

PULASKI COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
NOVEMBER 30, 2018

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CINDY A. BOBELL

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

Board of Commissioners
Pulaski County, Illinois

Report on the Financial Statements

I have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Pulaski County, as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unqualified audit opinions.

Basis for Adverse Opinions on Governmental Activities, Other Governmental Funds, the General Fund and the Insurance Fund

Several accounts in the General Fund, the Insurance Fund and Other Governmental Funds are misstated because certain transactions are not completely and accurately recorded. The adjustments needed to correct these misstatements are unknown. The amounts listed for governmental capital assets could not be verified. The effect on the financial statements of the lack of documentation to verify these amounts is not known. These combined differences also result in the material misstatement of the Governmental Activities.

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Adverse Opinions

In my opinion, because of the significance of the matters described in the “Basis for Adverse Opinions on Governmental Activities, Other Governmental Funds and the General Fund” paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective financial position-modified cash basis of the Governmental Activities, Other Governmental Funds, the General Fund or the Insurance Fund of Pulaski County, as of November 30, 2018, and the respective changes in the financial position-modified cash basis thereof, for the year then ended, on the basis of accounting described in Note 1.

Unmodified Opinions

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position-modified cash basis of the business-type activities, and the Intermediary Relending Program Fund of Pulaski County, as of November 30, 2018, and the respective changes in the financial position and, where applicable, cash flows-modified cash basis thereof, for the year then ended, on the basis of accounting described in Note 1.

Other Matters

My audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Pulaski County’s basic financial statements. The general fund statement of revenue, expenditures and changes in fund balance and schedule of expenditures compared to budget; other governmental funds combining balance sheet and combining statement of revenue, expenditures and changes in fund balances; the fiduciary funds combining statement of assets and liabilities and the assessed valuation, tax rates and extensions are presented for purposes of additional analysis and are not a required part of the basic financial statements. Because of the significance of the matter described above, it is inappropriate to express an opinion, and accordingly, I do not express an opinion on the supplemental information referred to above.

Basis of Accounting

I draw attention to Note 1 of the financial statements that 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. My opinions are not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 4, 2019, on my consideration of Pulaski County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pulaski County’s 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 Pulaski County’s internal control over financial reporting and compliance.



Cindy A. Bobell
Certified Public Accountant

December 4, 2019



CINDY A. BOBELL

CERTIFIED PUBLIC ACCOUNTANT

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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

Board of Commissioners
Pulaski County, Illinois

I have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Pulaski County as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise Pulaski County's basic financial statements, and have issued my report thereon dated December 4, 2019. My opinions on the governmental activities, other governmental funds the general fund and the insurance fund were adverse because the governmental activities, other governmental funds, the general fund and the insurance fund had several accounts that were not materially stated and the governmental capital assets could not be verified.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting 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. However, as described in the accompanying schedule of findings and responses, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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 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. I consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. (2018-04)

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. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies and in the aggregate to be material weaknesses. (2018-01, 2018-02, 2018-03, 2018-04, 2018-05 and 2018-06).

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pulaski County's financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items (2018-02) and (2018-03).

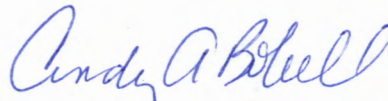
Pulaski County's Response to Findings

Pulaski County's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. I did not audit Pulaski County's response, and accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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.

I noted certain matters that I reported to the management of Pulaski County in a separate letter dated December 4, 2019.



Cindy A. Bobell
Certified Public Accountant

December 4, 2019

Financial Statements

Pulaski County, Illinois
Statement of Net Position - Modified Cash Basis
November 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 3,090,626	\$ 8,699	\$ 3,099,325
Certificates of Deposit	64,366		64,366
Notes Receivable (Net of Allowance)	1,141,738		1,141,738
Due From Other Funds		2,709	2,709
Capital Assets:			
Land	26,600		26,600
Other Capital Assets Net of Accumulated Depreciation	7,771,182	620,967	8,392,149
	\$ 12,094,512	\$ 632,375	\$ 12,726,887
Liabilities			
Due to Other Funds	\$ 129,318	\$	\$ 129,318
Due to Others	406,910		406,910
Bonds Payable - Current Portion	438,000		438,000
Notes Payable - Current Portion	110,856		110,856
Lines of Credit	271,600		271,600
Long-term Liabilities:			
Bonds Payable, Net of Current Portion	3,387,000		3,387,000
Notes Payable, Net of Current Portion	1,704,507		1,704,507
	6,448,191		6,448,191
Net Position			
Invested in Capital Assets, Net of Related Debt	4,715,570	620,967	5,336,537
Restricted	596,784		596,784
Unrestricted	333,967	11,408	345,375
	5,646,321	632,375	6,278,696
	\$ 12,094,512	\$ 632,375	\$ 12,726,887

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended November 30, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,360,107	\$ 42,939	\$ 4,563	\$	\$ (2,312,605)	\$	\$ (2,312,605)
Public Safety	7,562,158	8,792,612			1,230,454		1,230,454
Judiciary and Court Related	588,469	852,735			264,266		264,266
Transportation	1,079,142	164,493		25,000	(889,649)		(889,649)
Public Health	342,829	241,333			(101,496)		(101,496)
Public Welfare	13,529	610			(12,919)		(12,919)
Culture and Recreation	9,783				(9,783)		(9,783)
Depreciation	548,313				(548,313)		(548,313)
Debt Service - Interest	219,130				(219,130)		(219,130)
Total Governmental Activities	12,723,460	10,094,722	4,563	25,000	(2,599,175)		(2,599,175)
Business-type Activities:							
Sewer	20,639	8,460				(12,179)	(12,179)
Total Business-type Activities	20,639	8,460				(12,179)	(12,179)
Total Primary Government	\$ 12,744,099	\$ 10,103,182	\$ 4,563	\$ 25,000	(2,599,175)	(12,179)	(2,611,354)
General Revenues:							
Taxes							
Property Taxes					1,566,567		1,566,567
State Income Tax					290,813		290,813
Gaming Tax					18,947		18,947
Personal Property Replacement Tax					69,934		69,934
Motor Fuel Tax					522,106		522,106
Sales and Use Tax					224,887		224,887
Interest Income					81,522	186	81,708
Other Intergovernmental					108,445		108,445
Other Revenue					356,200		356,200
Reimbursed Expenses					161,061		161,061
Transfers In (Out)					28,837	(28,837)	
Total Revenue and Transfers:					3,429,319	(28,651)	3,400,668
Change in Net Assets					830,144	(40,830)	789,314
Net Position - Beginning of Year (Restated)					4,816,177	673,205	5,489,382
Net Position - End of Year					\$ 5,646,321	\$ 632,375	\$ 6,278,696

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Balance Sheet - Modified Cash Basis - Governmental Funds
As of November 30, 2018

	General Fund	Insurance Fund	Intermediary Relending Program Fund	Other Governmental Funds	Total
Assets					
Cash	\$ 971,978	\$ 236,163	\$ 388,498	\$ 1,493,987	\$ 3,090,626
Certificates of Deposit	32,183			32,183	64,366
Notes Receivable (Net of Allowance for Doubtful Accounts)			1,141,738		1,141,738
Due From Other Funds				263,990	263,990
Total Assets	\$ 1,004,161	\$ 236,163	\$ 1,530,236	\$ 1,790,160	\$ 4,560,720
Liabilities					
Due to Others	\$ 399,277	\$	\$	\$ 7,633	\$ 406,910
Due to Other Funds	70,917	322,391			393,308
Total Liabilities	470,194	322,391		7,633	800,218
Fund Equity					
Fund Balance - Restricted			1,530,236	1,782,527	3,312,763
Fund Balance - Unassigned	533,967	(86,228)			447,739
Total Fund Equity	533,967	(86,228)	1,530,236	1,782,527	3,760,502
Total Liabilities and Fund Equity	\$ 1,004,161	\$ 236,163	\$ 1,530,236	\$ 1,790,160	\$ 4,560,720

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Balance Sheet - Modified Cash Basis - Governmental Funds
(Continued)
November 30, 2018

Reconciliation to the Statement of Net Position - Modified Cash Basis:

Fund Balance - Governmental Funds	\$3,760,502
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities of \$14,002,502, net of accumulated depreciation of \$6,204,720, are not financial resources and, therefore, are not reported in the funds.	7,797,782
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:	
Bonds Payable	(3,825,000)
Leases/Notes Payable	<u>(2,086,963)</u>
Subtotal Long-Term Liabilities	<u>(5,911,963)</u>
Total Net Position of Governmental Activities	<u>\$5,646,321</u>

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Modified Cash Basis - Governmental Funds
For the Fiscal Year Ended November 30, 2018

	General Fund	Insurance Fund	Intermediary Relending Program Fund	Other Governmental Funds	Total
Revenue					
Taxes	\$ 316,536	\$ 787,861	\$	\$ 621,666	\$ 1,726,063
Intergovernmental	575,148			691,111	1,266,259
Revenue From Services	9,625,727			468,995	10,094,722
All Other Revenue	202,489	1,661	64,204	169,368	437,722
Total Revenue	10,719,900	789,522	64,204	1,951,140	13,524,766
Expenditures					
General Government	978,356	864,192	248,687	268,872	2,360,107
Public Safety	7,471,470			90,688	7,562,158
Judiciary and Court Related	515,604			72,865	588,469
Transportation				1,079,142	1,079,142
Public Health	318,130			24,699	342,829
Public Welfare				13,529	13,529
Culture and Recreation				9,783	9,783
Capital Outlay	94,649			121,778	216,427
Debt Service	3,106,028	446,442	124,166	160,106	3,836,742
Total Expenditures	12,484,237	1,310,634	372,853	1,841,462	16,009,186
Excess Revenue Over (Under) Expenditures	(1,764,337)	(521,112)	(308,649)	109,678	(2,484,420)
Other Financing Sources (Uses)					
Bond/Loan Proceeds	2,363,055			139,872	2,502,927
Transfers In (Out)	(448,943)	453,425		24,355	28,837
Total Other Financing Sources (Uses)	1,914,112	453,425		164,227	2,531,764
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	149,775	(67,687)	(308,649)	273,905	47,344
Fund Balance - Beginning of Year	303,192	62,459	1,838,885	1,508,622	3,713,158
Prior Period Adjustment	81,000	(81,000)			
Adjusted Beginning Balance	384,192	(18,541)	1,838,885	1,508,622	3,713,158
Fund Balance - End of Year	\$ 533,967	\$ (86,228)	\$ 1,530,236	\$ 1,782,527	\$ 3,760,502

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Modified Cash Basis - Governmental Funds
(Continued)
For the Fiscal Year Ended November 30, 2018

Reconciliation to the Statement of Activities:

Net change in fund balances - total governmental funds	\$ 47,344
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Issuance of new debt obligations is recorded as debt proceeds in the Government funds, but the proceeds create long-term liabilities in the Statement of Net Position</p>	
Debt Proceeds	(2,502,927)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p>	
Capital debt obligation principal payments	3,617,613
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets:</p>	
Capital asset purchases capitalized	216,427
Depreciation expense	<u>(548,313)</u>
Change in Net Position of Governmental Activities	<u>\$ 830,144</u>

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Net Position - Modified Cash Basis
Proprietary Fund
November 30, 2018

	Perks Sewer Fund
Assets	
Cash	\$ 8,699
Due From the General Fund	2,709
Sewer Utility System	620,967
Total Assets	\$ 632,375
 Net Position	
Invested in Capital Assets, Net of Related Debt	\$ 620,967
Unrestricted	11,408
Total Net Position	\$ 632,375

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Revenues, Expenses, and Changes in
Net Position - Modified Cash Basis - Proprietary Fund
For the Fiscal Year Ended November 30, 2018

	Perks Sewer Fund
Operating Revenues	
Sewer Charges	\$ 8,460
	8,460
Total Operating Revenues	8,460
Operating Expenses	
Contract Services	2,375
Depreciation Expense	18,264
	20,639
Total Operating Expenses	20,639
	(12,179)
Operating Income (Loss)	(12,179)
Nonoperating Revenues (Expenses)	
Interest Income	186
Transfer In (Out)	(28,837)
	(28,651)
Total Nonoperating Revenues (Expenses)	(28,651)
Change in Net Position	(40,830)
Net Position - Beginning of Year	673,205
Net Position - End of Year	\$ 632,375

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Cash Flows - Modified Cash Basis
Proprietary Fund
For the Fiscal Year Ended November 30, 2018

	<u>Perks Sewer Fund</u>
Cash Flows From Operating Activities	
Receipts From Customers	\$ 8,460
Payments to Suppliers	(2,375)
	<hr/>
Net Cash Provided by Operating Activities	6,085
 Cash Flows from Non-Capital Financing	
Transfers to Other Funds	(28,837)
	<hr/>
	(28,837)
 Cash Flows from Investing Activities	
Interest Income	186
	<hr/>
Net Cash Provided by Investing Activities	186
	<hr/>
 Net Increase in Cash and Cash Equivalents	(22,566)
 Balance - Beginning of Year	31,265
	<hr/>
Balance - End of Year	\$ 8,699
	<hr/> <hr/>
 Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating Income (loss)	\$ (12,179)
Depreciation Expense	18,264
	<hr/>
Net Cash Provided by Operating Activities	\$ 6,085
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois
Statement of Assets and Liabilities - Modified Cash Basis
Fiduciary Funds
November 30, 2018

	Agency Funds
	<hr/>
Assets	
Cash	\$ 1,601,319
Due from Others	117
Due from Other Funds	126,609
	<hr/>
Total Assets	\$ 1,728,045
	<hr/> <hr/>
Liabilities	
Due to Others	\$ 1,728,045
Due to Other Funds	
	<hr/>
Total Liabilities	\$ 1,728,045
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Pulaski County, Illinois

Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C., these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board pronouncements.

1.A. REPORTING ENTITY

Pulaski County operates under a County Commission form of government. The County's major operations include health and welfare services, public safety, judiciary and court related, transportation, culture and recreation, and general administrative services.

For financial reporting purposes, the County includes those funds, agencies, boards, commissions, and authorities for which the County Commission has the ability to exercise its oversight assistance, which influence operations and tend to indicate control by or dependence on the County. Control by or dependence on the County is evidenced through budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, responsibility for the funding of any operation deficits that may occur and the scope of services provided to the County. Based on these criteria, this report includes financial statements of the funds required to account for those financial activities for which the County Commissioners have the ability to influence and control through its legislative processes.

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of Pulaski County are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

2. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major special revenue funds of the County are the Intermediary Relending Program which accounts for grant funds and funds borrowed from Rural

Development to finance economic development in the County and the Insurance Fund which accounts for bond funds and other funds levied for insurance. All other special revenue funds are considered non-major and are restricted to the purpose indicated by the fund title.

Proprietary Fund

1. Enterprise Fund

The Enterprise Fund is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Perks Sewer Fund which is reported as a major fund.

Fiduciary Funds

1. The County reports agency funds which are used to account for assets held by the County in a purely custodial capacity.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities columns, governmental activities are presented using the economic resources measurement focus, within the limitation of the modified cash basis of accounting as described below.

The governmental funds in the fund financial statement columns, utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use the fund balances as their measure of available spendable financial resources at the end of the period.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, inventories, receivables, capital assets, deferred outflows of resources, short-term liabilities, long-term liabilities, and deferred inflows of resources arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event that would be reported in GAAP basis financial statements (such as donated assets and pension or post-employment benefit liabilities) are not reported in this modified cash basis presentation, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting while the proprietary fund types would

use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

1.D. BUDGET

The annual budget is prepared by a person designated by the County Board. Once the budget is prepared, it is made conveniently available for public inspection for at least 15 days prior to the final action by the County Board.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions. The budget was adopted on December 1, 2017.

1.E. ASSETS LIABILITIES AND EQUITY

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Capital Assets

The County's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary funds and whether they are reported in the government-wide or fund financial statements.

1. Government-Wide Statements - In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an unallocated expense for the governmental activities and is included in sewer expense in the business-type activities in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Building Improvements	20 years
Land Improvements	20 years
Vehicles and Equipment	5 - 15 years

2. Fund Financial Statements - In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental resources is reported as liabilities in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

Equity Classification

1. Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted."

2. Fund Financial Statements

In the fund financial statements, governmental funds report the following classifications of fund balance:

- a. Restricted - includes amounts restricted by external sources or by constitutional provision or enabling legislation.
- b. Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The proprietary fund equity is classified the same as in the government-wide statements.

It is the County's policy to use restricted resources prior to the use of unrestricted resources when expenses are incurred for the purposes for which both restricted and unrestricted resources are available.

1.F. REVENUES, EXPENDITURES AND EXPENSES

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the County's taxpayers are reported as program revenues. The County has the following program revenues in each activity:

General Government	Licenses, Permits, Fines, Grants
Public Safety	Fines, Fees, Grants
Judiciary and Court Related	Fines, Fees, Grants
Transportation	Equipment Rental, Grants
Public Health	Fees, Grants
Public Welfare	Fees

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

1.G. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental, proprietary and fiduciary fund categories is reported as follows:

- 1. Interfund loans - Amounts provided with a requirement for repayment are reported as due to other funds and due from other funds.

2. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the residual amounts due between governmental and business-type activities and amounts due to the fiduciary funds.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for residual amounts due between the governmental and business-type activities.

1.H. USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the County is subject to various federal, state, and local laws and contractual regulations.

The following instance of noncompliance is considered material to the financial statements.

2.A. BUDGETARY NONCOMPLIANCE

The following funds' expenditures exceeded the budget by the indicated amounts:

Collector's Automation	\$802
County Motor Fuel	24,427
County Unit Road District	210271
County Unit Road District MFT	13,625
Federal Aid Matching	35,226
General	1,184,491
General Assistance	19,655
Intermediary Relending Program	169,145
Judgments, Settlements and Claims	5,000
Revolving Loan Fund	25,707
Township Bridge	144,959

2.B. GRANT

The County received a grant in the amount of \$25,000 from Rural Development to purchase a tractor for the Highway Department. During the year, the County received the \$25,000 from Rural Development and matched the grant with an additional \$26,500 to purchase the tractor which cost \$51,500 and is included in capital assets.

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

3.A. CASH

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a written policy for custodial credit risk. At November 30, 2018, the book balance of the County's deposits was \$4,765,010 and bank balance was \$4,995,336. The book balance includes petty cash of \$600. The table presented below is designed to disclose the level of custodial credit risk assumed by the County based on how its deposits were insured or secured with collateral at November 30, 2018. The categories of custodial credit risk are defined as follows:

Category #1 includes deposits covered by deposit insurance or collateral held by the County in the County's name.

Category #2 includes deposits covered by collateral held by the financial institution's trust department in the County's name.

Category #3 includes deposits which are uninsured and uncollateralized or the collateral is held by the financial institution's trust department, but not in the County's name.

	Bank <u>Balance</u>	Book <u>Balance</u>
Insured	\$ 750,000	\$ 750,000
Collateralized:		
Collateral held by pledging bank's trust department in the County's name/ Letters of credit	3,942,894	3,903,390
Illinois Funds, an external pool, which need not be categorized	111,020	111,020
Uninsured/Uncollateralized	<u>191,422</u>	<u>0</u>
Total	<u>\$4,995,336</u>	<u>\$4,764,410</u>

The County participates in the Illinois Funds investment pool. The pool is maintained by the Illinois State Treasurer at cost and fair value through daily adjustments in the interest earnings. The fair value of the County's investment in the funds is the same as the value of the pool shares. The pool is audited annually by the Illinois Auditor General. The pool maintains a Standard and Poor's AAA rating. The relationship between the County and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. As of November 30, 2018, the book value of the County's deposits in the Illinois Funds pool was \$111,020 which is included in the deposit total above.

At November 30, 2018 the County held the following certificates of deposit (an authorized investment), which are included in the deposit totals above:

<u>Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest Paid</u>	<u>Balance</u>
First State Bank of Olmsted: Indemnity	02/6/20	0.60%	Monthly	\$10,692
First State Bank of Olmsted: Law Library	02/6/20	0.60%	Monthly	5,322
First State Bank of Olmsted: Court Automation	02/6/20	0.65%	Monthly	26,862
First State Bank of Olmsted: Sheriff's Ct. Security	02/6/20	0.65%	Monthly	<u>21,490</u>
Total				<u>\$64,366</u>

3.B. PROPERTY TAXES

The County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling State legislation. Property taxes become a lien; on the first day of the levy year and may be paid in two equal installments. All property taxes are recognized when they are received. During this fiscal year the County collected taxes for the 2017 tax year.

3.C. CAPITAL ASSETS

Capital asset activity, resulting from modified cash transactions, for the fiscal year ended November 30, 2018, was as follows:

Governmental Activities:

	Balance at <u>12/1/17</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>11/30/18</u>
Capital Assets not being Depreciated:				
Land	\$26,600			\$26,600
Total Capital Assets not being Depreciated	\$26,600			\$26,600
Other Capital Assets:				
Building	9,589,411			9,589,411
Building Improvements	1,161,173			1,161,173
Land Improvements	266,125			266,125
Equipment	1,034,829	142,050		1,176,879
Vehicles	<u>1,707,937</u>	<u>74,377</u>	<u>0</u>	<u>1,782,314</u>
Total other Capital Assets	13,759,475	216,427	0	13,975,902
Less Accumulated Depreciation	<u>(5,656,407)</u>	<u>(548,313)</u>	<u>0</u>	<u>(6,204,720)</u>
Total Governmental Capital Assets, Net of Accumulated Depreciation	<u>\$8,129,668</u>	<u>(\$331,886)</u>	<u>\$0</u>	<u>\$7,797,782</u>
Business-Type Activities:				
Sewer Utility System	\$730,549	\$0	\$0	\$730,549
Less Accumulated Depreciation	<u>(91,318)</u>	<u>(18,264)</u>		<u>(109,582)</u>
Total of Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$639,231</u>	<u>\$(18,264)</u>	<u>\$0</u>	<u>\$620,967</u>

Beginning net position for Governmental Activities was restated in the amount of \$12,751 for depreciation not reported in the previous year.

3.D. LONG-TERM DEBT

The following is a summary of the County's long-term debt at November 30, 2018:

Governmental Activities:

<u>Description</u>	<u>Balance</u> <u>12/01/2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>11/30/2018</u>	<u>Due</u> <u>Date</u>	<u>Rate</u>
IRP #1 Rural Development	\$347,589	\$0	\$25,178	\$322,411	07/24/2030	1.00%
IRP #2 Rural Development	235,243	0	14,772	220,471	01/14/2032	1.00%
IRP #3 Rural Development	249,857	0	14,482	235,375	09/19/2033	1.00%
IRP #4 Rural Development	462,351	0	25,091	437,260	10/25/2034	1.00%
IRP #5 Rural Development	535,714	0	26,480	509,234	08/29/2037	1.00%
Tri-C Bonds - Rural Development	3,358,000	0	438,000	2,920,000	09/30/2024	4.50%
Highway Pick-up Truck	7,612		7,612	0	02/26/2019	3.79%
Highway Grader Lease	121,383	0	121,383	0	01/09/2018	2.98%
2006 Self-Insurance Bonds	505,000	0	160,000	345,000	12/01/2020	4.25%- 4.55%
2014 General Obligation Bonds	810,000	0	250,000	560,000	12/01/2020	2.50%- 4.55%
Caterpillar Loan		100,172	9,560	90,612	03/20/2023	4.50%
PCDC Line of Credit	350,000	2,363,055	2,513,055	200,000	11/30/2019	4.95%
Highway Line of Credit	<u>43,900</u>	<u>39,700</u>	<u>12,000</u>	<u>71,600</u>	04/08/2020	4.95%
Total Governmental Activities	<u>\$7,026,649</u>	<u>\$2,502,927</u>	<u>\$3,617,613</u>	<u>\$5,911,963</u>		

Interest of \$219,130 was paid on governmental activities.

The County renewed the PCDC line of credit and the Highway line of credit with similar terms and a new interest rate of 4.95%.

Maturities of the above notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year End 2019	\$748,856	\$193,385	\$942,241
Fiscal Year End 2020	1,061,412	158,811	1,220,223
Fiscal Year End 2021	1,025,745	120,137	1,145,882
Fiscal Year End 2022	630,244	89,394	719,638
Fiscal Year End 2023	679,715	64,870	744,585
2024-2028	1,154,446	74,448	1,228,894
2029-2033	495,394	19,860	515,254
2034-2036	<u>116,151</u>	<u>2,144</u>	<u>118,295</u>
Total	<u>\$5,911,963</u>	<u>\$723,049</u>	<u>\$6,635,012</u>

The above debt represents installment notes for vehicles and equipment, Intermediary Relending Programs and bonds as listed below. The equipment includes a loan for a grader valued at \$148,350 which is included in capital assets.

Bonds Payable

In 2006 the County issued self-insurance bonds in the amount of \$905,000 to finance the costs of and to create reserves for the payment of the costs associated with the Southern Illinois Counties Insurance Trust.

Series 2014 General Obligation Bonds were issued in the amount of \$1,560,000 to fund a new insurance trust in the fiscal year ended November 30, 2014. See Note 4.F. for more information on the insurance trusts.

During fiscal year ended November 30, 2005, Pulaski County issued \$7,300,000 in bonds through the U.S. Department of Agriculture - Rural Development to purchase the Pulaski County Detention Center (previously known as the Tri-County Detention Center.)

The details of the bond issues are as follows:

General Obligation Self-Insurance Refunding Bonds, Series 2006, of the County of Pulaski, Illinois

Pursuant to Ordinance #06-18-10 dated October 18, 2006, General Obligation Self-Insurance Bonds have been issued by the County of Pulaski, Illinois as follows:

Date of Issue: October 15, 2006
 Interest Rate: See Below
 Purchase Price: Par
 Interest Payable: June 1 & December 1
 Principal Payable: December 1
 Original Issue: \$905,000

<u>Year Ended</u> <u>November 30</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Principal</u> <u>Due</u>	<u>Interest</u> <u>Due</u>	<u>Total</u> <u>Due</u>
2019	4.50%		\$19,132	\$19,132
2020	4.45%	\$165,000	11,861	176,861
2021	4.55%	180,000	4,096	184,096
		<u>\$345,000</u>	<u>\$35,089</u>	<u>\$380,089</u>

Taxable General Obligation (Limited Tax) Debt Certificate Bonds. of the County of Pulaski, Illinois

Pursuant to an Ordinance dated October 6, 2004. Taxable General Obligation (Limited Tax) Debt Certificate Bonds, were issued by the County of Pulaski, Illinois as follows:

Date of Issue: January 5, 2005
 Interest Rate: 4.50%
 Purchase Price: Par
 Interest Payable: March 30 & September 30
 Principal Payable: September 30
 Original Issue: \$7,300,000

<u>Year Ended November 30</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2019	\$438,000	\$131,400	\$569,400
2020	438,000	111,996	549,996
2021	438,000	91,980	529,980
2022	511,000	72,270	583,270
2023	511,000	49,275	560,275
2024	584,000	26,352	610,352
	<u>\$2,920,000</u>	<u>\$483,273</u>	<u>\$3,403,273</u>

Taxable General Obligation Bonds, Series 2014

Pursuant to Ordinance #2014-01-30 dated February 13, 2014 Taxable General Obligation Bonds, Series 2014 have been issued by the County of Pulaski, Illinois as follows:

Date of Issue: February 13, 2014
 Interest Rate: See Below
 Purchase Price: Par
 Interest Payable: June 1 & December 1
 Principal Payable: December 1
 Original Issue: \$1,560,000

<u>Year Ended November 30</u>	<u>Interest Rate (%)</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2019	3.00%		\$13,711	\$13,711
2020	3.35%	\$270,000	15,398	285,398
2021	4.55%	290,000	5,438	295,438
		<u>\$560,000</u>	<u>\$34,547</u>	<u>\$594,547</u>

3.E. INTERFUND TRANSFERS AND BALANCES

INTERFUND TRANSFERS

Transfers between funds are as follows:	<u>Transfers In</u>	<u>Transfers Out</u>
MAJOR FUNDS:		
General		\$448,943
Insurance	\$453,425	
OTHER GOVERNMENTAL FUNDS:		
Debt Service Reserve	10	
General Assistance		19,655
Illinois Municipal Retirement Fund	44,000	
PROPRIETARY FUND:		
Perks Sewer	<u>0</u>	<u>28,837</u>
Total	<u>\$ 497,435</u>	<u>\$ 497,435</u>

Interfund transfers are made to facilitate cash flow in the individual funds.

INTERFUND BALANCES

As of November 30, 2018, the following interfund balances were outstanding:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds:</u>		
General		\$70,917
Insurance		322,391
<u>Other Governmental Funds:</u>		
Civil Defense	\$15,856	
Collector's Indemnity	27,756	
County Highway		3,916
County Unit Bridge		3,028
County Unit Road District	1,604	
Drug Task Force		1,459
Illinois Municipal Retirement	216,241	
Judgment, Settlements and Claims	32,000	
Pulaski County 911		23,471
Sheriff's Court Security	2,167	
State's Attorney Drug Task Force	240	
<u>Business-type Activities</u>		
Perks Sewer	2,709	
<u>Fiduciary Funds:</u>		
Collector's	44,330	
Personal Property Replacement Tax	660	
Trustee Redemption	<u>81,619</u>	
Total	<u>\$425,182</u>	<u>\$425,182</u>

Interfund balances represent reimbursements and other collections due to other funds.

NOTE 4. OTHER NOTES

4.A. DEFERRED COMPENSATION PROGRAM

The County participates in a deferred compensation program as authorized under Internal Revenue Code Section 457. The plan assets remain the property of the employer until paid, subject only to the County's general creditors. The County has transferred fiduciary responsibility to the administrator of the plan, Public Employees Benefit Services Corporation.

4.B. DEFICIT FUND BALANCE

The following funds had deficit balances as of November 30, 2018:

Insurance	\$86,228
Drug Task Force	1,223

4.C. NOTES RECEIVABLE

Notes receivable of \$1,141,738 consists of loans made to businesses in Pulaski County as part of the Intermediary Relending Program. Two of the loans totaling \$200,837 were determined to be uncollectible and were written off. The CDAP recapture program was dissolved during the year and the funds were returned. The County has two years to use the \$75,813 returned to the Illinois Department of Commerce and Economic Opportunity.

4.D. OPERATING LEASES

On May 13, 2016 the County entered into a lease with Scheffer's (Lessor) for a Cannon copier. The term of the lease is 60 months with a monthly base price of \$218 (\$2,616 per year). During the fiscal year ended November 30, 2018, the County paid \$2,390 in accordance with this lease.

On July 29, 2015 the County entered into a lease with Ricoh (Lessor) for a Ricoh copier. The term of the lease is 60 months with a monthly base price of \$107 (\$1,284 per year) plus \$0.008 for each black and white copy. During the fiscal year ended November 30, 2018, the County paid \$1,706 in accordance with this lease.

On May 11, 2010 the County entered into a lease with RFJ Enterprises (Lessee) for a manufacturing facility (which is included in capital assets). The lease was amended, extending the term to 213 months with an option to renew in exchange for \$20,700 to upgrade the building and forgiveness of five delinquent payments. During the fiscal year ended November 30, 2015, an additional \$43,000 was added to the lease. The monthly rate is \$2,575. The Lessee is required to carry adequate liability insurance of at least \$1,000,000 in addition to property insurance. During the year ended November 30, 2018, the County received \$33,475 in accordance with this lease.

4.E. PULASKI COUNTY DETENTION CENTER

Pulaski County has a designated number of beds at the detention center dedicated to housing Immigration and Customs Enforcement Detainees.

The County also has an intergovernmental agreement with Alexander County to use the Jail Facility on an exclusive basis for housing all Alexander County inmates.

4.F. SELF-INSURANCE/RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the County has established a self-insurance trust. This trust was established by issuing bonds in the amount of \$1,560,000 as listed in Note 3.D. The trust is purchasing insurance from outside carriers. The funds from this bond issue are accounted for in the insurance fund.

4.G. DEFINED BENEFIT PENSION PLANS

Benefits Provided for all Pension Plans

The Illinois Municipal Retirement Fund (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 benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier I benefits. Tier I employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier I employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 I, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier II benefits. For Tier II employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 II, the pension is increased on January 1 every year after retirement, upon reaching age 67 by the lesser of:

- ◆ 3 percent of the original pension amount, or
- ◆ ½ of the increase in the Consumer Price Index of the original pension amount.

Regular Plan

Plan Description. The Pulaski County defined benefit pension plan, for Regular Plan employees 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, 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. That report may be obtained on-line at www.imrf.org.

Employees covered by the benefit terms. As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	85
Active Employees	124

Funding Policy. As set by statute, the County's Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2018 used by the employer was 8.12 percent. 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.

Annual Pension Cost. For the calendar year ending December 31, 2018, the employer's actual contributions for pension cost for the Regular Plan were \$394,856.

Three-Year Trend Information for the Regular Plan

Actuarial Valuation <u> Date</u>	Annual Pension Cost (APC)	Percent of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/18	\$394,856	100.00%	\$0
12/31/17	\$375,500	100.00%	\$0
12/31/16	\$571,215	100.00%	\$0

The required contribution for 2018 was determined as part of the December 31, 2016 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2016 included (a) 7.5 percent investment rate of return (net of administrative expenses and direct investment expenses), (b) projected salary increases of 3.5 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of Pulaski County's Regular Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. Pulaski County's Regular Plan's unfunded actuarial accrued liability at December 31, 2016 is being amortized as a level percentage of projected payroll on an open 25-year basis.

Funded Status and Funding Progress. As of December 31, 2018, the most recent actuarial valuation date, the Regular Plan was 75.92 percent funded. The actuarial accrued liability for benefits was \$5,159,301 and the actuarial value of assets was \$3,916,852, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,242,449. The covered payroll for calendar year 2018 (annual payroll of active employees covered by the plan) was \$4,862,756 and the ratio of the UAAL to the covered payroll was 26 percent. Because of the use of the modified cash basis of accounting in the preparation of these financial statements, this proportionate share of the accrued liability is not reported in these financial statements as a liability, and is instead disclosed herein as a commitment. In accordance with the modified cash basis of accounting, pension expense or expenditures are only reported when contributions are paid by the County.

Elected County Official

Plan Description. The Pulaski County defined benefit pension plan for 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, 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 supplemental information. That report may be obtained on-line at www.imrf.org.

Employees covered by the benefit terms. As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	1
Active Employees	1

Funding Policy. As set by statute, the County's Elected County Officials plan members are required to contribute 7.5 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2018 was 62.84 percent. The employer 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.

Annual Pension Cost. The required contribution for calendar year ending December 31, 2018 was \$39,164.

Three-Year Trend Information for the Elected County Official Plan

Actuarial Valuation Date	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
12/31/18	\$39,164	100.00%	\$0
12/31/17	\$39,386	100.00%	\$0
12/31/16	\$81,064	100.00%	\$0

The required contribution for 2018 was determined as part of the December 31, 2016 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2016 included (a) 7.5 percent investment rate of return (net of administrative expenses and direct investment expenses), (b) projected salary increases of 3.5 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of Pulaski County's Elected County Officials plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. Pulaski County's Elected County Officials plan's unfunded actuarial accrued liability at December 31, 2016 is being amortized as a level percentage of projected payroll on an open 25-year basis.

Funded Status and Funding Progress. As of December 31, 2018, the most recent actuarial valuation date, the Elected County Officials plan was 0 percent funded. The actuarial accrued liability for benefits was \$487,142 and the actuarial value of assets was (\$315,236) resulting in an underfunded actuarial accrued liability (UAAL) of \$802,378. The covered payroll for calendar year 2017 (annual payroll of active employees covered by the plan) was \$62,323 and the ratio of the UAAL to the covered payroll was 1287 percent. Because of the use of the modified cash basis of accounting in the preparation of these financial statements, this proportionate share of the accrued liability is not reported in these financial statements as a liability, and is instead disclosed herein as a commitment. In accordance with the modified cash basis of accounting, pension expense or expenditures are only reported when contributions are paid by the County.

Sheriff's Law Enforcement Personnel

Plan Description. The Pulaski County defined benefit pension plan, for Sheriff's Law Enforcement Personnel employees 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, 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 supplemental information. That report may be obtained on-line at www.imrf.org.

Employees covered by the benefit terms. As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	15
Active Employees	10

Funding Policy. As set by statute, the County Sheriff's Law Enforcement Personnel plan members are required to contribute 7.5 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2018 was 9.1 percent. The employer 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.

Annual Pension Cost. The required contribution for calendar year 2018 was \$39,474.

Three-Year Trend Information for the Sheriff's Law Enforcement Personnel Plan			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
12/31/18	\$39,474	100.00%	\$0
12/31/17	\$43,400	100.00%	\$0
12/31/16	\$35,607	100.00%	\$0

The required contribution for 2018 was determined as part of the December 31, 2016 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2016 included (a) 7.5 percent investment rate of return (net of administrative expenses and direct investment expenses), (b) projected salary increases of 3.5 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of Pulaski County Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. Pulaski County's Sheriff's Law Enforcement Personnel plan's overfunded actuarial accrued liability at December 31, 2016 is being amortized as a level percentage of projected payroll on an open 25-year basis.

Funded Status and Funding Progress. As of December 31, 2018, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 137.17 percent funded. The actuarial accrued liability for benefits was \$1,148,631 and the actuarial value of assets was \$1,575,554, resulting in an overfunded actuarial accrued liability of \$426,923. The covered payroll for calendar year 2018 (annual payroll of active employees covered by the plan) was \$433,776. Because the plan is overfunded there is no ratio of the liability to the covered payroll. Because of the use of the modified cash basis of accounting in the preparation of these financial statements, this proportionate share of the accrued liability is not reported in these financial statements as a liability, and is instead disclosed herein as a commitment. In accordance with the modified cash basis of accounting, pension expense or expenditures are only reported when contributions are paid by the County.

4.H. PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$81,000 was made to increase the beginning fund balance of the general fund and decrease the beginning fund balance of the insurance fund to correct an error in posting a prior year adjustment.

4.I. SUBSEQUENT EVENTS

Subsequent to the end of the fiscal year, the County Board approved the following:

- Increased PCDC Line of Credit with First State Bank of Olmsted to 1.34 million dollars
- Purchased Dodge truck for \$17,950
- Renewed Highway Line of Credit at a rate of 4.95 percent
- Floor project at the jail for \$139,440 and a modification for an additional \$108,968
- Accepted bid on new roof on the Business Incubator
- Authorized Sheriff to purchase two new vehicles
- Authorized Highway Engineer to purchase a new pick-up truck for \$30,000

Supplemental Information

Pulaski County, Illinois
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Modified Cash Basis - Budget and Actual
For the Fiscal Year Ended November 30, 2018

	Budget	Actual	Variance
Revenue:			
Taxes:			
County Sales Tax	\$ 120.000	\$ 140.549	\$ (20.549)
Gaming Tax	14.400	18.947	(4.547)
Property Tax	180.000	157.040	22.960
Total Taxes	314.400	316.536	(2.136)
Intergovernmental:			
Personal Property Replacement Tax	39.000	38.936	64
State Income Tax	240.000	290.813	(50.813)
Use Tax	-8.000	84.338	(36.338)
State of Illinois - Reimbursed Expenses:			
Election Expense Reimbursement	3.300	11.325	(8.025)
State's Attorney's/Public Def Reimbursement	148.790	149.736	(946)
Total Intergovernmental	479.090	575.148	(96.058)
Revenue from Services:			
Ambulance Fees	250.000	241.156	8.844
County Clerk	28.000	37.169	(9.169)
Fines	780.000	710.414	69.586
Jail Fees	7,920.000	8,605.990	(685.990)
Sheriff	36.200	30.998	5.202
Total Revenue from Services	9,014.200	9,625.727	(611.527)
All Other Revenue:			
Building Permits	1.000	525	475
Court Automation	56.000	44.293	11.707
Finance Court System	150.000	117.588	32.412
Interest, Penalties, and Costs	1.849	9.614	(7.765)
Law Library	1.500	1.710	(210)
Liquor License Fees	500		500
Miscellaneous Income	8.200	11.105	(2.905)
Revenue Stamps	7.500		7.500
Treasurer's Fees		17.654	(17.654)
Total All Other Revenue	226.549	202.489	24.060
Total Revenue	10,034.239	10,719.900	(685.661)
Expenditures	11,299.746	12,484.237	(1,184.491)
Excess of Revenue Over (Under) Expenditures	(1,265.507)	(1,764.337)	498.830
Other Financing Sources (Uses):			
Bond/Loan Proceeds	1,500.000	2,363.055	(863.055)
Transfers In (Out)	(40.000)	(448.943)	(408.943)
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	\$ 194.493	149.775	\$ 44.718
Fund Balance - Beginning of Year		303.192	
Prior Period Adjustment		81.000	
Fund Balance - Adjusted - Beginning of Year		384.192	
Fund Balance - End of Year		\$ 533.967	

Pulaski County, Illinois
General Fund
Schedule of Expenditures Compared to Budget - Modified Cash Basis
For the Fiscal Year Ended November 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Control and Administration:			
Board of Commissioners:			
Commissioner's Salary	\$ 40.800	\$ 28.320	\$ 12.480
Miscellaneous	3.800	4.390	(590)
Official Expenses	5.000	6.536	(1.536)
Postage	500	465	35
Printing and Publishing	2.000		2.000
Travel		438	(438)
	<hr/>	<hr/>	<hr/>
Total Board of Commissioners	52.100	40.149	11.951
Coroner:			
Coroner's Salary	12.120	15.158	(3.038)
Miscellaneous	10.900	2.400	8.500
	<hr/>	<hr/>	<hr/>
Total Coroner	23.020	17.558	5.462
County Clerk:			
County Clerk's Salary	54.756	50.544	4,212
Miscellaneous	225	135	90
Office Supplies and Postage	3.200	3,220	(20)
Other Salaries	59,285	63,146	(3,861)
Travel	3,000	3,000	
	<hr/>	<hr/>	<hr/>
Total County Clerk	120.466	120.045	421
County Treasurer:			
Dues and Subscriptions	110	110	
Office Supplies	1,000	1,400	(400)
Office Salaries	59,605	52,873	6,732
Official Expenses	750	200	550
Postage	4,000	1,757	2,243
Printing and Publishing	1,200	90	1,110
Travel	3,000	3,050	(50)
Treasurer's Salary	54,756	51,784	2,972
	<hr/>	<hr/>	<hr/>
Total County Treasurer	124,421	111,264	13,157

Pulaski County, Illinois
General Fund
Schedule of Expenditures Compared to Budget - Modified Cash Basis
(Continued)
For the Fiscal Year Ended November 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Election:			
Equipment Repairs	4,000		4,000
Judges	20,000	14,149	5,851
Supplies and Miscellaneous	31,200	64,127	(32,927)
	<hr/>	<hr/>	<hr/>
Total Election	55,200	78,276	(23,076)
General:			
Building Repairs	60,000	63,083	(3,083)
Computer Services	25,000	21,725	3,275
Equipment Repairs	500	355	145
Miscellaneous	42,500	373,189	(330,689)
Professional Fees	35,000	2,500	32,500
Revenue Stamps	7,500	11,992	(4,492)
Salaries	20,100	22,038	(1,938)
County Books	1,000	2,243	(1,243)
Utilities	67,000	51,875	15,125
	<hr/>	<hr/>	<hr/>
Total General	258,600	549,000	(290,400)
Supervisor of Assessments:			
Dues and Subscriptions	325	650	(325)
Official Expenses	1,200		1,200
Office Supplies	1,200	(2,250)	3,450
Other Salaries	50,615	46,581	4,034
Printing and Publishing	4,000	1,563	2,437
Supervisor's Salary	14,400	13,827	573
Telephone, Stationery and Postage	1,000	1,459	(459)
Travel	2,500	234	2,266
	<hr/>	<hr/>	<hr/>
Total Supervisor of Assessments	75,240	62,064	13,176
	<hr/>	<hr/>	<hr/>
Total General Control and Administration	709,047	978,356	(269,309)
Judiciary and Court Related:			
Circuit Clerk:			
Official Salary	54,756	50,544	4,212
Office Salaries	76,990	82,459	(5,469)
Official Expenses	2,500	2,047	453
Office Supplies	6,000	9	5,991
Postage	10,000	6,126	3,874
Dues and Subscriptions	400	225	175
Travel	3,000	3,000	
Miscellaneous Expenses	800	500	300
	<hr/>	<hr/>	<hr/>
Total Circuit Clerk	154,446	144,910	9,536

Pulaski County, Illinois
General Fund
 Schedule of Expenditures Compared to Budget - Modified Cash Basis
 (Continued)
 For the Fiscal Year Ended November 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Circuit Court:			
Public Defender - Salary and Expenses	48,900	42,386	6,514
Telephone and Office Supplies	1,300	717	583
Total Circuit Court	<u>50,200</u>	<u>43,103</u>	<u>7,097</u>
Finance Court System:			
Attorney Fees	50,000	44,992	5,008
Jury Duty	7,000		7,000
Miscellaneous	5,500	827	4,673
Official Expense	300	290	10
Office Supplies	6,000	19,223	(13,223)
Repairs and Maintenance	2,500	1,707	793
Total Finance Court System	<u>71,300</u>	<u>67,039</u>	<u>4,261</u>
General:			
Court Automation	20,100	23,661	(3,561)
Law Library	10,000	1,315	8,685
Total General	<u>30,100</u>	<u>24,976</u>	<u>5,124</u>
State's Attorney:			
Miscellaneous	7,160	5,800	1,360
Other Salaries	84,661	60,125	24,536
Postage	300	71	229
State's Attorney Salary	135,225	124,824	10,401
Supplies, Books and Transcript	18,100	11,294	6,806
Telephone	250		250
Total State's Attorney	<u>245,696</u>	<u>202,114</u>	<u>43,582</u>
Probation:			
Salaries and Expenses	30,000	33,462	(3,462)
Total Probation	<u>30,000</u>	<u>33,462</u>	<u>(3,462)</u>
Total Judiciary and Court Related	<u>581,742</u>	<u>515,604</u>	<u>66,138</u>

Pulaski County, Illinois
General Fund
Schedule of Expenditures Compared to Budget - Modified Cash Basis
(Continued)
For the Fiscal Year Ended November 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Health:			
Ambulance Service:			
Gas and Oil	20,000	13,555	6,445
Medical Supplies	23,000	14,465	8,535
Miscellaneous Expenses	1,600	1,000	600
Office Supplies and Postage	2,650	2,984	(334)
Repairs and Maintenance	7,600	27,245	(19,645)
Salaries	285,610	250,964	34,646
Telephone	5,000	4,396	604
Uniforms	1,000	49	951
Utilities	6,500	3,472	3,028
	<u>352,960</u>	<u>318,130</u>	<u>34,830</u>
Total Ambulance Service	352,960	318,130	34,830
Total Public Health	352,960	318,130	34,830
Public Safety:			
Pulaski County Detention Center:			
Salaries	3,265,500	3,346,689	(81,189)
Office Supplies and Postage	51,500	45,602	5,898
Communications	30,000	100,852	(70,852)
Utilities	290,000	193,482	96,518
Operating Supplies	15,000	53,438	(38,438)
Detainee Expense	175,000	96,592	78,408
Insurance	990,000	1,086,629	(96,629)
Benefits	820,000	723,583	96,417
Food Service	300,000	337,001	(37,001)
Transportation/Gas	100,000	141,851	(41,851)
Medical Contract	215,087	279,497	(64,410)
Travel/Per Diem		24,961	(24,961)
Maintenance	154,500	61,693	92,807
Miscellaneous	170,400	207,402	(37,002)
Training	63,500	60,747	2,753
	<u>6,640,487</u>	<u>6,760,019</u>	<u>(119,532)</u>
Total Pulaski County Detention Center	6,640,487	6,760,019	(119,532)
Sheriff:			
Deputy Salaries	384,500	302,606	81,894
Gas and Oil	75,000	35,369	39,631
Highway Safety Officer	1,500	1,500	
Miscellaneous	9,000	13,916	(4,916)
Official Expenses	1,500		1,500
Office Supplies and Postage	11,500	6,467	5,033
Other Salaries	175,000	258,711	(83,711)
Repairs and Maintenance	100,000	22,110	77,890
Sheriff's Salary	55,000	50,784	4,216
Telephone	8,500	7,927	573
Uniforms	6,000	12,061	(6,061)
	<u>827,500</u>	<u>711,451</u>	<u>116,049</u>
Total Sheriff	827,500	711,451	116,049
Total Public Safety	7,467,987	7,471,470	(3,483)

Pulaski County, Illinois
General Fund
Schedule of Expenditures Compared to Budget - Modified Cash Basis
(Continued)
For the Fiscal Year Ended November 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Capital Outlay:			
Ambulance Service	1,000		1,000
Court Automation	5,000		5,000
Election	40,000		40,000
General Government	500		500
Judiciary	2,400		2,400
Pulaski County Detention Center		94,649	(94,649)
Total Capital Outlay	<u>48,900</u>	<u>94,649</u>	<u>(45,749)</u>
Debt Service:			
Debt Principal	2,139,110	2,951,055	(811,945)
Debt Interest		154,973	(154,973)
Total Debt Service	<u>2,139,110</u>	<u>3,106,028</u>	<u>(966,918)</u>
Total Expenditures	<u>\$ 11,299,746</u>	<u>\$ 12,484,237</u>	<u>\$ (1,184,491)</u>

Pulaski County, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Modified Cash Basis - Pulaski County Detention Center
For the Fiscal Year Ended November 30, 2018

	<u>Pulaski County Detention Center</u>
Revenues	
Jail Fees	\$ 8,605,990
Interest Income	4,185
	<hr/>
Total Revenues	8,610,175
 Expenditures	
Public Safety	
Salaries	3,346,689
Supplies	89,370
Communications	100,852
Utilities	193,482
Medical and Supplies	298,348
Building Maintenance	61,693
Security	18,242
Safety	2,709
Detainee Expense	87,411
Insurance	1,086,629
Miscellaneous	60,403
Payroll Taxes/Retirement	712,176
Information Technology	126,048
Food Service	326,118
Transportation/Gas	105,814
Travel/Per Diem	24,961
Vehicle Maintenance & Repair	36,037
Training	60,747
Uniforms	11,407
Capital Outlay	105,532
Debt Service	3,106,028
	<hr/>
Total Expenditures	9,960,696
 Excess of Revenues Over (Under) Expenditures	 (1,350,521)
 Other Financing Sources (Uses)	
Loan Proceeds	2,363,055
Transfers In (Out)	(843,378)
	<hr/>
Total Other Financing Sources (Uses)	1,519,677
	<hr/>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	169,156
 Fund Balance - Beginning of Year	 193,149
	<hr/>
Fund Balance - End of Year	\$ 362,305
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Pulaski County, Illinois
Combining Balance Sheet - Modified Cash Basis
Other Governmental Funds
November 30, 2018

	<u>CDAP Recapture Fund</u>	<u>Circuit Clerk Storage Fund</u>	<u>Civil Defense Fund</u>	<u>Collector's Automation Fund</u>	<u>Collector's Indemnity Fund</u>	<u>County Bridge Fund</u>	<u>County Highway Fund</u>	<u>County Motor Fuel Fund</u>
Assets								
Cash	\$ 39,964	\$ 111,878	\$ 23,531	\$ 14,327	\$ 103,739	\$ 13,958	\$ 64,297	\$ 135,010
Certificates of Deposit Due from Other Funds			15,856		10,693 27,756			
Total Assets	<u>\$ 39,964</u>	<u>\$ 111,878</u>	<u>\$ 39,387</u>	<u>\$ 14,327</u>	<u>\$ 142,188</u>	<u>\$ 13,958</u>	<u>\$ 64,297</u>	<u>\$ 135,010</u>
Liabilities								
Due To Others	\$	\$	\$	\$	\$	\$	\$	\$
Due to Other Funds							3,916	
Total Liabilities							3,916	
Fund Equity								
Fund Balance - Restricted	39,964	111,878	39,387	14,327	142,188	13,958	60,381	135,010
Total Liabilities and Fund Equity	<u>\$ 39,964</u>	<u>\$ 111,878</u>	<u>\$ 39,387</u>	<u>\$ 14,327</u>	<u>\$ 142,188</u>	<u>\$ 13,958</u>	<u>\$ 64,297</u>	<u>\$ 135,010</u>

Pulaski County, Illinois
Combining Balance Sheet - Modified Cash Basis
Other Governmental Funds
(Continued)
November 30, 2018

	County Unit Bridge Fund	County Unit Road District Fund	County Unit Road District MFT Fund	Debt Service Reserve Fund	Drug Addiction Services Fund	Drug Task Force Fund	Extension Education Fund	Federal Aid Matching Fund
Assets								
Cash	\$ 19,829	\$ 52,549	\$ 110,713	\$ 59,058	\$ 1,132	\$ 236	\$	\$ 17,953
Certificates of Deposit Due from Other Funds		1,604						
Total Assets	<u>\$ 19,829</u>	<u>\$ 54,153</u>	<u>\$ 110,713</u>	<u>\$ 59,058</u>	<u>\$ 1,132</u>	<u>\$ 236</u>	<u>\$</u>	<u>\$ 17,953</u>
Liabilities								
Due To Others	\$	\$	\$	\$	\$	\$	\$	\$
Due to Other Funds	3,028					1,459		
Total Liabilities	3,028					1,459		
Fund Equity								
Fund Balance - Restricted	16,801	54,153	110,713	59,058	1,132	(1,223)		17,953
Total Liabilities and Fund Equity	<u>\$ 19,829</u>	<u>\$ 54,153</u>	<u>\$ 110,713</u>	<u>\$ 59,058</u>	<u>\$ 1,132</u>	<u>\$ 236</u>	<u>\$</u>	<u>\$ 17,953</u>

Pulaski County, Illinois
Combining Balance Sheet - Modified Cash Basis
Other Governmental Funds
(Continued)
November 30, 2018

	<u>General Assistance Fund</u>	<u>GIS Fund</u>	<u>Health Fund</u>	<u>Highway Grant Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>Judgment, Settlements & Claims Fund</u>	<u>Maintenance & Child Support Collections Fund</u>	<u>Mental Deficient Persons Fund</u>
Assets								
Cash	\$	\$ 20,690	\$	\$	\$ 340,611	\$ 8,112	\$ 3,438	\$
Certificates of Deposit								
Due from Other Funds					216,241	32,000		
Total Assets	<u>\$</u>	<u>\$ 20,690</u>	<u>\$</u>	<u>\$</u>	<u>\$ 556,852</u>	<u>\$ 40,112</u>	<u>\$ 3,438</u>	<u>\$</u>
Liabilities								
Due To Others	\$	\$	\$	\$	\$ 7,633	\$	\$	\$
Due to Other Funds								
Total Liabilities					7,633			
Fund Equity								
Fund Balance - Restricted		20,690			549,219	40,112	3,438	
Total Liabilities and Fund Equity	<u>\$</u>	<u>\$ 20,690</u>	<u>\$</u>	<u>\$</u>	<u>\$ 556,852</u>	<u>\$ 40,112</u>	<u>\$ 3,438</u>	<u>\$</u>

Pulaski County, Illinois
Combining Balance Sheet - Modified Cash Basis
Other Governmental Funds
(Continued)
November 30, 2018

	<u>Pulaski County 911 Fund</u>	<u>Recording Automation Fund</u>	<u>Rock and Gravel Fund</u>	<u>Senior Supportive Services Fund</u>	<u>Sex Offender Fund</u>	<u>Sheriff's Court Security Fund</u>	<u>State's Attorney Drug Task Force Fund</u>	<u>State's Attorney Automation Fund</u>
Assets								
Cash	\$ 245,721	\$ 6,697	\$ 17,850	\$	\$ 2,835	\$ 19,219	\$ 59,929	\$ 34
Certificates of Deposit						21,490		
Due from Other Funds						2,167	240	
Total Assets	<u>\$ 245,721</u>	<u>\$ 6,697</u>	<u>\$ 17,850</u>	<u>\$</u>	<u>\$ 2,835</u>	<u>\$ 42,876</u>	<u>\$ 60,169</u>	<u>\$ 34</u>
Liabilities								
Due To Others	\$	\$	\$	\$	\$	\$	\$	\$
Due to Other Funds	23,471							
Total Liabilities	23,471							
Fund Equity								
Fund Balance - Restricted	222,250	6,697	17,850		2,835	42,876	60,169	34
Total Liabilities and Fund Equity	<u>\$ 245,721</u>	<u>\$ 6,697</u>	<u>\$ 17,850</u>	<u>\$</u>	<u>\$ 2,835</u>	<u>\$ 42,876</u>	<u>\$ 60,169</u>	<u>\$ 34</u>

Pulaski County, Illinois
Combining Balance Sheet - Modified Cash Basis
Other Governmental Funds
(Continued)
November 30, 2018

	T.B. Sanitarium Fund	Township Bridge Fund	Vital Records Fund	Total
Assets				
Cash	\$	\$ 394	\$ 283	\$ 1,493,987
Certificates of Deposit				32,183
Due from Other Funds				295,864
Total Assets	\$	\$ 394	\$ 283	\$ 1,822,034
Liabilities				
Due To Others	\$	\$	\$	\$ 7,633
Due to Other Funds				31,874
Total Liabilities				39,507
Fund Equity				
Fund Balance - Restricted		394	283	1,782,527
Total Liabilities and Fund Equity	\$	\$ 394	\$ 283	\$ 1,822,034

Pulaski County, Illinois
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Modified Cash Basis - Other Governmental Funds
For the Fiscal Year Ended November 30, 2018

	<u>CDAP Recapture Fund</u>	<u>Circuit Clerk Storage Fund</u>	<u>Civil Defense Fund</u>	<u>Collector's Automation Fund</u>	<u>Collector's Indemnity Fund</u>	<u>County Bridge Fund</u>	<u>County Highway Fund</u>	<u>County Motor Fuel Fund</u>
Revenue								
Taxes	\$	\$	\$	\$ 12,610	\$ 100,880	\$ 11,408	\$ 22,911	\$
Intergovernmental			4,563					217,370
Revenue from Services		43,915		307			164,493	
All Other Revenue	33,577	1,646	463	63	197	109	6,805	53,699
Total Revenue	<u>33,577</u>	<u>45,561</u>	<u>5,026</u>	<u>12,980</u>	<u>101,077</u>	<u>11,517</u>	<u>194,209</u>	<u>271,069</u>
Expenditures								
General Government	78,907			2,052	3,507			
Public Safety			7,809					
Judiciary and Court Related		11,802						
Transportation						3,526	168,518	233,254
Public Health								
Public Welfare								
Culture and Recreation								
Capital Outlay							25,200	
Debt Service							8,127	868
Total Expenditures	<u>78,907</u>	<u>11,802</u>	<u>7,809</u>	<u>2,052</u>	<u>3,507</u>	<u>3,526</u>	<u>201,845</u>	<u>234,122</u>
Excess Revenue Over (Under) Expenditures	(45,330)	33,759	(2,783)	10,928	97,570	7,991	(7,636)	36,947
Other Financing Sources (Uses)								
Loan Proceeds								
Transfers In (Out)								
Total Other Financing Sources (Uses)								
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(45,330)	33,759	(2,783)	10,928	97,570	7,991	(7,636)	36,947
Fund Balance - Beginning of Year	85,294	78,119	42,170	3,399	44,618	5,967	68,017	98,063
Fund Balance - End of Year	<u>\$ 39,964</u>	<u>\$ 111,878</u>	<u>\$ 39,387</u>	<u>\$ 14,327</u>	<u>\$ 142,188</u>	<u>\$ 13,958</u>	<u>\$ 60,381</u>	<u>\$ 135,010</u>

Pulaski County, Illinois
Combining Statement of Revenue, Expenditures and
Changes in Fund Balances - Modified Cash Basis - Other Governmental Funds
(Continued)
For the Fiscal Year Ended November 30, 2018

	County Unit Bridge Fund	County Unit Road District Fund	County Unit Road District MFT Fund	Debt Service Reserve Fund	Drug Addiction Services Fund	Drug Task Force Fund	Extension Education Fund	Federal Aid Matching Fund
Revenue								
Taxes	\$ 11,909	\$ 34,114	\$ 376,861	\$	\$	\$	\$ 9,783	\$ 16,263
Intergovernmental	3,184	42,492	376,861					
Revenue from Services					177	1,812		
All Other Revenue	259	57,594	2,575	1,017		17		462
Total Revenue	15,352	134,200	379,436	1,017	177	1,829	9,783	16,725
Expenditures								
General Government								
Public Safety						2,266		
Judiciary and Court Related								
Transportation	11,184	89,782	378,725					43,226
Public Health								
Public Welfare								
Culture and Recreation							9,783	
Capital Outlay		71,578						
Debt Service		151,111						
Total Expenditures	11,184	312,471	378,725			2,266	9,783	43,226
Excess Revenue Over (Under) Expenditures	4,168	(178,271)	711	1,017	177	(437)		(26,501)
Other Financing Sources (Uses)								
Loan Proceeds		139,872						
Transfers In (Out)				10				
Total Other Financing Sources (Uses)		139,872		10				
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	4,168	(38,399)	711	1,027	177	(437)		(26,501)
Fund Balance - Beginning of Year	12,633	92,552	110,002	58,031	955	(786)		44,454
Fund Balance - End of Year	\$ 16,801	\$ 54,153	\$ 110,713	\$ 59,058	\$ 1,132	\$ (1,223)		\$ 17,953

Pulaski County, Illinois
Combining Statement of Revenue, Expenditures and
Changes in Fund Balances - Modified Cash Basis - Other Governmental Funds
(Continued)
For the Fiscal Year Ended November 30, 2018

	General Assistance Fund	GIS Fund	Health Fund	Highway Grant Fund	Illinois Municipal Retirement Fund	Judgment, Settlements & Claims Fund	Maintenance & Child Support Collections Fund	Mental Deficient Persons Fund
Revenue								
Taxes	\$	\$	\$ 16,325	\$	\$ 352,582	\$	\$	\$ 7,447
Intergovernmental				25,000	21,641			
Revenue from Services		15,290					39	
All Other Revenue		37			2,851	210	60	
Total Revenue		15,327	16,325	25,000	377,074	210	99	7,447
Expenditures								
General Government					177,967			
Public Safety		17,475						
Judiciary and Court Related						20,000		
Transportation								
Public Health			16,325					
Public Welfare								7,447
Culture and Recreation								
Capital Outlay				25,000				
Debt Service								
Total Expenditures		17,475	16,325	25,000	177,967	20,000		7,447
Excess Revenue Over (Under) Expenditures		(2,148)			199,107	(19,790)	99	
Other Financing Sources (Uses)								
Loan Proceeds								
Transfers In (Out)	(19,655)				44,000			
Total Other Financing Sources (Uses)	(19,655)				44,000			
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(19,655)	(2,148)			243,107	(19,790)	99	
Fund Balance - Beginning of Year	19,655	22,838			306,112	59,902	3,339	
Fund Balance - End of Year	\$	\$ 20,690	\$	\$	\$ 549,219	\$ 40,112	\$ 3,438	\$

Pulaski County, Illinois
Combining Statement of Revenue, Expenditures and
Changes in Fund Balances - Modified Cash Basis - Other Governmental Funds
(Continued)
For the Fiscal Year Ended November 30, 2018

	County 911 Fund	Recording Automation Fund	Rock and Gravel Fund	Senior Supportive Services Fund	Sex Offender Fund	Sheriff's Court Security Fund	State's Attorney Drug Task Force Fund	State's Attorney Automation Fund
Revenue								
Taxes	\$	\$	\$ 10,978	\$ 6,082	\$	\$	\$	\$
Intergovernmental								
Revenue from Services	169,520	3,107			610	36,081	31,254	34
All Other Revenue	2,099	13	210			544	3,889	
Total Revenue	171,619	3,120	11,188	6,082	610	36,625	35,143	34
Expenditures								
General Government		40						
Public Safety	63,138							
Judiciary and Court Related						30,683	10,380	
Transportation			5,968					
Public Health								
Public Welfare				6,082				
Culture and Recreation								
Capital Outlay								
Debt Service								
Total Expenditures	63,138	40	5,968	6,082		30,683	10,380	
Excess Revenue Over (Under) Expenditures	108,481	3,080	5,220		610	5,942	24,763	34
Other Financing Sources (Uses)								
Loan Proceeds								
Transfers In (Out)								
Total Other Financing Sources (Uses)								
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	108,481	3,080	5,220		610	5,942	24,763	34
Fund Balance - Beginning of Year	113,769	3,617	12,630		2,225	36,934	35,406	
Fund Balance - End of Year	\$ 222,250	\$ 6,697	\$ 17,850	\$	\$ 2,835	\$ 42,876	\$ 60,169	\$ 34

Pulaski County, Illinois
Combining Statement of Revenue, Expenditures and
Changes in Fund Balances - Modified Cash Basis - Other Governmental Funds
(Continued)
For the Fiscal Year Ended November 30, 2018

	T.B. Sanitarium Fund	Township Bridge Fund	Vital Records Fund	Total
Revenue				
Taxes	\$ 8,374	\$	\$	\$ 621,666
Intergovernmental				691,111
Revenue from Services			2,356	468,995
All Other Revenue		966	6	169,368
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	8,374	966	2,362	1,951,140
Expenditures				
General Government			6,399	268,872
Public Safety				90,688
Judiciary and Court Related				72,865
Transportation		144,959		1,079,142
Public Health	8,374			24,699
Public Welfare				13,529
Culture and Recreation				9,783
Capital Outlay				121,778
Debt Service				160,106
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	8,374	144,959	6,399	1,841,462
Excess Revenue Over (Under) Expenditures		(143,993)	(4,037)	109,678
Other Financing Sources (Uses)				
Loan Proceeds				139,872
Transfers In (Out)				24,355
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)				164,227
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses		(143,993)	(4,037)	273,905
Fund Balance - Beginning of Year		144,387	4,320	1,508,622
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance - End of Year	\$	\$ 394	\$ 283	\$ 1,782,527
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Pulaski County, Illinois
Combining Statement of Assets and Liabilities - Modified Cash Basis
Fiduciary Funds
November 30, 2018

	<u>Collector's Fund</u>	<u>Eminent Domain Fund</u>	<u>Escrow (Bowles) Fund</u>	<u>Escrow (Brown) Fund</u>	<u>Escrow (May) Fund</u>	<u>Escrow (Robinson) Fund</u>	<u>Escrow (Stubblefield) Fund</u>	<u>Escrow (Yandell) Fund</u>
Assets								
Cash	\$ 711,767	\$ 1,651	\$ 4,106	\$ 4,189	\$ 457	\$ 3,829	\$ 2,000	\$ 500
Due from Others		39		39		39		
Due from Other Funds	44,330							
Total Assets	<u>\$ 756,097</u>	<u>\$ 1,690</u>	<u>\$ 4,106</u>	<u>\$ 4,228</u>	<u>\$ 457</u>	<u>\$ 3,868</u>	<u>\$ 2,000</u>	<u>\$ 500</u>
Liabilities								
Due to Others	\$ 756,097	\$ 1,690	\$ 4,106	\$ 4,228	\$ 457	\$ 3,868	\$ 2,000	\$ 500
Due to Other Funds								
Total Liabilities	<u>\$ 756,097</u>	<u>\$ 1,690</u>	<u>\$ 4,106</u>	<u>\$ 4,228</u>	<u>\$ 457</u>	<u>\$ 3,868</u>	<u>\$ 2,000</u>	<u>\$ 500</u>

Pulaski County, Illinois
Combining Statement of Assets and Liabilities - Modified Cash Basis
Fiduciary Funds
November 30, 2018

	Hotel Tax Fund	Inmate Trust Fund	Personal Property Replacement Tax Fund	Privilege Tax Fund	Trustee Redemption Fund	Total
Assets						
Cash	\$ 795	\$ 478,930	\$ 222	\$ 65,771	\$ 327,102	\$ 1,601,319
Due from Others						117
Due from Other Funds			660		81,619	126,609
Total Assets	<u>\$ 795</u>	<u>\$ 478,930</u>	<u>\$ 882</u>	<u>\$ 65,771</u>	<u>\$ 408,721</u>	<u>\$ 1,728,045</u>
Liabilities						
Due to Others	\$ 795	\$ 478,930	\$ 882	\$ 65,771	\$ 408,721	\$ 1,728,045
Due to Other Funds						-
Total Liabilities	<u>\$ 795</u>	<u>\$ 478,930</u>	<u>\$ 882</u>	<u>\$ 65,771</u>	<u>\$ 408,721</u>	<u>\$ 1,728,045</u>

Pulaski County, Illinois

Assessed Valuation, Tax Rates and Extensions

Tax Levy Year 2017

Equalized Assessed Value	<u>\$42,424,706</u>
<u>Tax Rates:</u>	
County Ambulance	0.15814 %
County Bridge	0.03065
County Corporate	0.26181
County Highway	0.06129
County Unit Road	0.11170
County Unit Bridge	0.03183
Federal Aid Matching	0.04361
Health	0.04367
Insurance	2.11175
Mentally Deficient Persons	0.01992
Municipal Retirement	0.94285
Rock and Gravel	0.02947
Senior Supportive Services	0.01627
Tuberculosis	0.02240
University of IL Extension	<u>0.02617</u>
Total County Tax Rate	<u>3.91153 %</u>
<u>Taxes Extended:</u>	
County Ambulance	\$67,076
County Bridge	13,000
County Corporate	111,048
County Highway	25,996
County Unit Road	47,377
County Unit Bridge	13,500
Federal Aid Matching	18,497
Health	18,523
Insurance	895,707
Mentally Deficient Persons	8,449
Municipal Retirement	399,913
Rock and Gravel	12,500
Senior Supportive Services	6,901
Tuberculosis	9,501
University of IL Extension	<u>11,100</u>
Total County Taxes Extended	<u>\$1,659,088</u>

Pulaski County, Illinois
Schedule of Findings and Responses
November 30, 2018

2018-01

Program: All funds.

Criteria: County deposits should be insured or collateralized at all times.

Condition: County deposits exceeded the federal depository insurance and established collateral.

Cause: Controls are not in place to ensure that all funds are insured or collateralized at all times.

Effect: Some County deposits were exposed to custodial credit risk.

Questioned costs: None.

Recommendation: Management should establish procedures to periodically verify that balances or anticipated receipts will not exceed the established collateral and federal depository insurance.

Management's response: Pulaski County will establish procedures to ensure that all deposits are collateralized or insured at all times.

2018-02

Program: General Fund and Certain Other Governmental Funds.

Criteria: Actual expenditures of each fund should not exceed budgeted amounts.

Condition: Actual expenditures exceeded budgeted amounts in several funds.

Cause: Procedures are not in place to monitor the budget and amend as needed.

Effect: Actual expenditures exceeded the budgeted expenditures.

Questioned costs: None.

Recommendation: Management should establish procedures to periodically monitor budget to actual amounts and amend the budget as necessary.

Management's response: Pulaski County will establish procedures to monitor the entire budget and amend the budget as necessary.

2018-03

Program: All funds with interfund loans.

Criteria: Interfund loans are short-term loans and should be paid back in a timely manner.

Condition: Interfund loans were not paid back in a timely manner.

Cause: Procedures are not in place to ensure that interfund loans are paid back in a timely manner.

Effect: Interfund loans were not paid back in a timely manner.

Questioned costs: None.

Recommendation: Management should develop a plan to repay all interfund loans in a timely manner.

Management's response: Pulaski County repaid several of the interfund loans during the year and is developing a plan to make sure all loans are repaid in a timely manner.

2018-04

Program: All funds.

Criteria: Main accounting system should incorporate all activities and transactions of the County and the accounts should be properly reconciled to ensure proper oversight and accountability. The County Board should approve any bank account that is opened or closed for the County.

Condition: The County accounting system does not include all transactions of the County and therefore the County cannot ensure accurate financial statements.

Cause: Some bank accounts of the County are not included in the main accounting system or transactions are not properly accounted for in the general ledger; and some accounts are not properly reconciled and the reconciliations are not performed in a timely manner. Transactions are posted across funds and therefore funds are out of balance. Clearing accounts, payroll liability accounts, net assets and other general ledger accounts are not reconciled. Some accounts are not properly set up resulting in errors in net assets.

Effect: Financial statements are materially misstated.

Questioned costs: Unknown.

Recommendation: Management should develop and implement accounting procedures to ensure that all accounts are properly accounted for and reconciled. Additional oversight should be provided to ensure compliance with the established procedures.

Management's response: Management will develop and implement new procedures to ensure that all accounts are properly accounted for and reconciled.

2018-05

Program: All funds with payroll transactions.

Criteria: Controls should be in place to ensure payroll transactions are properly recorded and payroll-related bank accounts are properly reconciled in a timely manner.

Condition: Errors and irregularities occurred.

Cause: Controls are not established to prevent and detect errors and irregularities. Payroll transactions are not properly recorded and payroll-related bank accounts are not properly reconciled in a timely manner. The lack of controls and oversight resulted in three checks clearing the bank account that were not posted in the payroll transactions.

Effect: Payroll transactions were not properly recorded; bank accounts were not reconciled and therefore errors and irregularities occurred.

Questioned costs: \$2,794

Recommendation: Management should establish procedures to ensure payroll transactions are properly recorded and payroll-related bank accounts are properly reconciled in a timely manner. Management should also conduct further detailed examination of payroll transactions to verify that additional checks not listed in the payroll transactions have cleared the bank.

Management's response: The questioned funds have been reimbursed. The County has purchased new accounting software and implemented new procedures to ensure that the account is properly reconciled in a timely manner and these errors and irregularities do not occur again.

2018-06

Program: All funds.

Criteria: All capital assets purchased should be inventoried and accounted for to safeguard the assets from possible theft and ensure accurate reporting.

Condition: The County does not maintain a record of all assets purchased or tag all items for proper identification as property of the County.

Cause: Controls are not in place to ensure proper safeguarding and reporting of capital assets.

Effect: Capital assets are not properly safeguarded or reported.

Questioned costs: None.

Recommendation: Management should establish a process of tagging all capital assets purchased, keep an accurate list of all assets and periodically perform a physical inventory of the assets.

Management's response: Pulaski County will consider the cost benefit of accounting for the fixed assets and will comply with the requirements when the benefits exceed the costs.