

**INTEGRITY**

**RESPECT**

**ACCOUNTABILITY**



**POPULAR  
ANNUAL  
FINANCIAL REPORT  
County of McHenry, Illinois**

**FOR THE YEAR ENDED  
NOVEMBER 30, 2018**

**County of McHenry, Illinois**  
POPULAR ANNUAL FINANCIAL REPORT  
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November 30, 2018

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# Introduction to the Popular Annual Financial Report



## **McHenry County extends into the following Cities, Towns, and Villages:**

Algonquin  
Barrington Hills  
Bull Valley  
Cary  
Crystal Lake  
Fox Lake  
Fox River Grove  
Greenwood  
Harvard  
Hebron  
Holiday Hills  
Huntley  
Island Lake  
Johnsburg  
Lake in the Hills  
Lakemoor  
Lakewood  
Marengo  
McCullom Lake  
McHenry  
Oakwood Hills  
Port Barrington  
Prairie Grove  
Richmond  
Ringwood  
Spring Grove  
Trout Valley  
Union  
Wonder Lake  
Woodstock

## **Townships in the County:**

Alden  
Algonquin  
Burton  
Chemung  
Coral  
Dorr  
Dunham  
Grafton  
Greenwood  
Hartland  
Hebron  
Marengo  
McHenry  
Nunda  
Richmond  
Riley  
Seneca

## **To the residents of McHenry County:**

I am pleased to present McHenry County's Popular Annual Financial Report (PAFR) for the fiscal year ended November 30, 2018, prepared by the County Administration - Finance Division. This report provides a summary of the County's revenue, spending, and financial condition. The report also includes supplementary information on local economic conditions, major accomplishments by the County government, and a listing of the current County Board Members and Elected Officials. My goal in producing this report is to communicate the County's financial operations in a straightforward and easy-to-read format, so that you may obtain a better understanding of McHenry County Government. The County's PAFR for fiscal year 2017 received the Government Finance Officers Association's (GFOA) Award for Outstanding Achievement, which is the tenth consecutive year that the County has received this prestigious award.

The information in this report is derived from the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended November 30, 2018, which was audited by Baker Tilly Virchow Krause LLP and received an unqualified (clean) opinion. The CAFR is a highly detailed financial report that is prepared in conformity with Generally Accepted Accounting Principles (GAAP). The County has received GFOA's Certificate of Achievement for Excellence in Financial Reporting for the CAFR for 20 consecutive years. The financial schedules presented in the PAFR have been summarized and combined from assorted financial statements in the CAFR. The PAFR omits the financial statements on business-type activities, discretely presented component units, proprietary funds, and fiduciary funds, which are included in the CAFR. Governmental funds are incorporated, since most of the County's basic services are included. Anyone who is interested in reading the fiscal year 2018 CAFR can find the report on the County's website at <https://www.mchenrycountyil.gov/county-government/departments-a-i/administration/comprehensive-annual-financial-reports>. Prior year CAFRs are also available online, as well as a number of other reports, including PAFRs, Single Audit Reports, Circuit Clerk Financial Statements, and Vendor Payment Reports.

The first section of this PAFR presents three perspectives that help assess the County's overall financial health. The first perspective reviews the County's ability to pay its bills, the second perspective reviews the County's overall financial position, and the third perspective presents an analysis of local, state, and national economic conditions. The second section of the PAFR includes financial schedules that describe where the County derives its funds, what the County spends its funds on, and what major programs and services the County provides. The last financial schedule includes information on the collection and usage of property tax dollars.

This report is for your use in understanding the operations of the McHenry County Government and is not intended to replace the CAFR. It is simply a means of promoting public awareness and confidence in the County government. It is an honor to serve as the County Administrator and I encourage any questions, concerns, or feedback as to the contents of this report or the operations of the County. Feel free to contact me at my office - 815.334.4226, by email - [pbaustin@mchenrycountyil.gov](mailto:pbaustin@mchenrycountyil.gov), or by stopping in at my office in the Administration Building - Room 209.

Best regards,

*Peter Austin*, McHenry County Administrator

September 30, 2019

## Awards Received for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has presented an Award for Outstanding Achievement in Popular Annual Financial Reporting to McHenry County for its Popular Annual Financial Report for the fiscal year ended November 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government popular reports.

### **Award for Outstanding Achievement in Popular Annual Financial Reporting**

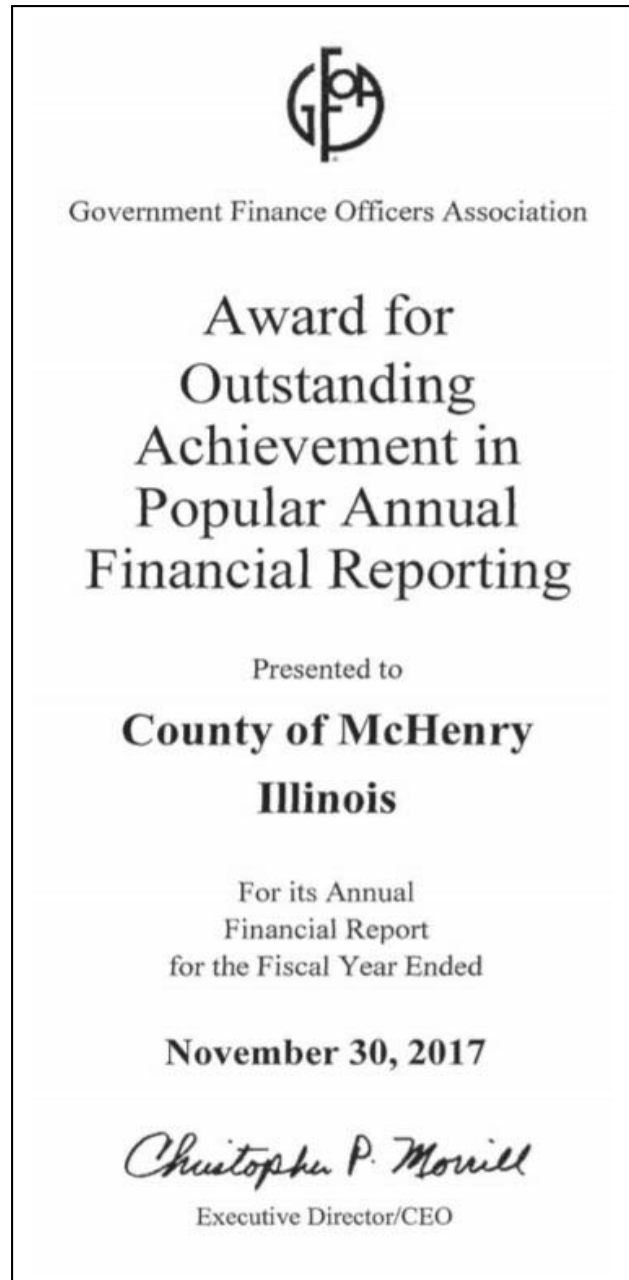
The Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended November 30, 2017 represents the tenth consecutive year that the County has received this prestigious award. We believe that the current PAFR for the fiscal year ended November 30, 2018 also conforms to the high standards of the award program and the PAFR has been submitted to GFOA.

### **Certificate of Achievement for Excellence in Financial Reporting**

As described in the introduction to the PAFR, the information presented within the PAFR was derived from the County's CAFR. The County is proud to report that its CAFR for the fiscal year ended November 30, 2017 has been recognized with the Certificate of Achievement for Excellence in Financial Reporting. This certificate represents the 20<sup>th</sup> consecutive year that the County has received this award. Anyone who is interested in reading the CAFR can find the report on the County's website at <https://www.mchenrycountyil.gov/county-government/departments-administration/comprehensive-annual-financial-reports>.

### **Distinguished Budget Presentation Award**

The County has received the Distinguished Budget Presentation Award from GFOA for the last five consecutive fiscal years.



## Profile of McHenry County, Illinois

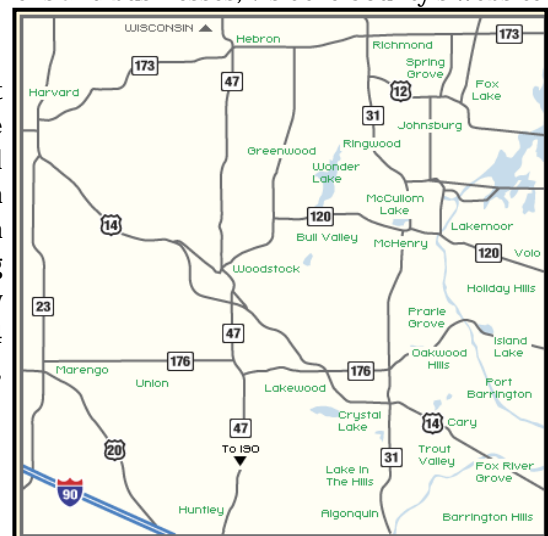
McHenry County is located in northeastern Illinois, approximately 50 miles northwest of Chicago. The County covers a total area of 611 square miles, including 603 square miles of land and 8 square miles of water. The 2018 estimated population of the County was 308,570 which ranks sixth out of 102 Counties in Illinois. Over 30 communities reside within the County, the largest of which is the City of Crystal Lake, with a 2018 estimated population of 40,036, which ranks 42nd out of 1,299 municipalities in Illinois. Major transportation routes include I-90, which passes through the southwest corner of the County, as well as several state highway routes, making the County easily accessible to areas in northern Illinois and southern Wisconsin. Adjacent counties include Walworth and Kenosha Counties in Wisconsin (north), Lake and Cook Counties (east), Kane and DeKalb Counties (south) and Boone County (west).

The County was created by the Illinois legislature in 1836. The County was named after Major William McHenry, who fought in the Blackhawk War in 1832. Originally, McHenry County stretched to Lake Michigan on the east until 1839, when voters were granted the right to form a new County, which was named Lake County. The City of McHenry was the location of the original County seat. However, after Lake County split from McHenry County, a more central location was desired and the County seat was relocated to the City of Woodstock in 1844. In December 1849, voters established a township system of government, in part to provide a better system for road taxation, due to the poor road systems in place. The introduction of railroads brought changes to the County as it enabled farmers the ability to ship their products to Chicago's markets and provided transportation for commuting to city jobs. All of the changes made throughout the early years resulted in migration of residents who sought the rural lifestyle for raising their families, while still having access to the city for their jobs. The result of this transformation was the growth and establishment of the towns, cities, and villages that exist today.

The County operates under a board-administrator structure, in addition to nine independently elected County officials. The Board is comprised of twenty-four members elected from six districts and one Countywide elected Chairman. Board members serve four year terms, with the exception of two year staggered terms every ten years. The Board is both the legislative policy maker and the supervisor of County Administration. The County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees department directors. The nine independently elected County officials are the Auditor, Clerk of the Circuit Court, Coroner, County Clerk, Recorder, Sheriff, State's Attorney, Regional Superintendent of Education, and Treasurer. Elected officials serve four year terms. See page 18 for a list of current County Board members and elected County officials.

McHenry County provides a full range of services including law enforcement, construction and maintenance of roads and bridges, property assessment and tax collection, official records, elections, document recording, comprehensive planning and growth management, housing and community development programs, social service programs, judicial functions, health services, animal services, emergency disaster and response planning, storm water management, environmental protection, and administrative functions. For a detailed listing of the County's departments and the vital services that the County provides for its citizens and businesses, visit the County's website at <http://www.mchenrycountyil.gov>.

Over the past few decades, the County has experienced significant commercial and residential growth. As a result, the population of the County has increased from 183,241 in 1990, to 260,077 in 2000, and an estimated 308,570 in 2018. Also, the County's assessed valuation has increased from \$5.0 billion in 2000 to nearly \$8.0 billion in 2018. In order to meet the ever-expanding needs of the growing County, the number of full-time equivalent employees of the County has increased as well, from 877 in 2000 to 1,100 in 2018. See page 14 for a list of the County's major accomplishments for fiscal year 2018, as well as future plans.

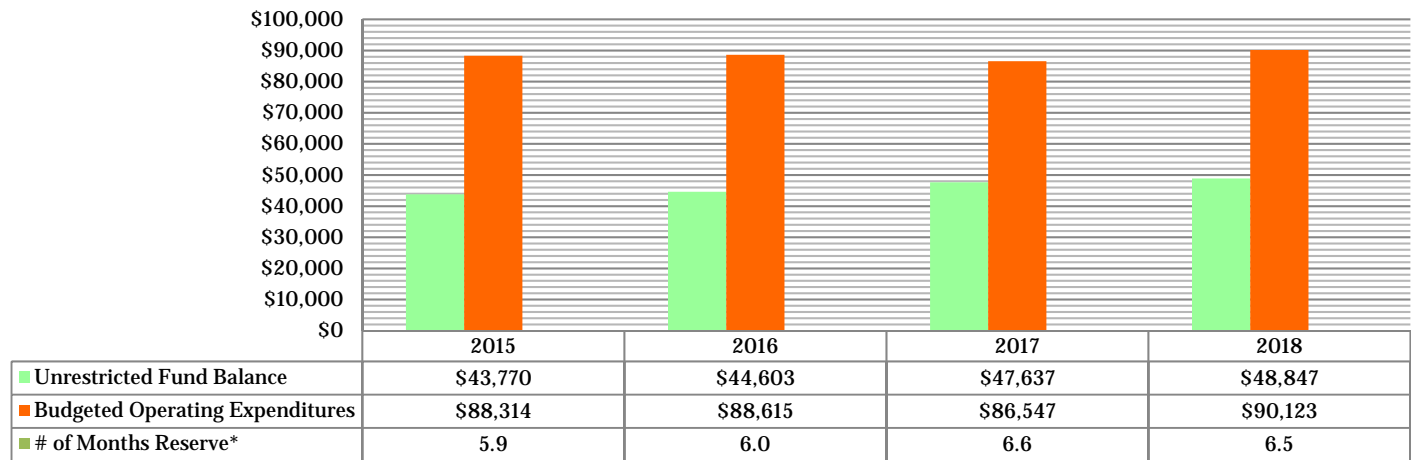


## Perspective #1 – Short-Term Financial Health

The first step in assessing the overall financial health of the County is to review the County’s short-term financial health. A review of the County’s short-term financial health helps to answer the question: Is the County able to pay its bills (both expected and unexpected) on time? The most useful measure of short-term financial health is the level of unrestricted fund balance in the general fund. Unrestricted fund balance is a measure of net financial resources that are unconstrained in their usage and are available to pay future expenditures. The general fund is the main operating fund of the County. It is vital for the County to maintain an adequate balance of unrestricted fund balance to protect against revenue shortfalls, unanticipated expenditures, or other unexpected events. The Government Finance Officers Association (GFOA) recommends that governments maintain a minimum balance of no less than two months of general fund expenditures. However, prudent financial management and circumstances often suggest that higher levels are needed. The County has a formal budget policy requiring that the general fund maintain unrestricted fund balance equal to five months of budgeted operating expenditures.

As of November 30, 2018, the general fund had unrestricted fund balance of \$48,847,030 compared to budgeted operating expenditures of \$90,123,963, which is a reserve of 6.5 months. The following chart shows unrestricted fund balance compared to budgeted operating expenditures in the general fund over the last four fiscal years.

**General Fund - Unrestricted Fund Balance and Budgeted Operating Expenditures  
Last Four Fiscal Years (in thousands - 000s)**



\*row is not presented on the graph

The level of unrestricted fund balance is not static and may increase or decrease over time based on many factors. As such, more important than the level of unrestricted fund balance at any one point in time is the pattern of unrestricted fund balance over the past several years. As shown above, the level of unrestricted fund balance in the general fund increased from 5.9 months in 2015, to 6.0 months in 2016 and then increased to 6.6 months in 2017. Although unrestricted fund balance is higher in 2018 than 2017, the number of months of reserve is slightly less due to budgeted operating expenditures. The County’s budget policy requires that whenever the reserve in the general fund rises above the five month target, a plan is to be adopted to spend down the surplus. This policy was amended from six months to 5 months in 2018. In 2015, 2016 and 2017, the County achieved the required spend down when the general fund reserve declined to 5.9, 6.0 and 6.6 months, which is just at or below the six month target. Additionally, the County’s budget policy only requires an action plan to be developed to bring the reserve back up to the five month target when the level of unrestricted fund balance falls to approximately 3.3 months. No action plan is currently required to bring the reserve down to the five month target.

Overall, this chart demonstrates that the County’s current short-term financial health is strong and that the County is in a good financial position to withstand potential near-term revenue shortfalls, unanticipated expenditures, or other unexpected events.

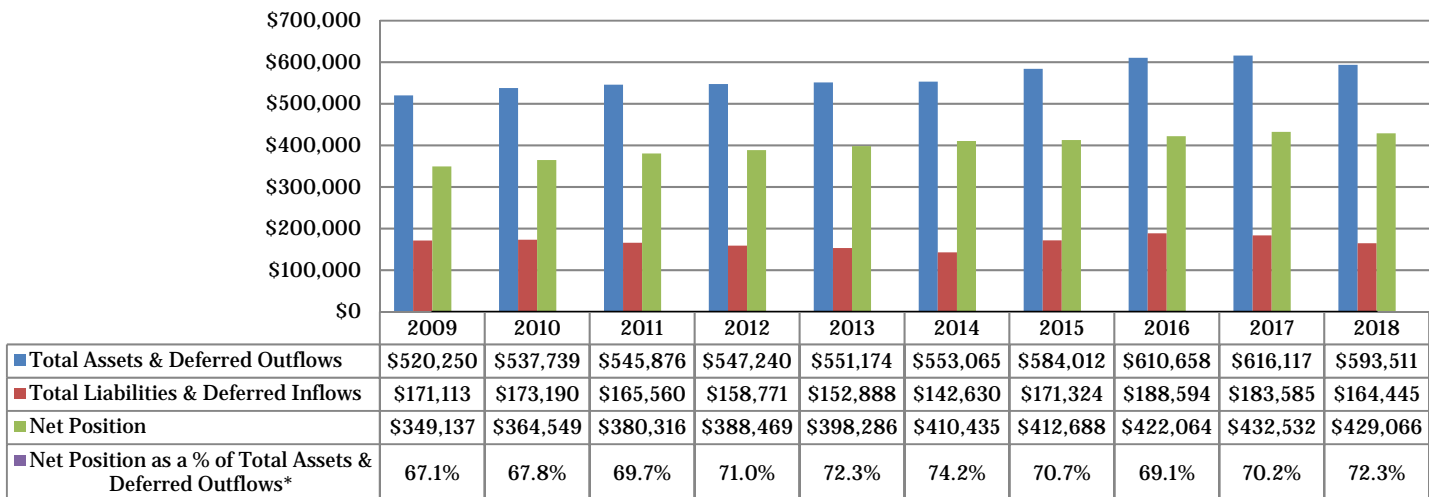
## Perspective #2 – Financial Position

As shown in perspective #1, unrestricted fund balance in the general fund is a valuable measure of the County's short-term financial health, but it does not provide a complete picture of the County's financial position. Whereas the general fund has a short-term focus, there is another section of the CAFR called government-wide statements, which focus on a wider economic perspective. As a result of this broader perspective, the government-wide statements present all of the County's assets, liabilities, and deferred inflows/outflows of resources, including capital assets, such as land, equipment, and buildings, and long-term debt, including outstanding bonds and notes, which are all items that are not presented in the general fund. The government-wide statements present a more complete picture of the County's financial position, using a basis that is comparable to those used by private businesses.

On the government-wide statements, total assets & deferred outflows of resources minus total liabilities & deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The following table presents a summary of net position for governmental activities for the last ten fiscal years:

**Summary of Total Assets & Deferred Outflows, Total Liabilities & Deferred Inflows,  
and Net Position - Governmental Activities  
Last Ten Fiscal Years  
(in thousands - 000s)**



\*row is not presented on the graph

As shown above, the County's assets & deferred outflows have significantly exceeded its liabilities & deferred inflows every year over the past ten years. Net position has also increased significantly, from \$349.1 million in 2009 to \$429.1 million in 2018; an increase of \$80.0 million or 22.9%. Also, net position has remained consistent as a percentage of total assets & deferred outflows, ranging from 67.1% - 74.2%, with the highest level occurring in 2014. Overall, the chart shows that the County's current financial position is sound and shows a trend of stability in net position as a percentage of total assets & deferred outflows over the past ten fiscal years.

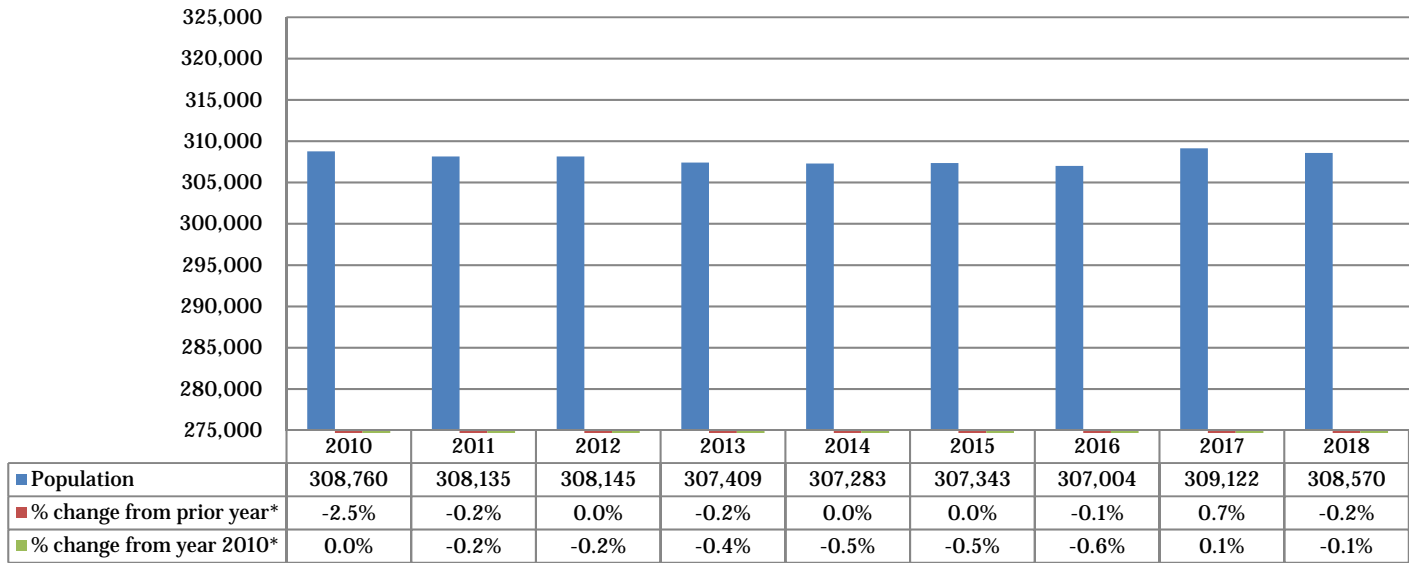
Net position is broken down into three categories, net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents the portion of net position related to capital assets, less any related outstanding debt, and is not available for spending. Restricted net position represents the portion of net position that has legal restrictions on how the resources may be spent. Finally, all other net position falls into the unrestricted category. For 2018, net investment in capital assets was \$345.9 million or 80.6% of total net position, restricted was \$82.1 million or 19.1% of total net position, and unrestricted was \$1.0 million or 0.2% of total net position.

## Perspective #3 – Economic Condition

While the first two perspectives present valuable insights into the short-term and overall financial position of the County, economic conditions and other circumstances will also impact the County’s future financial position. Therefore, a review of local, state, and national economic conditions is crucial for a complete evaluation of the County’s financial health. Considering major economic factors can provide context for interpreting current financial information, as well as provide a basis for assessing the likelihood that the County’s current financial position will improve or deteriorate in the future.

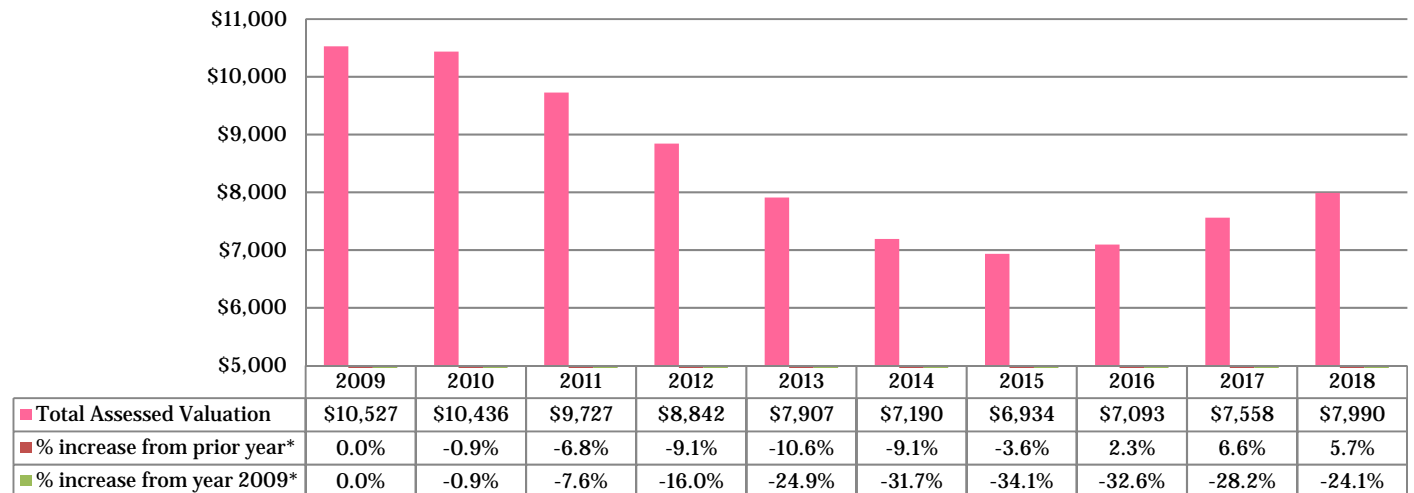
The following statistics represent a sample of major economic factors that impact the County’s financial situation.

**McHenry County Population  
Last Nine  
Years**



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**McHenry County Total Assessed Valuation  
Last Ten Years  
(in millions)**

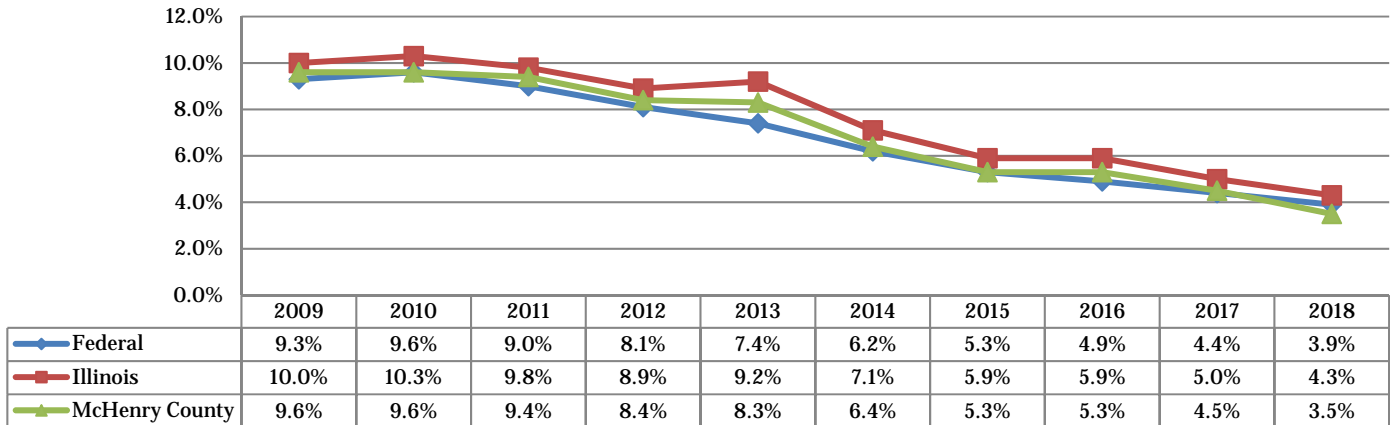


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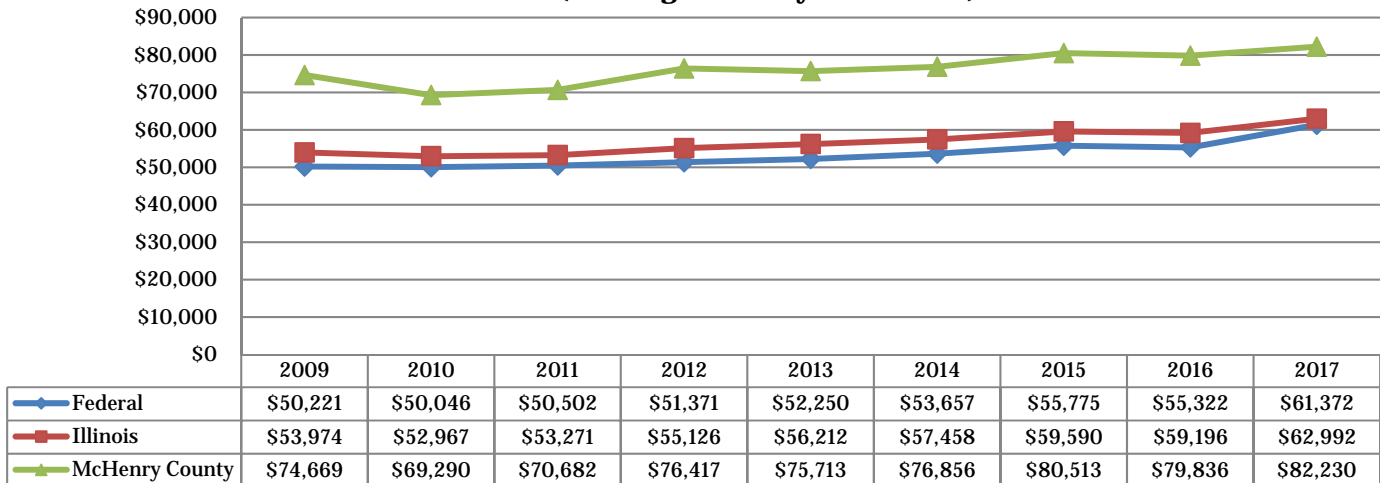


## Perspective #3 – Economic Condition (Continued)

**Unemployment Rate  
Last Ten Years**



**Median Household Income  
Last Ten Years (2018 figures not yet available)**



Over the last decade, the County's population has remained steady. The population figure for 2010 is from the 2010 US Federal Census. Population figures for 2011 - 2018 represent estimates provided by the US Census Bureau. The County's total assessed valuation increased from 2008 to 2009, where it peaked at \$10.5 billion. From 2009 through 2015, assessed valuations decreased every year, to a low of \$6.9 billion in 2015, which represents a decrease of \$3.6 billion or 34.3% from the peak in 2009. However, from 2015 it increased slightly to \$7.9 billion (the 2013 level) and has increased 15.2% since 2015. The main reason for this pattern is the great recession, which lasted from December 2007 through June 2009 and had a significant impact on the local real estate market. While home values may have bottomed out, the effects of the recession are likely to cause slow growth in population and assessed valuations for the foreseeable future.

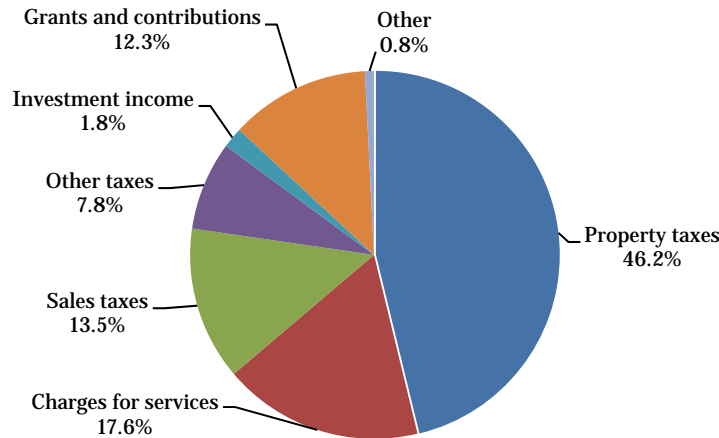
The unemployment rate and median household income statistics also show how the great recession has affected the County and its citizens. The County's unemployment rate was 3.5% in 2018, which represents a significant improvement from the peak rate of 9.6% for 2009 and 2010. The County's unemployment rate is at its lowest level since before 2009. The County's median household income increased from \$74,669 in 2009 to \$82,230 in 2017. The County's median household income has consistently exceeded both Federal and State benchmarks. As economic conditions continue to improve, the County will be well positioned to maintain its sound financial position.

## Revenues – What is the County’s Source of Funding?

The County receives its funding from a variety of sources, of which the largest single source is property taxes. The following table and chart present revenues for governmental activities for 2018 and 2017.

<u>Revenue Source</u>	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Charges for services	\$ 27,359,946	\$ 25,663,951	\$ 1,695,995	6.6%
Grants and contributions	19,041,472	17,882,328	1,159,144	6.5%
Property Taxes	71,727,133	79,204,833	(7,477,700)	-9.4%
Sales Taxes	20,963,511	20,111,544	851,967	4.2%
Other Taxes	12,142,468	11,398,543	743,925	6.5%
Investment Income	2,238,585	1,865,769	372,816	20.0%
Other	<u>1,293,653</u>	<u>1,348,568</u>	<u>(54,915)</u>	<u>-4.1%</u>
<b>Total</b>	<b>154,766,768</b>	<b>157,475,536</b>	<b>(2,708,768)</b>	<b>-1.7%</b>

**Governmental Activities - Revenues  
Fiscal Year 2018**



**Charges for services** represent fees paid by individuals, businesses, or other governments who purchase, use, or directly benefit from the goods or services provided. For 2018, the largest items in this category include \$10.1 million for jail space rental, \$2.3 million for circuit clerk fees, \$1.2 million for penalties/fees on delinquent taxes, \$0.9 million for recording fees, and \$1.5 million for court services salary reimbursements. Jail space rental increased from \$8.8 million for 2017 to \$10.1 million for 2018; an increase of \$1.3 million or 14.8%. The US Immigration and Customs Enforcement, the largest participant, continues to house inmates in the County jail.

**Grants and contributions** represent payments or donations from individuals, businesses, or other governments through agreements under which the funds are restricted for use in a particular program. For 2018, the largest items in this category include \$11.7 million for transportation programs, \$4.4 million for public health and welfare programs, and \$1.4 million for community development programs.

**Property taxes** represent a tax on all real estate and improvements with the County. Property taxes are considered to be a general revenue source, since they are available to fund all programs of the County. Property taxes decreased by \$7.5 Million or 9.4% from 2017 due to an adopted property tax levy reduction.

**Sales taxes** represent a tax imposed on consumers for the purchase of certain goods and services. The current sales tax rate for general merchandise throughout the County ranges from 7.0% to 8.0%. Sales taxes increased \$0.8 Million or 4.2% from 2017.

**Other taxes** include \$6.0 million for state income taxes, \$2.9 million for tax transfer stamps, and \$1.9 million for local use taxes.

**Investment income** consists of interest earned on the County’s cash and investments.

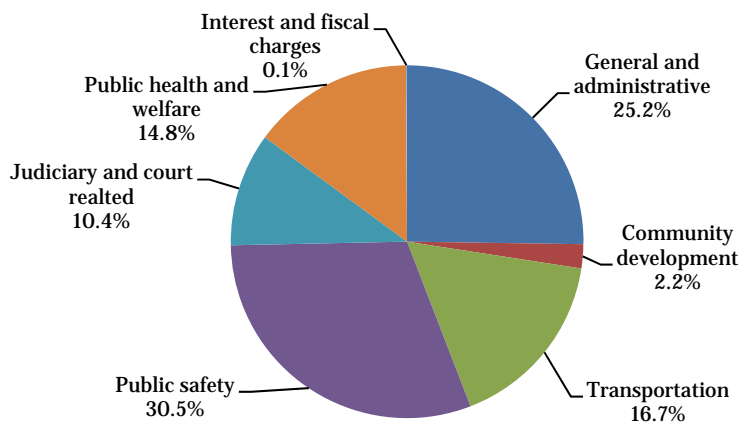
**Other revenues** include gains on the sale of capital assets and miscellaneous revenues.

## Expenses – What does the County spend its funds on?

The County spends its funds providing vital programs and services for the community. All of the County’s activities are grouped into categories that describe the nature of the activity. The following table and chart present expenses for governmental activities for 2018 and 2017.

<u>Function</u>	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
General and administrative	\$ 38,063,027	\$ 38,577,137	\$ (514,110)	-1.3%
Community development	3,252,596	3,741,368	(488,772)	-13.1%
Transportation	25,252,117	20,307,973	4,944,144	24.3%
Public Safety	46,035,389	45,496,267	539,122	1.2%
Judiciary & Court Related	15,676,678	15,974,311	(297,633)	-1.9%
Public health and welfare	22,339,196	22,429,015	(89,819)	-0.4%
Interest and fiscal charges	<u>158,182</u>	<u>271,850</u>	<u>(113,668)</u>	<u>-41.8%</u>
<b>Total</b>	<b>150,777,185</b>	<b>146,797,921</b>	<b>3,979,264</b>	<b>2.7%</b>

**Governmental Activities - Expenses  
Fiscal Year 2018**



**General and administrative** includes many essential services for citizens, such as document recording, birth, marriage, and death certificates, election administration, supervision of assessments, and collection of property taxes. Also included in this category are the County Board, administration, finance, accounting, purchasing, human resources, information technology, and facilities management.

**Community development** includes long-term land use planning, building permits and inspections, the zoning board of appeals, and the administration of various grants.

**Transportation** includes construction and maintenance of County roads and bridges and long-term transportation planning. Expenditures in this category vary from year to year, based on the timing and volume of road construction projects.

**Public safety** includes the activities of the Sheriff, Coroner, and Emergency Management Offices. The Sheriff's Office represents the largest component of public safety and activities performed including patrol, detectives, County jail, and County garage. The increase in this category was due to additional jail expenses due to the immigration detainees.

**Judiciary and court related** represents all activities related to the 22<sup>nd</sup> Judicial Circuit Court and includes the activities of the Clerk of the Circuit Court, Court Administration, Court Services, Public Defender, and the State's Attorney.

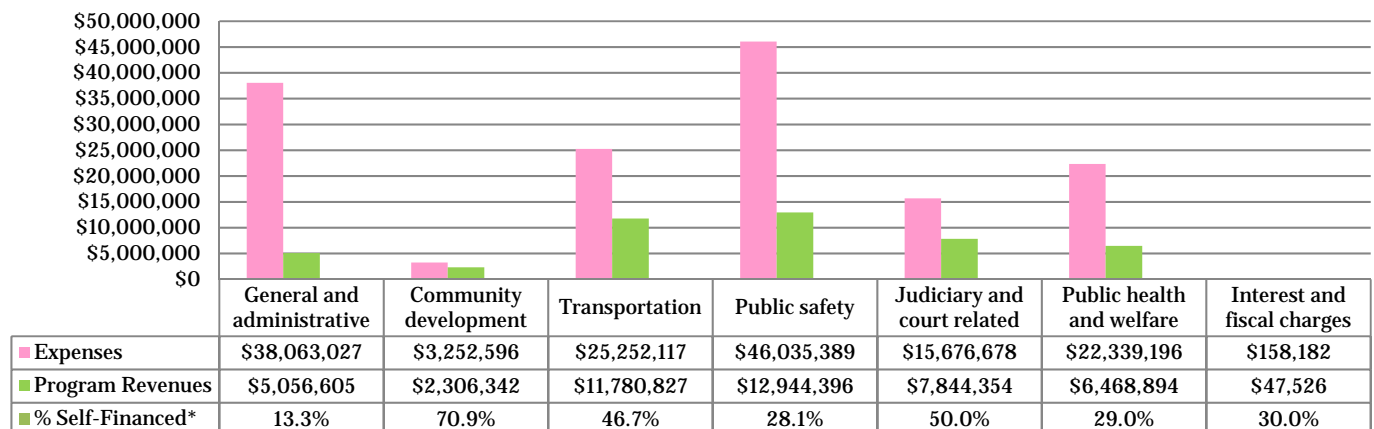
**Public health and welfare** represents programs that protect and promote the general health and well-being of the County and includes the activities of the Health Department, Mental Health Department, Workforce Network, and Veteran's Assistance.

**Interest and fiscal charges** represents interest and fees paid on the County's long-term debt.

## Program Revenues and Expenses by Function

The following chart presents a comparison between direct expenses and program revenues for each of the County's functions. Direct expenses are those that are specifically associated with a function. Program revenues consist of charges for services and grants and contributions, which are described on page 9. All other revenues are considered to be general revenues, which means they are not associated with a particular function and are available to finance all of the activities of the County. The comparison of direct expenses and program revenues identifies the extent to which each function is self-financing or draws from the general revenues of the County.

**Governmental Activities - Expenses and Program Revenues  
Fiscal Year 2018**



\*row is not presented on the graph

A high percentage of self-financing, such as for community development, transportation, and judiciary and court related, indicates that a function is primarily self-financed through program revenues generated by activities within that function. A low percentage of self-financing, such as for general and administrative, public safety, public health and welfare, and interest and fiscal charges, indicates that a function is primarily financed through general revenues. The percentage of self-financing is not a measure of program efficiency, since many important activities are not able to generate program revenues, but rather a measure of how increases in service levels could impact the financing needed to pay for such increases. For example, an increase in service levels for an activity that does not generate a significant amount of program revenues will likely require an increase in general revenues.

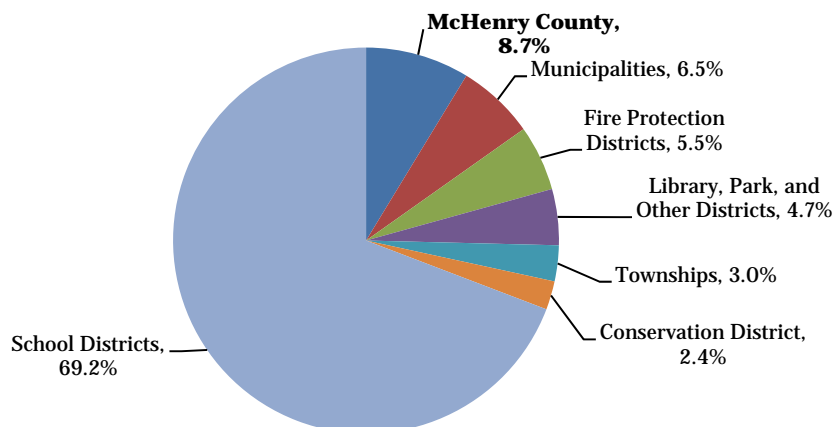
As mentioned above, some activities generate substantial program revenues, while other activities generate only a small amount or no program revenues. The function that has the highest percentage of self-financing for 2018 is community development, with a percentage of 70.9%. Included in program revenues for community development is \$1.4 million for operating grants and \$0.9 million in charges for services. These program revenues can only be spent on community development projects and cannot be used by the County on any other function. Besides interest and fiscal charges, the function that has the lowest percentage of self-financing is general and administrative, with a percentage of 13.3%. The primary reason that this function has a low percentage of self-financing is that many of the activities in this category do not provide services directly to individuals, businesses, or other governments, but rather support the operations of other County Departments. Typically, internal activities such as these do not generate program revenues. These activities include the County Board, administration, finance, accounting, purchasing, human resources, information technology, and facilities management.

## Property Taxes – Where do your property taxes go?

Where do your property taxes go? While the County issues property tax bills each year and is responsible for collecting the payments, only a small portion is retained by the County. The vast majority of property taxes are remitted to other government agencies within McHenry County. There are over 100 separate government agencies that are located, at least partially, within McHenry County. Other districts include cities, villages, school districts, park districts, fire protection districts, library districts, townships, conservation districts, and various other districts. Depending on the specific location of a real estate parcel within the County, property taxes for that parcel will be collected for a combination of separate districts.

The following chart presents the breakout by government type for a typical property tax bill. The chart is for illustrative purposes only, based on an average of all property tax bills. As noted above, each real estate parcel pays property taxes to a varying combination of government agencies, based on its location, and the actual breakout by government type will vary accordingly.

**Property Taxes - Breakout by Government Type**



As shown on the above chart, the largest component of a typical property tax bill goes to school districts. The following table illustrates an average breakout by dollar amount for a sample tax bill of \$1,000. Again, the chart is for illustrative purposes only, based on an average of all property tax bills.

**Property Taxes - Breakout by Government Type**  
**Sample Property Tax Bill - \$1,000**

District Type	Amount	% of Total
School Districts	\$ 692	69.2 %
County	87	8.7
Municipalities	65	6.5
Fire Protection Districts	55	5.5
Townships	30	3
Library Districts	27	2.7
Conservation District	24	2.4
Park Districts	18	1.8
Other	2	0.2
Total	\$ 1,000	100.0 %

This PAFR presents an overview of McHenry County's finances only. The other government districts shown above are separate legal entities and operate independent of the County. Therefore, in order to determine how your property taxes are spent by each district that you pay property taxes to, you would need to separately review financial reports for each district listed on your property tax bill.

## Major Accomplishments during Fiscal Year 2018

In April 2010, McHenry County was rated Aaa (the highest rating available) by Moody's Investors Service. This rating allows the County to issue debt at the lowest possible interest rate. As of 2018, the County continues to hold the Aaa rating due to its financial strength, healthy reserves, and prudent fiscal management.



Aaa

McHenry County has earned, for a fifth year, a Government Finance Officers Association award for Distinguished Budget Presentation for its fiscal year 2018 budget. A Certificate of Recognition was presented to the department designated primarily responsible for the County having achieved the award, McHenry County Administration. The award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting.



The County Auditor's Office was notified of their 20<sup>th</sup> consecutive year of being awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for their FY2017 Comprehensive Annual Financial Report (CAFR). In addition, a FY2017 Popular Annual Financial Report (PAFR) was completed for the 10<sup>th</sup> consecutive year and received the GFOA's Award for Outstanding Achievement. This PAFR is summarized from information in the CAFR and serves to offer an easy-to-understand report on the County's financial condition.



The County has transitioned to a new financial software system, Microsoft Dynamics 365, which required great planning and cooperation between the Finance Department, the Treasurer's Office, the Auditor's Office, the Purchasing Department, and all other departments within the County. While this new enterprise financial software will allow for greater efficiencies and cloud-based computing, it should be noted that the previous financial software system had reached the end of its useful life after serving the County well from 1996 to 2018.



## Major Accomplishments during Fiscal Year 2018 (Continued)

On September 6, 2018, Valley Hi learned that it had been named to the National Nursing Home Quality Collaborative Honor Roll to recognize its performance on the federal quality measures. Nursing homes on the honor roll have achieved a quality measure score which aligns with the top 10% of nursing homes in the country. The quality scores reflect the care and treatment being provided on a daily basis. The Valley Hi Quality Assurance Committee actively monitors these scores on a monthly basis, and implements programs and/or changed in policies and procedures whenever the scores start trending in the wrong direction. This is indicative of the quality standards that are integrated into Valley Hi's daily routine.



Planning and Development held the second annual McHenry county Water Day on September 12, 2018. Water Day provided residents, businesses, elected officials, and municipal staff an opportunity to learn what makes our local water supplies unique and what we can do to ensure that clean and sustainable water resources are available in the future. Water Day included a Groundwater field trip with a noted geologist and the second annual Water Forum which included a speaker from the Conservation Design Forum.



The Senior Service Grant Commission met in September of 2018 to review applications and requests for proposals for the FY2019 program year. The County Board approved the allocations for 18 different programs by 14 agencies for a total of \$1,645,000, to be distributed during FY2019. The Senior Services Grant Fund is the result of a referendum in April 2003, where voters approved the levy and collection of a tax not to exceed .025% for the purpose of providing transportation and social services to encourage independent living, wellness and quality of life for senior citizens in McHenry County.



The County Board Chairman helped lead the effort to reduce the County property tax levy in 2018. With the County Board's approval of the budget, fiscal year 2018 started with the reduction of the County Government's tax levy by roughly 10 percent without a reduction of services.





## Major Accomplishments during Fiscal Year 2018 (Continued)

On November 28, 2018, the McHenry County Sheriff's Office Narcotics Task Force (which includes members from the Lake in the Hills Police Department and McHenry Police Department) received the Law Enforcement Excellence by Task Force Award. This award was presented to these officers by the Chicago Crime Commission. During 2017 through June of 2018, the Task Force seized more than \$2 million worth of drugs resulting in over 200 arrests. This includes over 4,500 grams of heroin seized and taken off the streets of McHenry County.



The Assessor's Office completed the 2018 assessment roll after processing 6,504 Board of Review instruments, of which 2,632 were taxpayer-generated assessment appeals, a number considerably less than Tax Year 2017. In 2017 and 2016, appeals totaling 3,240 and 4,118, respectively, were heard by the County's Board of Review. The annual report prepared by Robert Ross, Chief County Assessment Officer, indicated that the 2018 assessment year was the fourth year in a row that the assessment base increased. As indicated by preliminary sales ratio results, the assessment base will likely increase in the 2019 assessment year. On a positive note, the number of existing residential sales in McHenry County increased from 2017 to 2018 and the median sale price in early 2019 rose over the previous year.



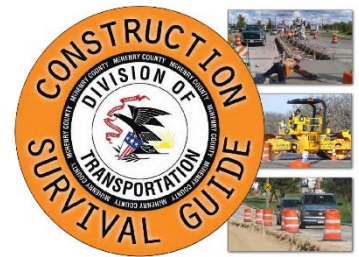
The County Health Department which implements the Illinois Breast and Cervical Cancer Program has increased its outreach efforts and partnered with local organizations when possible. Staff has gone to neighborhood resource centers, food pantries, and local businesses to educate about the importance of early detection through regular breast and cervical cancer screenings. The caseload for the FY18 grant, which runs through June 30, 2018, has been surpassed. Since July 1, 2017, the Department has screened 572 women and three of those women were diagnosed with breast cancer.



Working together for a Healthier McHenry County

## Major Accomplishments during Fiscal Year 2018 (Continued)

McHenry County Division of Transportation (DOT) began construction on the Randall Road project in 2018 which will widen Randall Road to six lanes and also includes additional turn lanes at the intersection of Randall and Algonquin Roads. The County Board also resolved to appropriate funds and enter an Intergovernmental Agreement with the Illinois State Toll Highway Authority, the Illinois department of Transportation, and the City of Marengo for the construction of the long-anticipated Illinois Route 23 and Interstate 90 Interchange Project. Information about other upcoming road projects can be found on the McHenry County Division of Transportation's website: [www.mchenrycountycdot.org](http://www.mchenrycountycdot.org).



The County Board, being a supporter of transparency, continually looks at ways to ensure citizens have the ability through technology to stay abreast of the business being conducted by the county. In fiscal year 2018, the County Board approved the codification of the County's ordinances. The County Code is now online and searchable.



The McHenry County Mental Health Court celebrated eleven years of operation in 2018. The program has evolved from the beginning stages of staff and process development to a consistent process involving many team members and community agencies. The client treatment protocol has become challenging and ever changing, with treatment ranging from mental illness to co-occurring disorder and drug dependency. The Mental Health Court process has improved, including evidence-based screening assessments to determine clinical and risk/need levels. The program has also forged new collaborative relationships with community treatment providers.



The 2018 Community Development Block Grant (CDBG) funding application hearings were held in September 2017. A total of approximately \$1.7 million was requested by all applicants after the presentations by the agencies applying for funding. In December 2017, the County Board approved allocations of approximately \$1,272,000 to 14 different agencies and municipalities for use in various construction and service projects throughout the County.



# McHenry County Elected Officials

## County Board Members

<u>District/Name</u>	<u>Term Expires</u>	<u>District/Name</u>	<u>Term Expires</u>
<b>District 1</b>		<b>District 5</b>	
Yvonne Barnes	December 2020	Paula Yensen	December 2020
Robert Nowak	December 2018	John Jung, Jr.	December 2018
Christopher Spoerl	December 2018	Michael Rein	December 2018
Thomas Wilbeck	December 2020	Michael Skala	December 2020
<b>District 2</b>		<b>District 6</b>	
James L. Heisler	December 2018	Michele Aavang	December 2018
Donna Kurtz	December 2018	Jim Kearns	December 2020
John Reinert	December 2020	Mary T. McCann	December 2020
Jeffrey Thorsen	December 2020	Larry W. Smith	December 2018
<b>District 3</b>			
Chris Christensen	December 2020		
Joseph Gottemoller	December 2018		
Donald C. Kopsell	December 2018		
Michael J. Walkup	December 2020		
<b>District 4</b>			
Kay R. Bates	December 2020		
John D. Hammerand	December 2018		
Charles Wheeler	December 2018		
Craig Wilcox-Resigned	December 2020		
9-30-18			

## Elected Officials

<u>Office/Name</u>	<u>Term Expires</u>	<u>Office/Name</u>	<u>Term Expires</u>
<b>Auditor</b>		<b>Recorder</b>	
Pam Palmer (Shannon Teresi Effective 04/27/2018)	December 2018	Joe Tirio	December 2020
<b>Circuit Clerk</b>		<b>Sheriff</b>	
Katherine Keefe	December 2020	Bill Prim	December 2018
<b>Coroner</b>		<b>State's Attorney</b>	
Anne L. Majewski	December 2020	Patrick D. Kenneally	December 2020
<b>County Board Chairman</b>		<b>Supt of Educational Service Region</b>	
Jack D. Franks	December 2020	Leslie A. Schermerhorn	December 2018
<b>County Clerk</b>		<b>Treasurer</b>	
Mary McClellan	December 2018	Glenda L. Miller	December 2018

# McHenry County Website and Social Media

For a comprehensive listing of the services that the County provides for its citizens and businesses, please visit the County's website at <http://www.mchenrycountyil.gov/>



Click on the following icons to follow McHenry County on Facebook and Twitter:

Also, please visit the Social Media page on the County's website for additional ways to stay informed about important County events at <https://www.mchenrycountyil.gov/how-do-i-/social-networking->

