5,030	57,798	565,632	-	1,084,877	1,127,981	3,080,207
Operating grants	-	589	-	1,331	7,021	3,528	19,088
Interest	230,188	-	2,652	-	-	-	232,840
Miscellaneous	4,077,543	2,091,028	823,945	983,350	1,194,790	3,394,895	12,566,151
Total revenues							
<b>EXPENDITURES</b>							
Current:							
General government	1,262,781	-	-	87,936	-	583,979	1,934,696
Public safety	1,376,779	-	-	285,600	-	419,019	2,081,398
Corrections	131,175	-	-	25,703	-	17,207	174,085
Judiciary and legal	574,261	-	-	85,200	-	57,603	717,064
Transportation and public works	-	1,781,104	488,245	146,927	1,316,994	971,474	4,704,744
Public health and welfare	-	-	-	129,993	-	1,053,491	1,183,484
Debt service:							
Principal	-	220,960	-	-	-	4,886	225,846
Interest	-	5,877	919,388	-	-	611	6,488
Capital outlay	196,232	468,514	919,388	-	-	143,588	1,727,712
Total expenditures	3,541,218	2,476,455	1,407,633	761,359	1,316,994	3,251,858	12,755,517
Excess (deficiency) of revenues over (under) expenditures	536,325	(384,827)	(583,688)	221,991	(122,204)	143,037	(189,366)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from sale of capital assets	-	36,700	-	-	-	3,500	40,200
Total other financing sources (uses)	-	36,700	-	-	-	3,500	40,200
Net change in fund balances	536,325	(348,127)	(583,688)	221,991	(122,204)	146,537	(149,166)
Fund balances - beginning	4,568,810	3,155,073	2,601,713	1,191,568	657,311	4,490,938	13,825,413
Fund balances - ending	\$ 5,105,135	\$ (33,054)	\$ 2,018,025	\$ 1,413,559	\$ 535,107	\$ 4,637,475	\$ 13,676,247

**Clark County, Illinois**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds - Modified Cash Basis to the**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended November 30, 2017**

Net change in fund balances - total governmental funds \$ (149,166)

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

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments in the current period.

Proceeds	-	
Repayments	<u>225,846</u>	225,846

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	1,727,712	
Depreciation	<u>(873,900)</u>	853,812

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This amount represents the net book value of a capital asset that was traded in the current period.

(58,292)

Change in net position of governmental activities \$ 872,200

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

**Clark County, Illinois**  
**Statement of Fiduciary Net Position - Modified Cash Basis**  
**Fiduciary Funds**  
**November 30, 2017**

**ASSETS**

Cash and cash equivalents	\$ 439,865
Total assets	<u>\$ 439,865</u>

**LIABILITIES**

Refunds payable and due to others	\$ 439,865
Total liabilities	<u>\$ 439,865</u>

**NET POSITION**

\$ -

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

**Clark County, Illinois**  
**Notes to Financial Statements**  
**November 30, 2017**

**Note 1: Summary of Significant Accounting Policies**

**A. Reporting Entity**

Clark County, Illinois (the "County") operates under the County organization article of 55 ILCS. It provides for the following services as authorized by statute: public safety and health; recording of legal documents and maintaining public records; maintenance and construction of highways and bridges; provision for prosecuting and defending suits; social service and general administration.

The accounting policies and presentation of the basic financial statements of the County (the primary government) and its component units have been prepared in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles, as applicable to governments. The following is a summary of the more significant accounting policies.

The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations. The following component units have been included in the financial statements of the County.

**Blended Component Units**

The Clark County Ambulance Department, Emergency 911 Department and Board of Health Department serve all citizens of the County and are governed by boards comprised of the County's board members or citizens appointed by the County. The fees for service and debt issuance authorization are approved by the County and the legal liability for any general obligation portion of the departments remains with the County. The departments are presented as special revenue funds.

**B. Basis of Presentation**

The County's basic financial statements consist of government-wide statements including the statement of net position and statement of activities and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements**

The government-wide focus is on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The statement of net position and statement of activities display information about the County as a whole.

These statements include financial activities of the primary government, including the blended component units; fiduciary activities have been excluded. The effect of interfund activity has been removed from these statements. The government-wide statement of activities reflects both expenses and net cost of each function of the County's governmental activities. Program revenues include charges paid by a recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, such as property taxes, are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each county function is self-financing or draws from the general revenues of the County.

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 1: Summary of Significant Accounting Policies, Continued**

**B. Basis of Presentation, Concluded**

**Fund Financial Statements**

The financial transactions of the County are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Fund financial statements are provided for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds; therefore, each is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Funds are classified into the following categories:

Governmental funds are used to account for all or most of the County's general activities, including the collection and disbursement of earmarked monies (special revenue funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. Agency funds generally are used to account for assets that the County holds on behalf of others as their agent.

**C. Measurement Focus**

The government-wide statements are presented using the economic resources measurement focus. Fiduciary fund financial statements also report using this same focus. Governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets and long-term debt activity in the government-wide presentation) a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

**D. Basis of Accounting**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The County maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

**E. Fund Types and Major Funds**

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. This includes the activity of the offices of the County's elected officials: Circuit Clerk, Coroner, County Clerk, County Board, sheriff, State's Attorney, and Treasurer.

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 1: Summary of Significant Accounting Policies, Continued**

**E. Fund Types and Major Funds, Concluded**

The County Highway Fund accounts for revenues and expenditures for the administration, building and maintenance of County roads.

The Aid to Federal Roads Fund accounts for revenues and expenditures for the building and maintenance of County roads.

The Social Security and Retirement Fund accounts for revenues and expenditures related for the retirement coverage of County employees.

The Township Motor Fuel Tax Fund accounts for revenues and expenditures for the building and maintenance of township roads.

**F. Cash and Cash Equivalents**

The County maintains cash balances to meet current operating requirements. Cash in excess of current requirements is invested in interest bearing deposit accounts and included in the financial statements as Cash and Cash Equivalents.

**G. Inventory**

Inventory consisting of road materials are recorded as expenditures when purchased in the County Highway Fund. The County uses purchased materials and other raw materials it dredges for maintenance of County roads. The modified cash basis of accounting requires the value of inventory be included on the statement of net position and the County Highway Fund balance sheet. However, because of difficulties in valuing the cost of the dredged raw materials these financial statements omit inventory and the impact on financial position and results of operations is not readily determinable.

**H. Interfund Transactions**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables maintained in the governmental activities have been eliminated to the respective fund of the County in the government-wide financial statements in accordance with GASB 34.

**I. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, right of ways and bridges), are reported in the government-wide financial statements. The County is including infrastructure assets prospectively beginning December 1, 2003. Capital assets are defined by the County as individual assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. Such assets are recorded at historical costs if purchased or constructed, except for land and buildings acquired before December 1, 2003, for which an estimated historical cost was used. Donated capital assets are not recorded because they did not result from a cash transaction. The County does not write off fully depreciated assets.

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 1: Summary of Significant Accounting Policies, Continued**

**I. Capital Assets, Concluded**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Equipment, Furniture and Fixtures	3-10
Roads	20
Bridges	20
Infrastructure	20

**J. Compensated Absences**

County employees are entitled to certain compensated absences (e.g., unused vacation, sick leave, comp time and personal time) based on their length of employment and Departmental Union agreements. Compensated absences are recorded as expenditures when they are paid. The liability for compensated absences as of November 30, 2017 for the governmental funds is approximately \$704,075. The obligations of each governmental fund have historically been funded by the associated fund.

**K. Long-Term Obligations**

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities fund type financial statements.

**L. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties or enabling legislation for use for a specific purpose. In the government-wide financial statements, restricted net assets are legally restricted by outside parties or enabling legislation for use for a specific purpose. Invested in capital assets, net of related debt is the net cost (book value) of the capital assets, less principal on any long-term debt outstanding that was issued to construct, purchase or otherwise acquire the capital asset.

**M. Program Revenues**

Charges for services include revenues based on exchange or exchange-like transactions, namely charges for services provided by the County health and highway departments. Program specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program, namely donations received from third parties or state grants received for program operations.



**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 1: Summary of Significant Accounting Policies, Concluded**

**N. Use of Estimates**

The preparation of the basic financial statements in conformity with the modified cash basis of accounting requires the County's 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 basic financial statements and/or amounts of reported revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**O. Date of Management's Review**

Management has evaluated subsequent events through September 15, 2018, the date which the financial statements were available to be issued.

**Note 2: Common Bank Account**

Separate bank accounts are not maintained for all County funds. Certain funds maintain a portion of their cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally, certain funds participating in the common bank account may incur a ledger overdraft (deficit) in the account. An overdraft would constitute an unauthorized interfund loan since the board does not authorize it by a resolution.

**Note 3: Cash and Cash Equivalents**

The County is authorized by State statute to invest in obligations of the U.S. Treasury, agencies, instrumentalities, commercial paper noted within the three highest classifications by at least two standard rating services, obligations of state and their political subdivisions, savings accounts, credit union shares, and Illinois Public Treasurer's Investment Pools or such other officially recognized Illinois funds. The County does not have a written investment policy.

The County's cash deposits consist of checking, savings, money market accounts and certificates of deposit. These deposits are stated at cost. The carrying amount and the bank balance of the County's deposits at November 30, 2017, were \$13,536,566 and \$14,077,599, respectively. The carrying amount and the bank balance of the cash deposits includes petty cash and cash on hand amounts kept by the General Fund of \$4,861 and Illinois Funds which amounted to \$574,685 at November 30, 2017.

Custodial credit risk 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 written policy for custodial credit risk. As of November 30, 2017, \$11,847,288 of the County's bank balance of \$14,077,599 was exposed to custodial credit risk as follows:

Interest rate risk is the risk that changes in interest rates of investments that will adversely affect the fair value of an investment. The County invests solely in certificates of deposit and money market accounts which minimizes the risk of fair market losses.

Collateral held by pledging bank's trust department not in the County's name

\$ 11,847,288

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 4: Changes in Capital Assets**

The following is a summary of changes in capital assets:

<u>Capital Assets</u>	<u>Balance 12/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 11/30/2017</u>
Assets Not Depreciated:				
Land	\$ -	\$ 412,014	\$ -	\$ 412,014
Assets Depreciated:				
Buildings	5,447,007	140,886	-	5,587,893
Infrastructure	6,711,463	919,388	-	7,630,851
Equipment	4,477,061	255,424	(153,144)	4,579,341
Total Capital Assets	16,635,531	1,727,712	(153,144)	18,210,099
Less: Accumulated Depreciation				
Buildings	(1,879,834)	(141,067)	-	(2,020,901)
Infrastructure	(1,855,858)	(358,558)	-	(2,214,416)
Equipment	(3,055,612)	(374,275)	94,853	(3,335,034)
Total Accumulated Depreciation	(6,791,304)	(873,900)	94,853	(7,570,351)
Capital Assets, Net	<u>\$ 9,844,227</u>	<u>\$ 853,812</u>	<u>\$ (58,291)</u>	<u>\$ 10,639,748</u>

Depreciation expense was charged to functions of the primary government as follows:

<u>Governmental Activities</u>	
General government	\$ 34,355
Public safety	196,486
Judiciary and legal	8,086
Public health and welfare	76,603
Transportation and public works	558,370
	<u>\$ 873,900</u>

**Note 5: Interfund Receivables and Payables**

Individual fund interfund receivable and payable balances at November 30, 2017 were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund:		
County Highway Fund	\$ 391,076	\$ -
County Highway Fund:		
General Fund	-	391,076
	<u>\$ 391,076</u>	<u>\$ 391,076</u>

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 5: Interfund Receivables and Payables, Concluded**

These balances represent amounts borrowed from the General Fund by the County Highway Fund for the purchase of land that is adjacent to the existing gravel pit. The County Highway Fund intends to repay this amount over a 10-year period with the first payment commencing on January 15, 2018.

**Note 6: Risk Management**

The County utilizes the Illinois Counties Risk Management Trust insurance pool for liability, property, public officials and workers compensation insurance coverage. This pool charges the County for its portion of insurance costs during the year, and is permitted by agreement to charge or credit the County for experience factors, subject to certain limitations. County officials believe no additional liabilities were owed at November 30, 2017, associated with this plan. No workers compensation claims have exceeded coverage for the two prior fiscal years. The County also maintains an Internal Revenue Code Section 125 insurance plan for employees, in which the County pays a fixed portion of the health insurance premium of eligible employees. County officials believe no additional liabilities were owed at November 30, 2017 associated with these plans.

**Note 7: Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in August of the prior year and are payable in two installments in July and September. Property taxes are billed and collected by the County, which in turn, remits them to the appropriate taxing authorities. Payments are typically made by the County during the period August through November.

**Note 8: Deficit Fund Balances**

Deficit fund balances exist in the County Highway Fund and Tax Sale in Error Fees Fund in the amount of \$33,054 and \$7,810 at November 30, 2017, respectively.

**Note 9: Defined Benefit Pension Plan**

**A. Illinois Municipal Retirement Plans**

The County's defined benefit pension plan for Regular and Sheriff employees and Elected County Officials provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

As set by statute, the County's regular plan members are required to contribute 4.50 percent of their annual covered salary. The County's Sheriff's Department plan members are required to contribute 7.50 percent of their annual covered salary. The County's Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 9: Defined Benefit Pension Plan, Concluded**

**A. Illinois Municipal Retirement Plans, Concluded**

For fiscal year ended November 30, 2017, the County's actual contributions for pension cost for the plans were \$480,422. The covered payroll for fiscal year 2017 (annual payroll of active employees covered by the plans) was \$3,347,763.

**B. Social Security Plan**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund (IMRF) are considered "non-participating employees." These employees and those qualifying for coverage under the IMRF are covered under Social Security. The County paid \$280,937 for the social security contributions for the current fiscal year.

**Note 10: Deferred Compensation Plan**

The County has adopted a deferred compensation plan under Internal Revenue Code Section 457. The plan covers all eligible full-time employees. Employees who elect to participate in the plan are allowed to make voluntary salary reductions with the employer. The employer remits the deferrals to a third-party investment company. The employer does not make contributions to this plan.

**Note 11: Post-Employment Health Care Benefits**

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium, and, if applicable a 2% administration fee, is paid in full by the insured each month. This program is offered for a duration of 18 months after termination date, and is subject to extension. There is no associated cost to the County under this program.

**Note 12: On-Behalf Payments**

The amount recognized for revenues and expenditures for on-behalf payments (Stipends) relating to fringe benefits and salaries for the year ended November 30, 2017 was \$32,500.

**Note 13: Non-cash Assistance**

The Clark County Health Department received non-cash assistance under two different programs. They received non-cash assistance under the Special Supplemental Nutrition Program for Women, Infants and Children in the amount of \$133,932 for the State's fiscal year ended June 30, 2017. They also received non-cash assistance under the Illinois Immunization Program in the amount of \$53,894 for the fiscal year ended November 30, 2017.

**Note 14: Fund Balance Reporting**

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance. Below are the definitions of the five major classifications of fund balance:

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 14: Fund Balance Reporting, Concluded**

**A. Non-spendable Fund Balance**

The non-spendable 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. Due to the nature of the County there is nothing to report for this classification.

**B. Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity; things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. In addition, the County has other revenue sources received within different funds that also fall into the following category:

Public safety tax

The County receives funds from a public safety tax that are recorded in the General Fund, but are legally segregated for future public safety expenditures. Fees received exceeded expenditures, resulting in a restricted fund balance of \$241,156. This balance is included in the financial statements as Restricted in the General Fund.

**C. Committed Fund Balance**

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the County Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The County Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Board has not committed any funds.

**D. Assigned Fund Balance**

The assigned fund balance classification refers to amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the County Board itself or (b) the finance committee when the County Board has delegated the authority to assign amounts to be used for specific purposes. The Board has not assigned any amounts for specific purposes.

**E. 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. Unassigned Fund Balance amounts are shown in the financial statements as Unassigned Fund Balances. Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 15: Leases and Contractual Commitments**

**A. Operating Leases**

General Fund: The County entered into an operating lease for voting equipment on July 15, 2016 and expiring on November 30, 2022. Lease expense was \$40,400 for the year ended November 30, 2017. Future minimum payments under this operating lease are as follows:

<u>Fiscal Year</u> <u>Ending November 30,</u>	<u>General Fund</u> <u>Operating Lease</u>
2018	\$ 40,400
2019	40,400
2020	40,400
2021	40,400
2022	<u>30,300</u>
Total	<u><u>\$ 191,900</u></u>

**B. Capital Leases**

The County entered into a capital lease for the purchase of 911 emergency equipment on March 15, 2014 and expiring on March 15, 2018. The obligation is recorded in the 911 Emergency Fund at the present value of future minimum lease payments. The capitalized cost of \$24,515 is included in the capital assets of the governmental activities and the amortization of governmental activities assets under a capital lease is included with depreciation expense. Accumulated amortization is \$18,386 for the year ended November 30, 2017. Future minimum payments under this capital lease are as follows:

<u>Fiscal Year</u> <u>Ending November 30,</u>	<u>General Fund</u> <u>Capital Lease</u>
2018	\$ 5,183
2019	-
2020	-
2021	-
2022	<u>-</u>
Total	<u><u>\$ 5,183</u></u>

The County entered into two capital leases for the purchase of equipment in the County Highway Fund on August 1, 2014 and July 16, 2015 and expiring on August 1, 2019 and July 16, 2018, respectively. The obligation was recorded in the County Highway Fund at the present value of future minimum lease payments. The capitalized cost of both leases is \$259,928 and is included in the capital assets of the governmental activities and the amortization of governmental activities assets under a capital lease is included with depreciation expense. Accumulated amortization on both leases is \$106,286 for the year ended November 30, 2017. These leases were paid off in fiscal year 2017.

**Clark County, Illinois**  
**Notes to Financial Statements, Continued**  
**November 30, 2017**

**Note 16: Commitments and Contingencies**

**Grant Audit:**

In the normal course of operations, the County receives grant funds from various Federal and State agencies. These grants are subject to review and audit by agents of the appropriate federal or state agency, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Litigation:**

The County is party to various legal proceedings which normally occur in governmental operations. These proceedings, in the opinion of various counsel which the County utilizes, are not likely to have any material impact on the affected funds of the County.

## **SUPPLEMENTARY INFORMATION**



Clark County, Illinois  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
November 30, 2017

	Aid to Township Bridges Fund	Board of Health Fund	Extension Education Fund	911 Emergency Fund	County Motor Fuel Tax Fund	Township Bridge State Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 314,345	\$ 412,423	\$ 352	\$ 96,164	\$ 301,655	\$ 72,422
Total assets	\$ 314,345	\$ 412,423	\$ 352	\$ 96,164	\$ 301,655	\$ 72,422
<b>FUND BALANCES</b>						
Fund Balances:						
Restricted:						
Other purposes	\$ 314,345	\$ 412,423	\$ 352	\$ 96,164	\$ 301,655	\$ 72,422
Total fund balances	\$ 314,345	\$ 412,423	\$ 352	\$ 96,164	\$ 301,655	\$ 72,422

Clark County, Illinois  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
November 30, 2017

	Mental Health Fund	County Ambulance Fund	Tax Sale in Error Fees Fund	Tax Sale Fees Fund	Special Drug Fund	Arrestee's Medical Costs Fund
\$	810	\$ 1,017,866	\$ (7,810)	\$ 148,105	\$ 7,718	\$ 27,530
\$	810	\$ 1,017,866	\$ (7,810)	\$ 148,105	\$ 7,718	\$ 27,530

ASSETS  
Cash and cash equivalents  
Total assets

FUND BALANCES  
Fund Balances:  
Restricted:  
Other purposes  
Total fund balances

Clark County, Illinois  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
November 30, 2017

	Court Automation Fund	Document Storage Fund	Special Recording Fund	Certified Copies Fund	GIS Fund	Liability Insurance Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 87,233	\$ 112,887	\$ 64,457	\$ 48,449	\$ 142,997	\$ 1,095,532
Total assets	\$ 87,233	\$ 112,887	\$ 64,457	\$ 48,449	\$ 142,997	\$ 1,095,532
<b>FUND BALANCES</b>						
Fund Balances:						
Restricted:						
Other purposes	\$ 87,233	\$ 112,887	\$ 64,457	\$ 48,449	\$ 142,997	\$ 1,095,532
Total fund balances	\$ 87,233	\$ 112,887	\$ 64,457	\$ 48,449	\$ 142,997	\$ 1,095,532

Clark County, Illinois  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
November 30, 2017

	Law Library Fund	Court System Fund	STD Fund	Judicial Security Fund	State's Attorney Automation Fund	Probation Services Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,886	\$ 143,681	\$ 859	\$ 179,170	\$ 4,169	\$ 253,656
Total assets	\$ 10,886	\$ 143,681	\$ 859	\$ 179,170	\$ 4,169	\$ 253,656
<b>FUND BALANCES</b>						
Fund Balances:						
Restricted:						
Other purposes	\$ 10,886	\$ 143,681	\$ 859	\$ 179,170	\$ 4,169	\$ 253,656
Total fund balances	\$ 10,886	\$ 143,681	\$ 859	\$ 179,170	\$ 4,169	\$ 253,656

Clark County, Illinois  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
November 30, 2017

	Home Confinement Fund	Child Support Maintenance Fund	DUI Equipment Fund	Sheriff Patrol Car Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 39,771	\$ 37,132	\$ 19,474	\$ 5,542	\$ 4,637,475
Total assets	\$ 39,771	\$ 37,132	\$ 19,474	\$ 5,542	\$ 4,637,475
<b>FUND BALANCES</b>					
Fund Balances:					
Restricted:					
Other purposes	\$ 39,771	\$ 37,132	\$ 19,474	\$ 5,542	\$ 4,637,475
Total fund balances	\$ 39,771	\$ 37,132	\$ 19,474	\$ 5,542	\$ 4,637,475

Clark County, Illinois  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Modified Cash Basis  
Nonmajor Governmental Funds  
For the Year Ended November 30, 2017

	Aid to Township Bridges	Board of Health Fund	Extension Education Fund	911 Emergency Fund	County Motor Fuel Tax Fund	Township Bridge State Fund
<b>REVENUES</b>						
Property taxes	\$ 104,672	\$ 123,370	\$ 99,905	\$ -	\$ -	\$ -
Intergovernmental:						
Other intergovernmental	19,026	-	-	448,352	-	-
Fees and fines	-	-	-	-	-	-
Charges for services	-	38,265	-	-	-	-
Operating grants	-	329,453	-	-	455,793	342,735
Interest	337	19	-	11	280	607
Total revenues	124,035	491,107	99,905	448,363	456,073	343,342
<b>EXPENDITURES</b>						
Current:						
General government	-	-	99,934	-	-	-
Public safety	-	-	-	403,811	-	-
Corrections	-	-	-	-	-	-
Judiciary and legal	-	-	-	-	-	-
Transportation and public works	103,294	-	-	-	446,062	422,118
Public health and welfare	-	622,534	-	-	-	-
Debt service:						
Principal	-	-	-	4,886	-	-
Interest	-	-	-	611	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	103,294	622,534	99,934	409,308	446,062	422,118
Excess (deficiency) of revenues over (under) expenditures	20,741	(131,427)	(29)	39,055	10,011	(78,776)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net changes in fund balance	20,741	(131,427)	(29)	39,055	10,011	(78,776)
Fund balances - beginning	293,604	543,850	381	57,109	291,644	151,198
Fund balances - ending	\$ 314,345	\$ 412,423	\$ 352	\$ 96,164	\$ 301,655	\$ 72,422

**Clark County, Illinois**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Modified Cash Basis**  
**Nonmajor Governmental Funds**  
**For the Year Ended November 30, 2017**

	Mental Health Fund	County Ambulance Fund	Tax Sale in Error Fees Fund	Tax Sale Fees Fund	Special Drug Fund	Arrestee's Medical Costs Fund
<b>REVENUES</b>						
Property taxes	\$ 230,261	\$ 234,279	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Other intergovernmental	-	-	-	-	-	-
Fees and fines	-	-	7,740	3,180	-	3,623
Charges for services	-	424,067	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest	-	999	-	-	-	-
Total revenues	230,261	659,345	7,740	3,180	-	3,623
<b>EXPENDITURES</b>						
Current:						
General government	230,323	-	980	-	16	-
Public safety	-	-	-	-	-	-
Corrections	-	-	-	-	-	-
Judiciary and legal	-	-	-	-	-	-
Transportation and public works	-	-	-	-	-	-
Public health and welfare	-	430,957	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	143,588	-	-	-	-
Total expenditures	230,323	574,545	980	-	16	-
Excess (deficiency) of revenues over (under) expenditures	(62)	84,800	6,760	3,180	(16)	3,623
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	-	3,500	-	-	-	-
Total other financing sources (uses)	-	3,500	-	-	-	-
Net changes in fund balance	(62)	88,300	6,760	3,180	(16)	3,623
Fund balances - beginning	872	929,566	(14,570)	144,925	7,734	23,907
Fund balances - ending	\$ 810	\$ 1,017,866	\$ (7,810)	\$ 148,105	\$ 7,718	\$ 27,530

Clark County, Illinois  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Modified Cash Basis  
Nonmajor Governmental Funds  
For the Year Ended November 30, 2017

	Court Automation Fund	Document Storage Fund	Special Recording Fund	Certified Copies Fund	GIS Fund	Liability Insurance Fund
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,457
Intergovernmental:						
Other intergovernmental	-	-	-	-	-	-
Fees and fines	39,056	39,336	12,278	6,793	53,680	-
Charges for services	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest	7	-	113	6	-	964
Total revenues	39,063	39,336	12,391	6,799	53,680	291,421
<b>EXPENDITURES</b>						
Current:						
General government	-	-	12,172	1,520	48,668	190,382
Public safety	-	-	-	-	-	-
Corrections	-	-	-	-	-	-
Judiciary and legal	19,097	2,498	-	-	-	-
Transportation and public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	19,097	2,498	12,172	1,520	48,668	190,382
Excess (deficiency) of revenues over (under) expenditures	19,966	36,838	219	5,279	5,012	101,039
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net changes in fund balance	19,966	36,838	219	5,279	5,012	101,039
Fund balances - beginning	67,267	76,049	64,238	43,170	137,985	994,493
Fund balances - ending	\$ 87,233	\$ 112,887	\$ 64,457	\$ 48,449	\$ 142,997	\$ 1,095,532



**Clark County, Illinois**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Modified Cash Basis**  
**Nonmajor Governmental Funds**  
**For the Year Ended November 30, 2017**

	Law Library Fund	Court System Fund	STD Fund	Judicial Security Fund	State's Attorney Automation Fund	Probation Services Fund
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Other intergovernmental	-	-	-	-	-	-
Fees and fines	5,170	9,093	-	26,798	997	26,644
Charges for services	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest	-	106	-	-	-	47
Total revenues	5,170	9,199	-	26,798	997	26,691
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Corrections	-	-	-	-	-	11,520
Judiciary and legal	573	2,029	-	30,887	-	-
Transportation and public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	573	2,029	-	30,887	-	11,520
Excess (deficiency) of revenues over (under) expenditures	4,597	7,170	-	(4,089)	997	(5,171)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net changes in fund balance	4,597	7,170	-	(4,089)	997	(5,171)
Fund balances - beginning	6,289	136,511	859	183,259	3,172	238,485
Fund balances - ending	10,886	143,681	859	179,170	4,169	253,656

Clark County, Illinois  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Modified Cash Basis  
Nonmajor Governmental Funds  
For the Year Ended November 30, 2017

	Home Confinement Fund	Child Support Maintenance Fund	DUI Equipment Fund	Sheriff Patrol Car Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,082,944
Intergovernmental:					
Other intergovernmental	-	-	-	-	467,378
Fees and fines	8,054	2,109	5,661	520	250,732
Charges for services	-	-	-	-	462,332
Operating grants	-	-	-	-	1,127,981
Interest	-	22	10	-	3,528
Total revenues	8,054	2,131	5,671	520	3,394,895
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	583,979
Public safety	-	-	15,192	-	419,019
Corrections	5,687	-	-	-	17,207
Judiciary and legal	-	2,519	-	-	57,603
Transportation and public works	-	-	-	-	971,474
Public health and welfare	-	-	-	-	1,053,491
Debt service:					
Principal	-	-	-	-	4,886
Interest	-	-	-	-	611
Capital outlay	-	-	-	-	143,588
Total expenditures	5,687	2,519	15,192	-	3,251,858
Excess (deficiency) of revenues over (under) expenditures	2,367	(388)	(9,521)	520	143,037
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	-	-	-	-	3,500
Total other financing sources (uses)	-	-	-	-	3,500
Net changes in fund balance					
	2,367	(388)	(9,521)	520	146,537
Fund balances - beginning	37,404	37,520	28,995	5,022	4,490,938
Fund balances - ending	\$ 39,771	\$ 37,132	\$ 19,474	\$ 5,542	\$ 4,637,475

## **OTHER INFORMATION**

**Clark County, Illinois**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**General Fund**  
**For the Year Ended November 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>REVENUES</b>				
Property taxes	\$ 580,000	\$ 580,000	\$ 576,714	\$ (3,286)
Intergovernmental:				
Income and use taxes	1,025,000	1,025,000	1,036,000	11,000
Sales tax	260,000	260,000	279,224	19,224
Personal property replacement taxes	140,000	140,000	136,449	(3,551)
Public safety tax	1,050,000	1,050,000	1,023,649	(26,351)
Other intergovernmental	3,500	3,500	47,244	43,744
Operating grants	270,000	270,000	243,919	(26,081)
Fees and fines	417,500	417,500	499,126	81,626
Interest	3,000	3,000	5,030	2,030
Miscellaneous	56,000	56,000	230,188	174,188
Total revenues	<u>3,805,000</u>	<u>3,805,000</u>	<u>4,077,543</u>	<u>272,543</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,205,313	1,205,313	1,262,781	57,468
Public safety	1,417,170	1,417,170	1,376,779	(40,391)
Corrections	133,906	133,906	131,175	(2,731)
Judiciary and legal	554,530	554,530	574,261	19,731
Capital outlay	301,000	301,000	196,222	(104,778)
Total expenditures	<u>3,611,919</u>	<u>3,611,919</u>	<u>3,541,218</u>	<u>(70,701)</u>
Net change in fund balance	<u>\$ 193,081</u>	<u>\$ 193,081</u>	536,325	<u>\$ 343,244</u>
Fund balance - beginning			4,568,810	
Fund balance - ending			<u>\$ 5,105,135</u>	

**Clark County, Illinois**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**County Highway Fund**  
**For the Year Ended November 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 241,500	\$ 241,500	\$ 208,585	\$ (32,915)
Intergovernmental	250,000	250,000	256,444	6,444
Operating grants	-	-	57,798	57,798
Charges for services	2,450,000	2,450,000	1,568,212	(881,788)
Interest	1,000	1,000	589	(411)
Total revenues	<u>2,942,500</u>	<u>2,942,500</u>	<u>2,091,628</u>	<u>(850,872)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation and public works	2,150,000	2,150,000	1,781,104	(368,896)
Debt service:				
Principal	-	-	220,960	220,960
Interest	-	-	5,877	5,877
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>468,514</u>	<u>218,514</u>
Total expenditures	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,476,455</u>	<u>76,455</u>
Excess (deficiency) of revenues over (under) expenditures	542,500	542,500	(384,827)	(927,327)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>36,700</u>	<u>36,700</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>36,700</u>	<u>36,700</u>
Net change in fund balance	<u>\$ 542,500</u>	<u>\$ 542,500</u>	<u>(348,127)</u>	<u>\$ (964,027)</u>
Fund balance - beginning			<u>315,073</u>	
Fund balance - ending			<u>\$ (33,054)</u>	

**Clark County, Illinois**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**Aid to Federal Roads**  
**For the Year Ended November 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>REVENUES</b>				
Property taxes	\$ 103,000	\$ 103,000	\$ 104,672	\$ 1,672
Intergovernmental	150,000	150,000	150,000	-
Operating grants	3,500,000	3,500,000	565,632	(2,934,368)
Interest	500	500	1,589	1,089
Miscellaneous	-	-	2,052	2,052
Total revenues	<u>3,753,500</u>	<u>3,753,500</u>	<u>823,945</u>	<u>(2,929,555)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation and public works	4,000,000	4,000,000	488,245	(3,511,755)
Capital outlay	-	-	919,388	919,388
Total expenditures	<u>4,000,000</u>	<u>4,000,000</u>	<u>1,407,633</u>	<u>(2,592,367)</u>
Net change in fund balance	<u>\$ (246,500)</u>	<u>\$ (246,500)</u>	<u>(583,688)</u>	<u>\$ (337,188)</u>
Fund balance - beginning			<u>2,601,713</u>	
Fund balance - ending			<u>\$ 2,018,025</u>	

**Clark County, Illinois**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**Social Security and Retirement**  
**For the Year Ended November 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>REVENUES</b>				
Property taxes	\$ 960,000	\$ 960,000	\$ 972,645	\$ 12,645
Intergovernmental:				
Personal property replacement taxes	-	-	9,374	9,374
Interest	1,200	1,200	1,331	131
Total revenues	<u>961,200</u>	<u>961,200</u>	<u>983,350</u>	<u>22,150</u>
<b>EXPENDITURES</b>				
Current:				
General government	103,949	103,949	87,936	(16,013)
Public safety	337,607	337,607	285,600	(52,007)
Corrections	30,383	30,383	25,703	(4,680)
Judiciary and legal	100,715	100,715	85,200	(15,515)
Transportation and public works	173,682	173,682	146,927	(26,755)
Public health and welfare	153,664	153,664	129,993	(23,671)
Total expenditures	<u>900,000</u>	<u>900,000</u>	<u>761,359</u>	<u>(138,641)</u>
Net change in fund balance	<u>\$ 61,200</u>	<u>\$ 61,200</u>	221,991	<u>\$ (116,491)</u>
Fund balance - beginning			<u>1,191,568</u>	
Fund balance - ending			<u>\$ 1,413,559</u>	

**Clark County, Illinois**  
**Notes to Other Information**  
**November 30, 2017**

Note 1: Budgets and Budgetary Accounting

The County adopts its budget in accordance with the modified cash basis of accounting utilized by that fund. Annual appropriated budgets are adopted for general and certain special revenue funds. The County does not adopt a budget for the Township Motor Fuel Tax Fund. All annual appropriations lapse at fiscal year end. Encumbrance accounting is not used by the County. The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. At the regularly scheduled November County Board meeting, a proposed operating budget for the fiscal year commencing the following December 1 is presented. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to November 30, the appropriation ordinance is legally enacted through passage of an ordinance.
4. No further appropriations can be made during the fiscal year once the budget has been legally adopted, except:
  - a. Transfers from one appropriation of any fund to another appropriation of the same fund may be made by 2/3 vote of the County Board.
  - b. Any revisions which alter the total expenditures of any fund may be approved by the County Board in the same manner as the original appropriation if new or additional revenues were not available when the initial appropriation was made.
5. Expenditures may not legally exceed appropriated amounts for an individual fund.
6. Budget amounts reflected in the financial statements are the original amounts as adopted and approved on November 29, 2016.

Note 2: Individual Fund Disclosures

Actual expenditures exceeded appropriations for the year ended November 30, 2017 for the following funds:

	<u>Budget</u>	<u>Actual</u>	<u>Overexpenditure</u>
County Highway Fund	\$2,400,000	\$2,476,455	\$ 76,455



**Clark County, Illinois**  
**Assessed Valuation, Rates, Extensions and Collections**  
**November 30, 2017**  
**UNAUDITED**

	<b>2016 Taxes Payable in 2017</b>
<b>Assessed Valuations - County</b>	\$ 212,268,276
<b>Assessed Valuations - Ambulance</b>	\$ 102,370,356
<b>Tax Rates:</b>	
General Fund	0.26390%
County Highway Fund	0.09660%
Aid to Township Bridges Fund	0.04830%
Aid to Federal Roads Fund	0.04830%
Social Security and Retirement Fund	0.45000%
Board of Health Fund	0.05660%
Extension Education Fund	0.04620%
Mental Health Fund	0.10650%
Ambulance Fund	0.22470%
Tort Liability Fund	0.13430%
<b>Total</b>	<b>1.47540%</b>
<b>Tax Extensions:</b>	
General Fund	\$ 560,176
County Highway Fund	205,051
Aid to Township Bridges Fund	102,526
Aid to Federal Roads Fund	102,526
Social Security and Retirement Fund	955,207
Board of Health Fund	120,144
Extension Education Fund	98,068
Mental Health Fund	226,066
Ambulance Fund	230,026
Tort Liability Fund	285,076
<b>Total</b>	<b>\$ 2,884,866</b>
<b>Collections: ***</b>	
General Fund	\$ 567,543
County Highway Fund	207,808
Aid to Township Bridges Fund	103,903
Aid to Federal Roads Fund	103,903
Social Security and Retirement	969,020
Board of Health Fund	122,908
Extension Education Fund	99,533
Mental Health Fund	229,403
Ambulance Fund	233,362
Tort Liability Fund	289,374
<b>Total</b>	<b>\$ 2,926,757</b>
Percentage of Extensions to Collections	101.45%

\*\*\* Current year collections include the third and final distribution of 2015-2016 property taxes.



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

To the Board Members of  
Clark County, Illinois  
Marshall, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clark County, Illinois, as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise Clark County, Illinois' basic financial statements and have issued our report thereon dated September 15, 2018.

### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, as described in the accompanying schedule of findings as items 2017-001 and 2017-002 that we consider to be material weaknesses.

## **Compliance and Other Matters**

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

## **Clark County, Illinois' Response to Findings**

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

## **Purpose of this Report**

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



Holbert & Phipps, LLP  
Certified Public Accountants  
September 15, 2018

**Clark County, Illinois  
Schedule of Findings  
For the Year Ended November 30, 2017**

**FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Material Weaknesses**

**2017-001      Segregation of Duties**

*Condition:* We noted that the County has inadequate control over cash receipts and disbursements due to a lack of segregation of duties.

*Criteria:* The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

*Effect:* Because all duties are performed by the same individual, the County is at risk for misstatements to occur and not be prevented or detected in the processing of transactions.

*Recommendation:* We recommend that each individual office separate duties among employees to the extent possible, especially in those offices where cash is handled. We recommend that procedures be established that allow for different employees to handle transactions involving cash. Bank statements and cancelled checks should be received and reviewed by someone other than the individual responsible for reconciling them, such as a board member.

*Management's Response:* The County acknowledges this is a problem and segregates duties and procedures to the extent possible.

**2017-002      Inability to Draft Financial Statements and Footnotes**

*Condition:* We noted that the County does not have any individual staff with the necessary knowledge and expertise to properly draft the financial statements or notes to the financial statements.

*Criteria:* The County should have an employee or official with the knowledge and expertise to properly prepare the financial statements and notes to the financial statements.

*Effect:* The County cannot prepare the financial statements or notes to the financial statements.

*Recommendation:* The County should provide the necessary training to personnel or contract with an independent contractor with the knowledge to properly prepare the financial statements and notes to the financial statements.

*Management's Response:* The County acknowledges this is a problem; however, the County believes that the cost of correcting this material weakness would exceed the benefits to be derived.