

**MCDONOUGH COUNTY, ILLINOIS**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**For the Year Ended November 30, 2009**



# McDONOUGH COUNTY, ILLINOIS

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3201 West White Oaks Drive, Suite 102 • Springfield, IL 62704

## INDEPENDENT AUDITOR'S REPORT

Members of the County  
Board McDonough County,  
Illinois Macomb, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois (County), as of and for the year ended November 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois as of November 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2010 on our consideration of McDonough County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McDonough County, Illinois has not presented the management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise McDonough County, Illinois' basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial information listed as "Supplemental Information" in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and therefore, we express no opinion on that information.

*Silich UP*

Springfield, Illinois  
August 27, 2010

**McDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**November 30, 2009**

	Primary Government			Component
	Governmental	Business-Type	Government	Unit -
	Activities	Activities	Total	911 ETSB
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,430,340	\$1,333,718	\$ 9,764,058	\$ 285,875
Restricted cash	-	20,842	20,842	-
Investments	312,989	1,350,000	1,662,989	150,000
Receivables, net:				
State of Illinois	882,881	187,869	1,070,750	-
Property Taxes	4,925,026	398,421	5,323,447	-
Accrued interest		6,956	6,956	-
Other	172,917	-	172,917	85,760
Due from fiduciary funds	60,941	-	60,941	-
Due from component unit	17,138	-	17,138	-
Inventories	14,010	56,524	70,534	-
Prepaid expense	128,330	2,154	130,484	-
Total current assets	<u>14,944,572</u>	<u>3,356,484</u>	<u>18,301,056</u>	<u>521,635</u>
Capital assets not being depreciated	178,556	61,427	239,983	-
Capital assets, net of accumulated depreciation	<u>7,407,711</u>	<u>2,171,431</u>	<u>9,579,142</u>	<u>23,144</u>
Total capital assets	<u>7,586,267</u>	<u>2,232,858</u>	<u>9,819,125</u>	<u>23,144</u>
<b>TOTAL ASSETS</b>	<u>22,530,839</u>	<u>5,589,342</u>	<u>28,120,181</u>	<u>544,779</u>
<b>LIABILITIES</b>				
Accounts payable	483,852	432,279	916,131	47,558
Due to primary government	-	-	-	17,138
Accrued expense	-	5,215	5,215	-
Due to others	43,998	-	43,998	-
Deferred revenue	4,115,972	326,920	4,442,892	-
Resident deposits	-	7,246	7,246	-
Long-term obligations, due within one year:				
Notes payable	18,089	-	18,089	-
Leases payable	3,012	2,999	6,011	-
Other commitments	25,000	-	25,000	-
Compensated absences - current	191,208	119,819	311,027	-
Long-term obligations, due in more than one year				
Notes payable	38,656	-	38,656	-
Leases payable	772	10,246	11,018	-
Other commitments	75,000	-	75,000	-
Compensated absences - long-term	92,907	13,448	106,355	-
Net OPEB obligation	<u>51,146</u>	<u>29,925</u>	<u>81,071</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>5,139,612</u>	<u>948,097</u>	<u>6,087,709</u>	<u>64,696</u>
<b>NET ASSETS</b>				
Investment in capital assets, net of related debt	7,525,738	2,219,613	9,745,351	23,144
Restricted for				
Highways and streets	1,941,504	-	1,941,504	-
Health and welfare	544,922	-	544,922	-
Public safety	22,018	-	22,018	-
Economic development	165,987	-	165,987	-
Specific purpose	1,089,096	20,842	1,109,938	-
Debt service	143,874	-	143,874	-
Retirement	828,654	-	828,654	-
Unrestricted	<u>5,129,434</u>	<u>2,400,790</u>	<u>7,530,224</u>	<u>456,939</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 17,391,227</u>	<u>\$4,641,245</u>	<u>\$22,032,472</u>	<u>\$ 480,083</u>

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

**McDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended November 30, 2009**

ACTIVITIES	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Component Unit - 911 ETSB
					Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>GOVERNMENTAL</b>								
General government	\$ 2,365,991	\$ 2,520,459	\$ 157,894	\$ 10,197	\$ 322,559	\$ -	\$ 322,559	\$ -
Public safety	2,761,854	778,822	126,621	-	(1,856,411)	-	(1,856,411)	-
Corrections	791,202	-	895	-	(790,307)	-	(790,307)	-
Judiciary and court related	2,277,642	261,952	189,621	-	(1,826,069)	-	(1,826,069)	-
Transportation	2,052,688	170,632	615,531	-	(1,266,525)	-	(1,266,525)	-
Public health and welfare	3,042,848	345,394	879,052	-	(1,818,402)	-	(1,818,402)	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total governmental activities	13,292,225	4,077,259	1,969,614	10,197	(7,235,155)	-	(7,235,155)	-
<b>BUSINESS-TYPE</b>								
The Elms Nursing Home	6,033,860	5,430,483	400,697	-	-	(202,680)	(202,680)	-
➔ <b>TOTAL McDONOUGH COUNTY</b>	<u>\$ 19,326,085</u>	<u>\$ 9,507,742</u>	<u>\$ 2,370,311</u>	<u>\$ 10,197</u>	<u>(7,235,155)</u>	<u>(202,680)</u>	<u>(7,437,835)</u>	<u>-</u>
<b>COMPONENT UNIT</b>								
911 ETSB	<u>\$ 529,498</u>	<u>\$ 394,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(134,541)</u>
General revenues:								
Taxes:								
Property taxes					4,080,730	326,522	4,407,252	-
General sales tax					1,919,224	-	1,919,224	-
Income and replacement taxes					737,350	-	737,350	-
Investment income					58,132	39,502	97,634	8,341
Miscellaneous					630,489	-	630,489	10,015
Transfers					(13,166)	13,166	-	-
Total general revenues					7,412,759	379,190	7,791,949	18,356
Change in net assets					177,604	176,510	354,114	(116,185)
Net assets - beginning of year					18,378,044	4,602,638	22,980,682	596,268
Prior period adjustment					(1,164,421)	(137,903)	(1,302,324)	-
Net assets - beginning of year, restated					17,213,623	4,464,735	21,678,358	596,268
Net assets - end of year					\$ 17,391,227	\$ 4,641,245	\$ 22,032,472	\$ 480,083

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

**McDONOUGH COUNTY, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**November 30, 2009**

	General Fund	Illinois Municipal Retirement Fund	Public Safety Sales Tax Fund	Social Security Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,113,652	\$ 280,054	\$ 450,334	\$ 339,076
Investments	-	-	-	-
Receivables, net:				
State of Illinois	411,986	-	293,405	-
Property taxes	1,024,802	799,340	-	836,638
Other	101,048	4,715	-	-
Due from other funds	381,042	2,692	-	2,577
Inventories	14,010	-	-	-
Due from component unit	-	-	-	-
Advances to other funds	-	-	90,681	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 3,046,540</u>	<u>\$ 1,086,801</u>	<u>\$ 834,420</u>	<u>\$ 1,178,291</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 165,211	\$ 25,438	\$ 42,203	\$ -
Due to others	309	-	-	-
Due to other funds	5,269	-	-	-
Deferred revenue	855,000	692,000	-	719,000
Advances from other funds	147,828	-	-	-
Total liabilities	<u>1,173,617</u>	<u>717,438</u>	<u>\$ 42,203</u>	<u>719,000</u>
<b>FUND BALANCES</b>				
Reserved for:				
Inventories	14,010	-	-	-
Capital acquisitions	-	-	-	-
Debt service	-	-	-	-
Advances	-	-	90,681	-
Retirement	-	369,363	-	459,291
Notes receivable	-	-	-	-
Specific purposes	-	-	701,536	-
Unreserved	1,858,913	-	-	-
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Permanent funds	-	-	-	-
Debt service funds	-	-	-	-
Total fund balances	<u>1,872,923</u>	<u>369,363</u>	<u>792,217</u>	<u>459,291</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,046,540</u>	<u>\$ 1,086,801</u>	<u>\$ 834,420</u>	<u>\$ 1,178,291</u>

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



County Health Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 365,250	\$ 3,101,815	\$ 5,650,181
4,300	308,689	312,989
132,963	44,527	882,881
398,421	1,451,951	4,511,152
6,282	43,550	155,595
11,087	303,711	701,109
-	-	14,010
-	17,138	17,138
-	57,147	147,828
-	128,330	128,330
<u>\$ 918,303</u>	<u>\$ 5,456,858</u>	<u>\$ 12,521,213</u>
\$ 7,963	\$ 202,633	\$ 443,448
-	43,689	43,998
9,352	74,755	89,376
334,080	1,215,892	3,815,972
-	-	147,828
<u>351,395</u>	<u>1,536,969</u>	<u>4,540,622</u>
-	-	14,010
-	95,793	95,793
-	16,966	16,966
-	57,147	147,828
-	-	828,654
-	25,816	25,816
-	-	701,536
566,908	-	2,425,821
-	3,534,431	3,534,431
-	62,828	62,828
-	126,908	126,908
<u>566,908</u>	<u>3,919,889</u>	<u>7,980,591</u>
<u>\$ 918,303</u>	<u>\$ 5,456,858</u>	<u>\$ 12,521,213</u>

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

**MCDONOUGH COUNTY, ILLINOIS**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**November 30, 2009**

Total fund balance for government funds (Exhibit 3) \$ 7,980,591

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 178,556	
Buildings, net	1,144,857	
Building improvements, net	1,413,471	
Infrastructure, net	4,133,993	
Vehicles, net	190,378	
Maintenance equipment, net	336,475	
Computer equipment, net	70,312	
Software, net	69,488	
Office equipment, net	48,737	7,586,267

Internal service funds (see Exhibit 5) are used by the County to charge the cost of liability, unemployment, worker's compensation, and medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are: 2,263,414

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at November 30, 2009 are:

Leases payable	(3,784)	
Compensated absences	(284,115)	
Net OPEB obligation	(51,146)	
Other commitments	(100,000)	
Total long-term liabilities		(439,045)

**TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**(EXHIBIT 1)**

\$ 17,391,227

**MCDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year ended November 30, 2009**

	<b>General Fund</b>	<b>Illinois Municipal Retirement Fund</b>	<b>Public Safety Sales Tax Fund</b>	<b>Social Security Fund</b>
<b>REVENUES</b>				
Property taxes	\$ 850,938	\$ 542,072	\$ -	\$ 594,070
State of Illinois:				
Local use tax	92,255	-	-	-
Sales tax	736,689	-	1,090,280	-
Income tax	537,847	-	-	-
Motor fuel tax allotments	-	-	-	-
Personal property replacement taxes	187,642	11,861	-	-
State grants and expenditure reimbursements	334,598	-	-	-
Federal revenue	68,386	-	-	-
Fees for services and materials	1,158,904	-	-	-
Investment income	13,534	2,822	3,005	1,211
Other	157,702	1,866	14,397	2,716
Total revenues	<u>4,138,495</u>	<u>558,621</u>	<u>1,107,682</u>	<u>597,997</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,368,070	67,050	-	59,768
Public safety	1,292,451	209,536	433,299	98,045
Corrections	299,574	6,718	369,037	6,985
Judiciary and court related	1,350,220	129,189	-	100,795
Public health	55,863	309,693	-	266,323
Public welfare	-	-	-	-
Transportation	34,855	35,952	-	37,381
Capital outlay	72,098	-	79,034	-
Debt service	2,893	-	-	-
Total expenditures	<u>4,476,024</u>	<u>758,138</u>	<u>881,370</u>	<u>569,297</u>
Excess (deficiency) of revenues over expenditures	<u>(337,529)</u>	<u>(199,517)</u>	<u>226,312</u>	<u>28,700</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	390,264	-	-	-
Transfers out	<u>(38,786)</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>351,478</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>13,949</u>	<u>(199,517)</u>	<u>76,312</u>	<u>28,700</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,858,974	568,880	715,905	430,591
<b>Prior period adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, BEGINNING OF YEAR - RESTATED</b>	<u>1,858,974</u>	<u>568,880</u>	<u>715,905</u>	<u>430,591</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,872,923</u>	<u>\$ 369,363</u>	<u>\$ 792,217</u>	<u>\$ 459,291</u>

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

<u>County Health Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 326,916	\$ 1,191,680	\$ 3,505,676
-	-	92,255
-	-	1,826,969
-	-	537,847
-	430,399	430,399
-	-	199,503
433,450	222,876	990,924
411,564	34,038	513,988
185,791	705,480	2,050,175
744	30,021	51,337
18,879	377,709	573,269
<u>1,377,344</u>	<u>2,992,203</u>	<u>10,772,342</u>
-	250,713	1,745,601
-	11,088	2,044,419
-	26,570	708,884
-	114,645	1,694,849
1,233,356	727,336	2,592,571
-	108,400	108,400
-	1,412,114	1,520,302
11,380	129,577	292,089
-	25,000	27,893
<u>1,244,736</u>	<u>2,805,443</u>	<u>10,735,008</u>
<u>132,608</u>	<u>186,760</u>	<u>37,334</u>
2,961	531,261	924,486
-	(534,222)	(723,008)
<u>2,961</u>	<u>(2,961)</u>	<u>201,478</u>
<u>135,569</u>	<u>183,799</u>	<u>238,812</u>
431,339	3,625,593	7,631,282
-	110,497	110,497
<u>431,339</u>	<u>3,736,090</u>	<u>7,741,779</u>
<u>\$ 566,908</u>	<u>\$ 3,919,889</u>	<u>\$ 7,980,591</u>

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

**McDONOUGH COUNTY, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year ended November 30, 2009**

Net change in fund balances - total governmental funds (Exhibit 4) \$ 238,812

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay	262,391
Depreciation	(470,185)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to increase/decrease net assets:

Dispositions	(5,460)
--------------	---------

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Repayments:

Leases payable	2,893
Other commitments	25,000

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Compensated absences	(10,464)
Net OPEB obligation	(51,146)

Internal services funds (See Exhibit 6) are used by the County to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities

185,763

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**(EXHIBIT 2)**

\$ 177,604

**McDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
November 30, 2009

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - The Elms</u>	<u>Internal Service Funds</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,333,718	\$ 2,780,159
Restricted cash	20,842	-
Investments	1,350,000	-
Receivables:		
State of Illinois	187,869	-
Property taxes	398,421	413,874
Accrued interest	6,956	-
Other	-	17,322
Due from other funds	-	23,182
Inventories	56,524	-
Prepaid expenses	2,154	-
Total current assets	<u>3,356,484</u>	<u>3,234,537</u>
<b>NONCURRENT ASSETS</b>		
Capital assets (net of accumulated depreciation)	<u>2,232,858</u>	<u>-</u>
Total assets	<u>5,589,342</u>	<u>3,234,537</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	432,279	40,404
Accrued expense	5,215	-
Due to other funds	-	573,974
Deferred revenue	326,920	300,000
Resident deposits	7,246	-
Notes payable - current	-	18,089
Leases payable	2,999	-
Compensated absences payable - current	119,819	-
Total current liabilities	<u>894,478</u>	<u>932,467</u>
<b>NONCURRENT LIABILITIES</b>		
Notes payable - noncurrent	-	38,656
Leases payable - noncurrent	10,246	-
Compensated absences payable	13,448	-
Net OPEB obligation	29,925	-
Total noncurrent liabilities	<u>53,619</u>	<u>38,656</u>
Total liabilities	<u>948,097</u>	<u>971,123</u>
<b>NET ASSETS</b>		
Investment in capital assets	2,219,613	-
Restricted for:		
Other purposes	20,842	-
Unrestricted	<u>2,400,790</u>	<u>2,263,414</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 4,641,245</u></u>	<u><u>\$ 2,263,414</u></u>

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

**McDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSE, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended November 30, 2009**

	<u>Business-type Activities Enterprise Fund - The Elms</u>	<u>Governmental Activities Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 5,430,483	\$ 2,027,084
Other revenue	73,983	-
Total current assets	<u>5,504,466</u>	<u>2,027,084</u>
<b>OPERATING EXPENSES</b>		
Insurance premiums	-	258,878
Medical claims and administration fees	-	2,056,828
Public health:		
Dietary	584,621	-
Housekeeping	193,316	-
Laundry	151,616	-
Maintenance	126,942	-
Nursing	2,195,218	-
Therapy	210,095	-
Activities	114,307	-
Social services	72,061	-
Administrative	1,253,883	-
Payroll related	796,859	-
Depreciation	169,642	-
Plant operations	159,330	-
Contractual	5,970	-
Total operating expenses	<u>6,033,860</u>	<u>2,315,706</u>
Operating loss	<u>(529,394)</u>	<u>(288,622)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Property taxes	326,522	575,054
Investment income	39,502	6,795
Interest expense	-	(3,504)
On-behalf payment for expenses - Farm and Macomb Public Building Commission	29,970	-
Other	-	110,684
Total nonoperating revenues (expenses)	<u>395,994</u>	<u>689,029</u>
Income before transfers and contributions	<u>(133,400)</u>	<u>400,407</u>
<b>TRANSFERS</b>		
Transfers in	13,166	-
Transfers out	-	(214,644)
Total transfers	<u>13,166</u>	<u>(214,644)</u>
<b>CONTRIBUTIONS - on-behalf receipts - Farm and Macomb Public Building Commission</b>	<u>296,744</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<u>176,510</u>	<u>185,763</u>
<b>TOTAL NET ASSETS - BEGINNING OF YEAR</b>	4,602,638	2,077,651
Prior Period Adjustment	<u>(137,903)</u>	<u>-</u>
<b>TOTAL NET ASSETS - BEGINNING OF YEAR, RESTATED</b>	<u>4,464,735</u>	<u>2,077,651</u>
<b>TOTAL NET ASSETS - END OF YEAR</b>	<u>\$ 4,641,245</u>	<u>\$ 2,263,414</u>

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

**MCDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended November 30, 2009**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund - The Elms</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 5,957,286	\$ -
Payments to suppliers	(3,177,222)	(2,677,820)
Payments to employees	(2,779,255)	-
Internal activity-payments from (to) other funds	-	2,304,323
Other receipts	73,983	-
Net cash used in operating activities	<u>74,792</u>	<u>(373,497)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes	262,181	461,178
Other nonoperating revenue	-	110,685
Interfund borrowing (lending)	-	12,123
Transfers in (out)	13,166	(214,644)
Net cash provided by noncapital financing activities	<u>275,347</u>	<u>369,342</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Repayment of loan proceeds	(1,749)	(17,237)
Interest paid on loan	-	(3,504)
Loan proceeds	14,994	-
Purchases of property and equipment	(33,484)	-
Net cash provided by capital financing activities	<u>(20,239)</u>	<u>(20,741)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	46,170	12,809
Proceeds from maturity of investments	1,550,000	320,100
Purchase of investments	(1,350,000)	-
Net cash provided by (used in) investing activities	<u>246,170</u>	<u>332,909</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	576,070	308,013
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>778,490</u>	<u>2,472,146</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,354,560</u>	<u>\$ 2,780,159</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>		
Cash and cash equivalents	\$ 1,333,718	\$ 2,780,159
Restricted cash	20,842	-
Total	<u>\$ 1,354,560</u>	<u>\$ 2,780,159</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (529,394)	\$ (288,622)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	169,642	-
Change in assets and liabilities:		
Accounts receivable	533,606	-
Inventories	11,547	-
Prepaid expenses	1,390	3,233
Accounts payable	(136,351)	(88,108)
Deferred revenue	(6,803)	-
Accrued liabilities	2,446	-
Compensated absences payable	(1,216)	-
Net OPEB obligation	29,925	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>\$ 74,792</u>	<u>\$ (373,497)</u>

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



**MCDONOUGH COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**November 30, 2009**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,701,599
Investments	495,000
Receivables:	
State of Illinois	<u>563,513</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 8,760,112</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 154,601
Due to other taxing units	7,041,813
Due to others	1,502,757
Due to other funds	<u>60,941</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 8,760,112</u></u>

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

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

November 30, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

McDonough County is one of 102 counties organized in the State of Illinois. As a local governmental unit, the County is tax-exempt. The County provides a broad range of services to citizens, including but not limited to general government, public safety and corrections, transportation, and public health and welfare. Revenues are substantially generated as a result of taxes assessed and allocated to McDonough County (examples would be property taxes, sales taxes, income taxes and motor fuel taxes) and charges for services performed for constituents of the County. McDonough County revenues are therefore primarily dependent on the economy within its territorial boundaries. Industry within the County is primarily agriculture, manufacturing, and retail. Additionally, there are large nonprofit employers, including a hospital, state university, and other local governments within the County.

The accounting policies and the presentation of the basic financial statements of McDonough County (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

These financial statements include all organizations, activities, functions, funds, and component units for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the County's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the County. The following component units have been included in the financial statements of the County.

DISCRETELY PRESENTED COMPONENT UNIT:

The McDonough County Board Chairman, with the advice and consent of the McDonough County Board, appoints board members (not to exceed 11 members) to the 911 ETSB. The members of the 911 ETSB are then responsible for planning the 911 emergency system, receiving monies imposed under an established surcharge, and authorizing disbursements. The geographic area served by the 911 ETSB is the

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

same as McDonough County. The treasurer of McDonough County maintains the funds and invests or disburses them at the direction of the 911 ETSB. McDonough County has the responsibility for approving the rate of the surcharge which funds the activities of the 911 ETSB and, therefore, has the ability to impose its will on the 911 ETSB. The 911 ETSB does not issue any separate component unit reports.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

recognize intergovernmental revenue (grants, motor fuel tax allotments and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of the expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenue is recognized based upon the expenditures recorded.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay current liabilities. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Illinois Municipal Retirement Fund – This fund is used to account for tax monies and reimbursements for the funding of the County's IMRF retirement system.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Public Safety Sales Tax Fund – This fund is used to account for the state sales tax received to fund various public safety purposes.

Social Security Fund – This fund is used to account for the County's obligation to make contributions related to employees' wages for FICA and Medicare payroll taxes.

County Health Fund – This fund is used to account for the resources of the County Health Department.

The County reports the following major proprietary fund:

The Elms – This fund is used to account for the activities of the County's nursing home.

Additionally, the County reports the following fund types:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – These funds are used to account for the servicing of long-term debt.

Internal Service Funds – These funds account for insurance costs provided to other departments or agencies of the government on a cost-reimbursement basis.

Permanent Funds – These funds account for monies held in trust that can be used for governmental purposes.

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the following fund type: Agency Funds. Agency Funds account for monies held on behalf of others.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the County has defined cash equivalents to include savings accounts, demand deposit accounts, and certificates of deposit with an original maturity of three months or less when purchased.

Investments, consisting primarily of certificates of deposit with an original maturity of greater than three months, are stated at cost, which approximates fair value. Interest earned on certain Agency Fund investments is transferred to and recorded as income in the General Fund.

E. Accounts Receivable

All trade and property tax receivables are reported net of allowance for doubtful accounts.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, right of ways, bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used in governmental fund operations (general capital assets) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the statement of net assets. Capital assets in the proprietary funds are capitalized within the fund.

The County defines capital assets as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	25
Maintenance equipment	10
Software	5
Vehicles	5
Office equipment	7
Computer equipment	5
Infrastructure	40-50

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

H. Property Taxes

McDonough County Supervisor of Assessments prepares the property tax assessment rolls with the property tax liens as of January 1 of each year. Levies are set by individual local governmental entities by the last Tuesday of December of each year.

The collection date for property tax receipts is thirty days after the property tax bills are mailed to property owners for the first installment, generally June 1 of each year. The second installment is generally due September 1 of each year.

Property taxes collected are distributed to each taxing district approximately thirty days after receipt. Any unpaid property tax levies are sold at a tax sale the last week of October and final distribution is made by the end of November of each year.

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

McDonough County has the following policies concerning compensated absences for all full-time employees.

**Personal Leave**

Employees are allowed non-cumulative personal leave days as follows:

	<u>Days Per Year</u>
County and Sheriffs Department	3
Highway Department	2
Health Department	4*

\* Unused personal days are transferred at the end of the calendar year to the employee's vacation leave account.



McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

I. Compensated Absences - Continued

**Sick Leave**

Employees accrue one day of sick leave per month of service. For employees there is no provision for payment upon termination. Unused accumulated sick days may be carried over and may be applied for IMRF pension service credit in accordance with IMRF guidelines as indicated by the following schedule:

	<u>Maximum Days Accumulated (Carryover)</u>	<u>Maximum Days for IMRF</u>
County offices	40	240
Sheriffs Department	180	365
Highway Department	40	240
Health Department	240	240

**Vacation Leave**

Full-time employees of the County earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
1 - 5	10
6 - 15	15
16 and over	20

Full-time employees at the Sheriff's Department and the County Highway Department earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
1 - 4	10
5 - 14	15
15 and over	20

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

I. Compensated Absences - Continued

Full and part-time Health Department employees earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
1 - 3	10
4 - 10	15
11 and over	20

Employees, excluding Health Department employees, can accumulate and carryover vacation benefits equivalent to twice the amount earned in one service year. Health Department employees can accumulate up to 30 days of vacation benefits in one calendar year. Unused vacation in excess of accumulation and carryover limits as of December 31 each year is lost.

J. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Interfund Transactions – Continued

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

L. Fund Balance/Net Assets

The balance of any given fund is generally to be used for the purpose for which the fund was created. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the restricted net assets result from enabling legislation adopted by the County. Invested in capital assets, net of related debt is the book value of capital assets less any long-term debt outstanding that was issued to construct or acquire the capital assets.

M. Restricted Assets

Certain proceeds of The Elms' enterprise fund are classified as restricted assets on the statement of net assets because they are maintained in separate bank accounts and the funds are being held for patients. The funds can only be spent according to the patients' wishes.

N. Patient Service Revenue

Patient service revenue is reported at the net realizable amounts from residents, third-party payors, and others for service rendered, net of provider tax.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and interim and final settlements are reported in operations in the year of settlement.

O. Provider Tax

The provider tax is assessed by the State of Illinois based on occupied bed days. The tax is withheld from The Elms' reimbursements from the Illinois Department of Public Aid.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

P. Use of Estimates

Management of the County has made certain estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/ expenses during the period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Investment of County funds, by statute, is vested with the County Treasurer. The Treasurer's investment policy guides the investments of the County. The investment policy permits the County to invest in instruments allowed by the Illinois Compiled Statutes (ILCS). These investments include deposits/ investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

It is the policy of the County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety of principal, diversity, liquidity, yield, public confidence, positive community involvement, and investment period.

A. Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the County's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 100% of market value of principal and accrued interest, with collateral held by an independent third party with whom the Treasurer has a custodial agreement.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

2. DEPOSITS AND INVESTMENTS – Continued

B. Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All certificates of deposit have maturities of one year or less.

The County limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by limiting its investments to the top ratings issued by nationally recognized statistical rating organizations.

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County limits its exposure to custodial credit risk by utilizing independent third party institutions, selected by the County, to act as custodian for its securities and collateral.

Concentration of credit risk – The County places no limit on the amount the County may invest in any one issuer.

3. COUNTY FARM

On March 28, 1982, McDonough County was named an income beneficiary in the will of Blanche L. Martin. Under the terms of the will, the County received investments totaling \$43,689 and approximately 120 acres of farm land. The principal of the investments cannot be invaded and the County cannot sell the farm land, but can manage and operate the farm. The net income from the investments and farm land shall be applied by the County toward the payment of the costs of operating and maintaining The Elms. In the event the County ceases to operate The Elms, or fails to follow the terms of the will, all property shall revert and go to the then heirs-at-law of Blanche L. Martin.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

4. CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended November 30, 2009 consists of the following:

	<u>Balances</u> <u>December 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>November 30</u>
Land	\$ 178,556	\$ -	\$ -	\$ 178,556
Total capital assets not being depreciated	<u>178,556</u>	<u>-</u>	<u>-</u>	<u>178,556</u>
Buildings	2,482,220	-	-	2,482,220
Building improvements	2,370,372	37,909	-	2,408,281
Maintenance equipment	1,278,964	88,800	-	1,367,764
Software	65,020	49,660	-	114,680
Vehicles	704,382	64,124	104,238	664,268
Office equipment	249,129	21,898	-	271,027
Computer equipment	350,722	-	-	350,722
Infrastructure	<u>5,884,883</u>	<u>-</u>	<u>-</u>	<u>5,884,883</u>
Total capital assets being depreciated	<u>13,385,692</u>	<u>262,391</u>	<u>104,238</u>	<u>13,543,845</u>
Less accumulated depreciation for:				
Buildings	(1,286,697)	(50,666)	-	(1,337,363)
Building improvements	(908,979)	(85,831)	-	(994,810)
Maintenance equipment	(985,789)	(45,500)	-	(1,031,289)
Software	(35,643)	(9,549)	-	(45,192)
Vehicles	(471,390)	(101,278)	98,778	(473,890)
Office equipment	(217,075)	(5,215)	-	(222,290)
Computer equipment	(235,806)	(44,604)	-	(280,410)
Infrastructure	<u>(1,623,348)</u>	<u>(127,542)</u>	<u>-</u>	<u>(1,750,890)</u>
Total accumulated depreciation	<u>(5,764,727)</u>	<u>(470,185)</u>	<u>98,778</u>	<u>(6,136,134)</u>
Total capital assets, being depreciated, net	<u>7,620,965</u>	<u>(207,794)</u>	<u>5,460</u>	<u>7,407,711</u>
Total capital assets, net of accumulated depreciation	<u>\$ 7,799,521</u>	<u>\$ (207,794)</u>	<u>\$ 5,460</u>	<u>\$ 7,586,267</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

4. CAPITAL ASSETS – Continued

B. Business-type Activities – Continued

	<u>Balances</u> <u>December 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>November 30</u>
Land, not depreciated	\$ 61,427	\$ -	\$ -	\$ 61,427
Building and improvements, land improvements/ landscaping	3,928,360	324,191	14,779	4,237,772
Construction in progress	171,079	-	171,079	-
Equipment, including vehicles	<u>971,026</u>	<u>224,147</u>	<u>122,174</u>	<u>1,072,999</u>
Total capital assets - at cost, being depreciated	<u>5,070,465</u>	<u>548,338</u>	<u>308,032</u>	<u>5,310,771</u>
Less accumulated depreciation for:				
Building and improvements, land improvements/ landscaping	(2,373,135)	(98,765)	11,426	(2,460,474)
Equipment, including vehicles	<u>(716,456)</u>	<u>(70,877)</u>	<u>108,467</u>	<u>(678,866)</u>
Total accumulated depreciation	<u>(3,089,591)</u>	<u>(169,642)</u>	<u>119,893</u>	<u>(3,139,340)</u>
Total capital assets, being depreciated, net	<u>1,980,874</u>	<u>378,696</u>	<u>(188,139)</u>	<u>2,171,431</u>
<b>Total capital assets net of accumulated depreciation</b>	<b><u>\$ 2,042,301</u></b>	<b><u>\$ 378,696</u></b>	<b><u>\$ (188,139)</u></b>	<b><u>\$ 2,232,858</u></b>

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

Governmental activities:	
General government	\$ 138,660
Public safety	65,508
Judiciary and court related	2,664
Corrections	42,196
Transportation	206,711
Public health and welfare	<u>14,446</u>
Total depreciation expense - governmental activities	<u>\$ 470,185</u>
Business-type activities:	
The Elms Nursing Home	<u>\$ 169,642</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

5. ON-BEHALF RECEIPTS

Certain expenses for The Elms were paid by the Macomb Public Building Commission and the County Farm Fund. For the year ended November 30, 2009, the Commission purchased \$244,230 of capital assets for The Elms, and the County Farm Fund purchased \$52,514 of capital assets for The Elms. Expenses paid by the County Farm Fund were \$6,253 for cable television, \$3,104 for various medical supplies, and \$2,580 for a therapy consultant. Expenses paid by the Commission were \$18,033 for various maintenance costs. The Commission and County Farm Fund expenses are recorded in the Enterprise Fund of the County's financial statements as on-behalf receipts.

6. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN

*Plan Description.* The County's defined benefit pension plans for Regular, Sheriff's Law Enforcement Personnel, and Elected County Official employees provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**County**

*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 contribution rate for calendar year 2008 was 8.55 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For the fiscal year ending November 30, 2009, the County's annual pension cost of \$685,452 for the Regular plan was equal to the County's required and actual contributions.



McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

6. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER  
PENSION PLAN – Continued

Three-Year Trend Information for Regular Plan

<u>Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
11/30/2009	\$ 685,452	100%	\$ -
12/31/2008	677,025	100%	-
12/31/2007	653,899	100%	-

\*Beginning in fiscal year 2009, the trend information reflects contributions for the County's fiscal year, rather than the IMRF fiscal year.

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 11.6 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 the County's 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% corridor between the actuarial and market value of assets. The County's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

*Funded Status and Funded Progress.* As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 83.74 percent funded. The actuarial accrued liability for benefits was \$19,720,449 and the actuarial value of assets was \$16,513,021, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,207,428. The covered payroll (annual payroll of active employees covered by the plan) was \$7,918,421 and the ratio of the UAAL to the covered payroll was 40.51 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

6. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER  
PENSION PLAN – Continued

**Sheriff's Law Enforcement Personnel (SLEP)**

*Funding Policy.* As set by statute, the County's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 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 contribution rate for calendar year 2008 was 21.84 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For fiscal year ending November 30, 2009, the County's annual pension cost of \$152,823 for the Sheriff's Law Enforcement Personnel plan was equal to the County's required and actual contributions.

Three-Year Trend Information for the Sheriff's Law Enforcement Personnel Plan

<u>Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
11/30/2009	\$ 152,823	100%	\$ -
12/31/2008	155,385	100%	-
12/31/2007	164,256	100%	-

\*Beginning in fiscal year 2009, the trend information reflects contributions for the County's fiscal year, rather than the IMRF fiscal year.

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 11.6 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 the County's 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% corridor between the actuarial and market value of assets. The County's Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

6. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER  
PENSION PLAN – Continued

**Sheriff's Law Enforcement Personnel (SLEP)**

*Funded Status and Funded Progress.* As of December 31, 2008 the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 56.34 percent funded. The actuarial accrued liability for benefits was \$3,179,984 and the actuarial value of assets was \$1,791,594, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,388,390. The covered payroll (annual payroll of active employees covered by the plan) was \$711,472 and the ratio of the UAAL to the covered payroll was 195.14 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Elected County Official**

*Funding Policy.* As set by statute, the County's Elected County Official plan members are required to contribute 7.50 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 contribution rate for calendar year 2008 was 26.98 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For fiscal year ending November 30, 2009, the County's annual pension cost of \$11,230 for the Elected County Official plan was equal to the County's required and actual contributions.

Three-Year Trend Information for the Elected County Official Plan

<u>Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
11/30/2009	\$ 11,230	100%	\$ -
12/31/2008	21,071	100%	-
12/31/2007	23,014	100%	-

\*Beginning in fiscal year 2009, the trend information reflects contributions for the County's fiscal year, rather than the IMRF fiscal year.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

6. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER  
PENSION PLAN – Continued

**Elected County Official**

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 11.6 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 the County's Elected County Official 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% corridor between the actuarial and market value of assets. The County's Elected County Official plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

*Funded Status and Funded Progress.* As of December 31, 2008, the most recent actuarial valuation date, the Elected County Official plan was 92.13 percent funded. The actuarial accrued liability for benefits was \$347,762 and the actuarial value of assets was \$320,394, resulting in an underfunded actuarial accrued liability (UAAL) of \$27,368. The covered payroll (annual payroll of active employees covered by the plan) was \$78,097 and the ratio of the UAAL to the covered payroll was 35.04 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

7. DEFERRED COMPENSATION PLAN

The County offers its employees two different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all County employees, permit them to defer a portion of their salary until future years. The County is not required to make any contributions to the plans. The amounts deferred and earnings thereon, are not available to employees until termination, retirement, death, or unforeseeable emergency.

Contributions by employees are administered by a third-party agent and the assets and income thereon are held in trust for the exclusive benefit of participants and their beneficiaries.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

8. LONG-TERM DEBT

A. Leases Payable

**Office Building**

In March 1981, McDonough County entered into a non-cancelable lease agreement with the Macomb Public Building Commission (Building Commission) for the rental of County office space at 130-134 South Lafayette Street, Macomb, Illinois. The agreement called for an initial payment of \$37,000 with annual rental payments of \$20,000 for the years 1981 through 1991. In April 1984 and 1999, the County entered into supplemental agreements with the Building Commission whereby the original lease was extended from April 1, 1991 with annual rental payments of \$1.

Payments are due by November 30 of each year. All insurance on the building and general public liability insurance is to be obtained by the Building Commission. The County is responsible for the maintenance, operations, and safekeeping of the offices that they are leasing. Currently, portions of this building are being rented to third parties. As long as the third party rent payments, made directly to the Building Commission, exceed the County's required annual payments, the County's payment will be waived by the Building Commission. After all outstanding indebtedness of the Building Commission has been paid in full, the Building Commission agrees to transfer by warranty deed the fee simple title of the building to the County upon the County's request.

**Equipment Leases**

On September 30, 2005, the County entered into a noncancelable lease agreement with Pitney Bowes, Inc. for the lease of a \$14,689 postage meter with access. The agreement calls for quarterly payments of \$780 commencing December 31, 2005 and carries an annual interest rate of approximately 4 percent. The final payment is due December 31, 2010. The balance due at November 30, 2009 was \$3,784.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

8. LONG-TERM DEBT – Continued

A. Leases Payable – Continued

Following is a schedule of minimum future rental payments and the net present value of these minimum lease payments as of November 30, 2009 for the above equipment lease:

		<u>Governmental Activities</u>
Year ending November 30:		
	2010	\$ 3,120
	2011	<u>780</u>
Total minimum lease payments		3,900
Less amount representing interest		<u>116</u>
Present value of minimum lease payments		<u>\$ 3,784</u>

The lease has been recorded as a long-term capital lease. Accordingly, the principal portion of the lease payments of \$3,784 has been included in the leases payable of the County.

On April 16, 2009, the County entered into a noncancelable lease agreement with RK Dixon Co. for the lease of a \$14,994 copier. The agreement calls for monthly payments of \$250 commencing May 15, 2009. The final payment is due December 31, 2010. The balance due at November 30, 2009 was \$13,245.

Following is a schedule of minimum future rental payments and the net present value of these minimum lease payments as of November 30, 2009 for the above equipment lease:

		<u>Business-Type Activities</u>
Year ending November 30:		
	2010	\$ 2,999
	2011	2,999
	2012	2,999
	2013	2,999
	2014	<u>1,249</u>
Total minimum lease payments		<u>\$ 13,245</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

8. LONG-TERM DEBT – Continued

B. Notes Payable

On June 15, 2007, the County entered into an agreement with MidAmerica National Bank to finance the repairs to the Courthouse roof. The County borrowed \$89,400 at an interest rate of 4.68 percent, to be paid in five annual payments of \$20,740, beginning September 15, 2008, with a final payment due on September 15, 2012. The principal balance of \$56,745 due at November 30, 2009 is included in the notes payable of the County. This note is paid out of the Liability Insurance Internal Service Fund.

Following is a schedule of principal maturities by year for the above notes payable:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 18,089	\$ 2,652	\$ 20,741
2011	18,935	1,806	20,741
2012	19,721	919	20,640
Total	<u>\$ 56,745</u>	<u>\$ 5,377</u>	<u>\$ 62,122</u>

C. Changes in Long-Term Debt

Long-term liability activity for the year ended November 30, 2009 was as follows:

	<u>Balances</u> <u>December 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>November 30</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Contracts payable					
(capital leases)	\$ 6,677	\$ -	\$ 2,893	\$ 3,784	\$ 3,012
Notes payable	73,982	-	17,237	56,745	18,089
Compensated absences payable	273,651	271,013	260,549	284,115	191,208
Net OPEB obligation	-	51,146	-	51,146	-
Other commitments (See Note 16)	<u>125,000</u>	<u>-</u>	<u>25,000</u>	<u>100,000</u>	<u>25,000</u>
Governmental activity - long-term liabilities	<u>\$ 479,310</u>	<u>\$ 322,159</u>	<u>\$ 305,679</u>	<u>\$ 495,790</u>	<u>\$ 237,309</u>
Business-type activities:					
Notes payable	\$ -	\$ 14,994	\$ 1,749	\$ 13,245	\$ 2,999
Net OPEB obligation	-	29,925	-	29,925	-
Compensated absences payable	<u>134,483</u>	<u>119,415</u>	<u>120,631</u>	<u>133,267</u>	<u>119,819</u>
Business-type activity - long-term liabilities	<u>\$ 134,483</u>	<u>\$ 164,334</u>	<u>\$ 122,380</u>	<u>\$ 176,437</u>	<u>\$ 122,818</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

8. LONG-TERM DEBT – Continued

C. Changes in Long-Term Debt – Continued

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund, or the fund where the employee is paid their payroll on a regular basis.

9. LEASE COMMITMENTS

The County has entered into various operating leases for the rental of office equipment and vehicles. Aggregate future lease commitments under these leases for each of the years ending November 30 are as follows:

2010	\$ <u>8,453</u>
<b>Total</b>	<b>\$ <u>8,453</u></b>

10. STATUTORY DEBT MARGIN

A schedule indicating the statutory debt margin computation follows:

2008 Assessed valuation	<u>\$ 334,779,460</u>
Statutory debt limitation (2.875 percent of assessed valuation)	\$ 9,624,909
Debt outstanding at November 30, 2009	<u>160,529</u>
<b>Statutory debt margin, November 30, 2009</b>	<b><u>\$ 9,464,380</u></b>



McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

11. INTERFUND TRANSACTIONS

Interfund receivable and payable balances at November 30, 2009 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Illinois Municipal Retirement Fund	\$ -	\$ 2,692
Social Security Fund	-	2,577
Internal Service Funds	352,267	-
Agency Funds	22,775	-
Nonmajor Governmental Funds	6,000	-
	<u>381,042</u>	<u>5,269</u>
 Illinois Municipal Retirement Fund:		
General Fund	<u>2,692</u>	<u>-</u>
 Social Security Fund		
General Fund	<u>2,577</u>	<u>-</u>
 County Health Fund		
Internal Service Funds	-	9,352
Nonmajor Governmental Funds	11,087	-
	<u>11,087</u>	<u>9,352</u>
 Internal Service Funds:		
General Fund	-	352,267
County Health Fund	9,352	-
Nonmajor Governmental Funds	13,830	221,707
	<u>23,182</u>	<u>573,974</u>
 Agency Funds:		
General Fund	-	22,775
Nonmajor Governmental Funds	-	38,166
	<u>-</u>	<u>60,941</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

11. INTERFUND TRANSACTIONS – Continued

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Nonmajor Governmental Funds:		
General Fund	\$ -	\$ 6,000
County Health Fund		11,087
Internal Service Funds	221,707	13,830
Agency Funds	38,166	-
Nonmajor Governmental Funds	<u>43,838</u>	<u>43,838</u>
	<u>303,711</u>	<u>74,755</u>
Total Interfund Receivables/Payables	<u>\$ 724,291</u>	<u>\$ 724,291</u>

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances from/to other funds at November 30, 2009 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Public Safety Sales Tax Fund	\$ -	\$ 90,681
Nonmajor Governmental Funds	<u>-</u>	<u>57,147</u>
	<u>-</u>	<u>147,828</u>
Public Safety Sales Tax Fund		
General Fund	<u>90,681</u>	<u>-</u>
Nonmajor Governmental Funds:		
General Fund	<u>57,147</u>	<u>-</u>
Total Interfund Receivables/Payables	<u>\$ 147,828</u>	<u>\$ 147,828</u>

These balances resulted from short-term loans for expenditures made on their behalf.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
General Fund	\$ 38,786	\$ 38,786
Public Safety Sales Tax Fund	150,000	-
Internal Service Funds	<u>201,478</u>	<u>-</u>
	<u>390,264</u>	<u>38,786</u>
Public Safety Sales Tax Fund:		
General Fund	<u>-</u>	<u>150,000</u>
	<u>-</u>	<u>150,000</u>
County Health Fund:		
Nonmajor Governmental Funds	<u>2,961</u>	<u>-</u>
	<u>2,961</u>	<u>-</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

11. INTERFUND TRANSACTIONS – Continued

	<u>Transfers In</u>	<u>Transfers Out</u>
Internal Service Funds:		
General Fund	\$ -	\$ 201,478
The Elms Fund	-	13,166
	<u>-</u>	<u>214,644</u>
The Elms Fund:		
Internal Service Funds	13,166	-
	<u>13,166</u>	<u>-</u>
Nonmajor Governmental Funds:		
County Health Fund	-	2,961
Nonmajor Governmental Funds	531,261	531,261
	<u>531,261</u>	<u>534,222</u>
Total interfund transfers	<u>\$ 937,652</u>	<u>\$ 937,652</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

12. RELATED ORGANIZATIONS, JOINTLY GOVERNED ORGANIZATIONS, AND JOINT VENTURES

A. Related Organizations

The County's officials are responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The other organizations include various Cemetery Associations and Boards of Trustees of Fire Protection Districts in the County, the McDonough County Housing Authority, and McDonough District Hospital.

B. Jointly Governed Organizations

The County, in conjunction with the City of Macomb, Illinois created the Macomb Public Building Commission under the Public Building Commission Act. The Commission's board is composed of three members appointed by the City Council and two members appointed by the County Board. The County is involved as lessee in capital leases with the Commission as lessor as described in the preceding footnotes for leases payable.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

12. RELATED ORGANIZATIONS, JOINTLY GOVERNED ORGANIZATIONS, AND  
JOINT VENTURES – Continued

C. Joint Ventures

The County is a participant with the City of Macomb, Illinois and the McDonough County Emergency Telephone System Board (ETSB) in a joint venture to operate a 911 emergency services communication and dispatch enterprise. The Macomb/McDonough Emergency Dispatch Center, Inc., a not-for-profit corporation, was created for that purpose. The corporation is governed by a six-member board composed of 1) the County Board Chairman or a County board member designated by the Chairman, 2) the County Sheriff or a designated full-time employee of the Sheriff's Department, 3) the City Mayor, 4) the City Police Chief, 5) the ETSB Chairman, and 6) the ETSB Secretary. The County, the City, and the ETSB each contributed various property, equipment, services, and/or funds for initial relocation and occupancy costs to the corporation. The County, the City, and the ETSB are each obligated by an intergovernmental cooperation agreement to pay one-third (1/3) of the costs of the corporation for wages, employee benefits, and normal office supplies.

The ETSB's liability for operating costs during any fiscal year of the corporation is limited to a cap amount determined by the County, the City, and the ETSB. The County and the City share equally the amount of costs in excess of the determined cap of the ETSB's share of costs. The ETSB contributes to the corporation annually an amount sufficient to pay the entire cost of equipment installation, operation, maintenance, repair and replacement, employee training, and telephone line charges.

The Center's fiscal year end is November 30. Separate audited financial statements are available through the Macomb/McDonough County Emergency Dispatch Center, Inc. Summarized financial information of the Center as of and for the year ended November 30, 2009, follows:

Statement of Net Assets Information

Assets:	
Current assets	\$ 248,868
Property and equipment, net	<u>203,215</u>
Total assets	<u>\$ 452,083</u>
Liabilities and net assets:	
Liabilities	\$ 35,986
Net assets	<u>416,097</u>
Total liabilities and net assets	<u>\$ 452,083</u>

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

12. RELATED ORGANIZATIONS, JOINTLY GOVERNED ORGANIZATIONS, AND  
JOINT VENTURES – Continued

C. Joint Ventures – Continued

Statement of Activities Information

Operating revenue	\$ 728,216
Operating expenses	<u>746,834</u>
Operating net loss	<u>(18,618)</u>
Nonoperating revenue	<u>150,555</u>
Change in net assets	<u>131,937</u>
Net assets, beginning	306,933
Prior period adjustment	<u>(22,773)</u>
Net assets, beginning restated	<u>284,160</u>
Net assets, ending	<u>\$ 416,097</u>

13. RISK MANAGEMENT

A. General and Professional Liability, Property, Errors, and Omissions

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; health claims of employees; and natural disasters. The County purchases commercial insurance for all risks of loss, excluding group health care coverage and workers' compensation, which are described below. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Workers' Compensation

The County insures its risk of loss for employee injuries under workers' compensation laws by participating in the Illinois Public Risk Fund (IPRF) a public entity risk pool currently operating as a common risk management program for a number of Illinois counties. The County pays an annual "premium" to IPRF for its coverage. Annual audits of the County's payroll, workers' compensation claims, and employee job classifications are performed by IPRF.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

13. RISK MANAGEMENT – Continued

C. Group Health Plan

Beginning July 1, 2001, the County uses an internal service fund to account for and finance its uninsured risks of loss related to its self-funded health insurance plan. Under this plan, the County is self-insured for the first \$70,000 of covered charges per individual per year. Commercial insurance is carried for amounts in excess of self-insured amounts. Claims payable are reported in the accounts payable amount on the financial statements. Changes in claims liability for the self-funded health insurance plan in fiscal years 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Balance at beginning of year	\$ 126,826	\$ 148,272
Claims incurred	1,569,392	1,504,216
Claims paid	<u>1,656,376</u>	<u>1,525,662</u>
<b>Balance at end of year</b>	<b><u>\$ 39,842</u></b>	<b><u>\$ 126,826</u></b>

14. CONCENTRATION OF CREDIT RISK

The accounts receivable from the State of Illinois in the Enterprise Fund, The Elms Nursing Home, at November 30, 2009 totaled \$195,143 with accounts totaling \$7,274 not expected to be collected for a net receivable balance of \$187,869. This represents a concentration of credit risk with one counterparty, which could result in a material loss if the State fails to meet its obligations regarding these accounts.

15. ADMINISTRATION AGREEMENT

The County entered into an administration agreement for its self-funded health plan with Mutual Medical Plans, Inc. This agreement has a three-year term extending through November 30, 2012, and fees for services under this agreement are assessed at \$16 per participant per month. Fees paid to Mutual Medical for administrative, clerical, and consulting services in fiscal 2009 were \$47,012.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

16. COMMITMENTS

The Macomb/McDonough County Enterprise Zone and McDonough County Board Chairman approved a resolution on October 30, 2003 authorizing the gifting of up to \$25,000 per year by McDonough County to Macomb Area Economic Development Corporation (MAEDCO) beginning in 2003 and terminating in 2013 to fund MAEDCO's purchase of a building to serve as a business and technology incubator within the boundaries of the Macomb/McDonough County Enterprise Zone. However, should the proposed acquisition not come to fruition, then all funds allocated will be refunded to the Enterprise Zone Economic Development Fund. This is a total commitment of \$250,000 of which the balance at November 30, 2009 is \$100,000.

17. CONTINGENCY

The County is a party to various legal proceedings which normally occur in governmental operations. The County is a defendant in a wrongful death suit. The plaintiff is alleging that a McDonough County Sheriff's Deputy is responsible for the death of a passenger in a traffic accident. There is currently no trial date set and the County plans to vigorously defend its position.

The Elms Nursing Home recognizes patient service revenue based on third-party payor agreements as described in NOTE 1N. The Illinois Department of Healthcare and Family Services (IHFS) is responsible for calculating the Medicaid billing rate to be used by all long-term care facilities in the State, including The Elms Nursing Home. During fiscal year 2008, IHFS informed all long-term care facilities that the Medicaid rates for the period from October 1, 2006 to September 30, 2007 were incorrectly calculated by IHFS. The miscalculated rate has lead to excessive amounts being remitted to all long-term care facilities in the State of Illinois, which IHFS plans to recoup. During the fiscal year ending November 30, 2009 it was determined that The Elms owed IHFS \$311,967 in Medicaid overbillings. Of the amount owed \$118,574 was repaid to IHFS with the remaining amount of \$193,419 included in Accounts Payable in the Statement of Net Assets - Proprietary Funds.

18. CONDUIT DEBT OBLIGATION

The County has issued Capital Improvement Bonds to provide financial assistance to a private-sector entity for the acquisition, construction, and installation of fixtures and equipment deemed to be in the public interest. The bonds are secured by the property financed and owned by the private-sector entity and are payable solely from payments received on the underlying mortgage loan. As of November 30, 2009, the principal amount payable under these bonds was \$5,148,137. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

19. PRIOR PERIOD ADJUSTMENT

The County has restated beginning fund balance/net assets as of December 1, 2008 to a) correct payable balances, b) correct prepaid balances, and c) correct fiduciary fund reporting.

	Nonmajor Governmental	The Elms	Governmental Activities	Business-Type Activities
FUND BALANCE/ NET ASSETS, December 1 (as previously reported)	\$ 3,388,753	\$ 4,602,638	\$ 18,378,044	\$ 4,602,638
Restated for				
a) Understated payables	-	(137,903)	-	(137,903)
b) Overstated expenses	110,497	-	110,497	-
b) Correct fund reporting	-	-	(1,274,918)	-
FUND BALANCE/ NET ASSETS, DECEMBER 1 (as restated)	\$ 3,499,250	\$ 4,464,735	\$ 17,213,623	\$ 4,464,735

20. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the County provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County through its personnel manual and union contracts, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

The County provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the County's insure provider.



McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

20. OTHER POST-EMPLOYMENT BENEFITS – Continued

Membership

At December 1, 2008 (latest information available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	14
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>188</u>
TOTAL	<u>202</u>
Participating employers	<u>1</u>

Funding Policy

The County is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB costs and Net OPEB Obligation

The County first had an actuarial valuation performed for the plan as of December 1, 2008 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2009. The County's annual OPEB cost (expense) of \$81,071 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of December 1, 2008. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2009 was as follows (information for fiscal year 2008 is not available as an actuarial valuation was performed for the first time as of December 1, 2008):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2009	\$ 81,071	\$ -	0%	\$ 81,071

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

20. OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB costs and Net OPEB Obligation – Continued

The net OPEB obligation (NOPEBO) as November 30, 2009 (latest information available), was calculated as follows:

Annual required contribution	\$ 81,071
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	81,071
Contributions made	-
	<hr/>
Increase (decrease) in net OPEB obligation	81,071
Net OPEB obligation beginning of year	-
	<hr/>
NET OPEB OBLIGATION END OF YEAR	<u>\$ 81,071</u>

*Funded Status and Funding Progress.* The funded status of the plan as of December 1, 2008 (latest information available), was as follows:

Actuarial accrued liability (AAL)	\$ 661,134
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 661,134
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 6,965,216
UAAL as a percentage of covered payroll	9.49%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS - Continued

20. OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB costs and Net OPEB Obligation – Continued

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50% interest rate assumption and an annual healthcare cost trend rate of 9.00% initially, reduced by decrements to an ultimate rate of 5.00%. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on a open basis. The remaining amortization period at November 30, 2009, was 30 years.

## REQUIRED SUPPLEMENTARY INFORMATION

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY**  
**November 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
12/31/08	\$ 16,513,021	\$ 19,720,449	\$ 3,207,428	83.74%	\$ 7,918,421	40.51%
12/31/07	18,260,024	18,369,549	109,525	99.40%	7,585,834	1.44%
12/31/06	16,333,418	16,579,538	246,120	98.52%	7,256,834	3.39%
12/31/05	15,760,685	15,440,154	(320,531)	102.08%	7,053,731	(4.54)%
12/31/04	14,524,354	14,257,289	(267,065)	101.87%	6,566,465	(4.07)%
12/31/03	13,902,260	13,055,716	(846,544)	106.48%	6,340,807	(13.35)%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$11,778,397. On a market basis, the funded ratio would be 59.73 percent.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP)**  
**November 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
12/31/08	\$ 1,791,594	\$ 3,179,984	\$ 1,388,390	56.34%	\$ 711,472	195.14%
12/31/07	2,037,346	2,970,963	933,617	68.58%	693,066	134.71%
12/31/06	2,141,057	3,211,603	1,070,546	66.67%	620,062	172.65%
12/31/05	1,739,378	2,820,754	1,081,376	61.66%	606,880	178.19%
12/31/04	1,736,617	2,543,560	806,943	68.28%	566,770	142.38%
12/31/03	1,863,963	2,632,796	768,833	70.80%	625,296	122.96%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$1,028,981. On a market basis, the funded ratio would be 32.36 percent.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS (ECO)**  
**November 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
12/31/08	\$ 320,394	\$ 347,762	\$ 27,368	92.13%	\$ 78,097	35.04%
12/31/07	426,335	528,426	102,091	80.68%	78,253	130.46%
12/31/06	357,690	469,351	111,661	76.21%	123,942	90.09%
12/31/05	314,502	560,079	245,577	56.15%	138,440	177.39%
12/31/04	261,287	541,988	280,701	48.21%	298,423	94.06%
12/31/03	189,642	257,575	67,933	73.63%	263,887	25.74%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$265,695. On a market basis, the funded ratio would be 76.40 percent.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**November 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a) / c )
12/01/08	\$ -	\$ 661,134	\$ 661,134	0.00%	\$ 6,965,216	9.49%

The County implemented GASB Statement No. 45 for the fiscal year ended November 30, 2009. Information for prior years is not available.

See accompanying Independent Auditor's Report.



**McDONOUGH COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY**

**November 30, 2009**

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/09	\$ 685,452	\$ 685,452	100.00%
12/31/08	677,025	677,025	100.00%
12/31/07	653,899	653,899	100.00%
12/31/06	74,020	74,020	100.00%
12/31/05	446,501	446,501	100.00%
12/31/04	284,985	284,985	100.00%

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP)**

**November 30, 2009**

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/09	\$ 152,823	\$ 152,823	100.00%
12/31/08	155,385	155,385	100.00%
12/31/07	164,256	164,256	100.00%
12/31/06	136,724	136,724	100.00%
12/31/05	128,234	128,234	100.00%
12/31/04	98,165	98,165	100.00%

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS (ECO)**

**November 30, 2009**

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/09	\$ 11,230	\$ 11,230	100.00%
12/31/08	21,071	21,071	100.00%
12/31/07	23,014	23,014	100.00%
12/31/06	30,341	30,341	100.00%
12/31/05	28,020	28,020	100.00%
12/31/04	64,728	64,728	100.00%

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS PLAN**

**November 30, 2009**

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/09	\$ -	\$ 81,071	0.00%

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 846,537	\$ 846,537	\$ 681,136
State of Illinois:			
Local use tax	94,000	94,000	102,041
Sales tax	756,000	756,000	737,689
Income tax	720,000	720,000	552,517
Personal property replacement taxes	225,000	225,000	189,440
State grants and expenditure reimbursements	352,452	356,867	294,041
Federal revenue	-	83,680	83,673
Fees for services and materials	1,115,688	1,117,638	1,068,038
Elms matching funds	1,400,000	1,400,000	1,020,481
Investment income	30,000	30,000	15,001
Other	185,700	185,700	96,962
Total revenues	<u>5,725,377</u>	<u>5,815,422</u>	<u>4,841,019</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,899,735	2,912,485	2,312,923
Employee benefits	390,000	390,000	338,352
Public safety	1,238,424	1,296,204	1,193,664
Corrections	381,093	381,093	297,400
Judiciary and court related	1,281,186	1,296,386	1,247,612
Capital outlay	32,500	32,500	6,324
Total expenditures	<u>6,222,938</u>	<u>6,308,668</u>	<u>5,396,275</u>
Excess (deficiency) of revenue over expenditures	(497,561)	(493,246)	(555,256)
<b>OTHER FINANCING SOURCES</b>			
Net transfers between funds	<u>495,000</u>	<u>495,000</u>	<u>388,786</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (2,561)</u>	<u>\$ 1,754</u>	<u>(166,470)</u>
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			178,459
<b>SHERIFF FUND - SUBFUND ACTIVITY NOT BUDGETED</b>			1,960
<b>FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR - RESTATED</b>			<u>1,858,974</u>
<b>FUND BALANCES, GAAP BASIS, END OF YEAR</b>			<u>\$ 1,872,923</u>

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - ILLINOIS MUNICIPAL RETIREMENT FUND**  
**Year Ended November 30, 2009**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 541,830	\$ 541,830	\$ 434,731
Replacement taxes	12,000	12,000	11,861
Investment income	5,000	5,000	2,822
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,866</u>
Total revenues	<u>560,830</u>	<u>560,830</u>	<u>451,280</u>
<b>EXPENDITURES</b>			
Employee Benefits:			
Employee benefits	<u>794,751</u>	<u>794,751</u>	<u>760,694</u>
Total expenditures	<u>794,751</u>	<u>794,751</u>	<u>760,694</u>
Excess (deficiency) of revenue over expenditures			
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>\$ (233,921)</u></u>	<u><u>\$ (233,921)</u></u>	(309,414)
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			109,897
<b>FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR</b>			<u>568,880</u>
<b>FUND BALANCES, GAAP BASIS, END OF YEAR</b>			<u><u>\$ 369,363</u></u>

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY SALES TAX FUND**  
**Year Ended November 30, 2009**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Sales taxes	\$ 1,075,000	\$ 1,075,000	\$ 1,086,793
Investment income	2,500	2,500	3,005
Other	5,000	9,100	14,397
	<u>1,082,500</u>	<u>1,086,600</u>	<u>1,104,195</u>
Total revenues			
	<u>1,082,500</u>	<u>1,086,600</u>	<u>1,104,195</u>
<b>EXPENDITURES</b>			
Current:			
Employee benefits	312,500	312,500	288,836
Public safety	344,196	342,296	271,286
Corrections	235,681	241,681	232,351
Capital outlay	85,000	85,000	81,789
	<u>977,377</u>	<u>981,477</u>	<u>874,262</u>
Total expenditures			
	<u>977,377</u>	<u>981,477</u>	<u>874,262</u>
Excess (deficiency) of revenue over expenditures	<u>105,123</u>	<u>105,123</u>	<u>229,933</u>
Other financing sources (uses)			
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(150,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (144,877)</u>	<u>\$ (144,877)</u>	79,933
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			(3,621)
<b>FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR</b>			<u>715,905</u>
<b>FUND BALANCES, GAAP BASIS, END OF YEAR</b>			<u>\$ 792,217</u>

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - SOCIAL SECURITY FUND**  
**Year Ended November 30, 2009**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 593,835	\$ 593,835	\$ 476,432
Investment income	5,000	5,000	1,211
Other	<u>3,000</u>	<u>3,000</u>	<u>2,716</u>
Total revenues	<u>601,835</u>	<u>601,835</u>	<u>480,359</u>
<b>EXPENDITURES</b>			
Current:			
General government	25,072	25,072	25,072
Employee benefits	710,500	710,500	676,068
Court services reimbursement	<u>(107,516)</u>	<u>(107,516)</u>	<u>(131,844)</u>
Total expenditures	<u>628,056</u>	<u>628,056</u>	<u>569,296</u>
Excess (deficiency) of revenue over expenditures			
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (26,221)</u>	<u>\$ (26,221)</u>	(88,937)
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			117,637
<b>FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR</b>			<u>430,591</u>
<b>FUND BALANCES, GAAP BASIS, END OF YEAR</b>			<u>\$ 459,291</u>

See accompanying Independent Auditor's Report.



**McDONOUGH COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - COUNTY HEALTH FUND**  
**Year Ended November 30, 2009**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 326,888	\$ 326,888	\$ 262,575
State grant and expenditure reimbursements	183,271	183,311	248,603
Federal revenue	470,533	470,533	485,337
Fees for services and materials	151,159	151,159	299,826
Investment income	-	-	744
Other	13,600	13,600	18,879
	<u>1,145,451</u>	<u>1,145,491</u>	<u>1,315,964</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Public health	1,148,804	1,148,804	1,233,354
Capital outlay	-	-	11,380
	<u>1,148,804</u>	<u>1,148,804</u>	<u>1,244,734</u>
Total expenditures			
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (3,353)</u>	<u>\$ (3,313)</u>	71,230
<b>RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS</b>			64,339
<b>FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR</b>			<u>431,339</u>
<b>FUND BALANCES, GAAP BASIS, END OF YEAR</b>			<u>\$ 566,908</u>

See accompanying Independent Auditor's Report.

## McDONOUGH COUNTY, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION NOVEMBER 30, 2009

#### 1. BUDGET AND APPROPRIATIONS

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 55 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30, and is available for public inspection at least fifteen days prior to final adoption. All appropriations cease with the close of the fiscal year. The budget document is prepared for all budgetary funds on the cash basis and includes a statement of the revenues collected and expenditures paid of the immediately preceding fiscal year and a projection of the revenues collected and the proposed itemized appropriations for the ensuing fiscal year.

Once the County budget has been adopted, no further appropriations shall be made during the year except in the event of an immediate emergency, at which time the County Board by a two-thirds vote may make appropriations in excess of those authorized in the budget. Neither the County Board, nor the agent on its behalf, shall have the power to make any contract, or do any act, which will add to the County expenditures in any year above the amount provided in the budget for that fiscal year. Nothing in the statutes shall deprive the Board of the power to provide for and pay from County funds any charge upon the County imposed by law independent of any action of the Board.

#### 2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The budgetary comparison schedules for the General Fund, Illinois Municipal Retirement Fund, Public Safety Sales Tax Fund, Social Security Fund, and County Health Fund present comparisons of the budget on a cash basis with actual data on the cash basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present basic financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis and timing differences in the excess (deficiency) of revenue over expenditures for the year ended November 30, 2009 is presented on each budgetary comparison schedule in the line item titled "Reconciliation to modified accrual basis - net change resulting from recording accounts receivable, payable, and other accrued items."

#### 3. EXCESS OVER BUDGET

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the basic financial statements). Funds having deficit fund balances and funds which overexpended appropriations during the year are required to be disclosed.

McDONOUGH COUNTY, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – Continued

3. EXCESS OVER BUDGET – Continued

The Local Improvement Fund and Self-Insurance Fund had deficit fund equity of \$1,330 and \$171,087, respectively, at November 30, 2009. The County plans to eliminate the deficit fund equity either through improved future fund operating results or with funds transferred from another County fund.

The following budgeted funds had an excess of expenditures over appropriations for the year ended November 30, 2009:

	<u>Appropriations</u>	<u>Expenditures</u>
County Health Fund	\$ 1,148,804	\$ 1,244,734
Cooperative Extension Fund	150,810	151,003
Law Library Fund	14,500	14,580

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET - BY SUBFUND**  
**GENERAL FUND**  
**November 30, 2009**

	<u>General Corporate</u>	<u>Sheriff</u>	<u>Total General Fund</u>
<b>ASSETS</b>			
Cash and Cash equivalents	\$ 1,104,461	\$ 9,191	\$ 1,113,652
Investments	-	-	-
Receivables, net:			
State of Illinois	411,986	-	411,986
Property taxes	1,024,802	-	1,024,802
Other	101,048	-	101,048
Due from other funds	383,758	(2,716)	381,042
Inventories	14,010	-	14,010
<b>TOTAL ASSETS</b>	<u><u>\$ 3,040,065</u></u>	<u><u>\$ 6,475</u></u>	<u><u>\$ 3,046,540</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 165,211	\$ -	\$ 165,211
Due to others	-	309	309
Due to other funds	5,269	-	5,269
Deferred revenue	855,000	-	855,000
Advances from other funds	147,828	-	147,828
 Total liabilities	<u>1,173,308</u>	<u>309</u>	<u>1,173,617</u>
 <b>FUND BALANCES</b>			
Reserved for inventories	14,010	-	14,010
Unreserved	1,852,747	6,166	1,858,913
 Total fund balances	<u>1,866,757</u>	<u>6,166</u>	<u>1,872,923</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 3,040,065</u></u>	<u><u>\$ 6,475</u></u>	<u><u>\$ 3,046,540</u></u>

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BY SUBFUND**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>General Corporate</u>	<u>Sheriff</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Property taxes	\$ 850,938	\$ -	\$ 850,938
State of Illinois:			
Local use tax	92,255	-	92,255
Sales tax	736,689	-	736,689
Income tax	537,847	-	537,847
Personal property replacement taxes	187,642	-	187,642
State grants and expenditure reimbursements	331,699	2,899	334,598
Federal revenue	68,386	-	68,386
Fees for services and materials	1,120,118	38,786	1,158,904
Investment income	13,521	13	13,534
Other	157,702	-	157,702
Total revenues	<u>4,096,797</u>	<u>41,698</u>	<u>4,138,495</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,368,070	-	1,368,070
Public safety	1,291,499	952	1,292,451
Corrections	299,574	-	299,574
Judiciary and court related	1,350,220	-	1,350,220
Public health	55,863	-	55,863
Transportation	34,855	-	34,855
Capital outlay	72,098	-	72,098
Debt service	2,893	-	2,893
Total expenditures	<u>4,475,072</u>	<u>952</u>	<u>4,476,024</u>
Excess (deficiency) of revenue over expenditures	<u>(378,275)</u>	<u>40,746</u>	<u>(337,529)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	390,264	-	390,264
Transfers out	<u>-</u>	<u>(38,786)</u>	<u>(38,786)</u>
Total other financing sources (uses)	<u>390,264</u>	<u>(38,786)</u>	<u>351,478</u>
<b>NET CHANGE IN FUND BALANCES</b>	11,989	1,960	13,949
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,854,768</u>	<u>4,206</u>	<u>1,858,974</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,866,757</u>	<u>\$ 6,166</u>	<u>\$ 1,872,923</u>

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF CERTAIN REVENUE ITEMS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

**FEES FOR SERVICES AND MATERIALS**

General Corporate:

Coroner's report fees	\$ 1,108
Aperture cards	-
Police contracts - Prairie City	1,420
Vending machines	320
Maintenance salary reimbursement	40,308
State's attorney collections	1,903
County Clerk fees	255,112
Circuit Clerk fines	653,060
Circuit Clerk fees	158,627
Industry police protection	8,010
Sheriff - Scott County inmates	250
Total	<u>1,120,118</u>

Sheriff:

Process dockets	20,276
Foreign service	5,302
Transportation and boarding of prisoners	1,314
Answering service	5,480
Other	6,414
Total	<u>38,786</u>

**TOTAL FEES FOR SERVICES AND MATERIALS**

\$ 1,158,904

**OTHER**

General Corporate:

Tax penalties, interest, and costs	\$ 60,740
Insight franchise fees	16,855
Worker's compensation payment	1,281
Miscellaneous	6,623
Landfill tipping	63,737
Reimburse telephone - other funds	8,466

**TOTAL OTHER**

\$ 157,702

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>GENERAL GOVERNMENT</b>			
County Board:			
Members per diem	\$ 50,960	\$ 50,960	\$ 45,184
Mileage	10,500	10,500	9,027
Administrative assistant	21,630	21,630	10,926
Office supplies	4,050	4,050	2,139
County dues	3,500	3,500	2,550
Other	3,700	3,700	2,040
	<u>94,340</u>	<u>94,340</u>	<u>71,866</u>
County Treasurer:			
Salary	43,703	43,703	43,703
Deputy clerk salaries	57,510	57,510	48,339
Office supplies and expense	15,063	15,063	8,585
	<u>116,276</u>	<u>116,276</u>	<u>100,627</u>
County Clerk:			
Salary	43,703	43,703	43,703
Deputy clerk salaries	109,217	109,217	105,154
Office supplies and expense	9,880	9,880	9,872
Recording births and deaths	675	675	645
	<u>163,475</u>	<u>163,475</u>	<u>159,374</u>
Microfilming Department:			
Salary	22,233	22,233	22,056
Supplies	8,000	8,000	5,370
	<u>30,233</u>	<u>30,233</u>	<u>27,426</u>
Elections:			
Building and equipment rental	1,180	1,180	1,180
Judges	26,000	19,000	17,950
Election supplies	30,000	37,000	36,007
Printing and publications of ballots	600	600	-
HAVA grant	-	26,000	20,681
Computer equipment	18,000	18,000	17,650
Deputy clerk salaries	33,000	33,000	26,136
	<u>108,780</u>	<u>134,780</u>	<u>119,604</u>

(Continued)

See accompanying Independent Auditor's Report.



**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>GENERAL GOVERNMENT (Continued)</b>			
Supervisor of Assessments:			
Salary - Supervisor	\$ 43,703	\$ 43,703	\$ 43,703
Deputy clerk salaries	71,491	71,491	64,828
Office supplies	5,361	5,361	4,526
Mileage, education, and dues	9,832	9,832	8,085
Publications	20,000	20,000	16,232
	<u>150,387</u>	<u>150,387</u>	<u>137,374</u>
Board of Review:			
Salaries	12,785	12,785	12,785
Appraisals and administration	1,500	1,500	-
Mileage, supplies, and meetings	500	500	-
	<u>14,785</u>	<u>14,785</u>	<u>12,785</u>
Building and Grounds:			
Maintenance supervisor salary	58,911	58,911	58,911
Salaries - maintenance personnel	46,700	46,700	41,712
Building supplies	9,500	9,500	6,388
Contractual	12,500	12,500	7,690
Janitorial supplies	4,000	4,000	4,065
Reimbursement expense	2,700	2,700	2,550
Telephone and phone repairs	62,000	62,000	50,050
Utilities	89,000	89,000	61,671
	<u>285,311</u>	<u>285,311</u>	<u>233,037</u>
Network Administrator			
Salary	37,500	37,500	36,562
Supplies	1,000	1,000	304
Equipment	500	500	-
Miscellaneous	1,500	1,500	121
	<u>40,500</u>	<u>40,500</u>	<u>36,987</u>
			(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>GENERAL GOVERNMENT (Continued)</b>			
Regional Office of Superintendent of Educational Service:			
Allocated portion of joint cost	\$ 50,733	\$ 50,733	\$ 38,050
Office improvement	20,000	50,000	48,649
Comprehensive Plan	35,000	35,000	7,000
Contingency	100,000	29,250	-
	<u>205,733</u>	<u>164,983</u>	<u>93,699</u>
Other:			
Surety bonds	3,500	3,500	1,845
W.I.R.C. dues	3,715	3,715	3,713
Postage	45,500	48,000	46,065
Preparation of budget	6,500	6,500	-
Revenue stamps	85,000	85,000	84,994
Training and education	8,500	8,500	3,673
Computer service	45,000	70,000	68,935
Audits	82,200	82,200	82,200
Elms matching funds	1,400,000	1,400,000	1,020,481
Accounting and consulting services	10,000	10,000	8,238
	<u>1,689,915</u>	<u>1,717,415</u>	<u>1,320,144</u>
Total General Government	<u>2,899,735</u>	<u>2,912,485</u>	<u>2,312,923</u>
<b>EMPLOYEE BENEFITS</b>	<u>390,000</u>	<u>390,000</u>	<u>338,352</u>
<b>PUBLIC SAFETY</b>			
Police Protection - Sheriff:			
Sheriff salary	64,478	64,478	64,478
Deputies, Dispatchers, and Jailers' salaries	776,000	776,000	757,277
Deputy pay - call-out, court	7,750	7,750	7,934
Deputy and Jailer overtime	86,500	86,500	77,374
Deputy and Jailer life insurance	700	700	432
Courthouse security salaries	72,000	72,000	70,618
Courthouse security overtime	9,000	11,000	9,496
Courthouse security - Bailiff's	4,000	2,000	1,400
Courthouse security equipment	3,000	3,000	908
Courthouse security uniforms	2,000	2,000	218
Office supplies	13,500	20,500	14,459
Radio repair and maintenance	29,000	22,000	10,766
Miscellaneous	32,500	31,800	12,693
Monthly access fee	8,229	8,929	8,918
	<u>1,108,657</u>	<u>1,108,657</u>	<u>1,036,971</u>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>PUBLIC SAFETY (Continued)</b>			
Civil Defense:			
Director salary	\$ 13,767	\$ 13,767	\$ 13,767
Part time secretary	250	250	-
Travel	3,000	3,000	900
Local emergency planning	1,500	1,500	-
IESMA Grant	-	12,680	12,677
ESDA exercise & training	-	45,000	44,170
Office supplies	3,000	3,000	844
Equipment and contractual	48,500	48,500	44,457
	<u>70,017</u>	<u>127,697</u>	<u>116,815</u>
Coroner:			
Salary	25,350	25,350	25,350
Office supplies and education	4,800	4,800	2,830
Transportation	7,100	7,100	3,588
Professional services	12,800	12,800	4,933
Medical and contractual	8,500	8,500	1,987
Coroner's grant expense	-	100	100
Reimbursable expense	1,200	1,200	1,090
	<u>59,750</u>	<u>59,850</u>	<u>39,878</u>
Total Public Safety	<u>1,238,424</u>	<u>1,296,204</u>	<u>1,193,664</u>
<b>CORRECTIONS</b>			
Juvenile Probation Officer:			
Child Care	<u>120,000</u>	<u>120,000</u>	<u>36,307</u>
Adult Probation Officer:			
County share of joint cost	<u>261,093</u>	<u>261,093</u>	<u>261,093</u>
Total Corrections	<u>381,093</u>	<u>381,093</u>	<u>297,400</u>
			(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>JUDICIARY AND COURT RELATED</b>			
State's Attorney:			
Salary	\$ 160,412	\$ 167,012	\$ 166,508
Assistants	146,059	146,059	116,094
Collection Specialist salary	21,000	22,950	21,899
Secretary salaries	83,803	83,803	83,801
Grant victim/witness salaries	4,966	4,966	4,574
Investigator	14,700	14,700	14,700
Witness fees	2,400	2,400	206
Office supplies and maintenance	9,000	9,000	8,990
Appellate Prosecutor	11,000	11,000	11,000
Court ordered medical	3,000	3,000	2,235
	<u>456,340</u>	<u>464,890</u>	<u>430,007</u>
Courts:			
Circuit and Associated Judges' salary	1,500	1,500	1,418
County share Chief Judge	3,953	3,953	3,952
Office supplies and expense	8,000	8,000	7,995
Administrative secretary	34,760	34,760	34,759
Court appointed attorneys	86,500	86,500	86,405
Court appointed transcripts and miscellaneous	150	150	-
Jurors' meals and lodging	650	650	296
Jury certificates	12,600	12,600	5,208
Jury commissioner	7,612	7,612	7,611
Jury commission supplies	200	200	196
Translator	6,000	6,000	5,400
	<u>161,925</u>	<u>161,925</u>	<u>153,240</u>
Public Defender:			
Public Defender	160,412	167,012	166,508
Office Manager	34,341	34,341	33,341
Secretary	11,558	11,558	11,400
Assistant PD 1	71,423	71,423	71,424
Assistant PD 2	49,504	49,504	49,512
Court ordered medical	1,500	1,500	-
Office supplies and expense	14,000	14,000	11,948
	<u>342,738</u>	<u>349,338</u>	<u>344,133</u>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>JUDICIARY AND COURT RELATED (Continued)</b>			
Circuit Clerk:			
Salary	\$ 43,703	\$ 43,703	\$ 43,703
Deputy clerk salaries	<u>276,480</u>	<u>276,530</u>	<u>276,529</u>
	<u>320,183</u>	<u>320,233</u>	<u>320,232</u>
 Total Judiciary and Court Related	 <u>1,281,186</u>	 <u>1,296,386</u>	 <u>1,247,612</u>
 <b>CAPITAL OUTLAY</b>			
Equipment purchases	25,000	25,000	1,121
Computer purchases	<u>7,500</u>	<u>7,500</u>	<u>5,203</u>
 Total capital outlay	 <u>32,500</u>	 <u>32,500</u>	 <u>6,324</u>
 <b>TOTAL GENERAL FUND</b>	 <u><u>\$ 6,222,938</u></u>	 <u><u>\$ 6,308,668</u></u>	 <u><u>\$ 5,396,275</u></u> (Concluded)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2009**

	Special Revenue Funds	Debt Service Funds		Permanent Fund	Total Nonmajor Governmental Funds
		Insurance Bond Funds	Equipment Replacement Funds		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,958,563	\$ 16,966	\$ 103,458	\$ 22,828	\$ 3,101,815
Investments	200,000	-	25,000	83,689	308,689
Receivables, net:					
State of Illinois	44,527	-	-	-	44,527
Property taxes	1,451,951	-	-	-	1,451,951
Other	43,550	-	-	-	43,550
Due from other funds	303,711	-	-	-	303,711
Due from component unit	17,138	-	-	-	17,138
Advances to other funds	57,147	-	-	-	57,147
Prepaid items	128,330	-	-	-	128,330
<b>TOTAL ASSETS</b>	<b>\$ 5,204,917</b>	<b>\$ 16,966</b>	<b>\$ 128,458</b>	<b>\$ 106,517</b>	<b>\$ 5,456,858</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 201,083	\$ -	\$ 1,550	\$ -	\$ 202,633
Due to others	-	-	-	43,689	43,689
Due to other funds	74,755	-	-	-	74,755
Deferred revenue	1,215,892	-	-	-	1,215,892
Total liabilities	1,491,730	-	1,550	43,689	1,536,969
Fund balances:					
Reserved for:					
Capital acquisitions	95,793	-	-	-	95,793
Debt service	-	16,966	-	-	16,966
Advances	57,147	-	-	-	57,147
Notes receivable	25,816	-	-	-	25,816
Unreserved	3,534,431	-	126,908	62,828	3,724,167
Total fund balances	3,713,187	16,966	126,908	62,828	3,919,889
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,204,917</b>	<b>\$ 16,966</b>	<b>\$ 128,458</b>	<b>\$ 106,517</b>	<b>\$ 5,456,858</b>

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2009**

	Special Revenue Funds	Debt Service Funds		Permanent Fund	Total Nonmajor Governmental Funds
		Insurance Bond Funds	Equipment Replacement Funds		
<b>REVENUE</b>					
Property taxes	\$ 1,191,680	\$ -	\$ -	\$ -	\$ 1,191,680
State of Illinois:					
Sales tax	-	-	-	-	-
Motor fuel tax allotments	430,399	-	-	-	430,399
State grants and expenditure reimbursements	222,876	-	-	-	222,876
Federal revenue	34,038	-	-	-	34,038
Fees for services and materials	705,480	-	-	-	705,480
Investment income	26,624	140	1,286	1,971	30,021
Other	354,547	-	776	22,386	377,709
Total revenues	<u>2,965,644</u>	<u>140</u>	<u>2,062</u>	<u>24,357</u>	<u>2,992,203</u>
<b>EXPENDITURES</b>					
Current:					
General government	248,613	-	-	2,100	250,713
Public safety	11,088	-	-	-	11,088
Corrections	26,570	-	-	-	26,570
Judiciary and court related	114,645	-	-	-	114,645
Public health	662,884	-	-	64,452	727,336
Public welfare	108,400	-	-	-	108,400
Transportation	1,412,114	-	-	-	1,412,114
Capital outlay	30,262	-	99,315	-	129,577
Debt service	25,000	-	-	-	25,000
Total expenditures	<u>2,639,576</u>	<u>-</u>	<u>99,315</u>	<u>66,552</u>	<u>2,805,443</u>
Excess (deficiency) of revenues over expenditures	<u>326,068</u>	<u>140</u>	<u>(97,253)</u>	<u>(42,195)</u>	<u>186,760</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	422,091	-	109,170	-	531,261
Transfers out	<u>(534,222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(534,222)</u>
Total other financing sources (uses)	<u>(112,131)</u>	<u>-</u>	<u>109,170</u>	<u>-</u>	<u>(2,961)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>213,937</u>	<u>140</u>	<u>11,917</u>	<u>(42,195)</u>	<u>183,799</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	3,388,753	16,826	114,991	105,023	3,625,593
<b>Prior period adjustment</b>	<u>110,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,497</u>
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<u>3,499,250</u>	<u>16,826</u>	<u>114,991</u>	<u>105,023</u>	<u>3,736,090</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 3,713,187</u>	<u>\$ 16,966</u>	<u>\$ 126,908</u>	<u>\$ 62,828</u>	<u>\$ 3,919,889</u>

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**November 30, 2009**

	County Highway Fund	County Motor Fuel Fund	County Aid to Bridges Fund	Federal Aid Matching Fund	Engineering Revolving Fund	Tuberculosis Fund	Veterans' Assistance Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 550,406	\$ 175,023	\$ 197,356	\$ 526,835	\$ 175,310	\$ 29,540	\$ 65,676
Investments	-	-	-	200,000	-	-	-
Receivables, net:							
State of Illinois	-	44,527	-	-	-	-	-
Property taxes	291,589	-	159,824	199,407	-	35,939	76,862
Other	-	-	-	-	-	-	-
Due from other funds	31,924	-	-	-	29,993	-	-
Due from component unit	17,138	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 891,057</b>	<b>\$ 219,550</b>	<b>\$ 357,180</b>	<b>\$ 926,242</b>	<b>\$ 205,303</b>	<b>\$ 65,479</b>	<b>\$ 142,538</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 68,426	\$ 2,005	\$ 10,031	\$ -	\$ 262	\$ -	\$ 7,041
Due to other funds	-	15,633	16,291	-	-	11,087	-
Deferred revenue	244,258	-	133,882	167,040	-	30,000	64,386
Total liabilities	<u>312,684</u>	<u>17,638</u>	<u>160,204</u>	<u>167,040</u>	<u>262</u>	<u>41,087</u>	<u>71,427</u>
Fund balances:							
Reserved for capital acquisitions	-	-	-	-	-	-	-
Reserved for advances	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-
Unreserved	<u>578,373</u>	<u>201,912</u>	<u>196,976</u>	<u>759,202</u>	<u>205,041</u>	<u>24,392</u>	<u>71,111</u>
Total fund balances (deficit)	<u>578,373</u>	<u>201,912</u>	<u>196,976</u>	<u>759,202</u>	<u>205,041</u>	<u>24,392</u>	<u>71,111</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 891,057</b>	<b>\$ 219,550</b>	<b>\$ 357,180</b>	<b>\$ 926,242</b>	<b>\$ 205,303</b>	<b>\$ 65,479</b>	<b>\$ 142,538</b>

(Continued)

See accompanying Independent Auditor's Report.



**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**November 30, 2009**

	<b>Cooperative Extension Fund</b>	<b>Animal Control Fund</b>	<b>Mental Health Fund</b>	<b>Law Library Fund</b>	<b>Recorder Automation Fund</b>	<b>Court Automation Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 104,672	\$ 8,335	\$ 12,224	\$ 41,276	\$ 112,209
Investments	-	-	-	-	-	-
Receivables, net:						
State of Illinois	-	-	-	-	-	-
Property taxes	184,224	-	398,814	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	-	2,593	-
Due from component unit	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Prepaid items	-	-	128,330	-	-	-
	<u>-</u>	<u>-</u>	<u>128,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 184,224</u></u>	<u><u>\$ 104,672</u></u>	<u><u>\$ 535,479</u></u>	<u><u>\$ 12,224</u></u>	<u><u>\$ 43,869</u></u>	<u><u>\$ 112,209</u></u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 29,902	\$ 5,538	\$ -	\$ -	\$ 1,762	\$ 17,295
Due to other funds	-	-	-	-	-	-
Deferred revenue	154,322	-	334,080	-	-	-
Total liabilities	<u>184,224</u>	<u>5,538</u>	<u>334,080</u>	<u>-</u>	<u>1,762</u>	<u>17,295</u>
Fund balances:						
Reserved for capital acquisitions	-	-	-	-	-	-
Reserved for advances	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-
Unreserved	-	99,134	201,399	12,224	42,107	94,914
Total fund balances (deficit)	<u>-</u>	<u>99,134</u>	<u>201,399</u>	<u>12,224</u>	<u>42,107</u>	<u>94,914</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 184,224</u></u>	<u><u>\$ 104,672</u></u>	<u><u>\$ 535,479</u></u>	<u><u>\$ 12,224</u></u>	<u><u>\$ 43,869</u></u>	<u><u>\$ 112,209</u></u>

(Continued)

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**November 30, 2009**

	<b>Vital Records Automation Fund</b>	<b>Drug Enforcement Fund</b>	<b>Senior Citizens' Transportation Fund</b>	<b>Support Processing Fund</b>	<b>Capital Improvement &amp; Equipment Fund</b>	<b>State's Attorney Victim/Witness Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 13,740	\$ 22,018	\$ 139,533	\$ 38,350	\$ 7,813	\$ 7,537
Investments	-	-	-	-	-	-
Receivables, net:						
State of Illinois	-	-	-	-	-	-
Property taxes	-	-	51,245	-	-	-
Other	-	-	-	-	-	-
Due from other funds	408	-	-	-	2,700	3,007
Due from component unit	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,148</b>	<b>\$ 22,018</b>	<b>\$ 190,778</b>	<b>\$ 38,350</b>	<b>\$ 10,513</b>	<b>\$ 10,544</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2,598	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	9,125
Deferred revenue	-	-	42,924	-	-	-
Total liabilities	<u>2,598</u>	<u>-</u>	<u>42,924</u>	<u>-</u>	<u>-</u>	<u>9,125</u>
Fund balances:						
Reserved for capital acquisitions	-	-	95,793	-	-	-
Reserved for advances	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-
Unreserved	11,550	22,018	52,061	38,350	10,513	1,419
Total fund balances (deficit)	<u>11,550</u>	<u>22,018</u>	<u>147,854</u>	<u>38,350</u>	<u>10,513</u>	<u>1,419</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,148</b>	<b>\$ 22,018</b>	<b>\$ 190,778</b>	<b>\$ 38,350</b>	<b>\$ 10,513</b>	<b>\$ 10,544</b>

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
November 30, 2009**

	<u>Treasurer's Automation Fund</u>	<u>Document Storage Fund</u>	<u>County Waste Management Fund</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Court System Maintenance Fund</u>	<u>Arrestees' Medical Cost Fund</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 31,628	\$ 53,395	\$ 32,971	\$ 156,940	\$ 105,855	\$ 24,663
Investments	-	-	-	-	-	-
Receivables, net:						
State of Illinois	-	-	-	-	-	-
Property taxes	-	-	-	54,047	-	-
Other	-	-	11,304	25,816	-	-
Due from other funds	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Advances to other funds	-	-	57,147	-	-	-
Prepaid items	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 31,628</u>	<u>\$ 53,395</u>	<u>\$ 101,422</u>	<u>\$ 236,803</u>	<u>\$ 105,855</u>	<u>\$ 24,663</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 9,083	\$ 12,079	\$ -	\$ 2,108	\$ 5,012
Due to other funds	-	-	8,789	-	-	-
Deferred revenue	-	-	-	45,000	-	-
Total liabilities	<u>-</u>	<u>9,083</u>	<u>20,868</u>	<u>45,000</u>	<u>2,108</u>	<u>5,012</u>
Fund balances:						
Reserved for capital acquisitions	-	-	-	-	-	-
Reserved for advances	-	-	57,147	-	-	-
Reserved for notes receivable	-	-	-	25,816	-	-
Unreserved	31,628	44,312	23,407	165,987	103,747	19,651
Total fund balances (deficit)	<u>31,628</u>	<u>44,312</u>	<u>80,554</u>	<u>191,803</u>	<u>103,747</u>	<u>19,651</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 31,628</u>	<u>\$ 53,395</u>	<u>\$ 101,422</u>	<u>\$ 236,803</u>	<u>\$ 105,855</u>	<u>\$ 24,663</u>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**November 30, 2009**

	Local Improvement Fund	Sheriff's DUI Equipment Fund	Tax Sale Indemnity Fund	Elms Building Fund	State's Attorney Drug Enforcement Fund	Tri-County Waste and Resource Management Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 4,677	\$ 27,127	\$ 70,832	\$ 5,845	\$ 21,932
Investments	-	-	-	-	-	-
Receivables, net:						
State of Illinois	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Other	-	-	-	-	-	6,430
Due from other funds	-	-	-	216,000	-	8,789
Due from component unit	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 4,677</u>	<u>\$ 27,127</u>	<u>\$ 286,832</u>	<u>\$ 5,845</u>	<u>\$ 37,151</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 1,593	\$ -	\$ -	\$ -	\$ 26,348
Due to other funds	1,330	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>1,330</u>	<u>1,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,348</u>
Fund balances:						
Reserved for capital acquisitions	-	-	-	-	-	-
Reserved for advances	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-
Unreserved	(1,330)	3,084	27,127	286,832	5,845	10,803
Total fund balances (deficit)	<u>(1,330)</u>	<u>3,084</u>	<u>27,127</u>	<u>286,832</u>	<u>5,845</u>	<u>10,803</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 4,677</u>	<u>\$ 27,127</u>	<u>\$ 286,832</u>	<u>\$ 5,845</u>	<u>\$ 37,151</u>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**November 30, 2009**

	GIS Fee Fund	County Clerk GIS Fee Fund	State's Attorney Child Advocacy Fund	USDA Solid Waste Fund	Animal Control Memorial Fund	Animal Pet Population Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 106,515	\$ 11,570	\$ 14,145	\$ 100	\$ 38,653	\$ 23,862	\$ 2,958,563
Investments	-	-	-	-	-	-	200,000
Receivables, net:							
State of Illinois	-	-	-	-	-	-	44,527
Property taxes	-	-	-	-	-	-	1,451,951
Other	-	-	-	-	-	-	43,550
Due from other funds	4,741	431	3,125	-	-	-	303,711
Due from component unit	-	-	-	-	-	-	17,138
Advances to other funds	-	-	-	-	-	-	57,147
Prepaid items	-	-	-	-	-	-	128,330
<b>TOTAL ASSETS</b>	<u>\$ 111,256</u>	<u>\$ 12,001</u>	<u>\$ 17,270</u>	<u>\$ 100</u>	<u>\$ 38,653</u>	<u>\$ 23,862</u>	<u>\$ 5,204,917</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,083
Due to other funds	-	-	12,500	-	-	-	74,755
Deferred revenue	-	-	-	-	-	-	1,215,892
Total liabilities	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,491,730</u>
Fund balances:							
Reserved for capital acquisitions	-	-	-	-	-	-	95,793
Reserved for advances	-	-	-	-	-	-	57,147
Reserved for notes receivable	-	-	-	-	-	-	25,816
Unreserved	111,256	12,001	4,770	100	38,653	23,862	3,534,431
Total fund balances (deficit)	<u>111,256</u>	<u>12,001</u>	<u>4,770</u>	<u>100</u>	<u>38,653</u>	<u>23,862</u>	<u>3,713,187</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 111,256</u>	<u>\$ 12,001</u>	<u>\$ 17,270</u>	<u>\$ 100</u>	<u>\$ 38,653</u>	<u>\$ 23,862</u>	<u>\$ 5,204,917</u>
							(Concluded)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	County Highway Fund	County Motor Fuel Fund	County Aid to Bridges Fund	Federal Aid to Matching Fund	Engineering Revolving Fund	Tuberculosis Fund	Veterans' Assistance Fund
<b>REVENUES</b>							
Property taxes	\$ 239,027	\$ -	\$ 131,014	\$ 163,458	\$ -	\$ 29,998	\$ 63,011
State of Illinois:							
Sales tax	-	-	-	-	-	-	-
Motor fuel tax allotments	-	430,399	-	-	-	-	-
State grants and expenditure reimbursements	-	185,132	-	-	-	-	-
Federal revenue	-	-	-	-	-	-	-
Fees for services and materials	81,129	-	-	-	89,504	-	-
Investment income	4,397	818	3,525	5,609	2,010	11	196
Other	241,287	-	59,294	1,066	4,978	-	-
Total revenues	<u>565,840</u>	<u>616,349</u>	<u>193,833</u>	<u>170,133</u>	<u>96,492</u>	<u>30,009</u>	<u>63,207</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-
Public health	-	-	-	-	-	10,389	-
Public welfare	-	-	-	-	-	-	52,994
Transportation	882,271	303,826	153,285	1,224	71,508	-	-
Other expenditures	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,654	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>882,271</u>	<u>303,826</u>	<u>153,285</u>	<u>1,224</u>	<u>74,162</u>	<u>10,389</u>	<u>52,994</u>
Excess (deficiency) of revenues over expenditures	<u>(316,431)</u>	<u>312,523</u>	<u>40,548</u>	<u>168,909</u>	<u>22,330</u>	<u>19,620</u>	<u>10,213</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	341,438	-	-	3,435	14,828	-	-
Transfers out	<u>(3,435)</u>	<u>(319,264)</u>	<u>(146,171)</u>	<u>-</u>	<u>-</u>	<u>(2,961)</u>	<u>-</u>
Total other financing sources (uses)	<u>338,003</u>	<u>(319,264)</u>	<u>(146,171)</u>	<u>3,435</u>	<u>14,828</u>	<u>(2,961)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>21,572</u>	<u>(6,741)</u>	<u>(105,623)</u>	<u>172,344</u>	<u>37,158</u>	<u>16,659</u>	<u>10,213</u>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	556,801	208,653	302,599	586,858	167,883	7,733	60,898
Prior period adjustment	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED</b>	<u>556,801</u>	<u>208,653</u>	<u>302,599</u>	<u>586,858</u>	<u>167,883</u>	<u>7,733</u>	<u>60,898</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 578,373</u>	<u>\$ 201,912</u>	<u>\$ 196,976</u>	<u>\$ 759,202</u>	<u>\$ 205,041</u>	<u>\$ 24,392</u>	<u>\$ 71,111</u>

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	Cooperative Extension Fund	Animal Control Fund	Mental Health Fund	Law Library Fund	Recorder Automation Fund	Court Automation Fund
<b>REVENUES</b>						
Property taxes	\$ 151,003	\$ -	\$ 326,915	\$ -	\$ -	\$ -
State of Illinois:						
Sales tax	-	-	-	-	-	-
Motor fuel tax allotments	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-
Federal revenue	-	-	-	-	-	-
Fees for services and materials	-	90,107	-	13,190	33,230	49,809
Investment income	-	1,175	156	41	76	290
Other	-	973	-	-	-	-
Total revenues	<u>151,003</u>	<u>92,255</u>	<u>327,071</u>	<u>13,231</u>	<u>33,306</u>	<u>50,099</u>
<b>EXPENDITURES</b>						
Current:						
General government	151,003	-	-	-	2,572	-
Public safety	-	-	-	-	-	-
Corrections	-	-	-	-	-	-
Judiciary and court related	-	-	-	14,580	-	21,891
Public health	-	105,277	307,992	-	-	-
Public welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-
Capital outlay	-	2,028	-	-	1,418	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>151,003</u>	<u>107,305</u>	<u>307,992</u>	<u>14,580</u>	<u>3,990</u>	<u>21,891</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(15,050)</u>	<u>19,079</u>	<u>(1,349)</u>	<u>29,316</u>	<u>28,208</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(15,050)</u>	<u>19,079</u>	<u>(1,349)</u>	<u>29,316</u>	<u>28,208</u>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	114,184	71,823	13,573	12,791	66,706
Prior period adjustment	-	-	110,497	-	-	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR     RESTATED</b>	<u>-</u>	<u>114,184</u>	<u>182,320</u>	<u>13,573</u>	<u>12,791</u>	<u>66,706</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ 99,134</u>	<u>\$ 201,399</u>	<u>\$ 12,224</u>	<u>\$ 42,107</u>	<u>\$ 94,914</u>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	Vital Records Automation Fund	Drug Enforcement Fund	Senior Citizens' Transportation Fund	Support Processing Fund	Capital Improvement & Equipment Fund	State's Attorney Victim/Witness Fund
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ 42,020	\$ -	\$ -	\$ -
State of Illinois:						
Sales tax	-	-	-	-	-	-
Motor fuel tax allotments	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	23,494
Federal revenue	-	-	-	-	-	-
Fees for services and materials	6,622	-	-	4,470	-	-
Investment income	34	62	1,397	98	17	39
Other	-	27,205	-	-	-	-
Total revenues	<u>6,656</u>	<u>27,267</u>	<u>43,417</u>	<u>4,568</u>	<u>17</u>	<u>23,533</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,114	-	-	-	-	-
Public safety	-	11,088	-	-	-	-
Corrections	-	-	-	-	-	-
Judiciary and court related	-	-	-	1,812	-	23,500
Public health	-	-	-	-	-	-
Public welfare	-	-	55,406	-	-	-
Transportation	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-
Capital outlay	1,008	8,856	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>4,122</u>	<u>19,944</u>	<u>55,406</u>	<u>1,812</u>	<u>-</u>	<u>23,500</u>
Excess (deficiency) of revenues over expenditures	<u>2,534</u>	<u>7,323</u>	<u>(11,989)</u>	<u>2,756</u>	<u>17</u>	<u>33</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>2,534</u>	<u>7,323</u>	<u>(11,989)</u>	<u>2,756</u>	<u>17</u>	<u>33</u>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	9,016	14,695	159,843	35,594	10,496	1,386
Prior period adjustment	-	-	-	-	-	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR     RESTATED</b>	<u>9,016</u>	<u>14,695</u>	<u>159,843</u>	<u>35,594</u>	<u>10,496</u>	<u>1,386</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 11,550</u>	<u>\$ 22,018</u>	<u>\$ 147,854</u>	<u>\$ 38,350</u>	<u>\$ 10,513</u>	<u>\$ 1,419</u>

(Continued)

See accompanying Independent Auditor's Report.



**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	<b>Treasurer's Automation Fund</b>	<b>Document Storage Fund</b>	<b>County Waste Management Fund</b>	<b>Economic Development Revolving Loan Fund</b>	<b>Court System Maintenance Fund</b>	<b>Arrestees' Medical Cost Fund</b>
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 45,234	\$ -	\$ -
State of Illinois:						
Sales tax	-	-	-	-	-	-
Motor fuel tax allotments	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-
Federal revenue	-	-	-	-	-	-
Fees for services and materials	-	48,871	75,444	-	47,508	12,636
Investment income	102	100	167	3,385	285	106
Other	2,731	-	116	-	-	1,810
<b>Total revenues</b>	<b>2,833</b>	<b>48,971</b>	<b>75,727</b>	<b>48,619</b>	<b>47,793</b>	<b>14,552</b>
<b>EXPENDITURES</b>						
Current:						
General government	2,699	-	-	13,512	-	-
Public safety	-	-	-	-	-	-
Corrections	-	-	-	-	-	26,570
Judiciary and court related	-	31,388	-	-	3,242	-
Public health	-	-	69,831	-	-	-
Public welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	25,000	-	-
<b>Total expenditures</b>	<b>2,699</b>	<b>31,388</b>	<b>69,831</b>	<b>38,512</b>	<b>3,242</b>	<b>26,570</b>
Excess (deficiency) of revenues over expenditures	134	17,583	5,896	10,107	44,551	(12,018)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(62,391)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(62,391)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>134</b>	<b>17,583</b>	<b>(56,495)</b>	<b>10,107</b>	<b>44,551</b>	<b>(12,018)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<b>31,494</b>	<b>26,729</b>	<b>137,049</b>	<b>181,696</b>	<b>59,196</b>	<b>31,669</b>
Prior period adjustment	-	-	-	-	-	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR     RESTATE</b>	<b>31,494</b>	<b>26,729</b>	<b>137,049</b>	<b>181,696</b>	<b>59,196</b>	<b>31,669</b>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<b>\$ 31,628</b>	<b>\$ 44,312</b>	<b>\$ 80,554</b>	<b>\$ 191,803</b>	<b>\$ 103,747</b>	<b>\$ 19,651</b>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	Local Improvement Fund	Sheriff's DUI Equipment Fund	Tax Sale Indemnity Fund	Elms Building Fund	State's Attorney Drug Enforcement Fund	Tri-County Waste and Resource Management Fund
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:						
Sales tax	-	-	-	-	-	-
Motor fuel tax allotments	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-
Federal revenue	-	-	-	-	-	-
Fees for services and materials	-	3,280	-	-	-	66,170
Investment income	-	25	246	1,267	26	50
Other	-	-	1,800	-	2,958	-
Total revenues	-	3,305	2,046	1,267	2,984	66,220
<b>EXPENDITURES</b>						
Current:						
General government	-	-	8,714	-	-	-
Public safety	-	-	-	-	-	-
Corrections	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	2,880	-
Public health	-	-	-	-	-	132,274
Public welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-
Capital outlay	-	4,898	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	-	4,898	8,714	-	2,880	132,274
Excess (deficiency) of revenues over expenditures	-	(1,593)	(6,668)	1,267	104	(66,054)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	62,390
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	62,390
<b>NET CHANGE IN FUND BALANCES</b>	-	(1,593)	(6,668)	1,267	104	(3,664)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	(1,330)	4,677	33,795	285,565	5,741	14,467
Prior period adjustment	-	-	-	-	-	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR     RESTATED</b>	(1,330)	4,677	33,795	285,565	5,741	14,467
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ (1,330)</u>	<u>\$ 3,084</u>	<u>\$ 27,127</u>	<u>\$ 286,832</u>	<u>\$ 5,845</u>	<u>\$ 10,803</u>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	GIS Fee Fund	County Clerk GIS Fee Fund	State's Attorney Child Advocacy Fund	USDA Solid Waste Fund	Animal Control Memorial Fund	Animal Pet Population Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,191,680
State of Illinois:							
Sales tax	-	-	-	-	-	-	-
Motor fuel tax allotments	-	-	-	-	-	-	430,399
State grants and expenditure reimbursements	-	-	14,250	-	-	-	222,876
Federal revenue	-	-	-	34,038	-	-	34,038
Fees for services and materials	60,060	7,165	-	-	3,325	12,960	705,480
Investment income	668	56	17	-	121	52	26,624
Other	1,191	-	5,444	-	3,694	-	354,547
Total revenues	<u>61,919</u>	<u>7,221</u>	<u>19,711</u>	<u>34,038</u>	<u>7,140</u>	<u>13,012</u>	<u>2,965,644</u>
<b>EXPENDITURES</b>							
Current:							
General government	66,999	-	-	-	-	-	248,613
Public safety	-	-	-	-	-	-	11,088
Corrections	-	-	-	-	-	-	26,570
Judiciary and court related	-	-	15,352	-	-	-	114,645
Public health	-	-	-	34,038	3,083	-	662,884
Public welfare	-	-	-	-	-	-	108,400
Transportation	-	-	-	-	-	-	1,412,114
Other expenditures	-	-	-	-	-	-	-
Capital outlay	4,400	5,000	-	-	-	-	30,262
Debt service	-	-	-	-	-	-	25,000
Total expenditures	<u>71,399</u>	<u>5,000</u>	<u>15,352</u>	<u>34,038</u>	<u>3,083</u>	<u>-</u>	<u>2,639,576</u>
Excess (deficiency) of revenues over expenditures	<u>(9,480)</u>	<u>2,221</u>	<u>4,359</u>	<u>-</u>	<u>4,057</u>	<u>13,012</u>	<u>326,068</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	422,091
Transfers out	-	-	-	-	-	-	(534,222)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,131)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(9,480)</u>	<u>2,221</u>	<u>4,359</u>	<u>-</u>	<u>4,057</u>	<u>13,012</u>	<u>213,937</u>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	120,736	9,780	411	100	34,596	10,850	3,388,753
Prior period adjustment	-	-	-	-	-	-	110,497
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED</b>	<u>120,736</u>	<u>9,780</u>	<u>411</u>	<u>100</u>	<u>34,596</u>	<u>10,850</u>	<u>3,499,250</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 111,256</u>	<u>\$ 12,001</u>	<u>\$ 4,770</u>	<u>\$ 100</u>	<u>\$ 38,653</u>	<u>\$ 23,862</u>	<u>\$ 3,713,187</u>

(Concluded)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>COUNTY HIGHWAY FUND</b>			
Transportation:			
Salaries - maintenance and foreman	\$ 340,000	\$ 340,000	\$ 300,267
Salaries - Deputy Clerk	27,000	27,000	26,099
Maintenance:			
Building and grounds	10,000	10,000	2,520
Vehicles and equipment	28,000	28,000	10,293
Roads (contract work)	150,000	150,000	147,996
Other (contract work)	-	200,000	123,735
Benefits	60,000	64,000	62,514
Office supplies	30,000	26,000	21,604
Gasoline, diesel, and lubricating supplies	130,000	130,000	54,813
Operating supplies:			
Gravel and rock	75,000	75,000	26,562
Road oil	150,000	150,000	89,335
Miscellaneous expense	20,000	20,000	2,475
Total	<u>1,020,000</u>	<u>1,220,000</u>	<u>868,213</u>
 <b>COUNTY MOTOR FUEL TAX FUND</b>			
Transportation:			
Engineer	-	-	64,815
Maintenance - roads	-	-	574,882
Total	<u>-</u>	<u>-</u>	<u>639,697</u>
 <b>COUNTY AID TO BRIDGES FUND</b>			
Transportation:			
Bridges construction	<u>300,000</u>	<u>300,000</u>	<u>286,652</u>
 <b>FEDERAL AID MATCHING FUND</b>			
Transportation:			
Construction of roads	<u>400,000</u>	<u>400,000</u>	<u>1,224</u>
 <b>ENGINEERING REVOLVING FUND</b>			
Transportation:			
Salaries - other	75,000	75,000	62,923
Engineering - outside	35,000	35,000	-
Benefits	6,950	6,950	6,946
Gas/diesel	5,000	5,000	1,667
Capital outlay:			
Vehicle	25,000	25,000	-
Equipment	12,000	12,000	3,192
Total	<u>158,950</u>	<u>158,950</u>	<u>74,728</u>

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>TUBERCULOSIS FUND</b>			
Public health:			
Care and treatment of patients	\$ 25,000	\$ 25,000	\$ 4,184
<b>VETERANS' ASSISTANCE FUND</b>			
Public welfare:			
Veterans' assistance	33,000	33,000	27,450
Supervisor salary	13,715	13,715	12,715
Travel and dues	1,500	1,500	784
Office supplies and expense	1,500	1,500	13
Transportation	2,675	2,675	2,547
Health insurance	3,475	3,475	3,447
Office equipment	-	-	-
Grave markers and wheel chair ramps	2,000	2,000	1,000
Donation/memorial	100	100	-
Miscellaneous	500	500	134
Total	<u>58,465</u>	<u>58,465</u>	<u>48,090</u>
<b>COOPERATIVE EXTENSION FUND</b>			
General government:			
Extension services	<u>150,810</u>	<u>150,810</u>	<u>151,003</u>
<b>ANIMAL CONTROL FUND</b>			
Public health:			
Salaries	41,947	42,062	42,053
Assistant officer	22,467	20,352	19,030
Utilities	4,300	4,300	3,103
Gas and oil	3,100	3,100	1,805
Livestock claims	500	500	-
Disposal of animals	4,000	2,500	805
Adoption refunds	13,000	15,000	15,743
Supplies	5,500	7,000	6,647
Miscellaneous	5,000	7,700	7,744
Shelter maintenance	7,000	4,300	1,982
Vaccination fee refunds	550	550	-
Vehicle maintenance	1,000	1,000	1,127
Printing	3,000	3,000	1,745
Telephone	2,700	2,700	2,100
Capital outlay:			
Equipment purchase	<u>2,500</u>	<u>2,500</u>	<u>2,028</u>
Total	<u>116,564</u>	<u>116,564</u>	<u>105,912</u>
<b>MENTAL HEALTH FUND</b>			
Public health:			
Outpatient services	<u>326,888</u>	<u>326,888</u>	<u>307,992</u>

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>LAW LIBRARY FUND</b>			
Judiciary and court related:			
Monthly payment	\$ 1,800	\$ 1,800	\$ 1,800
Books	5,500	5,500	5,580
Miscellaneous	7,200	7,200	7,200
Total	<u>14,500</u>	<u>14,500</u>	<u>14,580</u>
<b>RECORDER AUTOMATION FUND</b>			
General government:			
Office supplies	2,500	2,500	1,151
Capital outlay:			
Equipment	17,500	17,500	16,672
Total	<u>20,000</u>	<u>20,000</u>	<u>17,823</u>
<b>COURT AUTOMATION FUND</b>			
Judiciary and court related:			
Computer equipment, software, and training	30,000	30,000	4,595
Computer maintenance and support	30,000	30,000	794
Total	<u>60,000</u>	<u>60,000</u>	<u>5,389</u>
<b>VITAL RECORDS AUTOMATION FUND</b>			
General government:			
Office supplies	2,000	2,000	1,134
Capital outlay:			
Equipment	3,000	3,000	2,271
Total	<u>5,000</u>	<u>5,000</u>	<u>3,405</u>
<b>DRUG ENFORCEMENT FUND</b>			
Public safety:			
Miscellaneous	7,000	25,000	11,088
Capital outlay:			
Equipment	-	-	8,856
Total	<u>7,000</u>	<u>25,000</u>	<u>19,944</u>
<b>SENIOR CITIZENS TRANSPORTATION FUND</b>			
Public welfare:			
Senior citizens transportation	80,000	80,000	55,406
<b>SUPPORT PROCESSING FUND</b>			
Judiciary and court related:			
Salary - Deputy Clerk	20,000	20,000	1,812
	<u>20,000</u>	<u>20,000</u>	<u>1,812</u>
<b>CAPITAL IMPROVEMENT AND EQUIPMENT FUND</b>			
Capital outlay:			
Equipment and building improvements	40,492	40,492	-

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>STATE'S ATTORNEY VICTIM/WITNESS FUND</b>			
Judiciary and court related:			
Salary - Case Worker	\$ 23,530	\$ 23,530	\$ 23,500
 <b>TREASURER'S AUTOMATION FUND</b>			
General government:			
Automation	5,000	5,000	2,699
 <b>DOCUMENT STORAGE FUND</b>			
Judiciary and court related:			
Office supplies	30,000	30,000	22,305
 <b>COUNTY WASTE MANAGEMENT FUND</b>			
Public Health:			
Solid waste management	55,500	69,000	62,752
Other expenditures:			
Transfer to Tri-County Waste & Resource Management	80,000	66,500	62,967
Total	<u>135,500</u>	<u>135,500</u>	<u>125,719</u>
 <b>ECONOMIC DEVELOPMENT REVOLVING LOAN FUND</b>			
General government:			
Building expenditure	25,000	25,000	25,000
Miscellaneous	30,000	30,000	13,512
Debt service:			
Economic development - MAEDCO	50,000	50,000	-
Total	<u>105,000</u>	<u>105,000</u>	<u>38,512</u>
 <b>COURT SYSTEM MAINTENANCE FUND</b>			
Judiciary and court related:			
Office improvements	30,000	30,000	267
Office supplies	10,000	10,000	9,825
Total	<u>40,000</u>	<u>40,000</u>	<u>10,092</u>
 <b>ARRESTEES' MEDICAL COST FUND</b>			
Corrections:			
Medical costs	20,000	25,500	23,267
 <b>SHERIFF'S DUI EQUIPMENT FUND</b>			
Capital outlay:			
DUI equipment	7,000	7,000	3,569

(Continued)

**MCDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Year Ended November 30, 2009**

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
<b>STATE'S ATTORNEY DRUG ENFORCEMENT FUND</b>			
Judiciary and court related:			
Equipment	\$ 1,000	\$ 2,645	\$ 1,826
Miscellaneous	1,000	1,000	1,054
Total	<u>2,000</u>	<u>3,645</u>	<u>2,880</u>
 <b>TRI-COUNTY WASTE AND RESOURCE MANAGEMENT FUND</b>			
Public Health:			
Travel	-	-	2,548
Supplies and miscellaneous	-	-	2,356
Solid waste administration fees	-	-	126,307
Conferences	-	-	145
Advertising	-	-	11
Dues, fees, and subscriptions	-	-	907
Total	<u>-</u>	<u>-</u>	<u>132,274</u>
 <b>GIS FEE FUND</b>			
General government:			
GIS Cartographer	\$ 34,000	\$ 34,000	\$ 33,299
Supplies	500	500	-
GIS expenses	31,000	34,200	33,700
Capital outlay:			
Equipment	8,500	5,300	4,400
Total	<u>74,000</u>	<u>74,000</u>	<u>71,399</u>
 <b>COUNTY CLERK GIS FEE FUND</b>			
Capital outlay:			
Equipment	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
 <b>STATE'S ATTORNEY CHILD ADVOCACY FUND</b>			
Judiciary and court related:			
Child advocate salary	12,500	12,500	11,602
Victim/witness coordinator salary	3,500	3,750	3,750
Total	<u>16,000</u>	<u>16,250</u>	<u>15,352</u>
 <b>USDA SOLID WASTE FUND</b>			
Public health:			
Grant expense	<u>40,000</u>	<u>40,000</u>	<u>36,350</u>
 <b>ANIMAL CONTROL MEMORIAL FUND</b>			
Public health:			
Supplies	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 3,083</u>
			(Concluded)

See accompanying Independent Auditor's Report.



**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**November 30, 2009**

	<u>Insurance Reserve Fund</u>	<u>Liability Insurance Fund</u>	<u>Self Insurance Fund</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,125,106	\$ 1,232,013	\$ 423,040	\$ 2,780,159
Investments	-	-	-	-
Receivables, net:				
Property taxes	-	413,874	-	413,874
Accrued interest	-	-	-	-
Other	-	17,322	-	17,322
Due from other funds	-	15,657	7,525	23,182
<b>TOTAL ASSETS</b>	<u>1,125,106</u>	<u>1,678,866</u>	<u>430,565</u>	<u>3,234,537</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	165	40,239	40,404
Deferred revenue	-	300,000	-	300,000
Due to other funds	-	12,561	561,413	573,974
Long-term liabilities:				
Due within one year	-	18,089	-	18,089
Due in more than one year	-	38,656	-	38,656
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>369,471</u>	<u>601,652</u>	<u>971,123</u>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<u><u>\$ 1,125,106</u></u>	<u><u>\$ 1,309,395</u></u>	<u><u>\$ (171,087)</u></u>	<u><u>\$ 2,263,414</u></u>

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**November 30, 2009**

	<b>Insurance Reserve Fund</b>	<b>Liability Insurance Fund</b>	<b>Self Insurance Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 2,027,084	\$ 2,027,084
<b>OPERATING EXPENSES</b>				
Insurance premiums:				
Unemployment	-	28,605	-	28,605
Liability	-	186,027	-	186,027
Workman's compensation	-	44,246	-	44,246
Medical claims and administration fees	-	52,063	2,004,765	2,056,828
Total operating expenses	-	310,941	2,004,765	2,315,706
Operating loss	-	(310,941)	22,319	(288,622)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes	-	575,054	-	575,054
Investment income	1,032	5,763	-	6,795
Interest expense	-	(3,504)	-	(3,504)
Other	-	25,038	85,646	110,684
Total nonoperating revenue	1,032	602,351	85,646	689,029
Income (loss) before transfers	1,032	291,410	107,965	400,407
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(200,000)	(13,167)	(1,477)	(214,644)
Total other financing sources (uses)	(200,000)	(13,167)	(1,477)	(214,644)
<b>CHANGE IN NET ASSETS</b>	(198,968)	278,243	106,488	185,763
<b>TOTAL NET ASSETS (DEFICIT) - BEGINNING</b>	1,324,074	1,031,152	(277,575)	2,077,651
<b>TOTAL NET ASSETS (DEFICIT) - ENDING</b>	<u>\$ 1,125,106</u>	<u>\$ 1,309,395</u>	<u>\$ (171,087)</u>	<u>\$ 2,263,414</u>

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**November 30, 2009**

	<u>Insurance Reserve Fund</u>	<u>Liability Insurance Fund</u>	<u>Self Insurance Fund</u>	<u>Total Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers	\$ -	\$ (584,782)	\$ (2,093,038)	\$ (2,677,820)
Internal activity-payments from (to) other funds	-	277,239	2,027,084	2,304,323
Net cash provided by (used in) operating activities	<u>-</u>	<u>(307,543)</u>	<u>(65,954)</u>	<u>(373,497)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes	-	461,178	-	461,178
Other nonoperating revenue (expense)	-	25,039	85,646	110,685
Interfund borrowing (lending)	-	(1,827)	13,950	12,123
Transfers in (out)	(200,000)	(13,167)	(1,477)	(214,644)
Net cash provided by (used in) noncapital financing activities	<u>(200,000)</u>	<u>471,223</u>	<u>98,119</u>	<u>369,342</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Repayment of loan proceeds	-	(17,237)	-	(17,237)
Interest paid on loan proceeds	-	(3,504)	-	(3,504)
Net cash used in capital financing activities	<u>-</u>	<u>(20,741)</u>	<u>-</u>	<u>(20,741)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	7,046	5,763	-	12,809
Proceeds from maturity of investments	320,100	-	-	320,100
Purchase of investments	-	-	-	-
Net cash provided by investing activities	<u>327,146</u>	<u>5,763</u>	<u>-</u>	<u>332,909</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	127,146	148,702	32,165	308,013
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>997,960</u>	<u>1,083,311</u>	<u>390,875</u>	<u>2,472,146</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<u>\$ 1,125,106</u>	<u>\$ 1,232,013</u>	<u>\$ 423,040</u>	<u>\$ 2,780,159</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating loss	\$ -	\$ (310,941)	\$ 22,319	\$ (288,622)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Change in assets and liabilities:				
Accounts receivable	-	3,233	-	3,233
Accounts payable	-	165	(88,273)	(88,108)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ (307,543)</u>	<u>\$ (65,954)</u>	<u>\$ (373,497)</u>

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2009**

	<b>County Collector's Tax Fund</b>						
	<b>Current Tax Collection Account</b>	<b>Mobile Home Privilege Tax Account</b>	<b>Court Services Fund</b>	<b>Multi-County Chief Judge Fund</b>	<b>Probation Service Fund</b>	<b>Inheritance Tax Fund</b>	<b>Condemnation Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,543,915	\$ 2,181	\$ 263,446	\$ 33,784	\$ 400,033	\$ 32,638	\$ 19,551
Investments	-	-	-	-	-	-	20,000
Receivables:							
State of Illinois	-	-	448,702	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,543,915</b>	<b>\$ 2,181</b>	<b>\$ 712,148</b>	<b>\$ 33,784</b>	<b>\$ 400,033</b>	<b>\$ 32,638</b>	<b>\$ 39,551</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 33,883	\$ 546	\$ 14,771	\$ -	\$ -
Due to other taxing units	5,543,915	2,181	-	-	-	-	-
Due to others	-	-	678,265	33,238	384,995	32,638	39,551
Due to other funds	-	-	-	-	267	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 5,543,915</b>	<b>\$ 2,181</b>	<b>\$ 712,148</b>	<b>\$ 33,784</b>	<b>\$ 400,033</b>	<b>\$ 32,638</b>	<b>\$ 39,551</b>

(Continued)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2009**

	<b>Accounts Payable Clearing Fund</b>	<b>Unclaimed Estates Fund</b>	<b>Advocacy Fund</b>	<b>Dive and Rescue Team Fund</b>	<b>Sheriff's Inmate Commissary Fund</b>	<b>State's Attorney Restitution Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 14	\$ 3,499	\$ 157	\$ 2,980	\$ 17,542	\$ 312
Investments	-	-	-	-	-	-
Receivables:						
State of Illinois	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14</b>	<b>\$ 3,499</b>	<b>\$ 157</b>	<b>\$ 2,980</b>	<b>\$ 17,542</b>	<b>\$ 312</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other taxing units	-	-	-	-	-	-
Due to others	-	3,140	157	2,980	17,542	312
Due to other funds	14	359	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 14</b>	<b>\$ 3,499</b>	<b>\$ 157</b>	<b>\$ 2,980</b>	<b>\$ 17,542</b>	<b>\$ 312</b>

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2009**

	<b>Withholding Clearing Fund</b>	<b>Township MFT Fund</b>	<b>Township Bridge Fund</b>	<b>County Clerk</b>	<b>Circuit Clerk</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 44,078	\$ 918,845	\$ 81,984	\$ 46,726	\$ 289,914	\$ 7,701,599
Investments	-	200,000	225,000	-	50,000	495,000
Receivables:						
State of Illinois	-	114,811	-	-	-	563,513
<b>TOTAL ASSETS</b>	<u>\$ 44,078</u>	<u>\$ 1,233,656</u>	<u>\$ 306,984</u>	<u>\$ 46,726</u>	<u>\$ 339,914</u>	<u>\$ 8,760,112</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 39,351	\$ 64,278	\$ 1,772	\$ -	\$ -	\$ 154,601
Due to other taxing units	-	1,139,385	-	16,418	339,914	7,041,813
Due to others	4,727	-	305,212	-	-	1,502,757
Due to other funds	-	29,993	-	30,308	-	60,941
<b>TOTAL LIABILITIES</b>	<u>\$ 44,078</u>	<u>\$ 1,233,656</u>	<u>\$ 306,984</u>	<u>\$ 46,726</u>	<u>\$ 339,914</u>	<u>\$ 8,760,112</u> (Concluded)

See accompanying Independent Auditor's Report.

## SUPPLEMENTAL INFORMATION

**McDONOUGH COUNTY, ILLINOIS**  
**SCHEDULE OF TAX INFORMATION**  
**Year Ended November 30, 2009**

	<b>Year Ended November 30, 2009</b>		
	<b>2008</b>		
	<b>Levy</b>	<b>Rate</b>	<b>Collection</b>
General Corporate **	\$ 880,000	0.25525	842,327
County Highway	239,000	0.07139	238,549
County Aid to Bridges	131,000	0.03913	130,752
Federal Aid Matching	163,444	0.04882	163,131
Tuberculosis	30,000	0.00896	29,938
Veterans' Assistance	63,000	0.01882	62,885
Municipal Retirement	542,000	0.16190	540,987
Social Security	594,000	0.17743	592,882
Building Rental (Building Commission) **	-	-	-
Cooperative Extension	151,000	0.04510	150,701
Mental Health	326,888	0.09764	326,262
County Health	326,888	0.09764	326,262
Senior Citizens' Transportation	42,000	0.01255	41,936
Economic Development Revolving Loan	-	-	45,234
Insurance Reserve Bond	-	-	-
Liability Insurance	575,000	0.17175	573,904
The Elms	326,888	0.09764	326,522
<b>TOTALS</b>	<b>\$ 4,391,108</b>	<b>1.30402</b>	<b>4,392,272</b>

**ASSESSED VALUATION**

\$ 334,779,460

Note: The amounts reported as collections reflect only the distribution from the current year's tax settlement.

\*\* For the year ended November 30, 2009, the assessed valuations used for General Corporate and Building Rental were \$344,760,331, which includes the assessed valuation of Enterprise Zone properties. Collections on \$45,234 of taxes extended for the General Corporate levies of McDonough County, City of Macomb, and Macomb City Township were distributed to the Economic Development Revolving Loan Fund (Enterprise Zone).



Year Ended November 30, 2008			Year Ended November 30, 2007		
2007 Levy	Rate	Collection	2006 Levy	Rate	Collection
\$ 850,000	0.26171	\$ 791,519	\$ 810,000	0.27000	\$ 773,091
233,000	0.07399	231,886	217,000	0.07454	216,194
129,000	0.04097	128,402	109,000	0.03744	108,590
151,000	0.04795	150,275	145,000	0.04981	144,468
15,000	0.00477	14,948	10,000	0.00343	9,944
62,000	0.01969	61,712	35,000	0.01202	34,864
522,000	0.16576	519,541	510,000	0.17518	508,161
572,000	0.18163	569,226	575,000	0.19750	572,833
365,000	0.11238	362,625	365,000	0.12336	364,149
147,000	0.04668	146,297	144,700	0.04970	144,151
300,000	0.09526	298,545	286,000	0.09824	284,935
300,000	0.09526	298,546	288,000	0.09892	286,905
58,000	0.01842	57,730	42,000	0.01443	41,853
-	-	74,819	-	-	45,407
225,384	0.07755	243,045	232,470	0.07985	231,599
599,000	0.19020	596,097	575,000	0.19750	572,845
298,000	0.09463	296,539	290,000	0.09961	288,859
<u>\$ 4,826,384</u>	<u>1.52685</u>	<u>\$ 4,841,752</u>	<u>\$ 4,634,170</u>	<u>1.58153</u>	<u>\$ 4,628,848</u>
<u>\$ 314,109,550</u>			<u>\$ 291,123,997</u>		