

MCDONOUGH COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
For the Year Ended November 30, 2012



**McDONOUGH COUNTY, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, 2012, 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, 2012, 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 May 31, 2013 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.

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



Springfield, Illinois
May 31, 2013

MCDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2012

| | Primary Government | | | Component Unit - ETSB |
|--|----------------------------|-----------------------------|---------------------|-----------------------------|
| | Governmental Activities | Business-Type Activities | Government Total | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 9,507,462 | \$ 834,501 | \$10,341,963 | \$ 207,911 |
| Restricted cash | 73,857 | 25,886 | 99,743 | - |
| Investments | 322,989 | 950,000 | 1,272,989 | 50,000 |
| Receivables, net: | | | | |
| State of Illinois | 789,595 | 1,257,786 | 2,047,381 | - |
| Property Taxes | 4,999,179 | 369,672 | 5,368,851 | - |
| Accrued interest | - | 9,376 | 9,376 | - |
| Other | 176,268 | 49,896 | 226,164 | 74,187 |
| Due from fiduciary funds | 149,068 | - | 149,068 | - |
| Due from (to) other funds | 8,476 | (8,476) | - | - |
| Due from component unit | 17,138 | - | 17,138 | - |
| Inventories | 9,735 | 51,561 | 61,296 | - |
| Prepaid expense | 261,389 | 2,919 | 264,308 | - |
| Capital assets not being depreciated | 178,556 | 61,427 | 239,983 | - |
| Capital assets, net of accumulated depreciation | <u>5,916,248</u> | <u>1,684,667</u> | <u>7,600,915</u> | <u>9,919</u> |
| TOTAL ASSETS | <u>22,409,960</u> | <u>5,289,215</u> | <u>27,699,175</u> | <u>342,017</u> |
| LIABILITIES | | | | |
| Accounts payable | 448,844 | 172,274 | 621,118 | 2,376 |
| Due to primary government | - | - | - | 17,138 |
| Due to fiduciary funds | 9,007 | - | 9,007 | - |
| Accrued expense | - | 133,923 | 133,923 | - |
| Due to others | 43,998 | - | 43,998 | - |
| Deferred revenue | 5,013,863 | 369,672 | 5,383,535 | - |
| Resident deposits | - | 10,962 | 10,962 | - |
| Long-term obligations, due within one year: | | | | |
| Notes payable | 25,527 | - | 25,527 | - |
| Leases payable | 18,818 | 2,998 | 21,816 | - |
| Compensated absences - current | 210,733 | 152,207 | 362,940 | - |
| Long-term obligations, due in more than one year | | | | |
| Notes payable | 21,453 | - | 21,453 | - |
| Leases payable | 19,758 | 1,500 | 21,258 | - |
| Compensated absences - long-term | 90,595 | - | 90,595 | - |
| Net OPEB obligation | 110,093 | 69,768 | 179,861 | - |
| Net pension obligation | <u>1,912</u> | <u>-</u> | <u>1,912</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>6,014,601</u> | <u>913,304</u> | <u>6,927,905</u> | <u>19,514</u> |
| NET ASSETS | | | | |
| Investment in capital assets, net of related debt | 6,009,248 | 1,741,596 | 7,750,844 | 9,919 |
| Restricted for | | | | |
| Highways and streets | 1,643,564 | - | 1,643,564 | - |
| Health and welfare | 1,314,797 | - | 1,314,797 | - |
| Public safety | 736,223 | - | 736,223 | 312,584 |
| Economic development | 92,218 | - | 92,218 | - |
| Retirement | 926,246 | - | 926,246 | - |
| Specific purpose | 1,544,667 | 14,924 | 1,559,591 | - |
| Debt service | 90,681 | - | 90,681 | - |
| Unrestricted | <u>4,037,715</u> | <u>2,619,391</u> | <u>6,657,106</u> | <u>-</u> |
| TOTAL NET ASSETS | <u>\$ 16,395,359</u> | <u>\$4,375,911</u> | <u>\$20,771,270</u> | <u>\$ 322,503</u> |

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

**McDONOUGH COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2012**

| 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 - ETSB |
|--|----------------------|---|--|--|--|-----------------------------|----------------------|-----------------------------|
| | | | | | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-Type Activities | | |
| GOVERNMENTAL | | | | | | | | |
| General government | \$ 2,297,026 | \$ 684,875 | \$ 220,902 | \$ 8,038 | \$ (1,383,211) | \$ - | \$ (1,383,211) | \$ - |
| Public safety | 2,947,506 | 1,312,752 | 135,259 | 3,297 | (1,496,198) | - | (1,496,198) | - |
| Corrections | 1,079,637 | 43,442 | - | - | (1,036,195) | - | (1,036,195) | - |
| Judiciary and court related | 2,515,424 | 772,305 | 176,328 | - | (1,566,791) | - | (1,566,791) | - |
| Transportation | 2,127,551 | 442,906 | 610,712 | - | (1,073,933) | - | (1,073,933) | - |
| Public health and welfare | 3,962,073 | 1,712,130 | 611,418 | - | (1,638,525) | - | (1,638,525) | - |
| Interest and fiscal charges | 2,867 | - | - | - | (2,867) | - | (2,867) | - |
| Total governmental activities | <u>14,932,084</u> | <u>4,968,410</u> | <u>1,754,619</u> | <u>11,335</u> | <u>(8,197,720)</u> | <u>-</u> | <u>(8,197,720)</u> | <u>-</u> |
| BUSINESS-TYPE | | | | | | | | |
| The Elms Nursing Home | 5,185,912 | 4,711,686 | 103,620 | - | - | (370,606) | (370,606) | - |
| TOTAL McDONOUGH COUNTY | <u>\$ 20,117,996</u> | <u>\$ 9,680,096</u> | <u>\$ 1,858,239</u> | <u>\$ 11,335</u> | <u>(8,197,720)</u> | <u>(370,606)</u> | <u>(8,568,326)</u> | <u>-</u> |
| COMPONENT UNIT | | | | | | | | |
| ETSB | <u>\$ 384,674</u> | <u>\$ 379,159</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,515)</u> |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | | | | | 4,823,594 | 358,493 | 5,182,087 | - |
| Local use tax | | | | | 96,776 | - | 96,776 | - |
| General sales tax | | | | | 1,953,444 | - | 1,953,444 | - |
| Income and replacement taxes | | | | | 752,392 | - | 752,392 | - |
| Investment income | | | | | 20,179 | 16,189 | 36,368 | 1,495 |
| Miscellaneous | | | | | 783,733 | - | 783,733 | 20,594 |
| Total general revenues | | | | | <u>8,430,118</u> | <u>374,682</u> | <u>8,804,800</u> | <u>22,089</u> |
| Change in net assets | | | | | <u>232,398</u> | <u>4,076</u> | <u>236,474</u> | <u>16,574</u> |
| Net assets - beginning of year | | | | | <u>15,926,174</u> | <u>4,496,136</u> | <u>20,422,310</u> | <u>305,929</u> |
| Prior period adjustment | | | | | <u>236,787</u> | <u>(124,301)</u> | <u>112,486</u> | <u>-</u> |
| Net assets - beginning of year, restated | | | | | <u>16,162,961</u> | <u>4,371,835</u> | <u>20,534,796</u> | <u>305,929</u> |
| Net assets - end of year | | | | | <u>\$ 16,395,359</u> | <u>\$ 4,375,911</u> | <u>\$ 20,771,270</u> | <u>\$ 322,503</u> |

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

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**McDONOUGH COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2012**

| | General Fund | Illinois Municipal Retirement Fund | Public Safety Sales Tax Fund | Social Security Fund |
|--|----------------------------|---|------------------------------------|----------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 975,422 | \$ 930,100 | \$ 417,346 | \$ 787,185 |
| Restricted cash | - | - | - | - |
| Investments | - | - | - | - |
| Receivables, net: | | | | |
| State of Illinois | 360,882 | - | 297,276 | - |
| Property taxes | 990,900 | 1,035,716 | - | 692,535 |
| Other | 87,475 | - | - | - |
| Due from other funds | 54,289 | 2,692 | - | 2,577 |
| Inventories | 9,735 | - | - | - |
| Due from component unit | - | - | - | - |
| Advances to other funds | - | - | 90,681 | - |
| Prepaid items | - | - | - | - |
| TOTAL ASSETS | <u>\$ 2,478,703</u> | <u>\$ 1,968,508</u> | <u>\$ 805,303</u> | <u>\$ 1,482,297</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 63,779 | \$ 168,853 | \$ 36,975 | \$ - |
| Due to others | 309 | - | - | - |
| Due to other funds | 12,416 | 625,000 | - | - |
| Deferred revenue | 990,900 | 1,035,716 | - | 692,535 |
| Advances from other funds | 90,681 | - | - | - |
| Total liabilities | <u>1,158,085</u> | <u>1,829,569</u> | <u>36,975</u> | <u>692,535</u> |
| FUND BALANCES | | | | |
| Nonspendable | | | | |
| Nonspendable - prepaids | - | - | - | - |
| Nonspendable - inventories | 9,735 | - | - | - |
| Restricted for debt service | - | - | 90,681 | - |
| Restricted for highways and streets | - | - | - | - |
| Restricted for public safety | 13,345 | - | 677,647 | - |
| Restricted for economic development | - | - | - | - |
| Restricted for health and welfare | - | - | - | - |
| Restricted for retirement | - | 138,939 | - | 787,307 |
| Restricted for specific purpose | - | - | - | - |
| Unrestricted: | | | | |
| Committed for highways and streets | - | - | - | - |
| Assigned for highways and streets | - | - | - | - |
| Assigned for public safety | - | - | - | - |
| Assigned for economic development | - | - | - | - |
| Assigned for health and welfare | - | - | - | - |
| Assigned for retirement | - | - | - | 2,455 |
| Assigned for specific purpose | - | - | - | - |
| Unassigned | 1,297,538 | - | - | - |
| Total fund balances | <u>1,320,618</u> | <u>138,939</u> | <u>768,328</u> | <u>789,762</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 2,478,703</u> | <u>\$ 1,968,508</u> | <u>\$ 805,303</u> | <u>\$ 1,482,297</u> |

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

| County Health Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------|-----------------------------|--------------------------|
| \$ 517,334 | \$ 4,359,575 | \$ 7,986,962 |
| 73,857 | - | 73,857 |
| 4,300 | 318,689 | 322,989 |
| 89,153 | 42,284 | 789,595 |
| 310,856 | 1,653,037 | 4,683,044 |
| 63,423 | 25,370 | 176,268 |
| 1,682 | 128,612 | 189,852 |
| - | - | 9,735 |
| - | 17,138 | 17,138 |
| - | - | 90,681 |
| - | 179,662 | 179,662 |
| <u>\$ 1,060,605</u> | <u>\$ 6,724,367</u> | <u>\$ 14,519,783</u> |
| | | |
| \$ 13,417 | \$ 71,618 | \$ 354,642 |
| - | 43,689 | 43,998 |
| 12,694 | 25,503 | 675,613 |
| 325,540 | 1,653,037 | 4,697,728 |
| - | - | 90,681 |
| <u>351,651</u> | <u>1,793,847</u> | <u>5,862,662</u> |
| | | |
| - | 179,662 | 179,662 |
| - | - | 9,735 |
| - | - | 90,681 |
| - | 1,643,564 | 1,643,564 |
| - | 45,231 | 736,223 |
| - | 92,218 | 92,218 |
| 673,836 | 640,961 | 1,314,797 |
| - | - | 926,246 |
| - | 1,544,667 | 1,544,667 |
| - | 343,322 | 343,322 |
| - | 160,271 | 160,271 |
| - | 106 | 106 |
| - | 28 | 28 |
| 35,118 | 11,726 | 46,844 |
| - | - | 2,455 |
| - | 268,764 | 268,764 |
| - | - | 1,297,538 |
| <u>708,954</u> | <u>4,930,520</u> | <u>8,657,121</u> |
| | | |
| <u>\$ 1,060,605</u> | <u>\$ 6,724,367</u> | <u>\$ 14,519,783</u> |

McDONOUGH COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES
November 30, 2012

Total fund balance for government funds (Exhibit 3) \$ 8,657,121

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 | 992,856 | |
| Building improvements, net | 1,285,792 | |
| Infrastructure, net | 2,903,993 | |
| Vehicles, net | 287,303 | |
| Maintenance equipment, net | 346,825 | |
| Computer equipment, net | 49,840 | |
| Software, net | 20,978 | |
| Office equipment, net | 28,661 | 6,094,804 |

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: 2,142,323

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. The long-term liabilities consist of:

| | | |
|-----------------------------|-------------|-----------|
| Notes payable | \$ (46,980) | |
| Leases payable | (38,576) | |
| Compensated absences | (301,328) | |
| Net OPEB obligation | (110,093) | |
| Net pension obligation | (1,912) | |
| Total long-term liabilities | | (498,889) |

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES
(EXHIBIT 1) \$ 16,395,359

Intentionally left blank.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended November 30, 2012

| | General Fund | Illinois Municipal Retirement Fund | Public Safety Sales Tax Fund | Social Security Fund |
|--|---------------------|---|------------------------------------|----------------------------|
| REVENUES | | | | |
| Property taxes | \$ 958,858 | \$ 969,143 | \$ - | \$ 671,596 |
| State of Illinois: | | | | |
| Local use tax | 96,776 | - | - | - |
| Sales tax | 795,226 | - | 1,158,218 | - |
| Income tax | 566,765 | - | - | - |
| Motor fuel tax allotments | - | - | - | - |
| Personal property replacement taxes | 173,766 | 11,861 | - | - |
| State grants and expenditure reimbursements | 442,999 | - | - | - |
| Federal revenue | 53,074 | - | - | - |
| Fees for services and materials | 1,260,448 | - | - | - |
| Investment income | 2,650 | 315 | 2,397 | 619 |
| Other | 191,917 | 1,853 | 25,744 | 1,836 |
| Total revenues | <u>4,542,479</u> | <u>983,172</u> | <u>1,186,359</u> | <u>674,051</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 1,411,058 | 107,001 | - | 84,453 |
| Public safety | 1,480,652 | 180,917 | 520,321 | 143,907 |
| Corrections | 348,776 | 11,051 | 363,483 | 9,962 |
| Judiciary and court related | 1,532,608 | 213,973 | - | 25,299 |
| Public health | - | 401,540 | - | 290,578 |
| Public welfare | - | - | - | - |
| Transportation | - | 63,354 | - | 57,111 |
| Capital outlay | 12,342 | - | 77,430 | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>4,785,436</u> | <u>977,836</u> | <u>961,234</u> | <u>611,310</u> |
| Excess (deficiency) of revenues over expenditures | <u>(242,957)</u> | <u>5,336</u> | <u>225,125</u> | <u>62,741</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 371,379 | 100,000 | - | - |
| Transfers out | <u>(77,525)</u> | <u>-</u> | <u>(355,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>293,854</u> | <u>100,000</u> | <u>(355,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>50,897</u> | <u>105,336</u> | <u>(129,875)</u> | <u>62,741</u> |
| FUND BALANCES, BEGINNING OF YEAR | 1,226,060 | 33,603 | 898,203 | 727,021 |
| Prior period adjustment | <u>43,661</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES, BEGINNING OF YEAR - RESTATED | <u>1,269,721</u> | <u>33,603</u> | <u>898,203</u> | <u>727,021</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 1,320,618</u> | <u>\$ 138,939</u> | <u>\$ 768,328</u> | <u>\$ 789,762</u> |

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

| County Health Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------|-----------------------------------|--------------------------------|
| \$ 301,457 | \$ 1,615,964 | \$ 4,517,018 |
| - | - | 96,776 |
| - | - | 1,953,444 |
| - | - | 566,765 |
| - | 363,279 | 363,279 |
| - | - | 185,627 |
| 141,100 | 271,884 | 855,983 |
| 470,318 | - | 523,392 |
| 179,283 | 770,721 | 2,210,452 |
| 254 | 11,926 | 18,161 |
| 34,864 | 277,414 | 533,628 |
| <u>1,127,276</u> | <u>3,311,188</u> | <u>11,824,525</u> |
| - | 276,054 | 1,878,566 |
| - | 20,637 | 2,346,434 |
| - | 268,823 | 1,002,095 |
| - | 253,814 | 2,025,694 |
| 1,019,676 | 597,975 | 2,309,769 |
| - | 218,714 | 218,714 |
| - | 1,567,022 | 1,687,487 |
| 38,736 | 272,164 | 400,672 |
| 26,877 | - | 26,877 |
| 1,923 | - | 1,923 |
| <u>1,087,212</u> | <u>3,475,203</u> | <u>11,898,231</u> |
| <u>40,064</u> | <u>(164,015)</u> | <u>(73,706)</u> |
| 20,205 | 535,866 | 1,027,450 |
| - | (589,381) | (1,021,906) |
| <u>20,205</u> | <u>(53,515)</u> | <u>5,544</u> |
| <u>60,269</u> | <u>(217,530)</u> | <u>(68,162)</u> |
| 631,370 | 4,972,239 | 8,488,496 |
| <u>17,315</u> | <u>175,811</u> | <u>236,787</u> |
| <u>648,685</u> | <u>5,148,050</u> | <u>8,725,283</u> |
| <u>\$ 708,954</u> | <u>\$ 4,930,520</u> | <u>\$ 8,657,121</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, 2012

Net change in fund balances - total governmental funds (Exhibit 4) \$ (68,162)

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 | 286,030 |
| Depreciation | (438,465) |

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: | |
| Notes payable | 26,877 |
| Leases payable | 17,924 |

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 | (119) |
| Net OPEB obligation | (32,655) |
| Net pension obligation | (189) |

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

441,157

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES
(EXHIBIT 2)

\$ 232,398

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2012

| | Business-type Activities | Governmental Activities |
|--|---|---------------------------------------|
| | Enterprise Fund - The Elms | Internal Service Funds |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 834,501 | \$ 1,520,500 |
| Restricted cash | 25,886 | - |
| Investments | 950,000 | - |
| Receivables: | | |
| State of Illinois | 1,257,786 | - |
| Property taxes | 369,672 | 316,135 |
| Accrued interest | 9,376 | - |
| Other | 49,896 | - |
| Due from other funds | 689 | 646,859 |
| Inventories | 51,561 | - |
| Prepaid expenses | 2,919 | 81,727 |
| Total current assets | 3,552,286 | 2,565,221 |
| NONCURRENT ASSETS | | |
| Capital assets (net of accumulated depreciation) | 1,746,094 | - |
| Total assets | 5,298,380 | 2,565,221 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | 172,274 | 94,202 |
| Accrued expense | 133,923 | - |
| Due to other funds | 9,165 | 12,561 |
| Deferred revenue | 369,672 | 316,135 |
| Resident deposits | 10,962 | - |
| Leases payable | 2,998 | - |
| Compensated absences payable - current | 152,207 | - |
| Total current liabilities | 851,201 | 422,898 |
| NONCURRENT LIABILITIES | | |
| Leases payable - noncurrent | 1,500 | - |
| Compensated absences payable | - | - |
| Net OPEB obligation | 69,768 | - |
| Total noncurrent liabilities | 71,268 | - |
| Total liabilities | 922,469 | 422,898 |
| NET ASSETS | | |
| Investment in capital assets | 1,741,596 | - |
| Restricted for: | | |
| Other purposes | 14,924 | - |
| Unrestricted | 2,619,391 | 2,142,323 |
| TOTAL NET ASSETS | \$ 4,375,911 | \$ 2,142,323 |

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, 2012

| | <u>Business-type Activities Enterprise Fund - The Elms</u> | <u>Governmental Activities Internal Service Funds</u> |
|--|--|---|
| OPERATING REVENUES | | |
| Charges for services | \$ 4,711,686 | \$ 2,757,958 |
| Other revenue | 88,307 | - |
| Total operating revenues | <u>4,799,993</u> | <u>2,757,958</u> |
| OPERATING EXPENSES | | |
| Insurance premiums | - | 540,150 |
| Medical claims and administration fees | - | 2,352,162 |
| Public health: | | |
| Dietary | 553,855 | - |
| Housekeeping | 195,534 | - |
| Laundry | 135,433 | - |
| Maintenance | 116,022 | - |
| Nursing | 2,094,748 | - |
| Therapy | 232,269 | - |
| Activities | 112,986 | - |
| Social services | 52,730 | - |
| Administrative | 342,715 | - |
| Payroll related | 964,581 | - |
| Depreciation | 177,087 | - |
| Plant operations | 155,466 | - |
| Contractual | 52,486 | - |
| Total operating expenses | <u>5,185,912</u> | <u>2,892,312</u> |
| Operating loss | <u>(385,919)</u> | <u>(134,354)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Property taxes | 358,493 | 306,576 |
| Investment income | 16,189 | 2,018 |
| Grants | - | 23,300 |
| Interest expense | - | (944) |
| Other | - | 250,105 |
| Total nonoperating revenues | <u>374,682</u> | <u>581,055</u> |
| Income (loss) before transfers and contributions | <u>(11,237)</u> | <u>446,701</u> |
| TRANSFERS | | |
| Transfers out | - | (5,544) |
| Total transfers | <u>-</u> | <u>(5,544)</u> |
| CONTRIBUTION REVENUE - Farm and Macomb Public Building Commission | | |
| | <u>15,313</u> | <u>-</u> |
| CHANGE IN NET ASSETS | | |
| | <u>4,076</u> | <u>441,157</u> |
| TOTAL NET ASSETS - BEGINNING OF YEAR | | |
| | 4,496,136 | 1,701,166 |
| Prior Period Adjustment | <u>(124,301)</u> | <u>-</u> |
| TOTAL NET ASSETS - BEGINNING OF YEAR, RESTATED | | |
| | <u>4,371,835</u> | <u>1,701,166</u> |
| TOTAL NET ASSETS - END OF YEAR | | |
| | <u>\$ 4,375,911</u> | <u>\$ 2,142,323</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, 2012

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|--|---|---------------------------------------|
| | <u>Enterprise Fund - The Elms</u> | <u>Internal Service Funds</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 4,930,994 | \$ - |
| Payments to suppliers | (2,314,691) | (2,930,246) |
| Payments to employees | (2,895,452) | - |
| Internal activity-payments from (to) other funds | - | 2,757,958 |
| Other receipts | 88,307 | - |
| Net cash from operating activities | <u>(190,842)</u> | <u>(172,288)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Property taxes | 358,493 | 306,576 |
| Other nonoperating revenue | - | 250,105 |
| Grants received | - | 23,300 |
| Interfund borrowing (lending) | 8,476 | (321,859) |
| Transfers in (out) | - | (5,544) |
| Net cash from noncapital financing activities | <u>366,969</u> | <u>252,578</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Repayment of loan proceeds | (2,998) | (25,862) |
| Interest paid on loan | - | (944) |
| Purchases of property and equipment | (6,126) | - |
| Net cash from capital financing activities | <u>(9,124)</u> | <u>(26,806)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 16,189 | 2,018 |
| Proceeds from maturity of investments | 950,000 | - |
| Purchase of investments | (950,000) | - |
| Net cash from investing activities | <u>16,189</u> | <u>2,018</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 183,192 | 55,502 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 677,195 | 1,464,998 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 860,387 | \$ 1,520,500 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | |
| Cash and cash equivalents | \$ 834,501 | \$ 1,520,500 |
| Restricted cash | 25,886 | - |
| Total | <u>\$ 860,387</u> | <u>\$ 1,520,500</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES | | |
| Operating loss | \$ (385,919) | \$ (134,354) |
| Adjustments to reconcile operating loss to net cash from operating activities: | | |
| Depreciation | 177,087 | - |
| Change in assets and liabilities: | | |
| Accounts receivable | 219,308 | - |
| Inventories | (1,216) | - |
| Prepaid expenses | (150) | (3,652) |
| Accounts payable | (231,258) | (34,282) |
| Accrued liabilities | 16,417 | - |
| Compensated absences payable | (947) | - |
| Net OPEB obligation | 15,836 | - |
| NET CASH FROM OPERATING ACTIVITIES | \$ (190,842) | \$ (172,288) |
| Non-cash capital and related financing activities: | | |
| Donated capital assets | \$ 15,313 | \$ - |
| Total non-cash capital and related financing activities | <u>\$ 15,313</u> | <u>\$ -</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, 2012

| | Agency Funds |
|------------------------------|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,789,632 |
| Investments | 270,000 |
| Receivables: | |
| State of Illinois | 547,963 |
| Other | 11,458 |
| Due from county funds | 9,007 |
| TOTAL ASSETS | \$ 2,628,060 |
| LIABILITIES | |
| Accounts payable | \$ 129,604 |
| Due to county funds | 149,068 |
| Due to other taxing units | 1,425,768 |
| Due to others | 923,620 |
| TOTAL LIABILITIES | \$ 2,628,060 |

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

November 30, 2012

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 ETSB. The members of the 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 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 ETSB. McDonough County has the responsibility for approving the rate of the surcharge which funds the activities of the ETSB and, therefore, has the ability to impose its will on the ETSB. The 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. Also, income taxes have a 90 day availability period in the current year due to delays in distributions from the State of Illinois. 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.

Capital Projects Funds – These funds are used to account for the resources used for the acquisition or construction of capital facilities.

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

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.

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.

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.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

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

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the County. Committed fund balance is constrained by formal actions of the County's Board, which is considered the County's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the County's intent to use them for a specific purpose, but that are neither restricted nor committed. Any residual fund balance is reported as unassigned.

The County's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the County considers committed funds to be expended first followed by assigned and then unassigned funds.

The County has not established fund balance reserve policies for their governmental funds.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the County's net assets are restricted as a result of enabling legislation adopted by the County. Invested in capital assets, net of related debt, represents the County's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

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 are contributions made on behalf of former patients for specific purposes. The funds can only be spent according to the donors' wishes. Certain proceeds of the County Health Fund are classified as restricted assets on the statement of net assets because the balance is required to be maintained until the loan has been repaid.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

2. DEPOSITS AND INVESTMENTS – Continued

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.

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.

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. The County Farm Fund is reported as a Permanent Fund.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

4. CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended November 30, 2012 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 | 2,502,196 | 26,288 | - | 2,528,484 |
| Maintenance equipment | 1,514,550 | 32,500 | - | 1,547,050 |
| Software | 114,680 | - | - | 114,680 |
| Vehicles | 686,782 | 204,342 | 78,396 | 812,728 |
| Office equipment | 271,027 | - | - | 271,027 |
| Computer equipment | 372,226 | 22,900 | - | 395,126 |
| Infrastructure | <u>4,920,911</u> | <u>-</u> | <u>-</u> | <u>4,920,911</u> |
| Total capital assets being depreciated | <u>12,864,592</u> | <u>286,030</u> | <u>78,396</u> | <u>13,072,226</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (1,438,697) | (50,667) | - | (1,489,364) |
| Building improvements | (1,152,326) | (90,366) | - | (1,242,692) |
| Maintenance equipment | (1,137,390) | (62,835) | - | (1,200,225) |
| Software | (77,532) | (16,170) | - | (93,702) |
| Vehicles | (507,218) | (96,603) | 78,396 | (525,425) |
| Office equipment | (236,164) | (6,202) | - | (242,366) |
| Computer equipment | (337,927) | (7,359) | - | (345,286) |
| Infrastructure | <u>(1,908,655)</u> | <u>(108,263)</u> | <u>-</u> | <u>(2,016,918)</u> |
| Total accumulated depreciation | <u>(6,795,909)</u> | <u>(438,465)</u> | <u>78,396</u> | <u>(7,155,978)</u> |
| Total capital assets, being depreciated, net | <u>6,068,683</u> | <u>(152,435)</u> | <u>-</u> | <u>5,916,248</u> |
| Total capital assets, net of accumulated depreciation | <u>\$ 6,247,239</u> | <u>\$ (152,435)</u> | <u>\$ -</u> | <u>\$ 6,094,804</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 | 4,195,387 | - | 35,688 | 4,159,699 |
| Equipment, including vehicles | <u>1,017,958</u> | <u>21,439</u> | <u>10,639</u> | <u>1,028,758</u> |
| Total capital assets - at cost, being depreciated | <u>5,213,345</u> | <u>21,439</u> | <u>46,327</u> | <u>5,188,457</u> |
| Less accumulated depreciation for: | | | | |
| Building and improvements, land improvements/ landscaping | (2,617,783) | (96,014) | 35,688 | (2,678,109) |
| Equipment, including vehicles | <u>(755,247)</u> | <u>(81,073)</u> | <u>10,639</u> | <u>(825,681)</u> |
| Total accumulated depreciation | <u>(3,373,030)</u> | <u>(177,087)</u> | <u>46,327</u> | <u>(3,503,790)</u> |
| Total capital assets, being depreciated, net | <u>1,840,315</u> | <u>(155,648)</u> | <u>-</u> | <u>1,684,667</u> |
| Total capital assets net of accumulated depreciation | <u>\$ 1,901,742</u> | <u>\$ (155,648)</u> | <u>\$ -</u> | <u>\$ 1,746,094</u> |

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

| | |
|--|-------------------|
| Governmental activities: | |
| General government | \$ 100,713 |
| Public safety | 75,985 |
| Judiciary and court related | 666 |
| Corrections | 42,197 |
| Transportation | 201,706 |
| Public health and welfare | <u>17,198</u> |
| Total depreciation expense - governmental activities | <u>\$ 438,465</u> |
| Business-type activities: | |
| The Elms Nursing Home | <u>\$ 177,087</u> |

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

5. 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 for the plan as a whole, but not for individual employers. This report may be obtained on-line at www.imrf.org.

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 annual required contribution rate for calendar year 2012 was 11.11 percent. 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, 2012, the County's annual pension cost of \$945,321 for the Regular plan was equal to the County's required and actual contributions.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

County

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> |
|--------------------------|--------------------------------------|--|-----------------------------------|
| 11/30/2012 | \$ 945,321 | 100% | \$ - |
| 11/30/2011 | 953,908 | 100% | - |
| 11/30/2010 | 853,467 | 100% | - |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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 10.0 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 at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funded Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 77.66 percent funded. The actuarial accrued liability for benefits was \$25,030,751 and the actuarial value of assets was \$19,439,928, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,590,823. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$8,510,267 and the ratio of the UAAL to the covered payroll was 65.70 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.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

5. 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 statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 21.93. 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, 2012, the County's annual pension cost of \$180,917 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> |
|----------------------|----------------------------------|--------------------------------------|-------------------------------|
| 11/30/2012 | \$ 180,917 | 100% | \$ - |
| 11/30/2011 | 191,320 | 100% | - |
| 11/30/2010 | 176,040 | 100% | - |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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 10.0 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 at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

5. 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, 2012 the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 66.00 percent funded. The actuarial accrued liability for benefits was \$3,513,054 and the actuarial value of assets was \$2,318,710, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,194,344. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$828,447 and the ratio of the UAAL to the covered payroll was 144.17 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.

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 statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 25.05 percent. 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, 2012, the County's annual pension cost and net pension obligation were as follows:

| | |
|---|------------------------|
| Annual required contribution | \$ 13,655 |
| Interest on net pension asset | 129 |
| Adjustments to annual required contribution | <u>(92)</u> |
| Annual pension cost | 13,692 |
| Annual contributions made | <u>13,503</u> |
| Increase in net pension asset | 189 |
| Net pension obligation, beginning of year | <u>1,723</u> |
| Net pension obligation, end of year | <u><u>\$ 1,912</u></u> |

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

Elected County Official

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> |
|--------------------------|--------------------------------------|--|-----------------------------------|
| 11/30/2012 | \$ 13,692 | 98.62% | \$ 1,912 |
| 11/30/2011 | 13,692 | 87.42% | 1,723 |
| 11/30/2010 | 9,522 | 100% | - |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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 10.0 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 at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funded Progress. As of December 31, 2012, the most recent actuarial valuation date, the Elected County Official plan was 87.24 percent funded. The actuarial accrued liability for benefits was \$477,884 and the actuarial value of assets was \$416,903, resulting in an underfunded actuarial accrued liability (UAAL) of \$60,981. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$54,375 and the ratio of the UAAL to the covered payroll was 112.15 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.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

6. 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.

7. 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 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 April 30, 2014. The balance due at November 30, 2012 was \$4,498. The leased asset and related obligation are accounted for as business-type activities. The asset under the capital lease net of depreciation totaled \$4,248 at November 30, 2012.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

7. LONG-TERM DEBT – Continued

A. Leases Payable – Continued

Equipment Leases – Continued

Following is a schedule of minimum future rental payments and the net present value of these minimum lease payments as of November 30, 2012 for the above equipment lease:

| Year ending November 30: | | <u>Business-Type Activities</u> |
|------------------------------|------|-------------------------------------|
| | 2013 | \$ 2,998 |
| | 2014 | <u>1,500</u> |
| Total minimum lease payments | | <u>\$ 4,498</u> |

On July 15, 2011, the County entered in to a capital lease agreement with Municipal Capital Corporation to finance the purchase of a pothole patching machine for the County Highway Department. The lease calls for three annual payments of \$20,743 with interest at 4.99 percent commencing on July 15, 2012 and ending July 15, 2014. The leased asset and related obligation are accounted for as governmental activities. The asset under the capital lease net of depreciation totaled \$48,496 at November 30, 2012.

Following is a schedule of minimum future rental payments and the net present value of these minimum lease payments as of November 30, 2012 for the above equipment lease:

| Year ending November 30: | | <u>Governmental Activities</u> |
|---|------|------------------------------------|
| | 2013 | \$ 20,743 |
| | 2014 | <u>20,743</u> |
| Total minimum lease payments | | 41,486 |
| Less: Amount representing interest | | <u>2,910</u> |
| Present value of minimum lease payments | | <u>\$ 38,576</u> |

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

7. LONG-TERM DEBT – Continued

B. Notes Payable – Governmental Activities

On October 7, 2011, the County entered into an agreement with Morton Community Bank to finance the repairs to the Health Department roof. The County borrowed \$76,042 at an interest rate of 3.00 percent, to be paid in 36 monthly payments of \$2,215, beginning November 20, 2011, with a final payment due on October 20, 2014. The principal balance of \$46,980 due at November 30, 2012 is included in the notes payable of the County. This note is paid out of the County Health 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> |
|--------------------|------------------|-----------------|---------------------------|
| 2013 | \$ 25,527 | \$ 1,057 | \$ 26,584 |
| 2014 | 21,453 | 289 | 21,742 |
| Total | <u>\$ 46,980</u> | <u>\$ 1,346</u> | <u>\$ 48,326</u> |

C. Changes in Long-Term Debt

Long-term liability activity for the year ended November 30, 2012 was as follows:

| | <u>Balances</u> | | | <u>Balances</u> | <u>Due Within</u> |
|--|-------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>December 1</u> | <u>Additions</u> | <u>Reductions</u> | <u>November 30</u> | <u>One Year</u> |
| Governmental Activities: | | | | | |
| Capital lease payable | \$ 56,500 | \$ - | \$ 17,924 | \$ 38,576 | \$ 18,818 |
| Notes payable | 99,718 | - | 52,738 | 46,980 | 25,527 |
| Compensated absences payable | 301,209 | 317,216 | 317,097 | 301,328 | 210,733 |
| Net OPEB obligation | 77,438 | 32,655 | - | 110,093 | - |
| Net pension obligation | 1,723 | 189 | - | 1,912 | - |
| Governmental activity - long-term liabilities | <u>\$ 536,588</u> | <u>\$ 350,060</u> | <u>\$ 387,759</u> | <u>\$ 498,889</u> | <u>\$ 255,078</u> |
| Business-type activities: | | | | | |
| Leases payable | \$ 7,496 | \$ - | \$ 2,998 | \$ 4,498 | \$ 2,998 |
| Net OPEB obligation | 53,932 | 15,836 | - | 69,768 | - |
| Compensated absences payable | 153,154 | 158,939 | 159,886 | 152,207 | 152,207 |
| Business-type activity - long-term liabilities | <u>\$ 214,582</u> | <u>\$ 174,775</u> | <u>\$ 162,884</u> | <u>\$ 226,473</u> | <u>\$ 155,205</u> |

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

7. 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.

8. STATUTORY DEBT MARGIN

A schedule indicating the statutory debt margin computation follows:

| | |
|---|-----------------------------|
| 2012 Assessed valuation | <u>\$ 379,673,907</u> |
| Statutory debt limitation (2.875 percent of assessed valuation) | \$ 10,915,625 |
| Debt outstanding at November 30, 2012 | <u>85,556</u> |
| Statutory debt margin, November 30, 2012 | <u>\$ 10,830,069</u> |

9. INTERFUND TRANSACTIONS

Interfund receivable and payable balances at November 30, 2012 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 | 6,853 | - |
| Agency Funds | 36,436 | - |
| Nonmajor Governmental Funds | <u>11,000</u> | <u>7,147</u> |
| | <u>54,289</u> | <u>12,416</u> |
| Illinois Municipal Retirement Fund: | | |
| General Fund | 2,692 | - |
| Internal Service Funds | <u>-</u> | <u>625,000</u> |
| | <u>2,692</u> | <u>625,000</u> |
| Social Security Fund | | |
| General Fund | <u>2,577</u> | <u>-</u> |

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--------------------------------------|----------------------------------|-------------------------------|
| County Health Fund | | |
| Internal Service Funds | \$ - | \$ 12,694 |
| Nonmajor Governmental Funds | <u>1,682</u> | <u>-</u> |
| | <u>1,682</u> | <u>12,694</u> |
| The Elms: | | |
| Nonmajor Governmental Funds | 689 | - |
| Internal Service Funds | <u>-</u> | <u>9,165</u> |
| | <u>689</u> | <u>9,165</u> |
| Internal Service Funds: | | |
| General Fund | - | 6,853 |
| Illinois Municipal Retirement Fund | 625,000 | - |
| County Health Fund | 12,694 | - |
| The Elms | 9,165 | - |
| Nonmajor Governmental Funds | <u>-</u> | <u>5,708</u> |
| | <u>646,859</u> | <u>12,561</u> |
| Agency Funds: | | |
| General Fund | - | 36,436 |
| Nonmajor Governmental Funds | <u>9,007</u> | <u>112,632</u> |
| | <u>9,007</u> | <u>149,068</u> |
| Nonmajor Governmental Funds: | | |
| General Fund | 7,147 | 11,000 |
| County Health Fund | - | 1,682 |
| The Elms | - | 689 |
| Internal Service Funds | 5,708 | - |
| Agency Funds | 112,632 | 9,007 |
| Nonmajor Governmental Funds | <u>3,125</u> | <u>3,125</u> |
| | <u>128,612</u> | <u>25,503</u> |
| Total Interfund Receivables/Payables | <u>\$ 846,407</u> | <u>\$ 846,407</u> |

The purposes of the significant interfund receivable and payable balances are as follows:

- \$36,436 due from Agency funds to the General fund. This balance relates to a) \$35,810 accrued but unpaid fees received in the County Clerk fund and b) \$626 accrued but unpaid interest received in Agency funds. The County expects the obligation will be liquidated within one year.
- \$625,000 due to Internal Service funds from the Illinois Municipal Retirement fund. This balance relates to a loan to the Illinois Municipal Retirement fund to cover operating expenses. The County expects the obligation will be liquidated within one year.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

- \$112,632 due to Nonmajor governmental funds from Agency funds. This balance relates to a) accrued but unpaid transfers of \$105,481 from the Township Motor Fuel Tax fund to the Engineering Revolving fund and b) accrued but unpaid fees of \$7,151 from the County Clerk fund. The County expects the obligation will be liquidated within one year.

Advances from/to other funds at November 30, 2012 consist of:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--------------------------------------|----------------------------------|-------------------------------|
| General Fund: | | |
| Public Safety Sales Tax Fund | \$ _____ - | \$ <u>90,681</u> |
| Public Safety Sales Tax Fund | | |
| General Fund | <u>90,681</u> | <u> -</u> |
| Total Interfund Receivables/Payables | <u>\$ 90,681</u> | <u>\$ 90,681</u> |

The purposes of the interfund advance receivable and payable balances are as follows:

- \$90,681 remaining advance from the Public Safety Sales Tax fund to the General fund to cover general County expenses. Repayment is not expected within one year.

Interfund transfers during fiscal year ending November 30, 2012 consist of:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------------------------|---------------------|----------------------|
| General Fund: | | |
| General Fund | \$ 75,675 | \$ 75,675 |
| Public Safety Sales Tax Fund | 250,000 | - |
| Internal Service Funds | 704 | - |
| Nonmajor Governmental Funds | <u>45,000</u> | <u>1,850</u> |
| | <u>371,379</u> | <u>77,525</u> |
| Illinois Municipal Retirement Fund: | | |
| Public Safety Sales Tax Fund | <u>100,000</u> | <u> -</u> |
| | <u>100,000</u> | <u> -</u> |
| Public Safety Sales Tax Fund: | | |
| General Fund | - | 250,000 |
| Illinois Municipal Retirement Fund | - | 100,000 |
| Nonmajor Governmental Funds | <u> -</u> | <u>5,000</u> |
| | <u> -</u> | <u>355,000</u> |
| County Health Fund: | | |
| Nonmajor Governmental Funds | <u>20,205</u> | <u> -</u> |
| | <u>20,205</u> | <u> -</u> |

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|---------------------|----------------------|
| Internal Service Funds: | | |
| General Fund | \$ - | \$ 704 |
| Nonmajor governmental funds | - | 4,840 |
| | <u>-</u> | <u>5,544</u> |
| Nonmajor Governmental Funds: | | |
| General Fund | 1,850 | 45,000 |
| Public Safety Sales Tax Fund | 5,000 | - |
| County Health Fund | - | 20,205 |
| Nonmajor Governmental Funds | 524,176 | 524,176 |
| Internal Service Funds | 4,840 | - |
| | <u>535,866</u> | <u>589,381</u> |
| Total interfund transfers | <u>\$ 1,027,450</u> | <u>\$ 1,027,450</u> |

The purposes of the significant interfund transfers are as follows:

- \$75,675 transferred from the Sheriff sub-fund to the General Corporate sub-fund. This amount relates to fees received in the Sheriff fund. This transfer will not be repaid.
- \$250,000 transferred from the Public Safety Sales Tax fund to the General fund. This amount relates to a routine budgeted transfer. This transfer will not be repaid.
- \$45,000 transferred from the Nonmajor governmental funds to the General Fund. This amount relates to a routine budgeted transfer from the Insurance Reserve Fund. This transfer will not be repaid.
- \$100,000 transferred from the Public Safety Sales Tax fund to the Illinois Municipal Retirement Fund to cover public safety employee retirement contributions. This transfer will not be repaid.
- \$20,205 transferred from Nonmajor governmental funds to the County Health fund. This amount relates to transfers from the Tuberculosis Fund for the administration of health services. This transfer will not be repaid.
- \$524,176 transferred between the Nonmajor governmental funds. This amount relates to a) transfers of \$361,616 to the County Highway fund to repay roadway maintenance expenditures, b) transfers of \$141,198 to the Equipment Replacement fund for replacement of equipment and vehicles on a scheduled basis, and c) transfer of \$16,584 to the Engineering Revolving fund for repayment of engineering services, and d) transfer of \$4,778 to the Federal Aid Matching fund to repay bridge construction costs. These transfers will not be repaid.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

10. 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.

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.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

C. Joint Ventures – Continued

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, 2012, follows:

Statement of Net Assets Information

| | |
|----------------------------------|-------------------|
| Assets: | |
| Current assets | \$ 273,162 |
| Property and equipment, net | <u>228,653</u> |
| Total assets | <u>\$ 501,815</u> |
| | |
| Liabilities and net assets: | |
| Liabilities | \$ 50,151 |
| Net assets | <u>451,664</u> |
| Total liabilities and net assets | <u>\$ 501,815</u> |

Statement of Activities Information

| | |
|-----------------------|-------------------|
| Operating revenue | \$ 841,686 |
| Operating expenses | <u>844,055</u> |
| Operating net loss | <u>(2,369)</u> |
| Nonoperating revenue | <u>224</u> |
| Change in net assets | 2,145 |
| Net assets, beginning | <u>453,809</u> |
| Net assets, ending | <u>\$ 451,664</u> |

The County is a participant with the Mercer County, Illinois and Warren County, Illinois in an intergovernmental agreement to jointly establish a regional solid waste management organization for the purpose of implementation of a regional solid waste management plan. The Tri-County Resource and Waste Management Council was created for that purpose. The Council is made up of equal representation from each county. Each county shall contribute funds for the preparation of the three-county Solid Waste Plan based on each county’s population as a proportion of the total population of the three counties based upon the 1990 Census of Population as published by the United States Department of Commerce.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

C. Joint Ventures – Continued

The Council’s fiscal year end is November 30. Separate audited financial statements are not available. Summarized financial information of the Council as of and for the year ended November 30, 2012, follows:

Statement of Net Assets Information

| | |
|----------------------------------|------------------|
| Assets: | |
| Cash and cash equivalents | \$ 11,013 |
| Other receivables | 11,458 |
| Due from other funds | <u>9,007</u> |
| Total assets | <u>\$ 31,478</u> |
| | |
| Liabilities and net assets: | |
| Liabilities | \$ 18,307 |
| Net assets | <u>13,171</u> |
| Total liabilities and net assets | <u>\$ 31,478</u> |

Statement of Activities Information

| | |
|-------------------------|------------------|
| Fees for services | \$ 114,669 |
| Investment income | <u>7</u> |
| Total revenues | 114,676 |
| Total expenditures | <u>113,421</u> |
| Change in fund balance | 1,555 |
| Fund balance, beginning | <u>11,916</u> |
| Fund balance, ending | <u>\$ 13,171</u> |

11. 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.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

11. RISK MANAGEMENT – Continued

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.

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 \$85,000 of covered charges per individual per year. Commercial insurance is carried for amounts in excess of self-insured amounts. The County also maintains aggregate stop loss coverage with a maximum reimbursement of \$1,000,000. 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 2012 and 2011 are as follows:

| | <u>2012</u> | <u>2011</u> |
|-------------------------------|-------------------------|--------------------------|
| Balance at beginning of year | \$ 124,097 | \$ 158,972 |
| Claims incurred | 1,828,690 | 2,259,033 |
| Claims paid | <u>1,860,968</u> | <u>2,293,908</u> |
| Balance at end of year | <u>\$ 91,819</u> | <u>\$ 124,097</u> |

12. 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, 2014, 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 2012 were \$67,468.

13. CONDUIT DEBT OBLIGATION

In June 2008, the County issued Capital Improvement Revenue Bonds, Series 2008 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. In November 2012, the County issued Capital Improvement and Refunding Revenue Bonds, Series 2012 to refinance the Capital Improvement Revenue Bonds, Series 2008 and to finance the acquisition, construction, and installation of tuck pointing, a front entrance canopy, and a community center and therapy expansion project. 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, 2012, the principal amount payable under these bonds was \$6,250,000. 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.

14. 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

14. OTHER POST-EMPLOYMENT BENEFITS – Continued

Membership

At December 1, 2011 (latest information available), membership consisted of:

| | |
|--|-----------------|
| Retirees and beneficiaries currently receiving benefits | 17 |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active employees | <u>230</u> |
| TOTAL | <u>247</u> |
| Participating employers | <u><u>1</u></u> |

Funding Policy

The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute 100% of the blended premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended November 30, 2012, retirees contributed \$136,943 and the County contributed \$50,904. Active employees do not contribute to the plan until retirement.

Annual OPEB costs and Net OPEB Obligation

The County had an actuarial valuation performed for the plan as of December 1, 2011 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2012. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2012, 2011, and 2010 were as follows:

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

14. OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB costs and Net OPEB Obligation – Continued

| Fiscal Year Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|------------------------|---------------------------|--|------------------------|
| November 30, 2012 | \$ 99,395 | \$ 50,904 | 51.21% | \$ 179,861 |
| November 30, 2011 | 82,878 | 41,560 | 50.15% | 131,370 |
| November 30, 2010 | 86,147 | 40,768 | 47.32% | 90,052 |

The net OPEB obligation (NOPEBO) as November 30, 2012 (latest information available), was calculated as follows:

| | |
|--|--------------------------|
| Annual required contribution | \$ 97,862 |
| Interest on net OPEB obligation | 5,912 |
| Adjustment to annual required contribution | <u>(4,379)</u> |
| Annual OPEB cost | 99,395 |
| Contributions made | <u>50,904</u> |
| Increase (decrease) in net OPEB obligation | 48,491 |
| Net OPEB obligation beginning of year | <u>131,370</u> |
| NET OPEB OBLIGATION END OF YEAR | <u>\$ 179,861</u> |

Funded Status and Funding Progress. The funded status of the plan as of December 1, 2011 (latest information available), was as follows:

| | |
|---|--------------|
| Actuarial accrued liability (AAL) | \$ 752,866 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | \$ 752,866 |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (active plan members) | \$ 7,404,731 |
| UAAL as a percentage of covered payroll | 10.17% |

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

14. OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB costs and Net OPEB Obligation – Continued

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.

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, 2011 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 8.00% 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 an open basis. The remaining amortization period at November 30, 2012, was 27 years.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

15. PRIOR PERIOD ADJUSTMENTS

The County has restated beginning fund balance/net assets as of December 1, 2011 to a) correct understated receivables, b) correct understated payables, and c) correct overstated health department expenditures.

| | General | County Health | Nonmajor Governmental | The Elms | Governmental Activities | Business-Type Activities |
|---|--------------|---------------|-----------------------|--------------|-------------------------|--------------------------|
| FUND BALANCE/ NET ASSETS, DECEMBER 1 (as previously reported) | \$ 1,226,060 | \$ 631,370 | \$ 4,972,239 | \$ 4,496,136 | \$ 15,926,174 | \$ 4,496,136 |
| Restated for | | | | | | |
| a) Understated receivables | 70,251 | - | 175,811 | - | 246,062 | - |
| b) Understated payables | (26,590) | - | - | (124,301) | (26,590) | (124,301) |
| c) Overstated expenses | - | 17,315 | - | - | 17,315 | - |
| FUND BALANCE/ NET ASSETS, DECEMBER 1 (as restated) | \$ 1,269,721 | \$ 648,685 | \$ 5,148,050 | \$ 4,371,835 | \$ 16,162,961 | \$ 4,371,835 |

REQUIRED SUPPLEMENTARY INFORMATION

**McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY
November 30, 2012**

| 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) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/12 | \$ 19,439,928 | \$ 25,030,751 | \$ 5,590,823 | 77.66% | \$ 8,510,267 | 65.70% |
| 12/31/11 | 18,411,291 | 23,885,427 | 5,474,136 | 77.08% | 8,364,495 | 65.44% |
| 12/31/10 | 17,785,240 | 22,083,048 | 4,297,808 | 80.54% | 8,237,702 | 52.17% |
| 12/31/09 | 16,660,530 | 21,016,300 | 4,355,770 | 79.27% | 8,164,521 | 53.35% |
| 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% |

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$20,144,829. On a market basis, the funded ratio would be 80.48 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with McDonough County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP)
November 30, 2012

| 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) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/12 | \$ 2,318,710 | \$ 3,513,054 | \$ 1,194,344 | 66.00% | \$ 828,447 | 144.17% |
| 12/31/11 | 2,090,875 | 3,534,329 | 1,443,454 | 59.16% | 844,184 | 170.99% |
| 12/31/10 | 2,476,401 | 3,689,799 | 1,213,398 | 67.11% | 753,084 | 161.12% |
| 12/31/09 | 2,109,586 | 3,443,115 | 1,333,529 | 61.27% | 738,651 | 180.54% |
| 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% |

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$2,425,839. On a market basis, the funded ratio would be 69.05 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with McDonough County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

**McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS (ECO)
November 30, 2012**

| 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) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/12 | \$ 416,903 | \$ 477,884 | \$ 60,981 | 87.24% | \$ 54,375 | 112.15% |
| 12/31/11 | 367,066 | 436,066 | 69,000 | 84.18% | 49,080 | 140.59% |
| 12/31/10 | 343,110 | 409,117 | 66,007 | 83.87% | 49,322 | 133.83% |
| 12/31/09 | 307,421 | 389,352 | 81,931 | 78.96% | 50,312 | 162.85% |
| 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% |

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$430,820. On a market basis, the funded ratio would be 90.15 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with McDonough County. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

**McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
November 30, 2012**

| 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) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/01/11 | \$ - | \$ 752,866 | \$ 752,866 | 0.00% | \$ 7,404,731 | 10.17% |
| 12/01/10 | - | 639,027 | 639,027 | 0.00% | 7,391,880 | 8.64% |
| 12/01/09 | - | 672,454 | 672,454 | 0.00% | 7,203,976 | 9.33% |
| 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.

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

November 30, 2012

| <u>Year Ending</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|------------------------|-----------------------------------|---|-----------------------------------|
| 11/30/12 | \$ 945,321 | \$ 945,321 | 100.00% |
| 11/30/11 | 953,908 | 953,908 | 100.00% |
| 11/30/10 | 853,467 | 853,467 | 100.00% |
| 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% |

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, 2012

| <u>Year Ending</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|------------------------|-----------------------------------|---|-----------------------------------|
| 11/30/12 | \$ 180,917 | \$ 180,917 | 100.00% |
| 11/30/11 | 191,320 | 191,320 | 100.00% |
| 11/30/10 | 176,040 | 176,040 | 100.00% |
| 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% |

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, 2012

| <u>Year Ending</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|------------------------|-----------------------------------|---|-----------------------------------|
| 11/30/12 | \$ 13,503 | \$ 13,692 | 98.62% |
| 11/30/11 | 11,969 | 13,692 | 87.42% |
| 11/30/10 | 9,522 | 9,522 | 100.00% |
| 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% |

See accompanying Independent Auditor's Report.

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

November 30, 2012

| Fiscal Year Ending | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|--------------------------|---------------------------|---|---------------------------|
| 11/30/12 | \$ 50,904 | \$ 99,395 | 51.21% |
| 11/30/11 | 41,560 | 81,776 | 50.82% |
| 11/30/10 | 40,768 | 84,137 | 48.45% |
| 11/30/09 | 36,397 | 81,071 | 44.90% |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> |
|---|----------------------------|---------------------------|---------------------|
| REVENUES | | | |
| Property taxes | \$ 949,998 | \$ 949,998 | \$ 958,858 |
| State of Illinois: | | | |
| Local use tax | 100,000 | 100,000 | 96,776 |
| Sales tax | 750,000 | 750,000 | 795,234 |
| Income tax | 550,000 | 550,000 | 591,869 |
| Personal property replacement taxes | 215,000 | 215,000 | 173,766 |
| State grants and expenditure reimbursements | 289,647 | 293,647 | 476,452 |
| Federal revenue | 72,515 | 96,719 | 89,605 |
| Fees for services and materials | 1,102,837 | 1,130,737 | 1,148,515 |
| Investment income | 5,500 | 5,500 | 3,349 |
| Other | 102,000 | 140,500 | 190,298 |
| Total revenues | <u>4,137,497</u> | <u>4,232,101</u> | <u>4,524,722</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,591,671 | 1,584,421 | 1,301,935 |
| Employee benefits | 462,810 | 462,810 | 427,913 |
| Public safety | 1,349,460 | 1,395,764 | 1,351,956 |
| Corrections | 411,543 | 411,543 | 341,849 |
| Judiciary and court related | 1,365,160 | 1,375,410 | 1,363,239 |
| Capital outlay | 27,500 | 27,500 | 12,371 |
| Total expenditures | <u>5,208,144</u> | <u>5,257,448</u> | <u>4,799,263</u> |
| Excess (deficiency) of revenue over expenditures | <u>(1,070,647)</u> | <u>(1,025,347)</u> | <u>(274,541)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 348,800 | 348,800 | 370,675 |
| Transfers out | <u>-</u> | <u>(51,850)</u> | <u>(51,850)</u> |
| Total other financing sources (uses) | <u>348,800</u> | <u>296,950</u> | <u>318,825</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (721,847)</u> | <u>\$ (728,397)</u> | <u>44,284</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | 2,808 |
| SHERIFF FUND - SUBFUND ACTIVITY NOT BUDGETED | | | 3,805 |
| FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR | | | 1,226,060 |
| Prior period adjustment | | | <u>43,661</u> |
| FUND BALANCES, BEGINNING OF THE YEAR - RESTATED | | | <u>1,269,721</u> |
| FUND BALANCES, GAAP BASIS, END OF YEAR | | | <u>\$ 1,320,618</u> |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ILLINOIS MUNICIPAL RETIREMENT FUND
Year Ended November 30, 2012

| | Original Budget | Amended Budget | Actual |
|---|----------------------------|---------------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 970,230 | \$ 970,230 | \$ 969,143 |
| Replacement taxes | 11,860 | 11,860 | 11,861 |
| Investment income | 225 | 225 | 315 |
| Miscellaneous | 2,500 | 2,500 | 1,853 |
| Total revenues | 984,815 | 984,815 | 983,172 |
| EXPENDITURES | | | |
| Current: | | | |
| Miscellaneous | 2,500 | - | - |
| Employee benefits | 1,058,490 | 1,060,990 | 989,050 |
| Total expenditures | 1,060,990 | 1,060,990 | 989,050 |
| Excess (deficiency) of revenue over expenditures | (76,175) | (76,175) | (5,878) |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 100,000 |
| Transfers out | (175,000) | (175,000) | - |
| Total other financing sources (uses) | (175,000) | (175,000) | 100,000 |
| NET CHANGE IN FUND BALANCES | \$ (251,175) | \$ (251,175) | 94,122 |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | 11,214 |
| FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR | | | 33,603 |
| FUND BALANCES, GAAP BASIS, END OF YEAR | | | \$ 138,939 |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PUBLIC SAFETY SALES TAX FUND
Year Ended November 30, 2012

| | Original Budget | Amended Budget | Actual |
|---|----------------------------|---------------------------|-------------------|
| REVENUES | | | |
| Sales taxes | \$ 1,050,000 | \$ 1,050,000 | \$ 1,155,798 |
| Investment income | 1,900 | 1,900 | 2,397 |
| Other | 6,500 | 20,526 | 25,744 |
| Total revenues | 1,058,400 | 1,072,426 | 1,183,939 |
| EXPENDITURES | | | |
| Current: | | | |
| Employee benefits | 390,210 | 390,210 | 364,963 |
| Public safety | 320,388 | 346,414 | 309,272 |
| Corrections | 214,255 | 214,255 | 199,414 |
| Capital outlay | 85,000 | 73,000 | 65,340 |
| Total expenditures | 1,009,853 | 1,023,879 | 938,989 |
| Excess (deficiency) of revenue over expenditures | 48,547 | 48,547 | 244,950 |
| Other financing sources (uses) | | | |
| Transfers out | (265,000) | (365,000) | (355,000) |
| Total other financing sources (uses) | (265,000) | (365,000) | (355,000) |
| NET CHANGE IN FUND BALANCES | \$ (216,453) | \$ (316,453) | (110,050) |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | (19,825) |
| FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR | | | 898,203 |
| FUND BALANCES, GAAP BASIS, END OF YEAR | | | \$ 768,328 |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SOCIAL SECURITY FUND
Year Ended November 30, 2012

| | Original Budget | Amended Budget | Actual |
|---|----------------------------|---------------------------|----------------|
| REVENUES | | | |
| Property taxes | \$ 672,332 | \$ 672,332 | \$ 671,596 |
| Investment income | 500 | 500 | 619 |
| Other | 2,500 | 2,500 | 1,836 |
| Total revenues | 675,332 | 675,332 | 674,051 |
| EXPENDITURES | | | |
| Current: | | | |
| Employee benefits | 653,470 | 653,470 | 623,078 |
| Total expenditures | 653,470 | 653,470 | 623,078 |
| Excess (deficiency) of revenue over expenditures | | | |
| NET CHANGE IN FUND BALANCES | \$ 21,862 | \$ 21,862 | 50,973 |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | 11,768 |
| FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR | | | 727,021 |
| FUND BALANCES, GAAP BASIS, END OF YEAR | | | \$ 789,762 |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COUNTY HEALTH FUND
Year Ended November 30, 2012

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> |
|---|----------------------------|---------------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 301,785 | \$ 301,785 | \$ 301,457 |
| State grant and expenditure reimbursements | 70,641 | 70,641 | 145,426 |
| Federal revenue | 321,496 | 321,496 | 106,159 |
| Fees for services and materials | 186,601 | 186,601 | 209,832 |
| Investment income | - | - | 254 |
| Other | 3,500 | 3,500 | 1,688 |
| | <u>884,023</u> | <u>884,023</u> | <u>764,816</u> |
| Total revenues | | | |
| EXPENDITURES | | | |
| Current: | | | |
| Public health | 844,725 | 844,725 | 800,923 |
| Capital outlay | 50,000 | 50,000 | 79,609 |
| | <u>894,725</u> | <u>894,725</u> | <u>880,532</u> |
| Total expenditures | | | |
| Excess (deficiency) of revenue over expenditures | <u>(10,702)</u> | <u>(10,702)</u> | <u>(115,716)</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 23,698 |
| | <u>-</u> | <u>-</u> | <u>23,698</u> |
| Total other financing sources (uses) | | | |
| NET CHANGE IN FUND BALANCES | <u>\$ (10,702)</u> | <u>\$ (10,702)</u> | <u>(92,018)</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | |
| | | | 152,287 |
| FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR | | | |
| | | | 631,370 |
| Prior period adjustment | | | <u>17,315</u> |
| FUND BALANCES, BEGINNING OF THE YEAR - RESTATED | | | |
| | | | <u>648,685</u> |
| FUND BALANCES, GAAP BASIS, END OF YEAR | | | |
| | | | <u>\$ 708,954</u> |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
NOVEMBER 30, 2012

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. A fiscal year budget was not prepared for the Sheriff sub-fund, County Motor Fuel Tax Fund, State's Attorney Records Automation Fund, Circuit Clerk Electronic Citation Fund, Adult Redeploy Grant Fund, and the County Farm Fund.

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. The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items. During the year, it was deemed necessary for the Board to approve several supplementary appropriations.

2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The budgetary comparison schedules 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, 2012 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."

McDONOUGH COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – Continued

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 with overexpended appropriations during the year are required to be disclosed.

The following budgeted funds had an excess of expenditures over appropriations for the year ended November 30, 2012:

| | <u>Appropriations</u> | <u>Expenditures</u> |
|-----------------------|-----------------------|---------------------|
| Drug Enforcement Fund | \$ 11,000 | \$ 23,103 |

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET - BY SUBFUND
GENERAL FUND
November 30, 2012

| | <u>General Corporate</u> | <u>Sheriff</u> | <u>Total General Fund</u> |
|--|------------------------------|-------------------------|-----------------------------------|
| ASSETS | | | |
| Cash and Cash equivalents | \$ 959,052 | \$ 16,370 | \$ 975,422 |
| Receivables, net: | | | |
| State of Illinois | 360,882 | - | 360,882 |
| Property taxes | 990,900 | - | 990,900 |
| Other | 87,475 | - | 87,475 |
| Due from other funds | 57,005 | (2,716) | 54,289 |
| Inventories | 9,735 | - | 9,735 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL ASSETS | <u><u>\$ 2,465,049</u></u> | <u><u>\$ 13,654</u></u> | <u><u>\$ 2,478,703</u></u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 63,779 | \$ - | \$ 63,779 |
| Due to others | - | 309 | 309 |
| Due to other funds | 12,416 | - | 12,416 |
| Deferred revenue | 990,900 | - | 990,900 |
| Advances from other funds | 90,681 | - | 90,681 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>1,157,776</u> | <u>309</u> | <u>1,158,085</u> |
| FUND BALANCES | | | |
| Nonspendable - inventories | 9,735 | - | 9,735 |
| Restricted for public safety | - | 13,345 | 13,345 |
| Unrestricted: | | | |
| Unassigned | 1,297,538 | - | 1,297,538 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>1,307,273</u> | <u>13,345</u> | <u>1,320,618</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 2,465,049</u></u> | <u><u>\$ 13,654</u></u> | <u><u>\$ 2,478,703</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, 2012

| | <u>General Corporate</u> | <u>Sheriff</u> | <u>Total General Fund</u> |
|--|------------------------------|------------------|-----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 958,858 | \$ - | \$ 958,858 |
| State of Illinois: | | | |
| Local use tax | 96,776 | - | 96,776 |
| Sales tax | 795,226 | - | 795,226 |
| Income tax | 566,765 | - | 566,765 |
| Personal property replacement taxes | 173,766 | - | 173,766 |
| State grants and expenditure reimbursements | 440,824 | 2,175 | 442,999 |
| Federal revenue | 53,074 | - | 53,074 |
| Fees for services and materials | 1,169,146 | 91,302 | 1,260,448 |
| Investment income | 2,645 | 5 | 2,650 |
| Other | 191,917 | - | 191,917 |
| Total revenues | <u>4,448,997</u> | <u>93,482</u> | <u>4,542,479</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,411,058 | - | 1,411,058 |
| Public safety | 1,466,650 | 14,002 | 1,480,652 |
| Corrections | 348,776 | - | 348,776 |
| Judiciary and court related | 1,532,608 | - | 1,532,608 |
| Capital outlay | 12,342 | - | 12,342 |
| Total expenditures | <u>4,771,434</u> | <u>14,002</u> | <u>4,785,436</u> |
| Excess (deficiency) of revenue over expenditures | <u>(322,437)</u> | <u>79,480</u> | <u>(242,957)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 371,379 | - | 371,379 |
| Transfers out | <u>(1,850)</u> | <u>(75,675)</u> | <u>(77,525)</u> |
| Total other financing sources (uses) | <u>369,529</u> | <u>(75,675)</u> | <u>293,854</u> |
| NET CHANGE IN FUND BALANCES | <u>47,092</u> | <u>3,805</u> | <u>50,897</u> |
| FUND BALANCES, BEGINNING OF YEAR | 1,216,520 | 9,540 | 1,226,060 |
| Prior period adjustment | <u>43,661</u> | <u>-</u> | <u>43,661</u> |
| FUND BALANCES, BEGINNING OF THE YEAR - RESTATED | <u>1,260,181</u> | <u>9,540</u> | <u>1,269,721</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 1,307,273</u> | <u>\$ 13,345</u> | <u>\$ 1,320,618</u> |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF CERTAIN REVENUE ITEMS
GENERAL FUND
Year Ended November 30, 2012

FEEES FOR SERVICES AND MATERIALS

General Corporate:

| | |
|-----------------------------------|-----------|
| Coroner's report fees | \$ 305 |
| Vending machines | 257 |
| Maintenance salary reimbursement | 42,387 |
| State's attorney collections | 478 |
| County Clerk fees | 279,324 |
| Circuit Clerk fines | 658,547 |
| Circuit Clerk fees | 179,183 |
| Industry police protection | 8,325 |
| Sheriff - interstate transfer fee | 340 |
| Total | 1,169,146 |

Sheriff:

| | |
|--|--------|
| Process dockets | 20,760 |
| Foreign service | 2,456 |
| Transportation and boarding of prisoners | 1,620 |
| Board bill - work release | 22,660 |
| Other | 43,806 |
| Total | 91,302 |

TOTAL FEES FOR SERVICES AND MATERIALS

\$ 1,260,448

OTHER

General Corporate:

| | |
|------------------------------------|-----------|
| Tax penalties, interest, and costs | \$ 60,502 |
| TIF surplus | 10,637 |
| Landfill host fees | 63,642 |
| Insight franchise fees | 19,464 |
| Worker's compensation payment | 90 |
| Miscellaneous | 28,015 |
| Reimburse telephone - other funds | 9,567 |
| | 9,567 |

TOTAL OTHER

\$ 191,917

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original Appropriations</u> | <u>Amended Appropriations</u> | <u>Expenditures Paid</u> |
|--------------------------------------|------------------------------------|-----------------------------------|------------------------------|
| GENERAL GOVERNMENT | | | |
| County Board: | | | |
| Members per diem | \$ 50,960 | \$ 50,960 | \$ 45,952 |
| Mileage | 10,000 | 10,000 | 8,246 |
| Administrative assistant | 11,940 | 11,940 | 11,939 |
| Office supplies | 3,000 | 3,000 | 2,038 |
| County dues | 3,000 | 3,000 | 2,500 |
| Other | 3,250 | 3,250 | 1,705 |
| | <u>82,150</u> | <u>82,150</u> | <u>72,380</u> |
| County Treasurer: | | | |
| Salary | 47,755 | 47,755 | 47,755 |
| Deputy clerk salaries | 61,000 | 61,000 | 42,992 |
| Office supplies and expense | 12,692 | 12,692 | 8,154 |
| | <u>121,447</u> | <u>121,447</u> | <u>98,901</u> |
| County Clerk: | | | |
| Salary | 47,755 | 47,755 | 47,755 |
| Deputy clerk salaries | 113,609 | 113,609 | 111,159 |
| Office supplies and expense | 5,100 | 5,085 | 5,073 |
| Recording births and deaths | 675 | 690 | 688 |
| | <u>167,139</u> | <u>167,139</u> | <u>164,675</u> |
| Microfilming Department: | | | |
| Salary | 25,800 | 25,800 | 25,800 |
| Supplies | 3,990 | 3,990 | 3,966 |
| | <u>29,790</u> | <u>29,790</u> | <u>29,766</u> |
| Elections: | | | |
| Building and equipment rental | 1,760 | 1,760 | 1,760 |
| Judges | 37,500 | 39,675 | 39,628 |
| Election supplies | 45,000 | 45,000 | 45,000 |
| Printing and publications of ballots | 600 | 600 | 535 |
| HAVA grant | 20,000 | 20,000 | 7,975 |
| Computer equipment | 23,000 | 23,000 | 22,865 |
| Deputy clerk salaries | 28,500 | 26,325 | 25,931 |
| | <u>156,360</u> | <u>156,360</u> | <u>143,694</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original Appropriations</u> | <u>Amended Appropriations</u> | <u>Expenditures Paid</u> |
|---------------------------------------|------------------------------------|-----------------------------------|------------------------------|
| GENERAL GOVERNMENT (Continued) | | | |
| Supervisor of Assessments: | | | |
| Salary - Supervisor | \$ 47,755 | \$ 47,755 | \$ 47,755 |
| Deputy clerk salaries | 81,161 | 81,161 | 81,161 |
| Office supplies | 5,300 | 5,800 | 5,563 |
| Mileage, education, and dues | 9,000 | 9,000 | 6,338 |
| Publications | 14,000 | 13,500 | 6,076 |
| | <u>157,216</u> | <u>157,216</u> | <u>146,893</u> |
| Board of Review: | | | |
| Salaries | 13,525 | 13,525 | 13,524 |
| Appraisals and administration | 1,500 | 1,500 | 157 |
| Mileage, supplies, and meetings | 700 | 700 | 497 |
| | <u>15,725</u> | <u>15,725</u> | <u>14,178</u> |
| Building and Grounds: | | | |
| Maintenance supervisor salary | 64,373 | 64,373 | 64,373 |
| Salaries - maintenance personnel | 53,000 | 53,000 | 41,500 |
| Building supplies | 11,000 | 11,000 | 6,767 |
| Contractual | 28,000 | 28,000 | 23,356 |
| Janitorial supplies | 6,000 | 6,000 | 3,055 |
| Reimbursement expense | 2,700 | 2,700 | 2,400 |
| Telephone and phone repairs | 58,000 | 63,000 | 57,486 |
| Utilities | 90,000 | 85,000 | 50,546 |
| | <u>313,073</u> | <u>313,073</u> | <u>249,483</u> |
| Network Administrator | | | |
| Salary | 40,858 | 40,858 | 40,858 |
| Supplies | 800 | 800 | 448 |
| Equipment | 500 | 500 | - |
| Miscellaneous | 500 | 500 | 137 |
| | <u>42,658</u> | <u>42,658</u> | <u>41,443</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original Appropriations</u> | <u>Amended Appropriations</u> | <u>Expenditures Paid</u> |
|--|------------------------------------|-----------------------------------|------------------------------|
| GENERAL GOVERNMENT (Continued) | | | |
| Regional Office of Superintendent of Educational Service: | | | |
| Allocated portion of joint cost | \$ 54,268 | \$ 54,268 | \$ 54,268 |
| Office improvement | 10,000 | 10,000 | - |
| Comprehensive Plan | 17,500 | 17,500 | 17,500 |
| Contingency | 100,000 | 92,750 | - |
| | <u>181,768</u> | <u>174,518</u> | <u>71,768</u> |
| Other: | | | |
| Surety bonds | 3,500 | 3,500 | 1,537 |
| W.I.R.C. dues | 3,600 | 3,600 | 3,561 |
| Postage | 50,000 | 50,000 | 43,313 |
| Preparation of budget | 2,000 | 2,000 | - |
| Revenue stamps | 85,000 | 85,000 | 75,000 |
| Training and education | 8,500 | 8,500 | 5,496 |
| Computer service | 70,000 | 70,000 | 40,573 |
| Audits | 84,745 | 84,745 | 84,745 |
| MAIDCO | 5,000 | 5,000 | 5,000 |
| Accounting and consulting services | 12,000 | 12,000 | 9,529 |
| | <u>324,345</u> | <u>324,345</u> | <u>268,754</u> |
| Total General Government | <u>1,591,671</u> | <u>1,584,421</u> | <u>1,301,935</u> |
| EMPLOYEE BENEFITS | <u>462,810</u> | <u>462,810</u> | <u>427,913</u> |
| PUBLIC SAFETY | | | |
| Police Protection - Sheriff: | | | |
| Sheriff salary | 70,456 | 70,456 | 70,456 |
| Deputies, Dispatchers, and Jailers' salaries | 848,265 | 852,565 | 852,466 |
| Deputy pay - call-out, court | 8,500 | 8,500 | 8,046 |
| Deputy and Jailer overtime | 93,000 | 100,000 | 95,793 |
| Deputy and Jailer life insurance | 520 | 520 | - |
| Courthouse security salaries | 80,580 | 80,580 | 80,414 |
| Courthouse security overtime | 10,000 | 14,000 | 13,478 |
| Courthouse security - Bailiff's | 3,000 | 3,000 | 2,430 |
| Courthouse security equipment | 3,000 | 21,100 | 18,391 |
| Courthouse security uniforms | 2,000 | 2,000 | 1,228 |
| Office supplies | 13,000 | 13,000 | 9,254 |
| Radio repair and maintenance | 25,000 | 22,000 | 21,977 |
| Grant | - | 24,204 | 24,204 |
| Miscellaneous | 32,000 | 19,700 | 16,720 |
| Monthly access fee | 7,500 | 7,500 | 7,257 |
| | <u>1,196,821</u> | <u>1,239,125</u> | <u>1,222,114</u> |

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original</u> <u>Appropriations</u> | <u>Amended</u> <u>Appropriations</u> | <u>Expenditures</u> <u>Paid</u> |
|----------------------------------|--|---|------------------------------------|
| PUBLIC SAFETY (Continued) | | | |
| Civil Defense: | | | |
| Director salary | \$ 15,044 | \$ 15,044 | \$ 15,044 |
| Part time secretary | 250 | 250 | - |
| Travel | 2,560 | 2,560 | 656 |
| Local emergency planning | 1,500 | 1,500 | - |
| Pre hazard mitigation | 5,718 | 5,718 | 5,718 |
| TICP | 24,500 | 24,500 | 19,900 |
| ITTF narrowband grant | 3,297 | 3,297 | 3,297 |
| ILEAS EOC grant | 29,000 | 29,000 | 26,229 |
| Office supplies | 2,200 | 2,200 | 1,160 |
| Equipment and contractual | 6,000 | 6,000 | 1,695 |
| | <u>90,069</u> | <u>90,069</u> | <u>73,699</u> |
| Coroner: | | | |
| Salary | 27,700 | 27,700 | 27,700 |
| Office supplies and education | 4,500 | 5,200 | 5,162 |
| Transportation | 7,100 | 7,100 | 3,187 |
| Professional services | 13,570 | 12,870 | 7,426 |
| Medical and contractual | 8,500 | 8,500 | 7,585 |
| Coroner's grant expense | - | 4,000 | 3,883 |
| Reimbursable expense | 1,200 | 1,200 | 1,200 |
| | <u>62,570</u> | <u>66,570</u> | <u>56,143</u> |
| Total Public Safety | <u>1,349,460</u> | <u>1,395,764</u> | <u>1,351,956</u> |
| CORRECTIONS | | | |
| Juvenile Probation Officer: | | | |
| Child Care | <u>130,000</u> | <u>130,000</u> | <u>60,306</u> |
| Adult Probation Officer: | | | |
| County share of joint cost | <u>281,543</u> | <u>281,543</u> | <u>281,543</u> |
| Total Corrections | <u>411,543</u> | <u>411,543</u> | <u>341,849</u> |
| | | | (Continued) |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original Appropriations</u> | <u>Amended Appropriations</u> | <u>Expenditures Paid</u> |
|--|------------------------------------|-----------------------------------|------------------------------|
| JUDICIARY AND COURT RELATED | | | |
| State's Attorney: | | | |
| Salary | \$ 166,508 | \$ 166,508 | \$ 166,508 |
| Assistants | 134,713 | 134,713 | 131,893 |
| Collection Specialist salary | 22,947 | 22,947 | 22,946 |
| Secretary salaries | 85,475 | 85,475 | 85,474 |
| Grant victim/witness salaries | 2,000 | 2,000 | 2,000 |
| Investigator | 16,063 | 16,063 | 16,063 |
| Witness fees | 2,400 | 2,550 | 2,481 |
| Office supplies and maintenance | 10,000 | 10,000 | 9,980 |
| Appellate Prosecutor | 11,000 | 11,000 | 11,000 |
| Court ordered medical | 5,000 | 4,850 | 888 |
| | <u>456,106</u> | <u>456,106</u> | <u>449,233</u> |
| Courts: | | | |
| Circuit and Associated Judges' salary | 1,500 | 1,500 | 1,462 |
| County share Chief Judge | 4,305 | 4,305 | 4,303 |
| Office supplies and expense | 7,500 | 8,140 | 8,138 |
| Administrative secretary | 39,473 | 39,473 | 39,473 |
| Court appointed attorneys | 125,000 | 130,000 | 129,122 |
| Court appointed transcripts and miscellaneous | 150 | 150 | 45 |
| Jurors' meals and lodging | 650 | 650 | 280 |
| Jury certificates | 10,000 | 10,000 | 8,890 |
| Jury commissioner | 8,613 | 8,613 | 8,613 |
| Jury commission supplies | 200 | 200 | 193 |
| Translator | 1,000 | 360 | 148 |
| Drug court claim | - | 3,000 | 930 |
| | <u>198,391</u> | <u>206,391</u> | <u>201,597</u> |
| Public Defender: | | | |
| Public Defender | 166,508 | 166,508 | 166,508 |
| Office Manager | 37,525 | 37,525 | 37,525 |
| Secretary | 12,635 | 12,635 | 12,582 |
| Assistant PD 1 | 78,047 | 78,047 | 78,047 |
| Assistant PD 2 | 54,095 | 54,095 | 54,095 |
| Court ordered medical | 1,500 | 3,750 | 3,475 |
| Office supplies and expense | 9,000 | 9,000 | 8,824 |
| | <u>359,310</u> | <u>361,560</u> | <u>361,056</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2012

| | <u>Original Appropriations</u> | <u>Amended Appropriations</u> | <u>Expenditures Paid</u> |
|--|------------------------------------|-----------------------------------|------------------------------------|
| JUDICIARY AND COURT RELATED (Continued) | | | |
| Circuit Clerk: | | | |
| Salary | \$ 47,755 | \$ 47,755 | \$ 47,755 |
| Deputy clerk salaries | <u>303,598</u> | <u>303,598</u> | <u>303,598</u> |
| | <u>351,353</u> | <u>351,353</u> | <u>351,353</u> |
| Total Judiciary and Court Related | <u>1,365,160</u> | <u>1,375,410</u> | <u>1,363,239</u> |
| CAPITAL OUTLAY | | | |
| Equipment purchases | 20,000 | 20,000 | 6,196 |
| Computer purchases | <u>7,500</u> | <u>7,500</u> | <u>6,175</u> |
| Total capital outlay | <u>27,500</u> | <u>27,500</u> | <u>12,371</u> |
| TRANSFER TO OTHER FUNDS | <u>-</u> | <u>51,850</u> | <u>51,850</u> |
| TOTAL GENERAL FUND | <u>\$ 5,208,144</u> | <u>\$ 5,309,298</u> | <u>\$ 4,851,113</u> (Concluded) |

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

| | Special Revenue Funds | Debt Service | Capital Projects | | Permanent | Total Nonmajor Governmental Funds |
|--|-----------------------------|----------------------------|-----------------------------------|---|---------------------|--|
| | | Insurance Bond Funds | Equipment Replacement Funds | Capital Improvement & Equipment Fund | County Farm Fund | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 4,132,704 | \$ 51 | \$ 172,469 | \$ 7,840 | \$ 46,511 | \$ 4,359,575 |
| Investments | 275,000 | - | - | - | 43,689 | 318,689 |
| Receivables, net: | | | | | | |
| State of Illinois | 42,284 | - | - | - | - | 42,284 |
| Property taxes | 1,653,037 | - | - | - | - | 1,653,037 |
| Other | 25,370 | - | - | - | - | 25,370 |
| Due from other funds | 125,912 | - | - | 2,700 | - | 128,612 |
| Due from component unit | 17,138 | - | - | - | - | 17,138 |
| Prepaid items | 179,662 | - | - | - | - | 179,662 |
| TOTAL ASSETS | \$ 6,451,107 | \$ 51 | \$ 172,469 | \$ 10,540 | \$ 90,200 | \$ 6,724,367 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 71,618 | \$ - | \$ - | \$ - | \$ - | \$ 71,618 |
| Due to others | - | - | - | - | 43,689 | 43,689 |
| Due to other funds | 24,814 | - | - | - | 689 | 25,503 |
| Deferred revenue | 1,653,037 | - | - | - | - | 1,653,037 |
| Total liabilities | 1,749,469 | - | - | - | 44,378 | 1,793,847 |
| Fund balances: | | | | | | |
| Nonspendable - prepaids | 179,662 | - | - | - | - | 179,662 |
| Restricted for highways and streets | 1,643,564 | - | - | - | - | 1,643,564 |
| Restricted for public safety | 45,231 | - | - | - | - | 45,231 |
| Restricted for economic development | 92,218 | - | - | - | - | 92,218 |
| Restricted for health and welfare | 595,139 | - | - | - | 45,822 | 640,961 |
| Restricted for specific purpose | 1,544,667 | - | - | - | - | 1,544,667 |
| Unrestricted | | | | | | |
| Committed for highways and streets | 343,322 | - | - | - | - | 343,322 |
| Assigned for highways and streets | 160,271 | - | - | - | - | 160,271 |
| Assigned for public safety | 106 | - | - | - | - | 106 |
| Assigned for economic development | 28 | - | - | - | - | 28 |
| Assigned for health and welfare | 11,726 | - | - | - | - | 11,726 |
| Assigned for specific purpose | 85,704 | 51 | 172,469 | 10,540 | - | 268,764 |
| Total fund balances | 4,701,638 | 51 | 172,469 | 10,540 | 45,822 | 4,930,520 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 6,451,107 | \$ 51 | \$ 172,469 | \$ 10,540 | \$ 90,200 | \$ 6,724,367 |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2012

| | Special Revenue Funds | Debt Service | Capital Projects Funds | | Permanent | Total Nonmajor Governmental Funds |
|---|-----------------------------|----------------------------|-----------------------------------|---|---------------------|--|
| | | Fund | Equipment Replacement Funds | Capital Improvement & Equipment Fund | County Farm Fund | |
| | | Insurance Bond Funds | | | | |
| REVENUE | | | | | | |
| Property taxes | \$ 1,615,964 | \$ - | \$ - | \$ - | \$ - | \$ 1,615,964 |
| State of Illinois: | | | | | | |
| Motor fuel tax allotments | 363,279 | - | - | - | - | 363,279 |
| State grants and expenditure reimbursements | 271,884 | - | - | - | - | 271,884 |
| Fees for services and materials | 770,721 | - | - | - | - | 770,721 |
| Investment income | 10,717 | - | 690 | 4 | 515 | 11,926 |
| Other | 248,219 | - | 6,838 | - | 22,357 | 277,414 |
| Total revenues | <u>3,280,784</u> | <u>-</u> | <u>7,528</u> | <u>4</u> | <u>22,872</u> | <u>3,311,188</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 273,111 | - | - | - | 2,943 | 276,054 |
| Public safety | 20,637 | - | - | - | - | 20,637 |
| Corrections | 268,823 | - | - | - | - | 268,823 |
| Judiciary and court related | 253,814 | - | - | - | - | 253,814 |
| Public health | 567,585 | - | - | - | 30,390 | 597,975 |
| Public welfare | 218,714 | - | - | - | - | 218,714 |
| Transportation | 1,567,022 | - | - | - | - | 1,567,022 |
| Capital outlay | 47,164 | - | 225,000 | - | - | 272,164 |
| Total expenditures | <u>3,216,870</u> | <u>-</u> | <u>225,000</u> | <u>-</u> | <u>33,333</u> | <u>3,475,203</u> |
| Excess (deficiency) of revenues over expenditures | <u>63,914</u> | <u>-</u> | <u>(217,472)</u> | <u>4</u> | <u>(10,461)</u> | <u>(164,015)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 389,828 | - | 141,198 | - | 4,840 | 535,866 |
| Transfers out | (589,381) | - | - | - | - | (589,381) |
| Total other financing sources (uses) | <u>(199,553)</u> | <u>-</u> | <u>141,198</u> | <u>-</u> | <u>4,840</u> | <u>(53,515)</u> |
| NET CHANGE IN FUND BALANCES | <u>(135,639)</u> | <u>-</u> | <u>(76,274)</u> | <u>4</u> | <u>(5,621)</u> | <u>(217,530)</u> |
| FUND BALANCES, BEGINNING OF YEAR | 4,693,661 | 51 | 216,548 | 10,536 | 51,443 | 4,972,239 |
| Prior period adjustment | 143,616 | - | 32,195 | - | - | 175,811 |
| FUND BALANCES, BEGINNING OF YEAR, RESTATED | <u>4,837,277</u> | <u>51</u> | <u>248,743</u> | <u>10,536</u> | <u>51,443</u> | <u>5,148,050</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 4,701,638</u> | <u>\$ 51</u> | <u>\$ 172,469</u> | <u>\$ 10,540</u> | <u>\$ 45,822</u> | <u>\$ 4,930,520</u> |

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2012

| | County Highway Fund | County Motor Fuel Fund | County Aid to Bridges Fund | Federal Aid Matching Fund | Engineering Revolving Fund | Tuberculosis Fund | Veterans' Assistance Fund |
|--|---------------------------|------------------------------|-------------------------------------|------------------------------------|----------------------------------|-------------------------|---------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 667,052 | \$ 224,149 | \$ 194,028 | \$ 621,492 | \$ 63,219 | \$ 39,528 | \$ 112,574 |
| Investments | - | - | 100,000 | - | 175,000 | - | - |
| Receivables, net: | | | | | | | |
| State of Illinois | - | 31,671 | - | - | - | - | - |
| Property taxes | 270,265 | - | 148,134 | 184,855 | - | 33,200 | 62,843 |
| Other | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | 105,481 | - | - |
| Due from component unit | 17,138 | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 954,455</u> | <u>\$ 255,820</u> | <u>\$ 442,162</u> | <u>\$ 806,347</u> | <u>\$ 343,700</u> | <u>\$ 72,728</u> | <u>\$ 175,417</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 35,007 | \$ 1,126 | \$ 2,989 | \$ 12,573 | \$ 378 | \$ - | \$ 2,073 |
| Due to other funds | - | - | - | - | - | 1,682 | - |
| Deferred revenue | 270,265 | - | 148,134 | 184,855 | - | 33,200 | 62,843 |
| Total liabilities | <u>305,272</u> | <u>1,126</u> | <u>151,123</u> | <u>197,428</u> | <u>378</u> | <u>34,882</u> | <u>64,916</u> |
| Fund balances: | | | | | | | |
| Nonspendable - prepaids | - | - | - | - | - | - | - |
| Restricted for highways and streets | 622,982 | 254,694 | 156,969 | 608,919 | - | - | - |
| Restricted for public safety | - | - | - | - | - | - | - |
| Restricted for economic development | - | - | - | - | - | - | - |
| Restricted for health and welfare | - | - | - | - | - | 37,814 | 110,287 |
| Restricted for specific purpose | - | - | - | - | - | - | - |
| Unrestricted | | | | | | | |
| Committed for highways and streets | - | - | - | - | 343,322 | - | - |
| Assigned for highways and streets | 26,201 | - | 134,070 | - | - | - | - |
| Assigned for public safety | - | - | - | - | - | - | - |
| Assigned for economic development | - | - | - | - | - | - | - |
| Assigned for health and welfare | - | - | - | - | - | 32 | 214 |
| Assigned for specific purpose | - | - | - | - | - | - | - |
| Total fund balances | <u>649,183</u> | <u>254,694</u> | <u>291,039</u> | <u>608,919</u> | <u>343,322</u> | <u>37,846</u> | <u>110,501</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 954,455</u> | <u>\$ 255,820</u> | <u>\$ 442,162</u> | <u>\$ 806,347</u> | <u>\$ 343,700</u> | <u>\$ 72,728</u> | <u>\$ 175,417</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2012

| | Building Rental Fund | Cooperative Extension Fund | Animal Control Fund | Mental Health Fund | Law Library Fund | Recorder Automation Fund | Court Automation Fund |
|--|----------------------------|----------------------------------|---------------------------|--------------------------|-------------------------|--------------------------------|-----------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 153,164 | \$ 53,189 | \$ 23,307 | \$ 41,181 | \$ 101,064 |
| Investments | - | - | - | - | - | - | - |
| Receivables, net: | | | | | | | |
| State of Illinois | - | - | - | - | - | - | - |
| Property taxes | 350,000 | 167,453 | - | 369,672 | - | - | - |
| Other | - | - | 14,024 | - | - | - | - |
| Due from other funds | - | - | - | - | - | 2,247 | - |
| Due from component unit | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | 179,662 | - | - | - |
| TOTAL ASSETS | <u>\$ 350,000</u> | <u>\$ 167,453</u> | <u>\$ 167,188</u> | <u>\$ 602,523</u> | <u>\$ 23,307</u> | <u>\$ 43,428</u> | <u>\$ 101,064</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 2,147 | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Deferred revenue | 350,000 | 167,453 | - | 369,672 | - | - | - |
| Total liabilities | <u>350,000</u> | <u>167,453</u> | <u>2,147</u> | <u>369,672</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | |
| Nonspendable - prepaids | - | - | - | 179,662 | - | - | - |
| Restricted for highways and streets | - | - | - | - | - | - | - |
| Restricted for public safety | - | - | - | - | - | - | - |
| Restricted for economic development | - | - | - | - | - | - | - |
| Restricted for health and welfare | - | - | 163,933 | 53,064 | - | - | - |
| Restricted for specific purpose | - | - | - | - | 23,266 | 43,344 | 101,064 |
| Unrestricted | | | | | | | |
| Committed for highways and streets | - | - | - | - | - | - | - |
| Assigned for highways and streets | - | - | - | - | - | - | - |
| Assigned for public safety | - | - | - | - | - | - | - |
| Assigned for economic development | - | - | - | - | - | - | - |
| Assigned for health and welfare | - | - | 1,108 | 125 | - | - | - |
| Assigned for specific purpose | - | - | - | - | 41 | 84 | - |
| Total fund balances | <u>-</u> | <u>-</u> | <u>165,041</u> | <u>232,851</u> | <u>23,307</u> | <u>43,428</u> | <u>101,064</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 350,000</u> | <u>\$ 167,453</u> | <u>\$ 167,188</u> | <u>\$ 602,523</u> | <u>\$ 23,307</u> | <u>\$ 43,428</u> | <u>\$ 101,064</u> |

(Continued)

**McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2012**

| | Vital Records Automation Fund | Drug Enforcement Fund | Senior Citizens' Transportation Fund | Support Processing Fund | State's Attorney Victim/Witness Fund | Treasurer's Automation Fund | Document Storage Fund |
|--|--|-----------------------------|---|-------------------------------|---|-----------------------------------|-----------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 23,379 | \$ 26,187 | \$ 83,275 | \$ 20,517 | \$ 7,254 | \$ 41,710 | \$ 90,921 |
| Investments | - | - | - | - | - | - | - |
| Receivables, net: | | | | | | | |
| State of Illinois | - | - | - | 6,000 | 4,613 | - | - |
| Property taxes | - | - | 44,815 | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Due from other funds | 464 | - | - | - | 3,008 | - | - |
| Due from component unit | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 23,843</u> | <u>\$ 26,187</u> | <u>\$ 128,090</u> | <u>\$ 26,517</u> | <u>\$ 14,875</u> | <u>\$ 41,710</u> | <u>\$ 90,921</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 175 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 531 |
| Due to other funds | - | - | - | - | 14,125 | - | - |
| Deferred revenue | - | - | 44,815 | - | - | - | - |
| Total liabilities | <u>175</u> | <u>-</u> | <u>44,815</u> | <u>-</u> | <u>14,125</u> | <u>-</u> | <u>531</u> |
| Fund balances: | | | | | | | |
| Nonspendable - prepaids | - | - | - | - | - | - | - |
| Restricted for highways and streets | - | - | - | - | - | - | - |
| Restricted for public safety | - | 26,131 | - | - | - | - | - |
| Restricted for economic development | - | - | - | - | - | - | - |
| Restricted for health and welfare | - | - | - | - | - | - | - |
| Restricted for specific purpose | 23,633 | - | - | 26,517 | 745 | 41,647 | 90,249 |
| Unrestricted | | | | | | | |
| Committed for highways and streets | - | - | - | - | - | - | - |
| Assigned for highways and streets | - | - | - | - | - | - | - |
| Assigned for public safety | - | 56 | - | - | - | - | - |
| Assigned for economic development | - | - | - | - | - | - | - |
| Assigned for health and welfare | - | - | - | - | - | - | - |
| Assigned for specific purpose | 35 | - | 83,275 | - | 5 | 63 | 141 |
| Total fund balances | <u>23,668</u> | <u>26,187</u> | <u>83,275</u> | <u>26,517</u> | <u>750</u> | <u>41,710</u> | <u>90,390</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 23,843</u> | <u>\$ 26,187</u> | <u>\$ 128,090</u> | <u>\$ 26,517</u> | <u>\$ 14,875</u> | <u>\$ 41,710</u> | <u>\$ 90,921</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2012

| | County Waste Management Fund | Economic Development Revolving Loan Fund | Court System Maintenance Fund | Arrestees' Medical Cost Fund | Sheriff's DUI Equipment Fund | State's Attorney Drug Enforcement Fund | GIS Fee Fund |
|--|---------------------------------------|---|--|---------------------------------------|---------------------------------------|--|-------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 119,097 | \$ - | \$ 110,615 | \$ 5,619 | \$ 10,015 | \$ 6,384 | \$ 78,413 |
| Investments | - | - | - | - | - | - | - |
| Receivables, net: | | | | | | | |
| State of Illinois | - | - | - | - | - | - | - |
| Property taxes | - | 21,800 | - | - | - | - | - |
| Other | 11,346 | - | - | - | - | - | - |
| Due from other funds | 7,147 | - | - | - | - | - | 4,070 |
| Due from component unit | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 137,590</u> | <u>\$ 21,800</u> | <u>\$ 110,615</u> | <u>\$ 5,619</u> | <u>\$ 10,015</u> | <u>\$ 6,384</u> | <u>\$ 82,483</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 5,488 | \$ - | \$ - | \$ 2,868 | \$ - | \$ - | \$ 6,246 |
| Due to other funds | 9,007 | - | - | - | - | - | - |
| Deferred revenue | - | 21,800 | - | - | - | - | - |
| Total liabilities | <u>14,495</u> | <u>21,800</u> | <u>-</u> | <u>2,868</u> | <u>-</u> | <u>-</u> | <u>6,246</u> |
| Fund balances: | | | | | | | |
| Nonspendable - prepaids | - | - | - | - | - | - | - |
| Restricted for highways and streets | - | - | - | - | - | - | - |
| Restricted for public safety | - | - | - | 2,751 | 10,006 | 6,343 | - |
| Restricted for economic development | - | - | - | - | - | - | 76,237 |
| Restricted for health and welfare | 123,035 | - | - | - | - | - | - |
| Restricted for specific purpose | - | - | 110,353 | - | - | - | - |
| Unrestricted | | | | | | | |
| Committed for highways and streets | - | - | - | - | - | - | - |
| Assigned for highways and streets | - | - | - | - | - | - | - |
| Assigned for public safety | - | - | - | - | 9 | 41 | - |
| Assigned for economic development | - | - | - | - | - | - | - |
| Assigned for health and welfare | 60 | - | - | - | - | - | - |
| Assigned for specific purpose | - | - | 262 | - | - | - | - |
| Total fund balances | <u>123,095</u> | <u>-</u> | <u>110,615</u> | <u>2,751</u> | <u>10,015</u> | <u>6,384</u> | <u>76,237</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 137,590</u> | <u>\$ 21,800</u> | <u>\$ 110,615</u> | <u>\$ 5,619</u> | <u>\$ 10,015</u> | <u>\$ 6,384</u> | <u>\$ 82,483</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2012

| | County Clerk GIS Fee Fund | State's Attorney Child Advocacy Fund | USDA Solid Waste Fund | Animal Control Memorial Fund | Animal Pet Population Fund | Insurance Reserve Fund | Child Advocacy Fund |
|--|------------------------------------|---|--------------------------------|---------------------------------------|-------------------------------------|------------------------------|---------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 15,639 | \$ 38,553 | \$ 100 | \$ 54,500 | \$ 62,610 | \$ 1,008,800 | \$ 27,133 |
| Investments | - | - | - | - | - | - | - |
| Receivables, net: | | | | | | | |
| State of Illinois | - | - | - | - | - | - | - |
| Property taxes | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Due from other funds | 370 | 3,125 | - | - | - | - | - |
| Due from component unit | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 16,009</u> | <u>\$ 41,678</u> | <u>\$ 100</u> | <u>\$ 54,500</u> | <u>\$ 62,610</u> | <u>\$ 1,008,800</u> | <u>\$ 27,133</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 17 | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>17</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | |
| Nonspendable - prepaids | - | - | - | - | - | - | - |
| Restricted for highways and streets | - | - | - | - | - | - | - |
| Restricted for public safety | - | - | - | - | - | - | - |
| Restricted for economic development | 15,981 | - | - | - | - | - | - |
| Restricted for health and welfare | - | - | 100 | 44,384 | 62,522 | - | - |
| Restricted for specific purpose | - | 41,647 | - | - | - | 1,007,033 | 27,133 |
| Unrestricted | | | | | | | |
| Committed for highways and streets | - | - | - | - | - | - | - |
| Assigned for highways and streets | - | - | - | - | - | - | - |
| Assigned for public safety | - | - | - | - | - | - | - |
| Assigned for economic development | 28 | - | - | - | - | - | - |
| Assigned for health and welfare | - | - | - | 10,099 | 88 | - | - |
| Assigned for specific purpose | - | 31 | - | - | - | 1,767 | - |
| Total fund balances | <u>16,009</u> | <u>41,678</u> | <u>100</u> | <u>54,483</u> | <u>62,610</u> | <u>1,008,800</u> | <u>27,133</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 16,009</u> | <u>\$ 41,678</u> | <u>\$ 100</u> | <u>\$ 54,500</u> | <u>\$ 62,610</u> | <u>\$ 1,008,800</u> | <u>\$ 27,133</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2012

| | Coroner's Automation Fund | Circuit Clerk Electronic Citation Fund | State's Attorney Recorders Automation Fund | Adult Redeploy Grant Fund | Total Nonmajor Special Revenue Funds |
|--|---------------------------------|---|---|------------------------------------|--|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 4,160 | \$ 3,248 | \$ 628 | \$ - | \$ 4,132,704 |
| Investments | - | - | - | - | 275,000 |
| Receivables, net: | | | | | |
| State of Illinois | - | - | - | - | 42,284 |
| Property taxes | - | - | - | - | 1,653,037 |
| Other | - | - | - | - | 25,370 |
| Due from other funds | - | - | - | - | 125,912 |
| Due from component unit | - | - | - | - | 17,138 |
| Prepaid items | - | - | - | - | 179,662 |
| TOTAL ASSETS | <u>\$ 4,160</u> | <u>\$ 3,248</u> | <u>\$ 628</u> | <u>\$ -</u> | <u>\$ 6,451,107</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 71,618 |
| Due to other funds | - | - | - | - | 24,814 |
| Deferred revenue | - | - | - | - | 1,653,037 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,749,469</u> |
| Fund balances: | | | | | |
| Nonspendable - prepaids | - | - | - | - | 179,662 |
| Restricted for highways and streets | - | - | - | - | 1,643,564 |
| Restricted for public safety | - | - | - | - | 45,231 |
| Restricted for economic development | - | - | - | - | 92,218 |
| Restricted for health and welfare | - | - | - | - | 595,139 |
| Restricted for specific purpose | 4,160 | 3,248 | 628 | - | 1,544,667 |
| Unrestricted | | | | | |
| Committed for highways and streets | - | - | - | - | 343,322 |
| Assigned for highways and streets | - | - | - | - | 160,271 |
| Assigned for public safety | - | - | - | - | 106 |
| Assigned for economic development | - | - | - | - | 28 |
| Assigned for health and welfare | - | - | - | - | 11,726 |
| Assigned for specific purpose | - | - | - | - | 85,704 |
| Total fund balances | <u>4,160</u> | <u>3,248</u> | <u>628</u> | <u>-</u> | <u>4,701,638</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 4,160</u> | <u>\$ 3,248</u> | <u>\$ 628</u> | <u>\$ -</u> | <u>\$ 6,451,107</u> |

(Concluded)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2012

| | County Highway Fund | County Motor Fuel Fund | County Aid to Bridges Fund | Federal Aid Matching Fund | Engineering Revolving Fund | Tuberculosis Fund | Veterans' Assistance Fund |
|--|---------------------------|------------------------------|-------------------------------------|------------------------------------|----------------------------------|----------------------|---------------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ 262,092 | \$ - | \$ 143,657 | \$ 179,268 | \$ - | \$ 32,197 | \$ 60,946 |
| State of Illinois: | | | | | | | |
| Motor fuel tax allotments | - | 363,279 | - | - | - | - | - |
| State grants and expenditure reimbursements | - | 247,433 | - | - | - | - | - |
| Fees for services and materials | 81,626 | - | - | - | 113,233 | - | - |
| Investment income | 2,148 | 102 | 1,076 | 3,437 | 1,258 | 15 | 98 |
| Other | 136,527 | - | 57,347 | 991 | 25,347 | - | 50 |
| Total revenues | <u>482,393</u> | <u>610,814</u> | <u>202,080</u> | <u>183,696</u> | <u>139,838</u> | <u>32,212</u> | <u>61,094</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - |
| Judiciary and court related | - | - | - | - | - | - | - |
| Public health | - | - | - | - | - | 3,000 | - |
| Public welfare | - | - | - | - | - | - | 50,895 |
| Transportation | 880,897 | 154,215 | 143,333 | 271,991 | 116,586 | - | - |
| Capital outlay | - | - | - | - | 19,899 | - | - |
| Total expenditures | <u>880,897</u> | <u>154,215</u> | <u>143,333</u> | <u>271,991</u> | <u>136,485</u> | <u>3,000</u> | <u>50,895</u> |
| Excess (deficiency) of revenues over expenditures | <u>(398,504)</u> | <u>456,599</u> | <u>58,747</u> | <u>(88,295)</u> | <u>3,353</u> | <u>29,212</u> | <u>10,199</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 361,616 | - | - | 4,778 | 16,584 | - | - |
| Transfers out | <u>(10,593)</u> | <u>(343,083)</u> | <u>(74,666)</u> | <u>(95,834)</u> | <u>-</u> | <u>(20,205)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>351,023</u> | <u>(343,083)</u> | <u>(74,666)</u> | <u>(91,056)</u> | <u>16,584</u> | <u>(20,205)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>(47,481)</u> | <u>113,516</u> | <u>(15,919)</u> | <u>(179,351)</u> | <u>19,937</u> | <u>9,007</u> | <u>10,199</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | 639,348 | 141,178 | 306,958 | 788,270 | 237,085 | 28,839 | 100,302 |
| Prior period adjustment | <u>57,316</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>86,300</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | <u>696,664</u> | <u>141,178</u> | <u>306,958</u> | <u>788,270</u> | <u>323,385</u> | <u>28,839</u> | <u>100,302</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 649,183</u> | <u>\$ 254,694</u> | <u>\$ 291,039</u> | <u>\$ 608,919</u> | <u>\$ 343,322</u> | <u>\$ 37,846</u> | <u>\$ 110,501</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2012

| | Building Rental Fund | Cooperative Extension Fund | Animal Control Fund | Mental Health Fund | Law Library Fund | Recorder Automation Fund | Court Automation Fund |
|---|----------------------------|----------------------------------|---------------------------|--------------------------|------------------------|--------------------------------|-----------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ 349,620 | \$ 162,390 | \$ - | \$ 358,493 | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - |
| Fees for services and materials | - | - | 152,924 | - | 19,570 | 28,606 | 39,851 |
| Investment income | - | - | 625 | 65 | 12 | 22 | 54 |
| Other | - | - | 1,374 | - | - | - | - |
| Total revenues | <u>349,620</u> | <u>162,390</u> | <u>154,923</u> | <u>358,558</u> | <u>19,582</u> | <u>28,628</u> | <u>39,905</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | - | 162,390 | - | - | - | 21,324 | - |
| Public safety | - | - | - | - | - | - | - |
| Corrections | 249,620 | - | - | - | - | - | - |
| Judiciary and court related | - | - | - | - | 19,813 | - | 41,922 |
| Public health | - | - | 113,675 | 350,792 | - | - | - |
| Public welfare | 100,000 | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - |
| Capital outlay | - | - | 969 | - | - | 11,599 | - |
| Total expenditures | <u>349,620</u> | <u>162,390</u> | <u>114,644</u> | <u>350,792</u> | <u>19,813</u> | <u>32,923</u> | <u>41,922</u> |
| Excess (deficiency) of revenues over expenditures | - | - | 40,279 | 7,766 | (231) | (4,295) | (2,017) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | <u>-</u> | <u>-</u> | <u>40,279</u> | <u>7,766</u> | <u>(231)</u> | <u>(4,295)</u> | <u>(2,017)</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | - | - | 124,762 | 225,085 | 23,538 | 47,723 | 103,081 |
| Prior period adjustment | - | - | - | - | - | - | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE | <u>-</u> | <u>-</u> | <u>124,762</u> | <u>225,085</u> | <u>23,538</u> | <u>47,723</u> | <u>103,081</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 165,041</u> | <u>\$ 232,851</u> | <u>\$ 23,307</u> | <u>\$ 43,428</u> | <u>\$ 101,064</u> |

(Continued)

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2012

| | Vital Records Automation Fund | Drug Enforcement Fund | Senior Citizens' Transportation Fund | Support Processing Fund | State's Attorney Victim/Witness Fund | Treasurer's Automation Fund | Document Storage Fund |
|--|--|-----------------------------|---|-------------------------------|---|-----------------------------------|-----------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 43,459 | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | 18,451 | - | - |
| Fees for services and materials | 7,046 | - | - | 16,360 | - | 2,440 | 39,690 |
| Investment income | 10 | 17 | 296 | 10 | 5 | 18 | 45 |
| Other | - | 12,388 | - | - | - | 4,427 | - |
| Total revenues | <u>7,056</u> | <u>12,405</u> | <u>43,755</u> | <u>16,370</u> | <u>18,456</u> | <u>6,885</u> | <u>39,735</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 3,042 | - | - | - | - | 1,570 | - |
| Public safety | - | 14,186 | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - |
| Judiciary and court related | - | - | - | 8,860 | 16,000 | - | 30,725 |
| Public health | - | - | - | - | - | - | - |
| Public welfare | - | - | 67,819 | - | - | - | - |
| Transportation | - | - | - | - | - | - | - |
| Capital outlay | 494 | 8,917 | - | - | - | - | - |
| Total expenditures | <u>3,536</u> | <u>23,103</u> | <u>67,819</u> | <u>8,860</u> | <u>16,000</u> | <u>1,570</u> | <u>30,725</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,520</u> | <u>(10,698)</u> | <u>(24,064)</u> | <u>7,510</u> | <u>2,456</u> | <u>5,315</u> | <u>9,010</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>3,520</u> | <u>(10,698)</u> | <u>(24,064)</u> | <u>7,510</u> | <u>2,456</u> | <u>5,315</u> | <u>9,010</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | 20,148 | 36,885 | 107,339 | 19,007 | (1,706) | 36,395 | 81,380 |
| Prior period adjustment | - | - | - | - | - | - | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | <u>20,148</u> | <u>36,885</u> | <u>107,339</u> | <u>19,007</u> | <u>(1,706)</u> | <u>36,395</u> | <u>81,380</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 23,668</u> | <u>\$ 26,187</u> | <u>\$ 83,275</u> | <u>\$ 26,517</u> | <u>\$ 750</u> | <u>\$ 41,710</u> | <u>\$ 90,390</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2012

| | County Waste Management Fund | Economic Development Revolving Loan Fund | Court System Maintenance Fund | Arrestees' Medical Cost Fund | Sheriff's DUI Equipment Fund | State's Attorney Drug Enforcement Fund | GIS Fee Fund |
|--|---------------------------------------|---|--|---------------------------------------|---------------------------------------|--|--------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ - | \$ 23,842 | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - |
| Fees for services and materials | 78,868 | - | 42,188 | 11,259 | 4,593 | - | 52,338 |
| Investment income | 34 | - | 66 | 2 | 4 | 6 | 426 |
| Other | - | - | - | 1,325 | - | 1,239 | 1,556 |
| Total revenues | <u>78,902</u> | <u>23,842</u> | <u>42,254</u> | <u>12,586</u> | <u>4,597</u> | <u>1,245</u> | <u>54,320</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | - | 23,842 | - | - | - | - | 60,643 |
| Public safety | - | - | - | - | - | 3,960 | - |
| Corrections | - | - | - | 19,203 | - | - | - |
| Judiciary and court related | - | - | 91,054 | - | - | - | - |
| Public health | 86,928 | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 233 | - | - |
| Total expenditures | <u>86,928</u> | <u>23,842</u> | <u>91,054</u> | <u>19,203</u> | <u>233</u> | <u>3,960</u> | <u>60,643</u> |
| Excess (deficiency) of revenues over expenditures | <u>(8,026)</u> | <u>-</u> | <u>(48,800)</u> | <u>(6,617)</u> | <u>4,364</u> | <u>(2,715)</u> | <u>(6,323)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | 5,000 | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>(8,026)</u> | <u>-</u> | <u>(48,800)</u> | <u>(1,617)</u> | <u>4,364</u> | <u>(2,715)</u> | <u>(6,323)</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | 131,121 | - | 159,415 | 4,368 | 5,651 | 9,099 | 82,560 |
| Prior period adjustment | - | - | - | - | - | - | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | <u>131,121</u> | <u>-</u> | <u>159,415</u> | <u>4,368</u> | <u>5,651</u> | <u>9,099</u> | <u>82,560</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 123,095</u> | <u>\$ -</u> | <u>\$ 110,615</u> | <u>\$ 2,751</u> | <u>\$ 10,015</u> | <u>\$ 6,384</u> | <u>\$ 76,237</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2012

| | County Clerk GIS Fee Fund | State's Attorney Child Advocacy Fund | USDA Solid Waste Fund | Animal Control Memorial Fund | Animal Pet Population Fund | Insurance Reserve Fund | Child Advocacy Fund |
|--|------------------------------------|---|--------------------------------|---------------------------------------|-------------------------------------|------------------------------|---------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - |
| Fees for services and materials | 4,758 | 48,326 | - | 5,619 | 12,850 | - | - |
| Investment income | 7 | 14 | - | 28 | 29 | 787 | - |
| Other | - | - | 10 | 5,538 | - | - | - |
| Total revenues | <u>4,765</u> | <u>48,340</u> | <u>10</u> | <u>11,185</u> | <u>12,879</u> | <u>787</u> | <u>-</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | 300 | - |
| Public safety | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - |
| Judiciary and court related | - | 33,200 | - | - | - | - | 6,240 |
| Public health | - | - | 10 | 13,180 | - | - | - |
| Public welfare | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - |
| Capital outlay | 5,053 | - | - | - | - | - | - |
| Total expenditures | <u>5,053</u> | <u>33,200</u> | <u>10</u> | <u>13,180</u> | <u>-</u> | <u>300</u> | <u>6,240</u> |
| Excess (deficiency) of revenues over expenditures | <u>(288)</u> | <u>15,140</u> | <u>-</u> | <u>(1,995)</u> | <u>12,879</u> | <u>487</u> | <u>(6,240)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | (45,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(45,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>(288)</u> | <u>15,140</u> | <u>-</u> | <u>(1,995)</u> | <u>12,879</u> | <u>(44,513)</u> | <u>(6,240)</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | 16,297 | 26,538 | 100 | 56,478 | 49,731 | 1,053,313 | 33,373 |
| Prior period adjustment | - | - | - | - | - | - | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | <u>16,297</u> | <u>26,538</u> | <u>100</u> | <u>56,478</u> | <u>49,731</u> | <u>1,053,313</u> | <u>33,373</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 16,009</u> | <u>\$ 41,678</u> | <u>\$ 100</u> | <u>\$ 54,483</u> | <u>\$ 62,610</u> | <u>\$ 1,008,800</u> | <u>\$ 27,133</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2012

| | Coroner's Automation Fund | Circuit Clerk Electronic Citation Fund | State's Attorney Recorders Automation Fund | Adult Redeploy Grant Fund | Total Nonmajor Special Revenue Funds |
|--|---------------------------------|---|---|------------------------------------|--|
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 1,615,964 |
| State of Illinois: | | | | | |
| Motor fuel tax allotments | - | - | - | - | 363,279 |
| State grants and expenditure reimbursements | - | - | - | 6,000 | 271,884 |
| Fees for services and materials | 4,700 | 3,248 | 628 | - | 770,721 |
| Investment income | 1 | - | - | - | 10,717 |
| Other | 100 | - | - | - | 248,219 |
| Total revenues | <u>4,801</u> | <u>3,248</u> | <u>628</u> | <u>6,000</u> | <u>3,280,784</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 273,111 |
| Public safety | 2,491 | - | - | - | 20,637 |
| Corrections | - | - | - | - | 268,823 |
| Judiciary and court related | - | - | - | 6,000 | 253,814 |
| Public health | - | - | - | - | 567,585 |
| Public welfare | - | - | - | - | 218,714 |
| Transportation | - | - | - | - | 1,567,022 |
| Capital outlay | - | - | - | - | 47,164 |
| Total expenditures | <u>2,491</u> | <u>-</u> | <u>-</u> | <u>6,000</u> | <u>3,216,870</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,310</u> | <u>3,248</u> | <u>628</u> | <u>-</u> | <u>63,914</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 1,850 | - | - | - | 389,828 |
| Transfers out | - | - | - | - | (589,381) |
| Total other financing sources (uses) | <u>1,850</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(199,553)</u> |
| NET CHANGE IN FUND BALANCES | <u>4,160</u> | <u>3,248</u> | <u>628</u> | <u>-</u> | <u>(135,639)</u> |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | - | - | - | - | 4,693,661 |
| Prior period adjustment | - | - | - | - | 143,616 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,837,277</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 4,160</u> | <u>\$ 3,248</u> | <u>\$ 628</u> | <u>\$ -</u> | <u>\$ 4,701,638</u> |

(Concluded)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|---------------------|-------------------|-----------------------|-------------------|----------------------|-------------------|-----------------------|-------------------|
| | County Highway | | County Aid to Bridges | | Federal Aid Matching | | Engineering Revolving | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ 262,380 | \$ 262,092 | \$ 143,810 | \$ 143,657 | \$ 179,438 | \$ 179,268 | \$ - | \$ - |
| State of Illinois | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | 390,000 | 392,582 | - | - | - | - | 102,000 | 39,912 |
| Investment income | 1,000 | 2,148 | 1,000 | 1,076 | 6,000 | 3,437 | 300 | 1,258 |
| Other | 300,000 | 296,807 | 120,000 | 57,347 | - | 5,770 | 3,500 | 29,904 |
| Total revenues | <u>953,380</u> | <u>953,629</u> | <u>264,810</u> | <u>202,080</u> | <u>185,438</u> | <u>188,475</u> | <u>105,800</u> | <u>71,074</u> |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | - | - | - | - | - | - | - | - |
| Public health | - | - | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | 1,179,000 | 902,635 | 300,000 | 215,010 | 400,000 | 374,859 | 169,000 | 116,578 |
| Capital outlay | - | - | - | - | - | - | 37,000 | 20,050 |
| Total expenditures | <u>1,179,000</u> | <u>902,635</u> | <u>300,000</u> | <u>215,010</u> | <u>400,000</u> | <u>374,859</u> | <u>206,000</u> | <u>136,628</u> |
| Excess (deficiency) of revenues over expenditures | <u>(225,620)</u> | <u>50,994</u> | <u>(35,190)</u> | <u>(12,930)</u> | <u>(214,562)</u> | <u>(186,384)</u> | <u>(100,200)</u> | <u>(65,554)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | 53,589 | - | - | - | - | 20,000 | 9,860 |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>53,589</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,000</u> | <u>9,860</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (225,620)</u> | <u>104,583</u> | <u>\$ (35,190)</u> | <u>(12,930)</u> | <u>\$ (214,562)</u> | <u>(186,384)</u> | <u>\$ (80,200)</u> | <u>(55,694)</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | | | | | | |
| | | (152,064) | | (2,989) | | 7,033 | | 75,631 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 639,348 | | 306,958 | | 788,270 | | 237,085 |
| Prior period adjustment | | 57,316 | | - | | - | | 86,300 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>696,664</u> | | <u>306,958</u> | | <u>788,270</u> | | <u>323,385</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 649,183</u> | | <u>\$ 291,039</u> | | <u>\$ 608,919</u> | | <u>\$ 343,122</u> |

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|-------------------|------------------|----------------------|-------------------|----------------------|----------------|-----------------------|----------------|
| | Tuberculosis Fund | | Veterans' Assistance | | Building Rental Fund | | Cooperative Extension | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ 32,230 | \$ 32,197 | \$ 61,000 | \$ 60,946 | \$ 350,000 | \$ 349,620 | \$ 162,555 | \$ 162,390 |
| State of Illinois: | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | - | - | - | - | - | - | - | - |
| Investment income | 15 | 15 | 75 | 98 | - | - | - | - |
| Other | - | - | 500 | 50 | - | - | - | - |
| Total revenues | <u>32,245</u> | <u>32,212</u> | <u>61,575</u> | <u>61,094</u> | <u>350,000</u> | <u>349,620</u> | <u>162,555</u> | <u>162,390</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | 162,555 | 162,390 |
| Public safety | - | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | 250,000 | 249,620 | - | - |
| Judiciary and court related | - | - | - | - | - | - | - | - |
| Public health | 27,000 | 26,698 | - | - | - | - | - | - |
| Public welfare | - | - | 61,299 | 52,605 | 100,000 | 100,000 | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | <u>27,000</u> | <u>26,698</u> | <u>61,299</u> | <u>52,605</u> | <u>350,000</u> | <u>349,620</u> | <u>162,555</u> | <u>162,390</u> |
| Excess (deficiency) of revenues over expenditures | <u>5,245</u> | <u>5,514</u> | <u>276</u> | <u>8,489</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 5,245</u> | <u>5,514</u> | <u>\$ 276</u> | <u>8,489</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | 3,493 | | 1,710 | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 28,839 | | 100,302 | | - | | - |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>28,839</u> | | <u>100,302</u> | | <u>-</u> | | <u>-</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 37,846</u> | | <u>\$ 110,501</u> | | <u>\$ -</u> | | <u>\$ -</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|---------------------|-------------------|--------------------|-------------------|------------------|------------------|---------------------|------------------|
| | Animal Control Fund | | Mental Health Fund | | Law Library Fund | | Recorder Automation | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 358,877 | \$ 358,493 | \$ - | \$ - | \$ - | \$ - |
| State of Illinois | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | 127,950 | 153,851 | - | - | 25,000 | 19,570 | 22,500 | 28,459 |
| Investment income | 500 | 625 | - | 65 | 25 | 12 | 50 | 22 |
| Other | 1,200 | 1,374 | - | - | - | - | - | - |
| Total revenues | <u>129,650</u> | <u>155,850</u> | <u>358,877</u> | <u>358,558</u> | <u>25,025</u> | <u>19,582</u> | <u>22,550</u> | <u>28,481</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | 25,670 | 21,324 |
| Public safety | - | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | - | - | - | - | 20,000 | 19,813 | - | - |
| Public health | 132,247 | 113,964 | 358,871 | 350,792 | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | 1,600 | 575 | - | - | - | - | 15,000 | 11,599 |
| Total expenditures | <u>133,847</u> | <u>114,539</u> | <u>358,871</u> | <u>350,792</u> | <u>20,000</u> | <u>19,813</u> | <u>40,670</u> | <u>32,923</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,197)</u> | <u>41,311</u> | <u>6</u> | <u>7,766</u> | <u>5,025</u> | <u>(231)</u> | <u>(18,120)</u> | <u>(4,442)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | <u>\$ (4,197)</u> | <u>41,311</u> | <u>\$ 6</u> | <u>7,766</u> | <u>\$ 5,025</u> | <u>(231)</u> | <u>\$ (18,120)</u> | <u>(4,442)</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | (1,032) | | - | | - | | 147 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 124,762 | | 225,085 | | 23,538 | | 47,723 |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>124,762</u> | | <u>225,085</u> | | <u>23,538</u> | | <u>47,723</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 165,041</u> | | <u>\$ 232,851</u> | | <u>\$ 23,307</u> | | <u>\$ 43,428</u> |

(Continued)

See accompanying Independent Auditor's Report.

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MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|-----------------------|-------------------|--------------------------|------------------|-----------------------|------------------|--------------------------------------|------------------|
| | Court Automation Fund | | Vital Records Automation | | Drug Enforcement Fund | | Senior Citizens' Transportation Fund | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 43,478 | \$ 43,459 |
| State of Illinois | - | - | - | - | - | - | - | - |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | 42,900 | 39,836 | 7,000 | 7,046 | - | - | - | - |
| Investment income | 125 | 54 | 20 | 10 | 2,520 | 17 | 600 | 296 |
| Other | - | - | - | - | 15,000 | 12,388 | - | - |
| Total revenues | <u>43,025</u> | <u>39,890</u> | <u>7,020</u> | <u>7,056</u> | <u>17,520</u> | <u>12,405</u> | <u>44,078</u> | <u>43,755</u> |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | - | - | 3,000 | 2,867 | - | - | - | - |
| Public safety | - | - | - | - | 1,000 | 14,186 | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | 50,000 | 41,922 | - | - | - | - | - | - |
| Public health | - | - | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | 68,000 | 67,819 |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | 4,000 | 494 | 10,000 | 8,917 | - | - |
| Total expenditures | <u>50,000</u> | <u>41,922</u> | <u>7,000</u> | <u>3,361</u> | <u>11,000</u> | <u>23,103</u> | <u>68,000</u> | <u>67,819</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,975)</u> | <u>(2,032)</u> | <u>20</u> | <u>3,695</u> | <u>6,520</u> | <u>(10,698)</u> | <u>(23,922)</u> | <u>(24,064)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (6,975)</u> | <u>(2,032)</u> | <u>\$ 20</u> | <u>3,695</u> | <u>\$ 6,520</u> | <u>(10,698)</u> | <u>\$ (23,922)</u> | <u>(24,064)</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | 15 | | (175) | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 103,081 | | 20,148 | | 36,885 | | 107,339 |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>103,081</u> | | <u>20,148</u> | | <u>36,885</u> | | <u>107,339</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 101,064</u> | | <u>\$ 23,668</u> | | <u>\$ 26,187</u> | | <u>\$ 83,275</u> |

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|-------------------------|------------------|---|----------------|------------------------|------------------|-----------------------|------------------|
| | Support Processing Fund | | State's Attorney Victim/Witness Fund | | Treasurer's Automation | | Document Storage Fund | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | 18,000 | 23,063 | - | - | - | - |
| Fees for services and materials | 10,000 | 10,360 | - | - | 3,000 | 2,440 | 42,800 | 39,759 |
| Investment income | - | 10 | 15 | 5 | 40 | 18 | 50 | 45 |
| Other | - | - | - | - | 4,700 | 4,427 | - | - |
| Total revenues | <u>10,000</u> | <u>10,370</u> | <u>18,015</u> | <u>23,068</u> | <u>7,740</u> | <u>6,885</u> | <u>42,850</u> | <u>39,804</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | 16,000 | 1,570 | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | 20,000 | 8,860 | 23,000 | 16,000 | - | - | 40,000 | 31,654 |
| Public health | - | - | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | <u>20,000</u> | <u>8,860</u> | <u>23,000</u> | <u>16,000</u> | <u>16,000</u> | <u>1,570</u> | <u>40,000</u> | <u>31,654</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10,000)</u> | <u>1,510</u> | <u>(4,985)</u> | <u>7,068</u> | <u>(8,260)</u> | <u>5,315</u> | <u>2,850</u> | <u>8,150</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (10,000)</u> | <u>1,510</u> | <u>\$ (4,985)</u> | <u>7,068</u> | <u>\$ (8,260)</u> | <u>5,315</u> | <u>\$ 2,850</u> | <u>8,150</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | 6,000 | | (4,612) | | - | | 860 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 19,007 | | (1,706) | | 36,395 | | 81,380 |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>19,007</u> | | <u>(1,706)</u> | | <u>36,395</u> | | <u>81,380</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 26,517</u> | | <u>\$ 750</u> | | <u>\$ 41,710</u> | | <u>\$ 90,390</u> |

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|---------------------------------|-------------------|---|---------------|----------------------------------|-------------------|-------------------------|-----------------|
| | County Waste Management Fund | | Economic Development Revolving Loan Fund | | Court System Maintenance Fund | | Arrestees' Medical Cost | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 25,000 | \$ 23,842 | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | 115,000 | 90,757 | - | - | 42,900 | 41,947 | 11,000 | 11,355 |
| Investment income | 25 | 34 | - | - | 200 | 66 | 15 | 2 |
| Other | - | 50,000 | - | - | - | - | 1,100 | 1,325 |
| Total revenues | 115,025 | 140,791 | 25,000 | 23,842 | 43,100 | 42,013 | 12,115 | 12,682 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | 25,000 | 23,842 | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | 25,000 | 20,504 |
| Judiciary and court related | - | - | - | - | 95,500 | 94,065 | - | - |
| Public health | 111,000 | 84,005 | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 111,000 | 84,005 | 25,000 | 23,842 | 95,500 | 94,065 | 25,000 | 20,504 |
| Excess (deficiency) of revenues over expenditures | 4,025 | 56,786 | - | - | (52,400) | (52,052) | (12,885) | (7,822) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | 15,000 | 5,000 |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | 15,000 | 5,000 |
| NET CHANGE IN FUND BALANCES | \$ 4,025 | 56,786 | \$ - | - | \$ (52,400) | (52,052) | \$ 2,115 | (2,822) |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | (64,812) | | - | | 3,252 | | 1,205 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 131,121 | | - | | 159,415 | | 4,368 |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE | | 131,121 | | - | | 159,415 | | 4,368 |
| FUND BALANCES (DEFICIT), END OF YEAR | | \$ 123,095 | | \$ - | | \$ 110,615 | | \$ 2,751 |

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|-------------------------|------------------|---|-----------------|--------------------|------------------|----------------------|------------------|
| | Sheriff's DUI Equipment | | State's Attorney Drug Enforcement Fund | | GIS Fee Fund | | County Clerk GIS Fee | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | 3,000 | 4,593 | - | - | 48,800 | 52,107 | 4,000 | 4,737 |
| Investment income | - | 4 | 25 | 6 | 200 | 426 | 20 | 7 |
| Other | - | - | 5,000 | 1,239 | 1,200 | 1,556 | - | - |
| Total revenues | <u>3,000</u> | <u>4,597</u> | <u>5,025</u> | <u>1,245</u> | <u>50,200</u> | <u>54,089</u> | <u>4,020</u> | <u>4,744</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | 73,570 | 54,397 | - | - |
| Public safety | - | - | 5,000 | 3,960 | - | - | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | - | - | - | - | - | - | - | - |
| Public health | - | - | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | 3,000 | 233 | - | - | - | - | 10,000 | 5,053 |
| Total expenditures | <u>3,000</u> | <u>233</u> | <u>5,000</u> | <u>3,960</u> | <u>73,570</u> | <u>54,397</u> | <u>10,000</u> | <u>5,053</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>4,364</u> | <u>25</u> | <u>(2,715)</u> | <u>(23,370)</u> | <u>(308)</u> | <u>(5,980)</u> | <u>(309)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ -</u> | <u>4,364</u> | <u>\$ 25</u> | <u>(2,715)</u> | <u>\$ (23,370)</u> | <u>(308)</u> | <u>\$ (5,980)</u> | <u>(309)</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | | | | | | |
| | | | | | | (6,015) | | 21 |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 5,651 | | 9,099 | | 82,560 | | 16,297 |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>5,651</u> | | <u>9,099</u> | | <u>82,560</u> | | <u>16,297</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 10,015</u> | | <u>\$ 6,384</u> | | <u>\$ 76,237</u> | | <u>\$ 16,009</u> |

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | | | | |
|---|---|------------------|-------------------------|------------------|-----------------------|------------------|------------------------|---------------------|
| | State's Attorney Child Advocacy Fund | | Animal Control Memorial | | Animal Pet Population | | Insurance Reserve Fund | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Illinois: | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | 27,000 | 48,462 | 8,000 | 5,619 | 12,500 | 12,850 | - | - |
| Investment income | 11 | 14 | 85 | 28 | 65 | 29 | 1,000 | 787 |
| Other | - | - | - | 5,538 | - | - | - | - |
| Total revenues | <u>27,011</u> | <u>48,476</u> | <u>8,085</u> | <u>11,185</u> | <u>12,565</u> | <u>12,879</u> | <u>1,000</u> | <u>787</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | 300 |
| Public safety | - | - | - | - | - | - | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | 33,200 | 33,200 | - | - | - | - | - | - |
| Public health | - | - | 13,700 | 13,451 | 10,000 | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | <u>33,200</u> | <u>33,200</u> | <u>13,700</u> | <u>13,451</u> | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>300</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,189)</u> | <u>15,276</u> | <u>(5,615)</u> | <u>(2,266)</u> | <u>2,565</u> | <u>12,879</u> | <u>1,000</u> | <u>487</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | (45,000) | (45,000) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(45,000)</u> | <u>(45,000)</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (6,189)</u> | <u>15,276</u> | <u>\$ (5,615)</u> | <u>(2,266)</u> | <u>\$ 2,565</u> | <u>12,879</u> | <u>\$ (44,000)</u> | <u>(44,513)</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | (136) | | 271 | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 26,538 | | 56,478 | | 49,731 | | 1,053,313 |
| Prior period adjustment | | - | | - | | - | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>26,538</u> | | <u>56,478</u> | | <u>49,731</u> | | <u>1,053,313</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 41,678</u> | | <u>\$ 54,483</u> | | <u>\$ 62,610</u> | | <u>\$ 1,008,800</u> |

(Continued)

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2012

| | Special Revenue | | | | Capital Projects | | | |
|---|---------------------|------------------|---------------------------|-----------------|----------------------------|-------------------|--------------------------------------|------------------|
| | Child Advocacy Fund | | Coroner's Automation Fund | | Equipment Replacement Fund | | Capital Improvement & Equipment Fund | |
| | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual | Final Budget | Actual |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Illinois | | | | | | | | |
| Motor fuel tax allotments | - | - | - | - | - | - | - | - |
| State grants and expenditure reimbursements | - | - | - | - | - | - | - | - |
| Fees for services and materials | - | - | 4,500 | 6,550 | - | - | - | - |
| Investment income | - | - | 10 | 1 | 100 | 690 | 11 | 4 |
| Other | - | - | - | 100 | 145,000 | 148,036 | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>4,510</u> | <u>6,651</u> | <u>145,100</u> | <u>148,726</u> | <u>11</u> | <u>4</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public safety | - | - | 4,000 | 2,491 | - | - | - | - |
| Corrections | - | - | - | - | - | - | - | - |
| Judiciary and court related | 6,350 | 6,240 | - | - | - | - | - | - |
| Public health | - | - | - | - | - | - | - | - |
| Public welfare | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 225,000 | 225,000 | 2,500 | - |
| Total expenditures | <u>6,350</u> | <u>6,240</u> | <u>4,000</u> | <u>2,491</u> | <u>225,000</u> | <u>225,000</u> | <u>2,500</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,350)</u> | <u>(6,240)</u> | <u>510</u> | <u>4,160</u> | <u>(79,900)</u> | <u>(76,274)</u> | <u>(2,489)</u> | <u>4</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ (6,350)</u> | <u>(6,240)</u> | <u>\$ 510</u> | <u>4,160</u> | <u>\$ (79,900)</u> | <u>(76,274)</u> | <u>\$ (2,489)</u> | <u>4</u> |
| RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS | | | | | | | | |
| | | | | | | | | |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR | | 33,373 | | - | | 216,548 | | 10,536 |
| Prior period adjustment | | - | | - | | 32,195 | | - |
| FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED | | <u>33,373</u> | | <u>-</u> | | <u>248,743</u> | | <u>10,536</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | | <u>\$ 27,133</u> | | <u>\$ 4,160</u> | | <u>\$ 172,469</u> | | <u>\$ 10,540</u> |

(Concluded)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2012

| | <u>Liability Insurance Fund</u> | <u>Self Insurance Fund</u> | <u>Total Internal Service Funds</u> |
|------------------------------|---|------------------------------------|---|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 541,432 | \$ 979,068 | \$ 1,520,500 |
| Receivables, net: | | | |
| Property taxes | 316,135 | - | 316,135 |
| Prepaid insurance | 81,727 | - | 81,727 |
| Due from other funds | <u>635,618</u> | <u>11,241</u> | <u>646,859</u> |
| TOTAL ASSETS | <u>1,574,912</u> | <u>990,309</u> | <u>2,565,221</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 1,158 | 93,044 | 94,202 |
| Deferred revenue | 316,135 | - | 316,135 |
| Due to other funds | <u>12,561</u> | <u>-</u> | <u>12,561</u> |
| TOTAL LIABILITIES | <u>329,854</u> | <u>93,044</u> | <u>422,898</u> |
| TOTAL NET ASSETS | <u><u>\$ 1,245,058</u></u> | <u><u>\$ 897,265</u></u> | <u><u>\$ 2,142,323</u></u> |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2012

| | <u>Liability Insurance Fund</u> | <u>Self Insurance Fund</u> | <u>Total Internal Service Funds</u> |
|---|---|------------------------------------|---|
| OPERATING REVENUES | | | |
| Charges for services | \$ 252,844 | \$ 2,505,114 | \$ 2,757,958 |
| OPERATING EXPENSES | | | |
| Unemployment | 84,835 | - | 84,835 |
| Liability insurance | 182,912 | - | 182,912 |
| Workman's compensation | 272,403 | - | 272,403 |
| Medical claims and administration fees | 80,484 | 2,271,678 | 2,352,162 |
| | <u>620,634</u> | <u>2,271,678</u> | <u>2,892,312</u> |
| Total operating expenses | | | |
| Operating income (loss) | <u>(367,790)</u> | <u>233,436</u> | <u>(134,354)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Property taxes | 306,576 | - | 306,576 |
| Investment income | 1,314 | 704 | 2,018 |
| Grants | 23,300 | - | 23,300 |
| Interest expense | (944) | - | (944) |
| Other | 34,359 | 215,746 | 250,105 |
| | <u>364,605</u> | <u>216,450</u> | <u>581,055</u> |
| Total nonoperating revenue | | | |
| Income (loss) before transfers | <u>(3,185)</u> | <u>449,886</u> | <u>446,701</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(4,840)</u> | <u>(704)</u> | <u>(5,544)</u> |
| Total other financing sources (uses) | <u>(4,840)</u> | <u>(704)</u> | <u>(5,544)</u> |
| CHANGE IN NET ASSETS | (8,025) | 449,182 | 441,157 |
| TOTAL NET ASSETS - BEGINNING | <u>1,253,083</u> | <u>448,083</u> | <u>1,701,166</u> |
| TOTAL NET ASSETS - ENDING | <u>\$ 1,245,058</u> | <u>\$ 897,265</u> | <u>\$ 2,142,323</u> |

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended November 30, 2012

| | <u>Liability Insurance Fund</u> | <u>Self Insurance Fund</u> | <u>Total Internal Service Funds</u> |
|--|---|------------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers | \$ (626,291) | \$ (2,303,955) | \$ (2,930,246) |
| Internal activity-payments from (to) other funds | <u>252,844</u> | <u>2,505,114</u> | <u>2,757,958</u> |
| Net cash provided by (used in) operating activities | <u>(373,447)</u> | <u>201,159</u> | <u>(172,288)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Property taxes | 306,576 | - | 306,576 |
| Other nonoperating revenue (expense) | 34,359 | 215,746 | 250,105 |
| Grants received | 23,300 | - | 23,300 |
| Interfund borrowing (lending) | (310,618) | (11,241) | (321,859) |
| Transfers in (out) | <u>(4,840)</u> | <u>(704)</u> | <u>(5,544)</u> |
| Net cash provided by (used in) noncapital financing activities | <u>48,777</u> | <u>203,801</u> | <u>252,578</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | |
| Repayment of loan proceeds | (25,862) | - | (25,862) |
| Interest paid on loan proceeds | <u>(944)</u> | <u>-</u> | <u>(944)</u> |
| Net cash used in capital financing activities | <u>(26,806)</u> | <u>-</u> | <u>(26,806)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investments | <u>1,314</u> | <u>704</u> | <u>2,018</u> |
| Net cash provided by investing activities | <u>1,314</u> | <u>704</u> | <u>2,018</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (350,162) | 405,664 | 55,502 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>891,594</u> | <u>573,404</u> | <u>1,464,998</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 541,432</u> | <u>\$ 979,068</u> | <u>\$ 1,520,500</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| Operating loss | \$ (367,790) | \$ 233,436 | \$ (134,354) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | | |
| Change in assets and liabilities: | | | |
| Prepaid insurance | (3,652) | - | (3,652) |
| Accounts payable | <u>(2,005)</u> | <u>(32,277)</u> | <u>(34,282)</u> |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>\$ (373,447)</u> | <u>\$ 201,159</u> | <u>\$ (172,288)</u> |

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2012

| | County Collector's Tax Fund | | | | | | |
|---------------------------|---|--|------------------------------------|--|---------------------------------------|-------------------------------------|------------------------------|
| | Current Tax Collection Account | Mobile Home Privilege Tax Account | Court Services Fund | Multi-County Chief Judge Fund | Probation Service Fund | Inheritance Tax Fund | Condemnation Fund |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 3,596 | \$ 1,777 | \$ 81,845 | \$ 57,310 | \$ 266,685 | \$ 11 | \$ 20,351 |
| Investments | - | - | - | - | - | - | 20,000 |
| Receivables: | | | | | | | |
| State of Illinois | - | - | 458,251 | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 3,596</u> | <u>\$ 1,777</u> | <u>\$ 540,096</u> | <u>\$ 57,310</u> | <u>\$ 266,685</u> | <u>\$ 11</u> | <u>\$ 40,351</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 89,405 | \$ 77 | \$ 1,868 | \$ - | \$ - |
| Due to other funds | - | - | - | - | 267 | - | - |
| Due to other taxing units | 3,596 | 1,777 | - | - | - | - | - |
| Due to others | - | - | 450,691 | 57,233 | 264,550 | 11 | 40,351 |
| TOTAL LIABILITIES | <u>\$ 3,596</u> | <u>\$ 1,777</u> | <u>\$ 540,096</u> | <u>\$ 57,310</u> | <u>\$ 266,685</u> | <u>\$ 11</u> | <u>\$ 40,351</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2012

| | <u>Unclaimed Estates Fund</u> | <u>Advocacy Fund</u> | <u>Dive and Rescue Team Fund</u> | <u>Sheriff's Inmate Commissary Fund</u> | <u>State's Attorney Restitution Fund</u> | <u>Township MFT Fund</u> | <u>Township Bridge Fund</u> |
|---------------------------|---------------------------------------|--------------------------|--|---|--|----------------------------------|-------------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 20,658 | \$ 158 | \$ 1,970 | \$ 23,498 | \$ 2,839 | \$ 826,200 | \$ 125,960 |
| Investments | - | - | - | - | - | 200,000 | - |
| Receivables: | | | | | | | |
| State of Illinois | - | - | - | - | - | 89,712 | - |
| Other | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 20,658</u> | <u>\$ 158</u> | <u>\$ 1,970</u> | <u>\$ 23,498</u> | <u>\$ 2,839</u> | <u>\$ 1,115,912</u> | <u>\$ 125,960</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,164 | \$ 2,783 |
| Due to other funds | 359 | - | - | - | - | 105,481 | - |
| Due to other taxing units | - | - | - | - | - | 993,267 | 123,177 |
| Due to others | 20,299 | 158 | 1,970 | 23,498 | 2,839 | - | - |
| TOTAL LIABILITIES | <u>\$ 20,658</u> | <u>\$ 158</u> | <u>\$ 1,970</u> | <u>\$ 23,498</u> | <u>\$ 2,839</u> | <u>\$ 1,115,912</u> | <u>\$ 125,960</u> |

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2012

| | Tri-County Waste and Resource Management Fund | Tax Sale Indemnity Fund | County Clerk | Circuit Clerk | Total |
|---------------------------|--|--|-------------------------|--------------------------|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 11,013 | \$ 62,020 | \$ 86,322 | \$ 197,419 | \$ 1,789,632 |
| Investments | - | - | - | 50,000 | 270,000 |
| Receivables: | | | | | |
| State of Illinois | - | - | - | - | 547,963 |
| Other | 11,458 | - | - | - | 11,458 |
| Due from other funds | 9,007 | - | - | - | 9,007 |
| TOTAL ASSETS | <u>\$ 31,478</u> | <u>\$ 62,020</u> | <u>\$ 86,322</u> | <u>\$ 247,419</u> | <u>\$ 2,628,060</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 18,307 | \$ - | \$ - | \$ - | \$ 129,604 |
| Due to other funds | - | - | 42,961 | - | 149,068 |
| Due to other taxing units | 13,171 | - | 43,361 | 247,419 | 1,425,768 |
| Due to others | - | 62,020 | - | - | 923,620 |
| TOTAL LIABILITIES | <u>\$ 31,478</u> | <u>\$ 62,020</u> | <u>\$ 86,322</u> | <u>\$ 247,419</u> | <u>\$ 2,628,060</u> (Concluded) |

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended November 30, 2012

| | Balances, December 1, 2011 | | Additions | Deductions | Balances, November 30, 2012 | |
|--|-------------------------------|------------------|----------------------|----------------------|--------------------------------|------------------|
| Total All Agency Funds | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 2,170,527 | \$ 46,700,705 | \$ 47,081,600 | \$ | 1,789,632 |
| Investments | | 270,000 | 220,000 | 220,000 | | 270,000 |
| Accounts receivable | | 554,561 | 559,421 | 554,561 | | 559,421 |
| Due from other funds | | 8,879 | 9,007 | 8,879 | | 9,007 |
| TOTAL ASSETS | \$ | 3,003,967 | \$ 47,489,133 | \$ 47,865,040 | \$ | 2,628,060 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ | 141,997 | \$ 129,604 | \$ 141,997 | \$ | 129,604 |
| Due to other funds | | 72,918 | 118,449 | 42,299 | | 149,068 |
| Due to other taxing units | | 1,607,560 | 42,496,459 | 42,678,251 | | 1,425,768 |
| Due to others | | 1,181,492 | 4,744,621 | 5,002,493 | | 923,620 |
| TOTAL LIABILITIES | \$ | 3,003,967 | \$ 47,489,133 | \$ 47,865,040 | \$ | 2,628,060 |
| 1. County Collector - Current Tax Collection Account | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 5,248 | \$ 38,502,747 | \$ 38,504,399 | \$ | 3,596 |
| TOTAL ASSETS | \$ | 5,248 | \$ 38,502,747 | \$ 38,504,399 | \$ | 3,596 |
| LIABILITIES | | | | | | |
| Due to other taxing units | \$ | 5,248 | \$ 38,502,747 | \$ 38,504,399 | \$ | 3,596 |
| TOTAL LIABILITIES | \$ | 5,248 | \$ 38,502,747 | \$ 37,316,209 | \$ | 3,596 |
| 2. County Collector - Mobile Home Privilege Tax Account | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 993 | \$ 56,544 | \$ 55,760 | \$ | 1,777 |
| TOTAL ASSETS | \$ | 993 | \$ 56,544 | \$ 55,760 | \$ | 1,777 |
| LIABILITIES | | | | | | |
| Due to other taxing units | \$ | 993 | \$ 56,544 | \$ 55,760 | \$ | 1,777 |
| TOTAL LIABILITIES | \$ | 993 | \$ 56,544 | \$ 55,760 | \$ | 1,777 |

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2012

| | Balances, December 1, 2011 | Additions | Deductions | Balances, November 30, 2012 |
|------------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| 3. Court Services | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 310,137 | \$ 2,403,476 | \$ 2,631,768 | \$ 81,845 |
| Accounts receivable | 451,740 | 458,251 | 451,740 | 458,251 |
| TOTAL ASSETS | \$ 761,877 | \$ 2,861,727 | \$ 3,083,508 | \$ 540,096 |
| LIABILITIES | | | | |
| Accounts payable | \$ 63,025 | \$ 89,405 | \$ 63,025 | \$ 89,405 |
| Due to others | 698,852 | 2,772,322 | 3,020,483 | 450,691 |
| TOTAL LIABILITIES | \$ 761,877 | \$ 2,861,727 | \$ 3,083,508 | \$ 540,096 |
| 4. Multi-County Chief Judge | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 54,908 | \$ 22,069 | \$ 19,667 | \$ 57,310 |
| TOTAL ASSETS | \$ 54,908 | \$ 22,069 | \$ 19,667 | \$ 57,310 |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,559 | \$ 77 | \$ 1,559 | \$ 77 |
| Due to others | 53,349 | 21,992 | 18,108 | 57,233 |
| TOTAL LIABILITIES | \$ 54,908 | \$ 22,069 | \$ 19,667 | \$ 57,310 |
| 5. Probation Service | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 277,414 | \$ 41,942 | \$ 52,671 | \$ 266,685 |
| TOTAL ASSETS | \$ 277,414 | \$ 41,942 | \$ 52,671 | \$ 266,685 |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,972 | \$ 1,868 | \$ 1,972 | \$ 1,868 |
| Due to other funds | 267 | - | - | 267 |
| Due to others | 275,175 | 40,074 | 50,699 | 264,550 |
| TOTAL LIABILITIES | \$ 277,414 | \$ 41,942 | \$ 52,671 | \$ 266,685 |

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2012

| | Balances, December 1, 2011 | Additions | Deductions | Balances, November 30, 2012 |
|-----------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| 6. Inheritance Tax | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 11 | \$ 1,462,825 | \$ 1,462,825 | \$ 11 |
| TOTAL ASSETS | \$ 11 | \$ 1,462,825 | \$ 1,462,825 | \$ 11 |
| LIABILITIES | | | | |
| Due to others | \$ 11 | \$ 1,462,825 | \$ 1,462,825 | \$ 11 |
| TOTAL LIABILITIES | \$ 11 | \$ 1,462,825 | \$ 1,462,825 | \$ 11 |
| 7. Condemnation | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 38,170 | \$ 344,656 | \$ 362,475 | \$ 20,351 |
| Investments | 20,000 | 20,000 | 20,000 | 20,000 |
| TOTAL ASSETS | \$ 58,170 | \$ 364,656 | \$ 382,475 | \$ 40,351 |
| LIABILITIES | | | | |
| Due to others | \$ 58,170 | \$ 364,656 | \$ 382,475 | \$ 40,351 |
| TOTAL LIABILITIES | \$ 58,170 | \$ 364,656 | \$ 382,475 | \$ 40,351 |
| 8. Unclaimed Estates | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 20,648 | \$ 10 | \$ - | \$ 20,658 |
| TOTAL ASSETS | \$ 20,648 | \$ 10 | \$ - | \$ 20,658 |
| LIABILITIES | | | | |
| Due to other funds | \$ 359 | \$ - | \$ - | \$ 359 |
| Due to others | 20,289 | 10 | - | 20,299 |
| TOTAL LIABILITIES | \$ 20,648 | \$ 10 | \$ - | \$ 20,658 |

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2012

| | Balances, December 1, 2011 | Additions | Deductions | Balances, November 30, 2012 |
|--|-------------------------------|-----------|------------|--------------------------------|
| 9. Advocacy | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 158 | \$ - | \$ - | \$ 158 |
| TOTAL ASSETS | \$ 158 | \$ - | \$ - | \$ 158 |
| LIABILITIES | | | | |
| Due to others | \$ 158 | \$ - | \$ - | \$ 158 |
| TOTAL LIABILITIES | \$ 158 | \$ - | \$ - | \$ 158 |
| 10. Dive and Rescue Team | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,438 | \$ 361 | \$ 829 | \$ 1,970 |
| TOTAL ASSETS | \$ 2,438 | \$ 361 | \$ 829 | \$ 1,970 |
| LIABILITIES | | | | |
| Due to others | \$ 2,438 | \$ 361 | \$ 829 | \$ 1,970 |
| TOTAL LIABILITIES | \$ 2,438 | \$ 361 | \$ 829 | \$ 1,970 |
| 11. Sheriff's Inmate Commissary Account | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 16,716 | \$ 58,841 | \$ 52,059 | \$ 23,498 |
| TOTAL ASSETS | \$ 16,716 | \$ 58,841 | \$ 52,059 | \$ 23,498 |
| LIABILITIES | | | | |
| Due to others | \$ 16,716 | \$ 58,841 | \$ 52,059 | \$ 23,498 |
| TOTAL LIABILITIES | \$ 16,716 | \$ 58,841 | \$ 52,059 | \$ 23,498 |

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2012

| | Balances, December 1, 2011 | Additions | Deductions | Balances, November 30, 2012 |
|---|-------------------------------|---------------------|---------------------|--------------------------------|
| 12. State's Attorney Restitution Account | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,631 | \$ 16,223 | \$ 15,015 | \$ 2,839 |
| TOTAL ASSETS | \$ 1,631 | \$ 16,223 | \$ 15,015 | \$ 2,839 |
| LIABILITIES | | | | |
| Due to others | \$ 1,631 | \$ 16,223 | \$ 15,015 | \$ 2,839 |
| TOTAL LIABILITIES | \$ 1,631 | \$ 16,223 | \$ 15,015 | \$ 2,839 |
| 13. Township MFT | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 880,909 | \$ 1,366,644 | \$ 1,421,353 | \$ 826,200 |
| Investments | 200,000 | 200,000 | 200,000 | 200,000 |
| Accounts receivable | 93,654 | 89,712 | 93,654 | 89,712 |
| TOTAL ASSETS | \$ 1,174,563 | \$ 1,656,356 | \$ 1,715,007 | \$ 1,115,912 |
| LIABILITIES | | | | |
| Accounts payable | \$ 56,020 | \$ 17,164 | \$ 56,020 | \$ 17,164 |
| Due to other funds | 29,993 | 75,488 | - | 105,481 |
| Due to other taxing units | 1,088,550 | 1,563,704 | 1,658,987 | 993,267 |
| TOTAL LIABILITIES | \$ 1,174,563 | \$ 1,656,356 | \$ 1,715,007 | \$ 1,115,912 |
| 14. Township Bridge | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 119,197 | \$ 210,950 | \$ 204,187 | \$ 125,960 |
| TOTAL ASSETS | \$ 119,197 | \$ 210,950 | \$ 204,187 | \$ 125,960 |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,375 | \$ 2,783 | \$ 1,375 | \$ 2,783 |
| Due to other taxing units | 117,822 | 208,167 | 202,812 | 123,177 |
| TOTAL LIABILITIES | \$ 119,197 | \$ 210,950 | \$ 204,187 | \$ 125,960 |

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2012

| | Balances, December 1, 2011 | | Additions | Deductions | Balances, November 30, 2012 | |
|---|-------------------------------|----------------|---------------------|---------------------|--------------------------------|----------------|
| 15. Tri-County Waste and Resource Management | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 11,917 | \$ 112,256 | \$ 113,160 | \$ | 11,013 |
| Accounts receivable | | 9,167 | 11,458 | 9,167 | | 11,458 |
| Due from other funds | | 8,879 | 9,007 | 8,879 | | 9,007 |
| TOTAL ASSETS | \$ | 29,963 | \$ 132,721 | \$ 131,206 | \$ | 31,478 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ | 18,046 | \$ 18,307 | \$ 18,046 | \$ | 18,307 |
| Due to other taxing units | | 11,917 | 114,414 | 113,160 | | 13,171 |
| TOTAL LIABILITIES | \$ | 29,963 | \$ 132,721 | \$ 131,206 | \$ | 31,478 |
| 16. Tax Sale Indemnity | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 54,703 | \$ 7,317 | \$ - | \$ | 62,020 |
| TOTAL ASSETS | \$ | 54,703 | \$ 7,317 | \$ - | \$ | 62,020 |
| LIABILITIES | | | | | | |
| Due to others | \$ | 54,703 | \$ 7,317 | \$ - | \$ | 62,020 |
| TOTAL LIABILITIES | \$ | 54,703 | \$ 7,317 | \$ - | \$ | 62,020 |
| 17. County Clerk | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 94,564 | \$ 1,129,148 | \$ 1,137,390 | \$ | 86,322 |
| TOTAL ASSETS | \$ | 94,564 | \$ 1,129,148 | \$ 1,137,390 | \$ | 86,322 |
| LIABILITIES | | | | | | |
| Due to other funds | \$ | 42,299 | \$ 42,961 | \$ 42,299 | \$ | 42,961 |
| Due to other taxing units | | 52,265 | 1,086,187 | 1,095,091 | | 43,361 |
| TOTAL LIABILITIES | \$ | 94,564 | \$ 1,129,148 | \$ 1,137,390 | \$ | 86,322 |
| 18. Circuit Clerk | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ | 280,765 | \$ 964,696 | \$ 1,048,042 | \$ | 197,419 |
| Investments | | 50,000 | - | - | | 50,000 |
| TOTAL ASSETS | \$ | 330,765 | \$ 964,696 | \$ 1,048,042 | \$ | 247,419 |
| LIABILITIES | | | | | | |
| Due to other taxing units | \$ | 330,765 | \$ 964,696 | \$ 1,048,042 | \$ | 247,419 |
| TOTAL LIABILITIES | \$ | 330,765 | \$ 964,696 | \$ 1,048,042 | \$ | 247,419 |

SUPPLEMENTAL INFORMATION

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF TAX INFORMATION
Year Ended November 30, 2012

| | Year Ended November 30, 2012 | | |
|--|-------------------------------------|-----------------------|---------------------|
| | 2011 Levy | Rate | Collection |
| General Corporate ** | \$ 975,000 | 0.25018 | \$ 949,710 |
| County Highway | 262,380 | 0.06911 | 261,658 |
| County Aid to Bridges | 143,810 | 0.03788 | 143,419 |
| Federal Aid Matching | 179,438 | 0.04727 | 178,971 |
| Tuberculosis | 32,230 | 0.00849 | 32,143 |
| Veterans' Assistance | 61,000 | 0.01607 | 60,845 |
| Municipal Retirement | 970,230 | 0.25555 | 967,538 |
| Social Security | 672,332 | 0.17709 | 670,483 |
| Building Rental (Building Commission) ** | 350,000 | 0.09219 | 349,041 |
| Cooperative Extension | 162,555 | 0.04282 | 162,121 |
| Mental Health | 358,877 | 0.09453 | 357,900 |
| County Health | 301,785 | 0.07949 | 300,958 |
| Senior Citizens' Transportation | 43,478 | 0.01146 | 43,387 |
| Economic Development Revolving Loan | - | - | 23,842 |
| Liability Insurance | 306,900 | 0.08084 | 306,068 |
| The Elms | 358,877 | 0.09453 | 358,493 |
| | TOTALS | | |
| | \$ 5,178,892 | 1.35750 | \$ 5,166,577 |
| ASSESSED VALUATION | | \$ 379,673,907 | |

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

** For the year ended November 30, 2012, the assessed valuations used for General Corporate and Building Rental were \$392,738,190, which includes the assessed valuation of Enterprise Zone properties. Collections of \$23,842 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, 2011 | | | Year Ended November 30, 2010 | | |
|------------------------------|-----------------------|---------------------|------------------------------|----------------|---------------------|
| 2010 Levy | Rate | Collection | 2009 Levy | Rate | Collection |
| \$ 960,000 | 0.25090 | \$ 929,245 | \$ 900,000 | 0.24377 | \$ 872,673 |
| 256,480 | 0.06933 | 255,268 | 244,258 | 0.06800 | 243,437 |
| 140,577 | 0.03799 | 139,914 | 133,882 | 0.03727 | 133,428 |
| 175,404 | 0.04741 | 174,595 | 167,040 | 0.04650 | 166,485 |
| 31,505 | 0.00852 | 31,371 | 30,000 | 0.00835 | 29,901 |
| 67,638 | 0.01829 | 67,343 | 64,386 | 0.01792 | 64,197 |
| 845,000 | 0.22842 | 841,016 | 692,000 | 0.19264 | 689,676 |
| 754,958 | 0.20408 | 751,408 | 719,000 | 0.20016 | 716,563 |
| 350,000 | 0.04946 | 348,345 | - | - | - |
| 158,900 | 0.04295 | 158,177 | 154,322 | 0.04296 | 153,801 |
| 350,808 | 0.09483 | 349,157 | 334,080 | 0.09300 | 333,057 |
| 295,000 | 0.07974 | 293,635 | 334,080 | 0.09300 | 333,636 |
| 42,500 | 0.01149 | 42,307 | 42,924 | 0.01195 | 42,798 |
| - | - | 23,148 | - | - | 20,487 |
| 300,000 | 0.08109 | 298,604 | 300,000 | 0.08351 | 298,990 |
| 350,808 | 0.09483 | 349,157 | 334,080 | 0.09300 | 333,981 |
| <u>\$ 5,079,578</u> | <u>1.31933</u> | <u>\$ 5,052,690</u> | <u>\$ 4,450,052</u> | <u>1.23203</u> | <u>\$ 4,433,110</u> |
| | <u>\$ 355,504,206</u> | | <u>\$ 359,217,205</u> | | |