

LASALLE COUNTY  
CIRCUIT CLERK  
OTTAWA, ILLINOIS  
ANNUAL FINANCIAL REPORT  
NOVEMBER 30, 2016

*Prepared by:*

*Mack & Associates, P.C.  
Certified Public Accountants*

*116 E. Washington Street, Suite One  
Morris, IL 60450  
Telephone: (815) 942-3306*



**LASALLE COUNTY CIRCUIT CLERK  
(AN AGENCY FUND OF LASALLE COUNTY, ILLINOIS)**

**Table of Contents**

---

	PAGE
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1-2</b>
 <b>COMPLIANCE SECTION</b>	
Independent Accountants' Report on Compliance and on Internal Control over Compliance .....	3-4
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	5-6
 <b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Fiduciary Net Position .....	7
Statement of Changes in Fiduciary Assets & Liabilities .....	8
 <b>NOTES TO BASIC FINANCIAL STATEMENTS .....</b>	 <b>9-10</b>
 <b>SCHEDULE OF FINDINGS .....</b>	 <b>11-12</b>
 <b>OTHER ATTACHED REPORTS:</b>	
Report J- Annual Financial Report	

# INDEPENDENT AUDITORS' REPORT



116 E. Washington Street  
Suite One  
Morris, Illinois 60450

Phone: (815) 942-3306  
Fax: (815) 942-9430  
www.mackcpas.com

TAWNYA R. MACK, CPA  
LAURI POPE, CPA  
ERICA BLUMBERG, CPA  
TREVOR DEBELAK, CPA  
MATT MELVIN  
CHRIS CHRISTENSEN  
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Mr. Greg Vaccaro,  
LaSalle County Circuit Clerk  
Ottawa, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the fiduciary funds of the LaSalle County Circuit Clerk, Illinois as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise the Circuit Clerk's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Circuit Clerk's fiduciary funds of LaSalle County, Illinois as of November 30, 2016 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The financial statements present only the fiduciary fund of the Circuit Clerk and does not purport to, and does not, present fairly the financial position of LaSalle County, Illinois as of November 30, 2016 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

The LaSalle County Circuit Clerk, Illinois has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the fund financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the fund financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the fiduciary funds of the LaSalle County Circuit Clerk, Illinois' basic financial statements. The information included in the Report J Annual Financial Report attachment is presented for the purpose of additional analysis and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards* we have also issued a report dated April 21, 2017 on our consideration of the LaSalle County Circuit Clerk, Illinois' internal control over financial reporting of the fiduciary funds and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters which are included within. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the County of LaSalle, Illinois, the appropriate local governments within that county, the pass through agencies of the State of Illinois, the Illinois General Assembly, and the Governor of the State of Illinois and is not intended and should not be used by anyone other than these specified parties.

*Mack + Associates, P.C.*  
MACK & ASSOCIATES, P.C.  
Certified Public Accountants

# COMPLIANCE SECTION



116 E. Washington Street  
Suite One  
Morris, Illinois 60450

Phone: (815) 942-3306  
Fax: (815) 942-9430  
www.mackcpas.com

TAWNYA R. MACK, CPA  
LAURI POPE, CPA  
ERICA BLUMBERG, CPA  
TREVOR DEBELAK, CPA  
MATT MELVIN  
CHRIS CHRISTENSEN  
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Compliance and  
On Internal Control over Compliance

Mr. Greg Vaccaro,  
LaSalle County Circuit Clerk  
Ottawa, Illinois

Compliance:

We have examined the LaSalle County Circuit Clerk, Illinois' compliance with the requirements listed below during the year ended November 30, 2016. The management of the LaSalle County Circuit Clerk, Illinois is responsible for compliance with these requirements. Our responsibility is to express an opinion on the LaSalle County Circuit Clerk, Illinois' compliance based on our examination.

- A. The Circuit Clerk has properly assessed fines, fees, costs, penalties, and judgments in accordance with the purpose authorized by law.
- B. The Circuit Clerk has properly distributed fines, fees, costs, penalties and judgments in accordance with the purpose authorized by law.
- C. The Circuit Clerk has timely assessed and distributed monies in accordance with the purpose authorized by law.
- D. The Circuit Clerk has complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations.
- E. The Circuit Clerk has properly and legally administered money or negotiable securities or similar assets and the accounting and recordkeeping relating thereto has been proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the annual audit requirements included in the Clerks of Courts Act (Act); and the Circuit Clerk Audit Guidelines as noted by the Act; and, accordingly, included examining, on a test basis, evidence about the LaSalle County Circuit Clerk, Illinois' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the LaSalle County Circuit Clerk, Illinois' compliance with specified requirements.

In our opinion, the LaSalle County Circuit Clerk, Illinois complied, in all material respects, with the requirements listed in the first paragraph of this report during the year ended November 30, 2016.

## Internal Control:

The management of LaSalle County Circuit Clerk, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the LaSalle County Circuit Clerk, Illinois' internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circuit Clerk Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the LaSalle County Circuit Clerk, Illinois' internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the LaSalle County Circuit Clerk, Illinois' internal control over compliance.

*A deficiency in an entity's internal control over compliance* 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of the County of LaSalle, the appropriate local governments within that County, the pass through agencies of the State of Illinois, the Illinois General Assembly, and the Governor of the State of Illinois and is not intended and should not be used by anyone other than these specified parties.

*Mack + Associates, P.C.*  
MACK & ASSOCIATES, P.C.  
Certified Public Accountants

Morris, Illinois  
April 21, 2017





116 E. Washington Street  
Suite One  
Morris, Illinois 60450

Phone: (815) 942-3306  
Fax: (815) 942-9430  
www.mackcpas.com

TAWNYA R. MACK, CPA  
LAURI POPE, CPA  
ERICA BLUMBERG, CPA  
TREVOR DEBELAK, CPA  
MATT MELVIN  
CHRIS CHRISTENSEN  
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Based On An Audit Of Financial Statements  
Performed In Accordance With *Government Auditing Standards*

Mr. Greg Vaccaro,  
LaSalle County Circuit Clerk  
Ottawa, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the fiduciary funds of the LaSalle County Circuit Clerk, Illinois, as of November 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2017.

### Internal Control Over Financial Reporting

Management of the LaSalle County Circuit Clerk, Illinois, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the LaSalle County Circuit Clerk, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LaSalle County Circuit Clerk, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LaSalle County Circuit Clerk, Illinois' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings described as items 2016-1 and 2016-2 that we consider to be a significant deficiencies.

### Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing in internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LaSalle County Circuit Clerk'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 LaSalle County Circuit Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mack + Associates, P.C.*  
MACK & ASSOCIATES, P.C.  
Certified Public Accountants

# **BASIC FINANCIAL STATEMENTS**

**LASALLE COUNTY CIRCUIT CLERK  
(A Department of LaSalle County)**

**Statement of Fiduciary Net Position  
November 30, 2016**

---

---

<u>Assets</u>	
Cash	\$ 1,316,590
Certificate of Deposit	25,726
	<hr/>
Total Assets	<u>\$ 1,342,316</u>
 <u>Liabilities</u>	
Agency Funds Due to Others	<u>\$ 1,342,316</u>
Total Liabilities	<u>\$ 1,342,316</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**LASALLE COUNTY CIRCUIT CLERK**  
**(A Department of LaSalle County)**

**Statement of Changes in Fiduciary Assets & Liabilities**  
**November 30, 2016**

	December 1, 2015	Receipts	Disbursements	November 30, 2016
<u>Assets</u>				
Cash	\$ 1,563,987	5,880,587	6,127,984	1,316,590
Certificate of Deposit	25,648	78	-	25,726
Total Assets	<u>\$ 1,589,635</u>	<u>5,880,665</u>	<u>6,127,984</u>	<u>1,342,316</u>
<u>Liabilities</u>				
Agency Funds Due to Others	\$ 1,589,635	5,880,665	6,127,984	1,342,316
Total Liabilities	<u>\$ 1,589,635</u>	<u>5,880,665</u>	<u>6,127,984</u>	<u>1,342,316</u>

The Notes to Basic Financial Statements are an integral part of this statement.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

LASALLE COUNTY CIRCUIT CLERK  
(A DEPARTMENT OF LASALLE COUNTY, ILLINOIS)

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED NOVEMBER 30, 2016

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The LaSalle County Circuit Clerk, Illinois (Circuit Clerk) is an agency fund of LaSalle County, Illinois, which is governed by a twenty-nine member board. These statements only represent the Trust and Agency accounts of the Circuit Clerk of LaSalle County. The Circuit Clerk collects fees, fines and penalties and remits these amounts to the proper agencies or individuals.

The accounting policies of LaSalle County Circuit Clerk, Illinois conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies.

B. Basis of Presentation - Fund Accounting

The accounts of LaSalle County, Illinois (County) are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance and retained earnings, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accompanying financial statements presents only the Agency Fund of the LaSalle County Circuit Clerk, Illinois and is not intended to present fairly the financial position and changes in financial position of LaSalle County, Illinois in conformity with generally accepted accounting principles.

Agency funds are used to account for assets held by the Circuit Clerk in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Circuit Clerk collects fees, fines and penalties and remits these amounts to the proper agencies or individuals.

C. Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Increases in assets are recognized when they become measureable and available as net current position.

D. Investments

Investments consist of certificates of deposit stated at cost, which approximates fair value.

LASALLE COUNTY CIRCUIT CLERK  
(A DEPARTMENT OF LASALLE COUNTY, ILLINOIS)

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED NOVEMBER 30, 2016

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

E. Cash and Investments

The investment and deposits of the LaSalle County Circuit Clerk, Illinois monies is governed by the provisions of the Illinois Compiled Statutes. In accordance with these provisions, all monies must be invested in one or more of the following:

1. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Illinois Compiled Statutes and as shall have complied with the requirements thereof;
2. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Deposit Insurance Corporation;
3. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
4. Short-term discount obligations of the Federal National Mortgage Association.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Circuit Clerk's deposits may not be returned to it. The Circuit Clerk does not have a deposit policy for custodial credit risk.

As of November 30, 2016, the carrying amount of the deposits was \$1,316,590 while the bank balances totaled \$1,579,979. All uninsured deposits are fully collateralized with securities held by the pledging or financial institution's trust department or agent.



## OTHER INFORMATION

LASALLE COUNTY CIRCUIT CLERK  
(A DEPARTMENT OF LASALLE COUNTY, ILLINOIS)

Schedule of Findings – Significant Deficiencies  
For the Year Ended November 30, 2016

---

Finding 2016-1: **Incomplete Financial Reporting**

*Condition:*

Deposits held by the Circuit Clerk's office do not reconcile to the Circuit Clerk's report of outstanding liabilities.

*Criteria or Specific Requirement:*

Amounts held by the Circuit Clerk's office are owed to various entities (the County, other municipalities, individuals, etc). Deposits held by the Circuit Clerk should reconcile to a trial balance of liabilities owed to the various entities.

*Effect:*

There is a difference between the liabilities reported by the Circuit Clerk's software and the cash balance. The liability is likely overstated by an amount approximately equal to this difference. However, without calculating a monthly trial balance which is reconciled to the cash balance, it is difficult to identify what the actual liabilities are.

*Cause:*

The Circuit Clerk does not prepare a trial balance of liabilities which is reconciled to the deposits held on a monthly basis.

*Recommendation:*

The Circuit Clerk should prepare a monthly trial balance of liabilities, and reconcile the trial balance to the deposits held each month.

*Management's Response:*

The Circuit Clerk is aware of this issue and has devoted resources to identifying the cause of the discrepancy and taking steps to create a process by which a trial balance is created and reconciled on a regular basis.

**LASALLE COUNTY CIRCUIT CLERK  
(A DEPARTMENT OF LASALLE COUNTY, ILLINOIS)**

**Schedule of Findings – Significant Deficiencies  
For the Year Ended November 30, 2016**

---

**Finding 2016-2: Financial Statement Preparation**

*Condition:*

Currently, the Circuit Clerk's personnel do not prepare the Circuit Clerk's financial statements and related disclosures. The Circuit Clerk engages the external auditors to assist in preparing these reports using the financial reports provided by the Circuit Clerk. The auditors are required to gather and summarize financial information from several accounts to compile a complete set of financial statements.

*Criteria:*

The County Board has the ultimate responsibility for the Circuit Clerk's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the Circuit Clerk's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare the financial statements for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

*Effect:*

Because the auditors, not management, have prepared the financial statements and related disclosures, material misstatements to the financial statements may not be prevented or detected by the Circuit Clerk's system of internal controls.

*Cause:*

As a municipal entity, the Circuit Clerk Department lacks the resources to prepare complete and accurate financial statements.

*Recommendation:*

We recommend the Circuit Clerk consider the costs and benefits of dedicating the necessary staff resources, technical training, and oversight to ensure:

- The Circuit Clerk's financial statements are accurately prepared in accordance with accounting principles general accepted in the United States of America.
- Someone knowledgeable of financial reporting requirements and independent of the financial statement preparation process performs a thorough review of the Circuit Clerk's financial statement, supporting schedules, and related disclosures to ensure they are accurate, complete and presented in accordance with the applicable basis of accounting.