

**JO DAVIESS COUNTY, ILLINOIS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
November 30, 2011



**CliftonLarsonAllen**

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## Independent Auditor's Report

To the Members of the County Board  
Jo Daviess County, Illinois  
Galena, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jo Daviess County, Illinois as of and for the year ended November 30, 2011, which collectively comprise the Jo Daviess County Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jo Daviess County, Illinois' 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 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jo Daviess County, Illinois as of November 30, 2011, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, Jo Daviess County, Illinois has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended November 30, 2011, which changed the classifications of fund balances and certain fund types.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2012, on our consideration of Jo Daviess County, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 18, Illinois Municipal Retirement Fund and Other Post-Employment Benefits information on page 55 and Budgetary Comparison information on pages 56 through 60 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jo Daviess County, Illinois' basic financial statements. The combining major, nonmajor, and agency fund statements, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The schedule of property tax rates, levies, extensions and equalized assessed valuations and schedule of expenditures from taxes extended for tort immunity purposes have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*CliftonLarsonAllen LLP*

Dixon, Illinois  
April 17, 2012

Management's Discussion and Analysis  
**Year Ended November 30, 2011**

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It is an honor to present to you the financial picture of Jo Daviess County, Illinois. We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Jo Daviess County, Illinois for the fiscal year ended November 30, 2011. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which begins on page 19 following this narrative.

Jo Daviess County implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective December 1, 2010. With this implementation, the Contingency Fund was folded into the General Fund and the Catastrophic Public Health Emergency Fund was folded into the Public Health Fund. Additionally, the following funds were reclassified from Special Revenue Funds to Capital Project Funds: Public Health Capital Investment Fund, Tourism Capital Development Fund, County Capital Improvements Fund, County Capital Equipment Fund, Home Health Care Capital Equipment Fund, and GIS Capital Equipment and Investments Fund.

### **Financial Highlights**

The assets of Jo Daviess County's governmental activities exceeded its liabilities by \$26,524,527 and \$24,304,058 (net assets) at the close of fiscal years 2011 and 2010, respectively. Of this amount, \$13,105,129 represented the County's investment in capital assets, net of related debt, \$7,813,094, was held for restricted purposes, and \$5,606,304 was unrestricted. The unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors.

The County's total net assets increased by \$2,220,469 and \$2,202,617 in fiscal years 2011 and 2010, respectively.

At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,649,030, an increase of \$83,617 in comparison to the prior year. Approximately 22 percent of this total amount, \$2,895,781, is available for spending at the government's discretion (unassigned fund balance).

The unassigned fund balance in the General Fund was \$2,926,983 or 48 percent of total General Fund expenditures for fiscal year ended 2011.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Jo Daviess County, Illinois' basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Jo Daviess County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Jo Daviess County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

### **Overview of the Financial Statements (Continued)**

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

These statements highlight the functions of Jo Daviess County that are principally supported by taxes, intergovernmental revenues and charges for services (governmental activities). The governmental activities of the County include general control and administration, county development, public safety, court services, mental health, public health and education, transportation and all other expenditures. There are no business-type activities accounted for by the County. The government-wide financial statements can be found on pages 20 through 22 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jo Daviess County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Jo Daviess County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for General, County Highway, County Aid to Bridges, and Public Health funds which are considered to be major funds. By definition, the general fund is always considered a major fund. In addition, governments may report as major funds whatever other individual governmental funds they believe to be of particular importance to financial statement users (for instance, because of public interest). At a minimum, governmental funds other than the general fund *must* be reported as major funds if they meet *both* of the following criteria:



### Overview of the Financial Statements (Continued)

- *Ten percent criterion.* An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.
- *Five percent criterion.* An individual governmental fund reports at least 5 percent of the aggregated total for both governmental funds *and enterprise funds* of any one of the items for which it met the 10 percent criterion.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for most of its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund, County Highway Fund, County Aid to Bridges Fund, and Public Health Fund to demonstrate compliance with this budget on pages 56 through 59.

The basic governmental fund financial statements can be found on pages 23 through 26 of this report.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$1,586,881 and \$1,169,532 for fiscal years ended 2011 and 2010, respectively.

The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements and the required supplementary information.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's total net assets have increased from a year ago. Table 1 reflects total net assets of \$26,524,527, which represents an increase of \$2,220,469 from 2010.

Of the County's net assets, 49 percent and 47 percent for fiscal years ended 2011 and 2010, respectively, reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following is a summary of the County's statement of net assets:

Please note that Table 1 net assets section for 2011 is not comparable to 2010 because of changes in classifications/definitions of restricted balances related to GASB 54 implementation.

**Government-Wide Financial Analysis (Continued)**

**Table 1 – Jo Daviess County, Illinois' Net Assets**

	<b>Governmental Activities</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Current and other assets	\$ 20,833,772	\$ 19,625,649
Capital assets, net	<u>13,112,020</u>	<u>11,545,520</u>
Total assets	<u>33,945,792</u>	<u>31,171,169</u>
Current liabilities	7,286,619	6,832,776
Noncurrent liabilities	<u>134,646</u>	<u>34,335</u>
Total liabilities	<u>7,421,265</u>	<u>6,867,111</u>
Net assets:		
Invested in capital assets, net of related debt	13,105,129	11,528,711
Restricted for:		
General control and administration	1,189,168	-
Construction projects	-	1,063,073
Transportation	2,957,666	397,501
Public health and education	2,137,980	-
Mental health	16,848	15,608
Public safety	592,916	409,417
Court services	424,626	-
Employee benefits	-	462,020
County development	443,543	599,949
Insurance costs	-	373,754
Working cash	50,347	48,631
Unrestricted	<u>5,606,304</u>	<u>9,405,394</u>
<b>Total net assets</b>	<b><u>\$ 26,524,527</u></b>	<b><u>\$ 24,304,058</u></b>

A portion of the County's net assets (29 percent) are restricted and represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$5,606,304 (21 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2011, Jo Daviess County is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The statement of changes in net assets shown on the following page shows that the County's total net assets increased by \$2,220,469 during the current fiscal year.

Table 2 highlights the County's revenues and expenses for the fiscal year ended November 30, 2011 and 2010. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services, operating grants and contributions, and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Jo Daviess County, Illinois

Management's Discussion and Analysis  
**Year Ended November 30, 2011**

**Government-Wide Financial Analysis (Continued)**

**Table 2 – Jo Daviess County, Illinois' Changes Net Assets**

	<b>Governmental Activities</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Revenues:		
Program revenues:		
Charges for services*	\$ 4,830,602	\$ 2,269,719
Operating grants and contributions*	1,265,544	2,408,502
Capital grants and contributions*	127,268	1,211,090
General revenues:		
Local property taxes	5,197,048	5,023,548
Hotel/motel taxes	681,562	739,253
State income tax	877,642	846,756
Motor fuel tax	674,384	669,672
Sales tax	955,608	1,054,545
Corporate personal property replacement taxes	192,801	218,791
Other taxes	175,600	12,581
Unrestricted investment earnings	95,442	138,706
Other	283,539	147,381
Gain on disposal of capital assets	-	181,290
Total revenues	<u>15,357,040</u>	<u>14,921,834</u>
Expenses:		
General control and administration	2,344,395	2,256,238
Transportation	2,895,381	2,304,795
Public health and education	1,839,733	2,154,183
Public safety	3,220,075	3,087,646
Mental health	333,058	334,551
County development	1,226,989	1,327,392
Court services	1,276,325	1,253,314
Interest	615	1,098
Total expenses	<u>13,136,571</u>	<u>12,719,217</u>
<b>Increase in net assets</b>	<b>2,220,469</b>	<b>2,202,617</b>
<b>Net assets, beginning</b>	<b><u>24,304,058</u></b>	<b><u>22,101,441</u></b>
<b>Net assets, ending</b>	<b><u>\$26,524,527</u></b>	<b><u>\$ 24,304,058</u></b>

\*Certain reimbursements were classified as charges for services in 2011 that were classified as operating or capital grants and contributions in 2010.

Management's Discussion and Analysis  
**Year Ended November 30, 2011**

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**Government-Wide Financial Analysis (Continued)**

Table 3 below discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

**Table 3 – Jo Daviess County, Illinois' Cost of Services**

<u>Programs</u>	<u>Total Cost of Services 2011</u>	<u>Net (Expense) of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net (Expense) of Services 2010</u>
General control and administration	\$ 2,344,395	\$ (950,554)	\$ 2,256,238	\$ 97,217
Transportation	2,895,381	(738,524)	2,304,795	(241,067)
Public health and education	1,839,733	(629,432)	2,154,183	(1,011,119)
Public safety	3,220,075	(2,771,977)	3,087,646	(2,406,787)
Mental health	333,058	(333,058)	334,551	(334,551)
County development	1,226,989	(860,015)	1,327,392	(1,078,517)
Court services	1,276,325	(628,982)	1,253,314	(1,184,312)
Interest	<u>615</u>	<u>(615)</u>	<u>1,098</u>	<u>(1,098)</u>
<b>Total</b>	<b><u>\$13,136,571</u></b>	<b><u>\$(6,913,157)</u></b>	<b><u>\$ 12,719,217</u></b>	<b><u>\$(6,160,234)</u></b>

Net cost of services is 53 percent and 48 percent of total cost of services in 2011 and 2010, respectively. This reflects a continued reliance on taxes and other general revenues sources to fund the cost of services.

Revenues: Total government-wide revenue increased \$435,206 or 2.9 percent from the prior year. If property taxes in the amount of \$5,197,048 are factored out of the total all other government-wide revenue increased \$261,706 or 2.6 percent. Program revenue increased \$334,105 or 5.7 percent. Several revenue sources within the program revenue categories were reclassified from one category to another category; in most cases this resulted in significant variances from prior year. The most significant sources of revenue during fiscal year 2011 continued to be property taxes, operating grants and contributions, and charges for services.

### **Government-Wide Financial Analysis (Continued)**

Expenditures: Total government-wide expenditures increased \$417,354 or 3.3 percent from the prior year. Programs which experienced an increase in fiscal year 2011 include transportation \$590,586 or 25.6 percent, and public safety \$132,429 or 4.3 percent. Programs which experienced a decrease include public health and education which decreased \$314,450 or 14.6 percent and county development which decreased \$100,403 or 7.6 percent.

The most significant classification of expenditures supporting County operations are personnel related costs. In fiscal year 2011 government-wide expenditures for personnel costs (salaries, wages, pension contributions, employee benefits and health insurance) totaled approximately \$6,899,591. This is an increase of \$68,303 or 1.0 percent more than the prior year total of \$6,831,288. Salaries and wages totaled \$5,188,437, a decrease of \$25,346 or 0.5 percent below the prior year total of \$5,213,783 and is primarily due to a wage freeze for non-union employees, a voluntary furlough program and less part time hours. Employee benefits (social security, medicare, health insurance, and pension contributions) totaled \$1,711,154, an increase of \$93,649 or 5.8 percent over the prior year total of \$1,617,505 and is primarily due to increases in the IMRF pension contribution rate and health insurance premium rates. Personnel costs for salaries/wages and employee benefits represent 52.5 percent and 53.7 percent of the County's total cost of services in 2011 and 2010, respectively.

### **Financial Analysis of the Government's Funds**

As noted earlier, Jo Daviess County, Illinois uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year (November 30, 2011), the County's governmental funds reported combined ending fund balances of \$12,649,030, an increase of \$83,617 in comparison with the prior year. Approximately 22 percent of this total amount, \$2,895,781, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted or assigned.

The General Fund is the primary operating fund used to account for the governmental operations of Jo Daviess County. The General Fund contains the operational budgets of a majority of County departments including County Treasurer, County Clerk & Recorder, Sheriff, Coroner, Courts, Probation, Circuit Clerk, State's Attorney, Supervisor of Assessments, IT, Building & Zoning, Animal Control, County Board and County Administrator. Five (5) operational budgets from four (4) County departments are found in the Special Revenue Funds; they include the Highway Department (County Highway Fund), the Health Department (Public Health Fund and Home Health Care Fund), the Convention & Visitors Bureau (Tourism Promotion Fund) and the GIS Department (GIS Automation Fund).

### **Financial Analysis of the Government's Funds (Continued)**

#### Governmental funds: (continued)

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,926,983 while total fund balance reached \$2,955,112. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents approximately 48 percent of total actual General Fund expenditures (\$6,041,631), while total fund balance represents approximately 49 percent of that same amount.

The fund balance of the County's General Fund increased by \$543,113 during the current year; this increase is primarily due to more than anticipated intergovernmental revenue and charges for services and to the timing of payments received from the state of Illinois; total expenditures were \$202,849 or 3.2 percent less than anticipated. In addition, a portion of this increase (\$16,046) is due to combining the Contingency Fund into the General Fund per the implementation of GASB Statement No. 54.

The County Highway Fund had a fund balance of \$940,013 which increased \$99,902 from the prior year. This increase is primarily due to more than anticipated intergovernmental revenue and less than anticipated personnel and building expenditures.

The County Aid to Bridges Fund had a fund balance of \$380,175 which decreased \$590,824 from the prior year. The decrease is primarily due to the anticipated completion of planned bridge projects and the unanticipated expenditures to repair infrastructure damaged by the 2011 flood.

The Public Health Fund had a fund balance of \$1,169,216, which increased \$62,843 from the prior year (this includes the Catastrophic Public Health Emergency Fund). This increase is primarily due to more than anticipated revenue from service charges and less than anticipated personnel costs. In addition, a portion of this increase (\$1,570) is due to combining the Catastrophic Public Health Emergency Fund into the Public Health Fund per the implementation of GASB Statement No. 54.

### **Budgetary Highlights of the County's Major Funds**

The County's budget is prepared according to Illinois law and is based on accounting for certain transactions on the modified accrual basis of accounting. A budget to actual schedule is provided as required supplementary information for the General Fund and major special revenue funds. Budget columns are provided for both the original and final budget adopted for fiscal year 2011. Significant changes to the budget and actual differences with the final budget are discussed below.

### **General Fund Budgetary Variances**

Budget to actual revenue: Actual revenues (\$5,513,263) exceeded estimates (\$5,043,728) for the period by \$469,535 (this includes the Contingency Fund). This increase is primarily due to more than anticipated receipts of intergovernmental revenues of \$334,015. Significant intergovernmental variances include state income tax and salary reimbursements, which due to the timing of distributions from the state, exceeded expectations by \$108,316 and \$103,980 respectively. In FY2010 Jo Daviess County received 11 monthly income tax distributions, in FY2011 the County received 13 monthly income tax distributions. Also exceeding expectations by \$10,000 or more were local use tax \$40,433, county supplemental tax \$36,390, county sales tax \$30,318, corporate personnel property replacement tax \$15,162, court costs/fines/fees \$70,590, penalties on tax collection \$53,481, guest accommodation fees \$28,050, building permits \$13,483 and franchise fees \$11,072. These variances were partially offset by revenue projections which fell short of expectations by more than \$10,000 including: property taxes receipts \$23,935, County Clerk's earnings \$15,231, federal entitlement land payment \$10,063, and Sheriff's fees \$10,173.

Budget to actual expenditures: Total expenditures (\$6,041,631) were less than budget (\$6,244,480) for the period by \$202,849. General Fund expenditure categories less than budget include: General control and administration \$99,228, Public health and education \$19,553, Public safety \$19,361, County development \$25,255, Court services \$34,725 and Capital outlay \$4,727. Personnel costs of (\$4,838,588) were \$79,138 or 1.6 percent less than budget (\$4,917,726). This variance was primarily due to less than estimated part time wages and employee participation in a voluntary furlough program. Personnel costs (including salaries/wages, social security, medicare, health insurance, and pension contributions, excluding mileage, travel, dues, uniforms) represent 80.1 percent of General Fund expenditures.

The General Fund had a year-end fund balance of \$2,955,112. While this is an increase of \$543,113 from the prior year (this includes the Contingency Fund), it also represents an increase of \$799,565 over the \$256,452 deficit anticipated when the fiscal year 2011 budget was adopted.

### **Major Special Revenue Fund Variances**

County Highway Fund: The County Highway Fund had a fund balance of \$940,013, which is a \$99,902 increase from the prior year. Actual revenues exceeded expectations by \$49,046. This was primarily due to more than estimated sales tax \$37,818 and FEMA reimbursement \$28,060 and offset in part by less than anticipated property tax \$11,187. Actual expenditures were less than budget by \$177,404. This was primarily due to less than anticipated part-time personnel (\$26,418), and less than anticipated building expenditures (\$79,361).

County Aid to Bridges Fund: The County Aid to Bridges Fund had a fund balance of \$380,175, which is a decrease of \$590,824 from the prior year. The decrease is primarily due to the anticipated completion of planned bridge projects and the unanticipated expenditures to repair infrastructure damaged by the 2011 flood.

### Major Special Revenue Fund Variances (Continued)

Public Health Fund: The Public Health Fund had a fund balance of \$1,169,216, which is an increase of \$62,843 from the prior year (this includes the Catastrophic Public Health Emergency Fund). Actual revenues exceeded expectations by \$36,418. Actual expenditures were less than budget by \$251,325. This was primarily due to salaries, employee benefits and various general operating expenditures being less than anticipated. In addition, the Catastrophic Public Health Emergency Fund budgeted \$200,000 for expenditures, while no expenditures were made from this fund in fiscal year 2011. These savings were offset in part by more than anticipated expenditures for operating supplies and WIC food instrument distributions.

### Capital Asset and Long-Term Debt Activity

Capital assets: Jo Daviess County, Illinois' investment in capital assets for its governmental activities amounted to \$13,112,020 and \$11,545,520 (net of accumulated depreciation) as of November 30, 2011 and 2010, respectively. This investment in capital assets includes land, construction-in-progress, buildings and improvements, equipment and machinery, transportation equipment, and infrastructure.

Major capital asset events during fiscal year 2011 include completion of the Public Safety Building HVAC project, improvements to the Courthouse HVAC system, the Jo Daviess County orthophotography project, improvements to the Health Department building (a new telephone system, remodeled nursing area, new tile floor and replaced drywall in lower level, painted interior, and gutters/downspouts), the Devnet sketching project was completed, two new Sheriff's Department squad vehicles, one new transit vehicle, one new Public Health vehicle, the Highway Department purchased one new dump truck, one new pickup truck, shop hoist and a John Deere loader, a temporary culvert was installed on Bethel Road, the Scout Camp Welch Bridge project was completed, four parcels for road right of way were purchased and construction-in-progress include the Bethel Road Wurster Bridge, Elizabeth-Scales Mound Road Bank, Elizabeth-Scales Mound Road Bridge and the Public Safety Radio Communication Systems Project.

**Table 4 – Jo Daviess County, Illinois' Capital Assets**

	<b>Governmental Activities</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Land	\$ 248,543	\$ 165,150
Construction-in-progress	1,123,545	768,140
Buildings and improvements	2,622,234	2,226,357
Equipment and machinery	706,235	639,060
Transportation and equipment	1,140,351	1,188,898
Roads and bridges	<u>7,271,112</u>	<u>6,557,915</u>
<b>Total</b>	<b><u>\$13,112,020</u></b>	<b><u>\$11,545,520</u></b>

Additional information on Jo Daviess County, Illinois' capital assets can be found in Note 4 of this report.



### **Capital Asset and Long-Term Debt Activity (Continued)**

Debt administration: Jo Daviess County operates largely under a “pay-as-you-go” philosophy. As a result, the County carries no significant long-term debt. It has a capital lease for equipment that had a balance of \$6,891 and \$16,809 as of November 30, 2011 and 2010, respectively. In addition, there are some other post-employment benefit obligations and net pension obligations.

Additional information on Jo Daviess County, Illinois' long-term debt can be found in Note 5 of this report.

### **Economic Factors and Outlook**

Recovery from the great recession, high unemployment, revenue shortfalls, and the continuation of delayed state payments were all concerns in 2011 and continue as we enter 2012. Historically Jo Daviess County has been known for its pro-business, pro-tourism environment, an abundance of available property with secondary and transient housing being a strong source of continued growth. In 2008 and 2009 Jo Daviess County experienced a rather significant decline in new construction especially in the recreational and second home market. For several years high levels of new construction, home sales and mortgage refinances resulted in increased revenue from building permits and recording fees. However, new construction and real estate sales have slowed considerably in recent years. This trend began in the second half of 2006. New home building permits have declined for six straight years in Jo Daviess County. A total of 30 new home building permits were issued in 2011 in unincorporated Jo Daviess County; this is a 6.3 percent decrease from the 32 new home permits issued in 2010 and an 83 percent decrease from the 175 new home permits issued in 2005.

The fiscal year 2012 budget was adopted in November 2011 with the knowledge that the local, state and national economies are trying to recover from the great recession, unemployment is still high, negative economic trends have impacted most sources of state shared revenue, many local revenue sources have declined and the local impact of government stimulus programs has been minimal.

While the local economy has slowed, the County remains optimistic that commercial and industrial growth will occur during the upcoming reporting period. Reasons for this optimism include the recently announced \$100 million dollar Rentech Nitrogen expansion project and the \$20 million dollar Gavilon Grain project. The LRA continues to promote and redevelop the Savanna Army Depot. In addition several communities, including East Dubuque, Stockton, Elizabeth and Scales Mound, are all in various stages of creating or implementing TIF Districts which have the potential to significantly expand both residential and commercial growth. Three regional economic development organizations have recently been established to promote and enhance economic development in our region, they include the Tri-County Economic Development Alliance (TCEDA), which represents Jo Daviess County, Carroll County and part of Whiteside County, the Upper Mississippi River International Port District, which represents Carroll and Jo Daviess County, and the Blackhawk Regional Council, which was officially established in April of 2012 for the six county region of the Blackhawk Hills RC&D.

### **Economic Factors and Outlook (Continued)**

In 2011 there were some signs of economic improvement. The municipal 1 percent sales tax collected county-wide for sales made January 1 to December 31, 2011 increased 2.3 percent. The Jo Daviess County supplemental sales tax (0.25 percent) also increased 2.3 percent from prior year. Sales in unincorporated Jo Daviess increased 5.1 percent from prior year. Hotel/Motel tax receipts in FY2011 for Galena and Jo Daviess County (combined) increased 2.87 percent from the same period in 2010. After decreasing for 11 of 12 months in 2009 Hotel/Motel Tax receipts increased 19 of 24 months in 2010 and 2011. Both of these key local economic indicators will be monitored very closely.

The population of Jo Daviess County per the 2010 U.S. Census is 22,678. This is an increase of 389 or 1.75 percent from the 2000 U.S. Census.

### **Employment**

Similar to most cities and counties across the nation, the County of Jo Daviess faces significant economic fiscal pressures caused by the great recession. According to the National Bureau of Economic Research, the recession started nationwide in the U.S. in December 2007 and ended in June 2009. Although the recession has officially ended, the recovery thus far has been weak and mixed. Unemployment rose significantly in 2009 to levels not seen since the early 1980's and remained high in 2010 and 2011. One of the consequences is a decline in local revenue. Generally revenue from taxes (sales, income, use, corporate) move with income. As we enter 2012, high unemployment continues to have a negative affect on state and local revenue especially state share revenue.

The Illinois Department of Employment Security (IDES) reports that the February 2012 unemployment rate, not seasonally adjusted for Illinois, was 9.4 percent, the U.S. unemployment rate was 8.7 percent, and the unemployment rate in Jo Daviess County was 9.7 percent. The overall 2011 unemployment rate for Jo Daviess County was 7.8 percent and compares to overall 2010 unemployment rate of 8.8 percent. In February 2012, Northwest Illinois continued to have some of the highest unemployment rates in the State with three of Illinois' 10 highest unemployed counties in Boone 15.0 percent, Ogle 12.9 percent, and Winnebago 12.4 percent.

The Illinois Department of Employment Security (IDES) reports the total labor force in Jo Daviess County in February 2012 was 12,477 of which 11,265 were employed, 1,212 were unemployed and an unemployment rate of 9.7 percent. This compares to the February 2011 total labor force of 12,754 of which 11,531 were employed, 1,223 were unemployed and an unemployment rate of 9.6 percent.

Labor trends - the most current quarterly workforce indicator report from the Illinois Department of Employment Security (IDES) shows Jo Daviess County lost 49 jobs between the 1<sup>st</sup> qtr. of 2010 and 1st qtr. of 2011 and lost 781 jobs between the 1<sup>st</sup> quarter of 2006 and the 1st quarter of 2011; during this same period the number of employers increased by 37 from 773 in 2006 to 810 in 2011. Between the 1<sup>st</sup> quarter of 2009 and the 1<sup>st</sup> quarter of 2011 average weekly wages decreased 1.6 percent. Sectors with the largest increases in employment between 2006 and 2011 were wholesale trade, professional and technical, and transportation and warehousing. Sectors with the largest percent decreases were administrative and support, real estate rental and leasing, and construction.

### **Property Tax Levy**

Most County revenue sources have decreased as a result of the recession; consequently property tax revenue continues its position as the most significant source of revenue. In fiscal year 2011 county property tax revenue totaled \$5,197,048, an increase of \$173,500 or 3.5 percent over the fiscal year 2010 amount of \$5,023,548 and represents 33.8 percent of total county-wide revenue, up from 33.7 percent in 2010, and down from 36.1 percent in 2009.

Jo Daviess County is subject to the Illinois Property Tax Extension Limitation Law (PTELL) pursuant to 35 ILCS 200/18-185. This law was adopted by Jo Daviess County as a result of a November 1997 voter referendum. PTELL limits the growth in property tax extension on existing property to an annual increase of 5 percent or the change in the consumer price index (CPI), whichever is less. Special Service Areas are exempt from PTELL and are not included in the County's total aggregate extension, but the County does levy per ordinance for the respective Special Service Areas. There are provisions in the law which do allow extensions to increase more than the limit; they include increases in proportion to the amount of new property/construction and annexations of territory into a district. A CPI factor of 2.7 percent was utilized in administering the 2010 Property Tax Extension Limitation Law formula (payable 2011) and a 1.5 percent CPI factor was used to determine the 2011 property tax extension (payable 2012). Per PTELL the estimated allowable aggregate property tax extension increase for Jo Daviess County for 2011 (payable 2012) is \$124,853.

### **Special Service Areas**

Special Service Areas (SSA) are exempt from PTELL and are not included in the County's total aggregate property tax levy. SSA are, however, subject to a maximum property tax rate. These rates were established by ordinance (after public hearing) by the Jo Daviess County Board. SSA do fall under the Truth in Taxation Law and are included in the County's calculations for this purpose. The maximum property tax levy rates for individual SSA in Jo Daviess County are as follows: SSA #1 Warren Ambulance - \$0.100/hundred dollars of assessed value, SSA #2 and #4 Elizabeth Ambulance – \$0.100/hundred dollars of assessed value, and SSA #5 Hanover Ambulance – \$0.110/hundred dollars of assessed value.

The combined 2011 total property tax levy (payable 2012) for all three SSA is \$172,317. This represents an increase of \$10,069 or 6.2 percent over the actual 2010 combined SSA property tax levy amount of \$162,248. SSA #1 has a proposed levy of \$80,000 which is a \$9,990 or 14.3 percent increase over the 2010 actual levy of \$70,010, SSA #2 and #4 has a proposed levy of \$64,000 which is an increase of \$80 or 0.13 percent over its 2010 actual levy of \$63,920, and SSA #5 has a proposed levy of \$28,317 which is the same as its 2010 levy request.

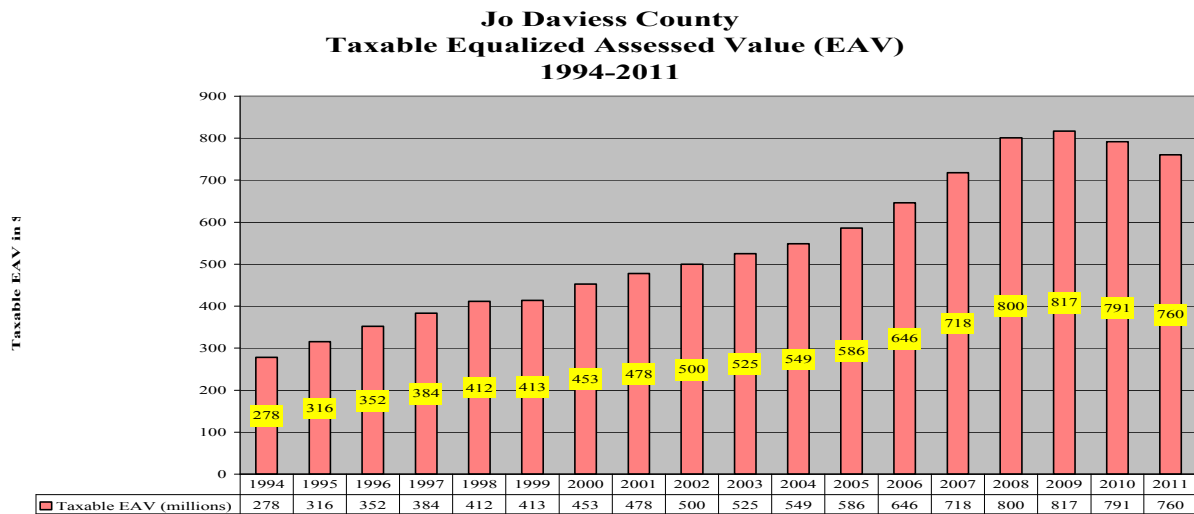
## Jo Daviess County, Illinois

### Management's Discussion and Analysis Year Ended November 30, 2011

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#### Taxable Assessed Value (EAV)

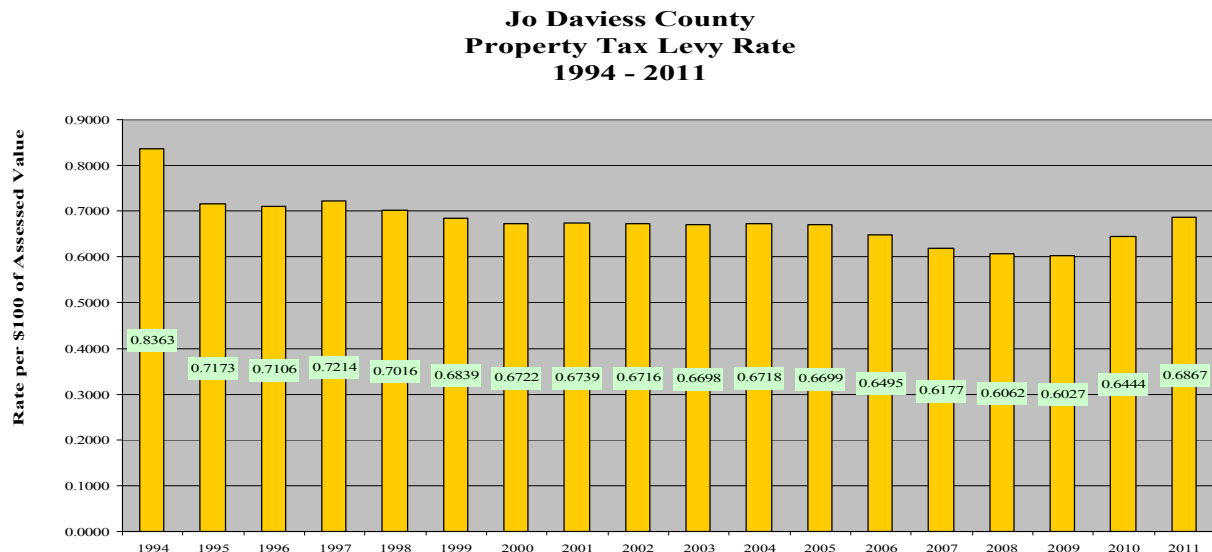
Total taxable assessed value of property in Jo Daviess County as of January 1, 2011 is \$760,254,141, a decrease of \$31,185,622 or 3.9 percent less than \$791,439,763 on January 1, 2010 and a decrease of \$56,699,257 or 6.9 percent less than the \$816,953,398 on January 1, 2009.



### Property Tax Extension Rate

The 2011 Jo Daviess County property tax rate is 0.68674/hundred dollars of assessed value. This is an increase of 0.04233 or 6.7 percent more than the 2010 rate of 0.64441. The primary reason that the 2011 Jo Daviess County property tax levy rate increased is due to the decrease in total overall equalized assessed value of property in Jo Daviess County. Per state sales ratios, some Jo Daviess County township assessment districts experienced a decrease in assessed valuation in both 2010 and 2011. This is a reversal of a multi-year trend that in general saw property values and equalized assessed values increase at a rate faster than the rate of inflation (CPI) which in turn limited (lowered) property tax extension levy rates.

The 2011 Jo Daviess County property tax levy rate is the second property tax levy rate increase since 2004 and the fourth levy rate increase since PTELL was implemented in Jo Daviess County in 1998.



Jo Daviess County, Illinois

Management's Discussion and Analysis  
**Year Ended November 30, 2011**

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**Risk Management**

Jo Daviess County participates with approximately 50 other Illinois counties in purchasing its property and liability insurance and workers' compensation insurance from Illinois Counties Risk Management Trust. To help minimize the County's risk exposure, the County adopted a Safety Policy Manual in 2008 and hired a part time Safety Coordinator in 2009. The County's Safety Committee works with the Safety Coordinator to implement the County's safety program, reviews reports of injury, and assists in planning quarterly educational programs aimed at reducing and preventing accidents and injuries in the workplace.

The above factors were considered while preparing the fiscal year 2012 financial plan for the County.

**Requests for Information**

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the County's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Jo Daviess County Administrator, Jo Daviess County, Illinois, 330 North Bench Street, Galena, Illinois 61036.

## **BASIC FINANCIAL STATEMENTS**

**JO DAVIESS COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**November 30, 2011**

	<b><u>Governmental Activities</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 12,137,710
Receivables:	
Accounts	132,814
Interest	543
Property taxes	5,397,288
Due from other governmental agencies	2,924,283
Inventories	73,988
Prepaid expenses	78,251
Loans receivable	88,895
Total current assets	<u>20,833,772</u>
 Noncurrent assets:	
Capital assets, non depreciable:	
Land	248,543
Construction-in-progress	1,123,545
Capital assets, depreciable:	
Buildings and improvements	4,476,102
Equipment and machinery	2,820,746
Transportation equipment	2,664,600
Road and bridges	14,099,524
Less accumulated depreciation	<u>(12,321,040)</u>
Total noncurrent assets	<u>13,112,020</u>
 <b>TOTAL ASSETS</b>	 <u>33,945,792</u>



	<b>Governmental Activities</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,040,849
Accrued liabilities	307,391
Accrued compensated absences	361,250
Unearned revenue	172,950
Unearned property taxes	5,397,288
Current portion of capital lease payable	6,891
Total current liabilities	<u>7,286,619</u>
Noncurrent liabilities:	
Net pension obligation	91,607
Other postemployment benefits obligation	43,039
Total noncurrent liabilities	<u>134,646</u>
<b>TOTAL LIABILITIES</b>	<u>7,421,265</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	13,105,129
Restricted for:	
General control and administration	1,189,168
Transportation	2,957,666
Public health and education	2,137,980
Public safety	592,916
Mental health	16,848
County development	443,543
Court services	424,626
Working cash	50,347
Unrestricted	<u>5,606,304</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 26,524,527</u>

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY**  
**STATEMENT OF ACTIVITIES**  
**Year Ended November 30, 2011**

Functions/Programs						Net Revenue (Expense) and Changes in Net Assets
PRIMARY GOVERNMENT:						
Governmental activities:						
General control and administration	\$ 2,344,395	\$ 1,155,798	\$ 138,043	\$ 100,000	\$	(950,554)
Transportation	2,895,381	1,592,461	564,396	-	-	(738,524)
Public health and education	1,839,733	734,807	475,494	-	-	(629,432)
Public safety	3,220,075	420,830	-	27,268	-	(2,771,977)
Mental health	333,058	-	-	-	-	(333,058)
County development	1,226,989	287,349	79,625	-	-	(860,015)
Court services	1,276,325	639,357	7,986	-	-	(628,982)
Interest	615	-	-	-	-	(615)
<b>Total governmental activities</b>	<b>13,136,571</b>	<b>4,830,602</b>	<b>1,265,544</b>	<b>127,268</b>	<b></b>	<b>(6,913,157)</b>
General revenues:						
Property taxes						5,197,048
Sales tax						955,608
Hotel/motel use tax						681,562
State income tax						877,642
Motor fuel tax						674,384
Corporate personal property replacement taxes						192,801
Other taxes						175,600
Unrestricted investment earnings						95,442
Other						283,539
Total general revenues						9,133,626
Change in net assets						2,220,469
<b>NET ASSETS, BEGINNING OF YEAR</b>						<b>24,304,058</b>
<b>NET ASSETS, END OF YEAR</b>						<b>\$ 26,524,527</b>

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**November 30, 2011**

	<b>General Fund</b>	<b>County Highway Fund</b>	<b>County Aid To Bridges Fund</b>	<b>Public Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and investments	\$ 2,708,338	\$ 836,916	\$ 78,843	\$ 1,159,912	\$ 7,353,701	\$ 12,137,710
Accounts receivable	25,389	2,441	288	1,569	103,127	132,814
Interest receivable	474	-	-	-	69	543
Due from other funds	117,340	160,000	-	-	11,677	289,017
Due from other governmental agencies	868,247	52,098	1,510,241	33,388	460,309	2,924,283
Property tax receivable	1,734,242	798,009	305,021	522,509	2,037,507	5,397,288
Loans receivable	-	-	-	-	88,895	88,895
Prepaid expenses	1,119	-	-	-	77,132	78,251
Inventory	27,010	18,362	-	28,616	-	73,988
<b>TOTAL ASSETS</b>	<b>\$ 5,482,159</b>	<b>\$ 1,867,826</b>	<b>\$ 1,894,393</b>	<b>\$ 1,745,994</b>	<b>\$ 10,132,417</b>	<b>\$ 21,122,789</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 102,242	\$ 92,313	\$ 307,774	\$ 6,438	\$ 532,082	\$ 1,040,849
Accrued liabilities	186,551	22,491	-	22,982	75,367	307,391
Due to other funds	2,677	-	160,000	999	125,341	289,017
Unearned and deferred revenue	501,335	15,000	741,423	23,850	157,606	1,439,214
Deferred property tax	1,734,242	798,009	305,021	522,509	2,037,507	5,397,288
<b>Total liabilities</b>	<b>2,527,047</b>	<b>927,813</b>	<b>1,514,218</b>	<b>576,778</b>	<b>2,927,903</b>	<b>8,473,759</b>
<b>FUND BALANCES</b>						
Nonspendable	28,129	18,362	-	28,616	77,132	152,239
Restricted:						
General control and administration	-	-	-	-	1,189,168	1,189,168
Transportation	-	921,651	380,175	-	1,655,840	2,957,666
Public health and education	-	-	-	1,140,600	997,380	2,137,980
Public safety	-	-	-	-	592,916	592,916
Mental health	-	-	-	-	16,848	16,848
County development	-	-	-	-	443,543	443,543
Court services	-	-	-	-	424,626	424,626
Working cash	-	-	-	-	50,347	50,347
Committed	-	-	-	-	605,293	605,293
Assigned	-	-	-	-	1,182,623	1,182,623
Unassigned	2,926,983	-	-	-	(31,202)	2,895,781
<b>Total fund balances</b>	<b>2,955,112</b>	<b>940,013</b>	<b>380,175</b>	<b>1,169,216</b>	<b>7,204,514</b>	<b>12,649,030</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,482,159</b>	<b>\$ 1,867,826</b>	<b>\$ 1,894,393</b>	<b>\$ 1,745,994</b>	<b>\$ 10,132,417</b>	<b>\$ 21,122,789</b>

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY, ILLINOIS**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE**  
**TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**November 30, 2011**

Total governmental fund balances	\$ 12,649,030
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$12,321,040	13,112,020
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	1,266,264
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital lease obligation	(6,891)
Net pension obligations	(91,607)
Other post-employment benefits	(43,039)
Accrued compensated absences	<u>(361,250)</u>
Total net assets - governmental activities	<u>\$ 26,524,527</u>

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended November 30, 2011**

	<b>General Fund</b>	<b>County Highway Fund</b>	<b>County Aid To Bridges Fund</b>	<b>Public Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Property taxes	\$ 1,651,994	\$ 787,793	\$ 301,117	\$ 515,817	\$ 1,940,327	\$ 5,197,048
Intergovernmental revenue	2,448,701	227,986	788,059	395,623	2,843,251	6,703,620
Charges for services	1,078,007	-	-	98,212	923,881	2,100,100
Interest	20,968	4,630	3,231	5,089	61,524	95,442
Licenses and permits	284,788	-	-	-	10,145	294,933
Other	28,805	60,617	151,534	2,450	55,021	298,427
Total revenues	<u>5,513,263</u>	<u>1,081,026</u>	<u>1,243,941</u>	<u>1,017,191</u>	<u>5,834,149</u>	<u>14,689,570</u>
<b>EXPENDITURES</b>						
Current:						
General control and administration	1,552,623	-	-	-	595,859	2,148,482
Transportation	-	959,987	367,916	-	1,031,952	2,359,855
Public health and education	164,755	-	-	965,574	692,186	1,822,515
Public safety	2,903,330	-	-	-	138,893	3,042,223
Mental health	-	-	-	-	330,919	330,919
County development	174,162	-	-	-	1,031,630	1,205,792
Court services	1,234,207	-	-	-	13,909	1,248,116
Capital outlay	12,554	255,563	1,306,849	3,751	858,801	2,437,518
Debt service:						
Principal	-	-	-	-	9,918	9,918
Interest	-	-	-	-	615	615
Total expenditures	<u>6,041,631</u>	<u>1,215,550</u>	<u>1,674,765</u>	<u>969,325</u>	<u>4,704,682</u>	<u>14,605,953</u>
Excess (deficiency) of revenues over expenditures	<u>(528,368)</u>	<u>(134,524)</u>	<u>(430,824)</u>	<u>47,866</u>	<u>1,129,467</u>	<u>83,617</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	1,232,430	268,646	-	71,986	390,804	1,963,866
Operating transfers out	(160,949)	(34,220)	(160,000)	(57,009)	(1,551,688)	(1,963,866)
Total other financing sources (uses)	<u>1,071,481</u>	<u>234,426</u>	<u>(160,000)</u>	<u>14,977</u>	<u>(1,160,884)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>543,113</u>	<u>99,902</u>	<u>(590,824)</u>	<u>62,843</u>	<u>(31,417)</u>	<u>83,617</u>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>2,411,999</u>	<u>840,111</u>	<u>970,999</u>	<u>1,106,373</u>	<u>7,235,931</u>	<u>12,565,413</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,955,112</u>	<u>\$ 940,013</u>	<u>\$ 380,175</u>	<u>\$ 1,169,216</u>	<u>\$ 7,204,514</u>	<u>\$ 12,649,030</u>

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended November 30, 2011**

Net change in fund balances - total governmental funds \$ 83,617

Amounts reported for governmental activities in the  
statement of net assets are 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 as  
depreciation expense. This is the amount by which capital  
outlay differed from depreciation expense in the current year.

Capital outlay	2,346,960	
Depreciation expense:		
General control and administration	\$ (77,154)	
Transportation	(477,215)	
Public health and education	(14,320)	
Public safety	(154,274)	
County development	(18,220)	
Court services	<u>(24,389)</u>	
		(765,572)

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

Loss on disposal of capital assets		(14,888)
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Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the fund financial  
statements:

Charges for services	703,058	
Operating grants and contributions	60,909	
Income tax	(47,644)	
Hotel/motel tax	(33,947)	
Sales tax	(12,118)	
Use tax	<u>12,100</u>	
		682,358

Some expenses reported in the statement of activities do not require the use  
of current financial resources and, therefore, are not reported as  
expenditures in governmental funds:

Change in compensated absences		(14,722)
Change in net pension obligation		(91,607)
Change in other postemployment benefits obligation		(15,595)

Issuance of long-term liabilities provides current financial resources to  
governmental funds in the period issued, but increases  
long-term liabilities in the Statement of Net Assets.

Repayment of debt principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the  
Statement of Net Assets:

Repayment of principal of long-term debt		<u>9,918</u>
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Change in net assets of governmental activities		<u>\$ 2,220,469</u>
---	--	---------------------

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2011**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Cash and investments	\$ 1,504,795
Due from other governments	<u>82,086</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,586,881</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 379,050
Due to individuals and private entities	1,095,751
Due to other governmental bodies	<u>112,080</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 1,586,881</u></u>

The accompanying notes are an integral part of the basic financial statements.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

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

The County provides many functions and services to citizens, including law enforcement, health and social services, transportation, planning and zoning and general administrative services.

**Financial Reporting Entity**

Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Jo Daviess County, Illinois is a municipal corporation governed by a County Board, which is elected by the public and has the exclusive responsibilities and accountability for the decisions it makes. The County has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, the County is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these basic financial statements.

Joint Ventures

The County has an intergovernmental agreement with Carroll County, Illinois regarding an entity known as the Jo-Carroll Depot Local Redevelopment Authority (LRA). This LRA replaced an entity previously known as the Savanna Army Depot Local Redevelopment Authority. The former entity was charged with the authority to prepare a plan for the re-use of the Savanna Army Depot facilities in accordance with the Base Closure Community Redevelopment Assistance Act. The current LRA is charged with the authority to implement the re-use plan for the Savanna Army Depot and to modify the plan as may become necessary. Both Counties are jointly and severally liable for all liabilities, debts and obligations of any kind incurred by the LRA if the Authority is dissolved. The agreement provides for the LRA to consent to an audit of its funds by either County as either County may direct.



**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Summarized modified cash basis financial information of Local Redevelopment Authority for the year ended November 30, 2011, is presented below:

**Statement of Net Assets - Modified Cash Basis as of November 30, 2011**

Assets, cash and cash equivalents		\$ 1,596,309
Capital assets, net		<u>1,672,309</u>
<b>Total assets</b>		<b><u>\$ 3,268,618</u></b>
Current liabilities, accrued payroll taxes		\$ 1,922
Net Assets:		
Investment in capital assets	\$ 1,672,309	
Unreserved	<u>1,594,387</u>	
Total net assets		<u>3,266,696</u>
<b>Total liabilities and net assets</b>		<b><u>\$ 3,268,618</u></b>

**Statement of Receipts, Disbursements and Changes in Net Assets - Modified  
Cash Basis for Year Ended November 30, 2011**

Receipts:		
Charges for services, leases	\$ 87,657	
Other income	11,986	
Investment earnings	<u>17,720</u>	
Total revenues		<u>117,363</u>
Disbursements		<u>397,369</u>
Change in net assets		(280,006)
Net assets, beginning of year		<u>3,546,702</u>
<b>Net assets, end of year</b>		<b><u>\$ 3,266,696</u></b>

Separate audited financial statements are available through the Jo-Carroll Depot Local Redevelopment Authority offices in Savanna, Illinois.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Government-Wide Statements**

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report the overall financial activity of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes, intergovernmental revenues and charges for services.

The statement of activities demonstrates the degree to which the direct expense of a given function (i.e., general control and administration, public safety, etc.) is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The County does not allocate indirect costs, except depreciation.

Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column.

**Basic Financial Statements – Fund Financial Statements**

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The County has the following fund types:

**Governmental Fund types**

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The County has three governmental fund types: General Fund, Special Revenue Funds, and Capital Projects Funds.

**General Fund** - This is the County's primary operating fund and it is always a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the County and accounted for in the General Fund include general control and administration, public health and education, public safety, county development, and court services.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

**Governmental Fund types (continued)**

The Contingency Fund was combined into the General Fund in fiscal year 2011 with the implementation of GASB Statement No. 54. This fund was established to provide funds for expenses incurred by County departments and offices that were unanticipated at the beginning of the budget year or to provide inter-fund loans for any County fund experiencing temporary cash flow problems. Expenditures and inter-fund loans from this fund may be made only upon approval of the County Board. Monies expended or loaned from this fund must be replaced during the fiscal year expended or loaned or during the subsequent fiscal year from the fund for which the unanticipated expenditure was made. Initial funding of \$50,000 for Contingency Fund was derived from the elimination of the Indemnity Fund in 2004.

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific projects. The major special revenue funds are:

County Highway Fund: This is used to operate the County Highway Department including, but not limited to, salaries, supplies and purchase of machinery and equipment.

County Aid to Bridges Fund: This covers joint funding for County and township bridge projects, culvert replacements and project design.

Public Health Fund: This fund is used for public health expenses and is supported by the public health property tax levy and funds from various state or federal grant sources. The County has elected to report the Public Health Fund as major for public interest purposes.

The Catastrophic Public Health Emergency Fund was combined into the Public Health Fund in fiscal year 2011 with the implementation of GASB Statement No. 54. This fund accounts for any Public Health epidemic or Public Health Emergency. A catastrophic public health event could be the result of a communicable disease epidemic (Pandemic Flu or Tuberculosis, Mumps, Pertusis, Avian Flu, West Nile or other communicable diseases). This fund would also cover natural disasters such as flooding, tornados or terrorist initiated chemical, radiological or biological (small pox, anthrax) threats.

The other special revenue funds of the County are considered nonmajor funds.

**Capital Projects Funds** - These funds are used to account for the County's purchase or construction of capital facilities or capital equipment. None of the County's capital projects funds in fiscal year 2011 are major funds.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (Continued)**

**Fiduciary Fund types**

Fiduciary fund types are used to account for net assets and changes in net assets. The fiduciary funds of the County are all considered agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of the operations.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for services, and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The County's property tax is levied each year on all taxable real property located in the County on or before November 30. Property taxes attach as an enforceable lien on property as of the preceding January 1, at which time they are recognized. These taxes are due in two installments in June and September of the following year. Since the 2011 tax levy is budgeted for the fiscal year 2012, the revenue from this tax levy is deferred.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Cash and Investments**

Cash and investments primarily consist of deposit accounts with financial institutions.

Investments are reported at fair value. A portion of the County's investments are in the Illinois Funds Money Market Fund, which is an external investment pool which is not SEC registered. Fair value is based on quoted market prices. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pool is the same as the value of the shares.

**Accounts Receivable**

Accounts receivable results primarily from hotel/motel taxes and other miscellaneous receivables including phone surcharges, franchise fees, and refunds, and are accounted for in the governmental funds. All are net of an allowance for uncollectibles.

**Inventories**

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Inventories consist of deed stamps, immunizations and fuel.

**Due From Other Governments**

Due from other governments represent state shared revenues from the state of Illinois, grants and reimbursements from other governments.

**Capital Assets**

Capital assets which include land, construction-in-progress, buildings, building improvements, transportation equipment, equipment, including software and machinery, and roads and bridges are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets, which have an initial, individual cost of more than \$20,000 for land, buildings and infrastructure assets, and \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All reported capital assets except land and construction-in-progress are depreciated.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets** (Continued)

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated lives for each capital asset type are as follows:

Buildings and building improvements	10 - 50 years
Transportation equipment	4 - 30 years
Equipment and machinery	3 - 30 years
Roads and bridges	40 years

The County's collection of works of art, books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to County policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

**Compensated Absences**

County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Governmental funds report the amount of accumulated unpaid vacation and sick leave, when due, as a result of employee retirements and resignations. The amount of liability not considered due is not reported in the fund financial statements; however, the entire compensated absence liability is reported in the government-wide financial statements. The liability for compensatory time off is expected to be liquidated with current available resources and is included with accrued payroll liabilities in the fund financial statements.

For nonunion employees, full-time employees accrue vacation time according to their years of continuous service with the County with the hours given to the employee on their anniversary date. Employees may carry over up to one-half of their accrued vacation from the previous year for six months past their anniversary date for the following year.

For employees covered under the Collective Bargaining Agreement for Police Officers, vacation allowances are earned annually based on the number of months employed with the County and the prior year's earned hours are available for use starting December 1 the following year. These employees also earn sick leave hours with a maximum of 1,040 hours allowed. For sick leave hours in excess of 520 sick hours, the employee can cash in two unused sick days for one day's pay basis. The cash in occurs during the time period of November 1 to November 15 each year.

For employees covered under the Collective Bargaining Agreement for the Highway Department, vacation accrues for full time employees on a pay period basis based on the years of service with the County. These employees are allowed to carry one-half of their accrued vacation time from the previous year for up to 12 months past their anniversary date. Employees with more than two years seniority are also permitted to cash out up to one-half of their annual vacation accrual once per year if the employee has not yet utilized their vacation time.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

The change in compensated absences for the year was as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 346,528	\$ 361,250	\$ 346,528	\$ 361,250	\$ 361,250

**Deferred and Unearned Revenues**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of November 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue in governmental financial statements and as unearned revenue in the government-wide statements. In government fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Unearned revenues include grant awards received but unearned by either the passage of a specified time or the fulfillment of expenditure provisions and fee revenue collected before it has been earned.

**Interfund Transactions**

Transactions from County funds that would be treated as revenues and expenditures if they involve organizations external to County government are accounted for as revenues and expenditures in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that represents lending/borrowing arrangements at the end of the fiscal year is referred to as "due to/from other funds."

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

**Assigned** – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or by a County official or body to which the County Board delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds.

**Unassigned** – This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds. Beginning fund balances for the County's governmental funds have been restated to reflect the above classifications.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

It is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.



**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Accounting Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses/expenditures during the period. Actual results could differ from these estimates.

**NOTE 2 - CASH AND INVESTMENTS**

As of November 30, 2011, the County's cash and investments were as follows:

Cash and deposits with financial institutions, statement of net assets	\$ 9,850,900
Investments, statement of net assets	2,286,810
Cash and deposits with financial institutions, fiduciary funds	<u>1,504,795</u>
<b>Total</b>	<b><u>\$ 13,642,505</u></b>

**Authorized Investments**

The County's investment policy authorizes the County to invest in bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, in bonds, notes, debentures, or other similar obligations of the United States of America or its agencies, in interest bearing savings accounts, interest bearing certificates of deposit, interest bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no specific policy as it relates to interest rate risk. The County's investment maturity dates range from 9 to 21 months.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>
Certificate of Deposit, various banks	\$ 1,942,494
Repurchase agreement, First Community Bank	344,148
Illinois Funds Money Market Mutual fund	<u>168</u>
<b>Total</b>	<b><u>\$ 2,286,810</u></b>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County holds no debt securities as of November 30, 2011 that are subject to credit risk.

**Concentration of Credit Risk**

The County's investment policy is to apply the prudent-person rule. The policy also requires the County's investments to be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities), limiting investments in securities that have higher credit risks, investing in securities with varying maturities and continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. The County did not have any investments in any one issuer that represent 5 percent or more of total County investments; money market mutual funds and mutual funds are excluded from this consideration given the County doesn't "hold" the underlying investments.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County's investment policy gives discretion to the Jo Daviess County Treasurer to determine whether or not collateral will be required of financial institutions receiving funds from the County. At all times, the Treasurer is required to collateralize deposits in excess of 35 percent of the capital and surplus of a financial institution. When collateral is required, 100 percent of the deposit will be required. Acceptable collateral includes United States Government Direct Securities, obligations of federal agencies, obligations of the state of Illinois, obligations of Jo Daviess County, obligations of municipalities located within Jo Daviess County and acceptable collateral as identified in the Illinois Compiled Statutes. As of November 30, 2011, the County's deposits and investments were entirely covered by federal depository insurance or collateralized.

**NOTE 3 - LOAN RECEIVABLE**

The County periodically makes loans to parties, out of the Economic Development Fund, for the purpose of job creation and/or retention.

On July 31, 2002, the County executed a loan participation agreement with the Galena State Bank for \$70,000. The proceeds of the loan were to be used to acquire and expand the Hoskins Building Center in Elizabeth, Illinois.

Terms of the loan dated July 31, 2002 required 120 monthly payments of \$728 including interest at 4.5 percent. The loan matures July 31, 2012. The County is a 50 percent participant in the loan and records its portion of the loan participation agreement. As of November 30, 2011, the County's share of the loan receivable balance was \$4,133, including accrued interest.

On July 17, 2006, the County executed a loan participation agreement with the Elizabeth State Bank for a \$35,000 loan the bank made to Elizabeth Nursing Home. The proceeds of the loan were to be used to expand the Elizabeth Nursing Home in Elizabeth, Illinois.

Terms of the loan dated July 17, 2006 required 120 monthly payments of \$256 including interest at prime less 2.0 percent, or 1.25 percent as of November 30, 2011. The loan matures July 17, 2016. As of November 30, 2011, the County's loan receivable balance was \$23,705.

On November 10, 2006, the County executed a loan participation agreement with the Elizabeth State Bank for a \$25,000 loan the bank made to Beeshirt, LLC.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 3 - LOAN RECEIVABLE (CONTINUED)**

Terms of the loan dated November 10, 2006 required 60 monthly payments of \$481 including interest at prime less 2.0 percent, or 1.25 percent as of November 30, 2011. The loan matured on November 10, 2011.

On November 10, 2008, the County executed a loan participation agreement with Dubuque Bank & Trust for a \$100,000 loan the bank made to Lange Real Estate Investment LLC.

Terms of the loan dated November 10, 2008 required 83 monthly payments of \$1,405 including interest at 4.75 percent. The loan matures November 10, 2015. As of November 30, 2011, the County's loan receivable balance was \$61,057.

These loan receivables have been reserved in the fund balance of the Economic Development Investment Fund.

**NOTE 4 - CAPITAL ASSETS**

	<b>Balance November 30, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance November 30, 2011</b>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 165,150	\$ 83,393	\$ -	\$ 248,543
Construction in progress	<u>768,140</u>	<u>726,250</u>	<u>370,845</u>	<u>1,123,545</u>
Total capital assets not being depreciated	<u>933,290</u>	<u>809,643</u>	<u>370,845</u>	<u>1,372,088</u>
Capital assets being depreciated:				
Buildings and improvements	3,987,793	517,185	28,876	4,476,102
Equipment and machinery	2,766,186	192,045	137,485	2,820,746
Transportation equipment	2,591,841	229,252	156,493	2,664,600
Roads and bridges	<u>13,164,844</u>	<u>969,680</u>	<u>35,000</u>	<u>14,099,524</u>
Total capital assets being depreciated	<u>22,510,664</u>	<u>1,908,162</u>	<u>357,854</u>	<u>24,060,972</u>
Less accumulated depreciation for:				
Buildings and improvements	1,761,436	111,073	18,641	1,853,868
Equipment and machinery	2,127,126	123,906	136,521	2,114,511
Transportation equipment	1,402,943	274,110	152,804	1,524,249
Roads and bridges	<u>6,606,929</u>	<u>256,483</u>	<u>35,000</u>	<u>6,828,412</u>
Total accumulated depreciation	<u>11,898,434</u>	<u>765,572</u>	<u>342,966</u>	<u>12,321,040</u>
Total capital assets being depreciated, net	<u>10,612,230</u>	<u>1,142,590</u>	<u>14,888</u>	<u>11,739,932</u>
<b>Governmental activities capital assets, net</b>	<u><b>\$ 11,545,520</b></u>	<u><b>\$ 1,952,233</b></u>	<u><b>\$ 385,733</b></u>	<u><b>\$ 13,112,020</b></u>

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the governmental functions as follows:

General control and administration	\$ 77,154
Transportation	477,215
Public health and education	14,320
Public safety	154,274
County development	18,220
Court services	<u>24,389</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 765,572</u></b>

**NOTE 5 - LONG-TERM DEBT**

Long-term liability balances and activity for the year ended November 30, 2011 were as follows:

	<b>Balance November 30, <u>2010</u></b>	<b><u>Issued</u></b>	<b><u>Retired</u></b>	<b>Balance November 30, <u>2011</u></b>	<b><u>Due Within One Year</u></b>
Governmental activities:					
Capital lease obligations	\$ 16,809	\$ -	\$ 9,918	\$ 6,891	\$ 6,891
Net pension obligations	-	91,607	-	91,607	-
Other post-employment benefits	<u>27,444</u>	<u>15,595</u>	<u>-</u>	<u>43,039</u>	<u>-</u>
<b>Total governmental activities</b>	<b><u>\$ 44,253</u></b>	<b><u>\$ 107,202</u></b>	<b><u>\$ 9,918</u></b>	<b><u>\$ 141,537</u></b>	<b><u>\$ 6,891</u></b>

As of November 30, 2011, the County has other post-employment benefits accrued in the amount of \$43,039 (see Note 8).

As of November 30, 2011, the County has net pension obligations accrued in the amount of \$91,607 (see Note 7).

In fiscal year 2007, the County entered into a lease agreement for the purchase of a server and software for the County Clerk and Recorder. The agreement required a \$30,000 initial payment, then monthly payments of \$878, including interest and maintenance fees, through July 2012. The net book value of these capital assets was \$3,763 as of November 30, 2011.

A schedule of annual principal and interest payments under this agreement as of the end of the year is as follows:

<b><u>Year ending November 30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2012	<u>\$ 6,891</u>	<u>\$ 130</u>	<u>\$ 7,021</u>

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

The following schedule illustrates the legal debt margin of the County as of November 30, 2011:

Assessed valuation - 2010	\$ <u>791,439,763</u>
Statutory debt limitation (2.875% of assessed valuation)	\$ 22,753,893
Total debt:	
Capital lease obligations	<u>6,891</u>
<b>Legal debt margin</b>	<b>\$ <u>22,747,002</u></b>

**NOTE 6 - DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section (IRC) 457. The plan, available to all eligible County employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan has been amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under this requirement, the County does not own the amount deferred by employees and, therefore, the asset and liability are not reflected in the financial statements.

**NOTE 7 - PENSION AND RETIREMENT SYSTEMS**

**Illinois Municipal Retirement Fund**

**Plan Description**

The County's defined benefit pension plan for Regular employees provides retirement, 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. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy**

As set by statute, plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 9.59 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 11.19 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.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)**

**Illinois Municipal Retirement Fund (Continued)**

**Annual Pension Cost**

For calendar year ending December 31, 2010, the employer's actual contributions for pension cost for the Regular employees were \$318,751. Its required contribution for calendar year 2010 was \$371,932.

**Three-Year Trend Information**

<b><u>Calendar Year Ending</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
December 31, 2010	\$ 371,932	86%	\$ 53,181
December 31, 2009	280,603	100%	-
December 31, 2008	273,181	100%	-

The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40 percent to 10.00 percent per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3.00 percent annually. The actuarial value of IMRF 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 20.00 percent corridor between the actuarial and market value of assets. The County's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.

**Funded Status and Funding Progress**

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 76.65 percent funded. The actuarial accrued liability for benefits was \$8,943,592 and the actuarial value of assets was \$6,855,498, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,088,094. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$3,323,787 and the ratio of the UAAL to the covered payroll was 63 percent.

The schedule of funding progress, present 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.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)**

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

**Plan Description**

The County's defined benefit pension plan for Sheriffs Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The plan is affiliated with 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. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy**

As set by statute, SLEP plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 14.78 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 17.04 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 calendar year ending December 31, 2010, the employer's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$251,301. Its required contribution for calendar year 2010 was \$289,727.

**Three-Year Trend Information**

<b><u>Calendar Year Ending</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
December 31, 2010	\$ 289,727	87%	\$ 38,426
December 31, 2009	202,633	100%	-
December 31, 2008	204,897	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40 percent to 10.00 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.00 percent annually. The actuarial value of your employer 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 20.00 percent corridor between the actuarial and market value of assets. The employer Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.



**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)**

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

**Funded Status and Funding Progress**

As of December 31, 2010, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 76.29 percent funded. The actuarial accrued liability for benefits was \$7,255,276 and the actuarial value of assets was \$5,534,750, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,720,526. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,700,278 and the ratio of the UAAL to the covered payroll was 101 percent.

The schedule of funding progress, presented as required supplementary information (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.

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The County sponsors a single-employer health care plan that provides medical and prescription drug benefits to all active and retired employees and their eligible dependents. Sheriff's Law Enforcement Personnel must be a minimum of age 50 with 20 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with eight or more years of service to be eligible for retiree benefits. The plan does not issue a stand-alone financial report.

**Membership**

At December 31, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>94</u>
<b>Total</b>	<u><u>99</u></u>
<b>Participating employers</b>	<u><u>1</u></u>

**Funding Policy**

The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Retirees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the County contributed \$12,472. Retiree and active members receiving benefits have required monthly contributions of \$475 for single coverage, \$1,165 for family coverage and \$437 for single - Medicare Primary coverage.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Annual OPEB Cost and Net OPEB Obligation**

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the County's annual OPEB obligation:

Annual required contribution/OPEB cost	\$ 28,556
Interest on net OPEB obligation	1,098
Adjustment to annual required contribution	<u>(1,587)</u>
Annual OPEB cost (expense)	28,067
Contributions and payments made	<u>12,472</u>
Increase in net OPEB obligation	15,595
Net OPEB obligation, beginning of year	<u>27,444</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$ 43,039</u></b>

The County's annual OPEB cost, the percent of annual OPEB cost contributed to the plan and to the net OPEB obligations for 2011 and the two preceding years follows. Fiscal year ended November 30, 2009 was the adoption year of GASB Statement No. 45.

**Three-Year Trend Information**

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
November 30, 2011	\$ 28,067	44.44%	\$ 43,039
November 30, 2010	23,899	38.53%	27,444
November 30, 2009	23,814	46.44%	12,754

**Funded Status and Funding Progress**

As of December 1, 2010, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$254,497 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$254,497. The covered payroll (annual payroll of active employees covered by the plan) was \$5,188,438 and the ratio of the UAAL to the covered payroll was 4.91 percent.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Funded Status and Funding Progress (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 health care cost trend. Amounts determined regarding the funded status of the plan and 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 the three-year trend information.

**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 the plan members) and included in 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 the effects of 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, 2010 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate and health care cost trend rate of 8.62 percent initially, grading down to 5 percent in 10 years. The UAAL is being amortized as a level dollar amount on a closed basis. The amortization of UAAL is done over a period of 30 years.

**NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE**

Interfund balances at November 30, 2011, consisted of the following:

	<u><b>Due To</b></u>	<u><b>Due From</b></u>
Major funds:		
General Fund	\$ 2,677	\$ 117,340
Special revenue funds:		
County Highway Fund	-	160,000
County Aid to Bridges Fund	160,000	-
Public Health Fund	999	-
Nonmajor Governmental Funds	<u>125,341</u>	<u>11,677</u>
<b>Total</b>	<u><b>\$ 289,017</b></u>	<u><b>\$ 289,017</b></u>

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

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE (CONTINUED)**

Interfund transfers during the year ended November 30, 2011, were as follows:

	<u><b>Transfers In</b></u>	<u><b>Transfers Out</b></u>
Major funds:		
General Fund	\$ 1,232,430	\$ 160,949
Special revenue funds:		
County Highway Fund	268,646	34,220
County Aid to Bridges Fund	-	160,000
Public Health Fund	71,986	57,009
Nonmajor Governmental Funds	<u>390,804</u>	<u>1,551,688</u>
<b>Total operating transfers</b>	<u><b>\$ 1,963,866</b></u>	<u><b>\$ 1,963,866</b></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 10 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to protect against such risks of loss, the County purchases commercial insurance coverage through Illinois Counties Risk Management Trust Insurance Program. The deductible in effect through these policies as of November 30, 2011 was \$5,000. During the year ended November 30, 2011, there were no significant reductions in coverage. Settled claims have not exceeded the excess commercial coverage in any of the past three years.

**NOTE 11 - REGIONAL SUPERINTENDENT OF SCHOOLS TRUST FUND**

During August 1979, Jo Daviess and Carroll County combined their Superintendent of Schools into one office. A trust fund was established which pays the expenses of the Superintendent of Schools. Effective August 7, 1995, the Regional Superintendent's office was expanded to include Stephenson County. The office was moved to Stockton, Illinois. Jo Daviess, Stephenson and Carroll Counties reimburse this trust fund on the basis of assessed valuation. This trust is not administered by Jo Daviess County and is not included in the basic financial statements. The County made \$54,841 in payments to the trust during the year ended November 30, 2011. The financial information is available by contacting Aaron Mercier at Regional Superintendent of Schools Trust Fund, 500 N. Rush Street, Stockton, Illinois 61085.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 12 - RESTATEMENT OF FUND BALANCE**

The County adopted an accounting standard to conform with generally accepted accounting principles. As reflected in Note 1, the statement adopted requiring restatement of fund balance was Governmental Accounting Standards Board (GASB) Statement 54. With the implementation of the new GASB pronouncement, the Contingency Fund was combined with the General Fund and the Catastrophic Public Health Emergency Fund was combined with the Public Health Fund in the fund financial statements.

Accordingly, the County's fund balance as of November 30, 2011 has been restated as follows:

**General Fund**

Fund balance, December 1, 2010, as previously reported	\$ 2,274,280
Adjustment to reflect implementation of GASB Pronouncement	<u>137,719</u>

<b>Fund balance, December 1, 2010, as restated</b>	<b><u>\$ 2,411,999</u></b>
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**Public Health Fund**

Fund balance, December 1, 2010, as previously reported	\$ 901,245
Adjustment to reflect implementation of GASB Pronouncement	<u>205,128</u>

<b>Fund balance, December 1, 2010, as restated</b>	<b><u>\$ 1,106,373</u></b>
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Additionally, with the adoption of the new GASB pronouncement, the County reclassified the following funds from Special Revenue Funds to Capital Project Funds: Public Health Capital Investment Fund, Tourism Capital Development Fund, County Capital Improvements Fund, County Capital Equipment Fund, Home Health Care Capital Equipment Fund, and GIS Capital Equipment and Investments Fund.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 13 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

The County adopted the following Governmental Accounting Standards Board (GASB) statements during the year ended November 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. See note 12 for effect on the County in the current year.
- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. This statement had no effect on the County in the current year.
- GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement had no effect on the County in the current year.

The GASB has issued several statements not yet implemented by the County. The Statements which might impact the County are as follows:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the County beginning with its year ending November 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 13 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**  
(CONTINUED)

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the County beginning with its year ending November 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the County beginning with its year ending November 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011, will be effective for the County beginning with its year ending November 30, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 13 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**  
(CONTINUED)

- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*, issued June 2011, will be effective for the County beginning with its year ending November 30, 2013. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The County's management has not yet determined the effect these Statements will have on the County's financial statements.

**NOTE 14 - COMMITMENTS**

The County has financial commitments relating to various bridge projects, culvert projects and a radio communication upgrade that are estimated to be approximately \$537,000.

**NOTE 15 - MINIMUM YEAR-END FUND BALANCE POLICIES**

The County has adopted minimum year-end fund balance policies for fiscal year 2011 as follows:

<u>Fund Name</u>	<u>Amount</u>	<u>Policy</u>
General Fund	\$ 1,590,000	Estimated three months of operating expenses
Highway Fund	476,000	Estimated four months of operating revenue
Public Health Fund	543,000	Estimated six months of operating expenses
Home Health Care Fund	160,000	Estimated three months of operating expenses
Tourism Promotion Fund	300,000	Estimated three to four months of operating expenses
GIS Automation Fund	50,000	Estimated three months of operating expenses
Social Security Tax Fund	173,147	60% of the total budgeted expenses for the period
Illinois Municipal Retirement Fund	282,238	60% of the total budgeted expenses for the period
Insurance Fund	409,680	110% of the previous year's budgeted expenses

The minimum year-end fund balances are included in the restricted fund balance category in the fund financial statements for all Special Revenue funds. The minimum year-end fund balance for the General Fund is included in the unassigned category in accordance with GASB 54.



**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**November 30, 2011**

**NOTE 16 - SUBSEQUENT EVENTS**

On January 3, 2012, the County entered into an Installment Contract with a bank in the amount of \$1,000,000 for the purchase of public safety radio communications equipment and the construction of improvements to the public safety radio communications system. The agreement calls for semi-annual principal and interest payments payable on May 30 and November 30, commencing on May 30, 2012 and ending November 30, 2021. Interest is to be paid on any unpaid principal installments at a rate of 2.99% per annum.

This information is an integral part of the accompanying basic financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JO DAVIESS COUNTY, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND AND OTHER POST-EMPLOYMENT BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**  
**November 30, 2011**

<b>Actuarial Valuation Date</b>	<b>Fair Value of Net Assets (1)</b>	<b>Actuarial Accrued Liability (AAL)- Entry Age (2)</b>	<b>Unfunded (Over- funded) AAL (UAAL) (2-1)</b>	<b>Funded Ratio (1/2)</b>	<b>Covered Payroll (3)</b>	<b>UAAL as a % of Covered Payroll ((2-1) / 3)</b>
<b><u>Illinois Municipal Retirement Fund</u></b>						
12/31/2010	\$ 6,855,498	\$ 8,943,592	\$ 2,088,094	76.65%	\$ 3,323,787	62.82%
12/31/2009	6,361,911	8,157,433	1,795,522	77.99%	3,217,924	55.80%
12/31/2008	5,913,025	7,480,833	1,567,808	79.04%	3,140,007	49.93%
12/31/2007	7,867,783	8,032,236	164,453	97.95%	3,089,314	5.32%
12/31/2006	7,397,132	7,553,293	156,161	97.93%	2,974,943	5.25%
12/31/2005	6,746,262	6,837,049	90,787	98.67%	2,837,437	3.20%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$7,357,492.  
On a market basis, the funded ratio would be 82.27%.

**Sheriff's Law Enforcement Personnel Plan**

12/31/2010	\$ 5,534,750	\$ 7,255,276	\$ 1,720,526	76.29%	\$ 1,700,278	101.19%
12/31/2009	5,028,261	6,181,906	1,153,645	81.34%	1,542,105	74.81%
12/31/2008	4,526,754	5,661,448	1,134,694	79.96%	1,529,086	74.21%
12/31/2007	5,071,931	5,231,729	159,798	96.95%	1,441,501	11.09%
12/31/2006	4,419,368	4,609,974	190,606	95.87%	1,318,259	14.46%
12/31/2005	4,573,714	4,437,571	(136,143)	103.07%	1,286,855	-10.58%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$5,836,539.  
On a market basis, the funded ratio would be 80.45%.

**Other Post-Employment Benefits**

12/1/2010	\$ -	\$ 254,497	\$ 254,497	0.00%	\$ 5,188,438	4.91%
12/1/2009	-	216,885	216,885	0.00%	5,213,783	4.16%
12/1/2008	-	216,885	216,885	0.00%	5,252,495	4.13%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of December 1, 2010.

**JO DAVIESS COUNTY, ILLINOIS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**Year Ended November 30, 2011**

	<u>Budget</u>			<u>Actual over</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(under)</u>
<b>REVENUES</b>				
Property taxes	\$ 1,675,929	\$ 1,675,929	\$ 1,651,994	\$ (23,935)
Intergovernmental	2,114,686	2,114,686	2,448,701	334,015
Charges for services	943,234	943,234	1,078,007	134,773
Interest	19,754	19,754	20,968	1,214
Licenses and permits	241,575	241,575	284,788	43,213
Other	48,550	48,550	28,805	(19,745)
Total revenues	<u>\$ 5,043,728</u>	<u>\$ 5,043,728</u>	<u>5,513,263</u>	<u>\$ 469,535</u>
<b>EXPENDITURES</b>				
Current:				
General control and administration	\$ 1,651,969	\$ 1,651,851	1,552,623	\$ (99,228)
Public health and education	184,308	184,308	164,755	(19,553)
Public safety	2,922,691	2,922,691	2,903,330	(19,361)
County development	199,417	199,417	174,162	(25,255)
Court services	1,268,261	1,268,932	1,234,207	(34,725)
Capital outlay	17,834	17,281	12,554	(4,727)
Total expenditures	<u>\$ 6,244,480</u>	<u>\$ 6,244,480</u>	<u>6,041,631</u>	<u>\$ (202,849)</u>
Deficiency of revenues over expenditures			<u>(528,368)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 1,217,749	\$ 1,217,749	1,232,430	\$ 14,681
Operating transfers out	<u>(273,449)</u>	<u>(273,449)</u>	<u>(160,949)</u>	<u>112,500</u>
	<u>\$ 944,300</u>	<u>\$ 944,300</u>	<u>1,071,481</u>	<u>\$ 127,181</u>
Excess of revenues and other financing sources over expenditures and other financing uses			543,113	
<b>FUND BALANCE, BEGINNING OF YEAR, AS RESTATED</b>			<u>2,411,999</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 2,955,112</u>	

**JO DAVIESS COUNTY, ILLINOIS**  
**COUNTY HIGHWAY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**Year Ended November 30, 2011**

	<u>Budget</u>			<u>Actual over (under)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Property taxes	\$ 798,980	\$ 798,980	\$ 787,793	\$ (11,187)
Intergovernmental	155,000	155,000	227,986	72,986
Interest	6,500	6,500	4,630	(1,870)
Other	<u>71,500</u>	<u>71,500</u>	<u>60,617</u>	<u>(10,883)</u>
Total revenues	<u>\$ 1,031,980</u>	<u>\$ 1,031,980</u>	<u>1,081,026</u>	<u>\$ 49,046</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	\$ 1,067,954	\$ 1,052,254	959,987	\$ (92,267)
Capital outlay	<u>325,000</u>	<u>340,700</u>	<u>255,563</u>	<u>(85,137)</u>
Total expenditures	<u>\$ 1,392,954</u>	<u>\$ 1,392,954</u>	<u>1,215,550</u>	<u>\$ (177,404)</u>
Deficiency of revenues over expenditures			<u>(134,524)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 298,646	\$ 298,646	268,646	\$ (30,000)
Operating transfers out	<u>(34,500)</u>	<u>(34,500)</u>	<u>(34,220)</u>	<u>280</u>
Total other financing sources (uses)	<u>\$ 264,146</u>	<u>\$ 264,146</u>	<u>234,426</u>	<u>\$ (29,720)</u>
Excess of revenues and other financing sources over expenditures and other financing uses			99,902	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>840,111</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 940,013</u>	

**JO DAVIESS COUNTY, ILLINOIS**  
**COUNTY AID TO BRIDGES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**Year Ended November 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Actual over (under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 305,377	\$ 305,377	\$ 301,117	\$ (4,260)
Intergovernmental	575,000	575,000	788,059	213,059
Interest	4,200	4,200	3,231	(969)
Other	<u>150,000</u>	<u>150,000</u>	<u>151,534</u>	<u>1,534</u>
Total revenues	<u>\$ 1,034,577</u>	<u>\$ 1,034,577</u>	<u>1,243,941</u>	<u>\$ 209,364</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	\$ 350,000	\$ 368,091	367,916	\$ (175)
Capital outlay	<u>1,270,000</u>	<u>1,306,849</u>	<u>1,306,849</u>	<u>-</u>
Total expenditures	<u>\$ 1,620,000</u>	<u>\$ 1,674,940</u>	<u>1,674,765</u>	<u>\$ (175)</u>
Deficiency of revenues over expenditures			<u>(430,824)</u>	
<b>OTHER FINANCING USES</b>				
Operating transfers out	<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	<u>(160,000)</u>	<u>\$ -</u>
Deficiency of revenues over expenditures and other financing uses			<u>(590,824)</u>	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>970,999</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 380,175</u>	

**JO DAVIESS COUNTY, ILLINOIS**  
**PUBLIC HEALTH FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**Year Ended November 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Actual over (under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 523,095	\$ 523,095	\$ 515,817	\$ (7,278)
Intergovernmental	392,153	392,153	395,623	3,470
Charges for services	62,950	62,950	98,212	35,262
Interest	1,575	1,575	5,089	3,514
Other	<u>1,000</u>	<u>1,000</u>	<u>2,450</u>	<u>1,450</u>
Total revenues	<u>\$ 980,773</u>	<u>\$ 980,773</u>	<u>1,017,191</u>	<u>\$ 36,418</u>
<b>EXPENDITURES</b>				
Current:				
Public health and education	\$ 1,208,000	\$ 1,208,000	965,574	\$ (242,426)
Capital outlay	<u>12,650</u>	<u>12,650</u>	<u>3,751</u>	<u>(8,899)</u>
Total expenditures	<u>\$ 1,220,650</u>	<u>\$ 1,220,650</u>	<u>969,325</u>	<u>\$ (251,325)</u>
Excess of revenues over expenditures			<u>47,866</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 95,640	\$ 95,640	71,986	\$ (23,654)
Operating transfers out	<u>(64,000)</u>	<u>(64,000)</u>	<u>(57,009)</u>	<u>6,991</u>
Total other financing sources (uses)	<u>\$ 31,640</u>	<u>\$ 31,640</u>	<u>14,977</u>	<u>\$ (16,663)</u>
Excess of revenues and other financing sources over expenditures and other financing uses			62,843	
<b>FUND BALANCE, BEGINNING OF YEAR, AS RESTATED</b>			<u>1,106,373</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,169,216</u>	

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**November 30, 2011**

**NOTE 1 - BASIS OF ACCOUNTING**

The budgetary comparison schedules are presented for the General Fund and the major special revenue funds; County Highway Fund, County Aid to Bridges Fund, and Public Health Fund.

**Budgetary information**

Budgets are prepared using the same accounting basis and practices as are used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

The County follows these procedures in establishing their budgetary data reflected in the financial statements:

1. The Finance Committee of the County Board requests and receives from the County Officers proposed operating budgets for the fiscal year commencing the following December 1. The Finance Committee reviews and investigates budget requests and prepares a tentative operating budget including both proposed expenditures and the means of financing them.
2. Prior to December 1, the budget is legally adopted by the County Board. The budget was adopted on November 18, 2010. It was amended throughout the year to reflect various budget changes.
3. After the adoption of the budget, no further appropriations can be made except for 1) transfers from one appropriation to another in the same fund, providing the total amount appropriated for the fund has not changed and 2) appropriations in excess of those authorized by the budget in order to meet an immediate emergency. Both of these exceptions must be approved by a two-thirds majority of the Board. Unused appropriations lapse at the end of the fiscal year.
4. Formal budgetary integration is used as a management control device during the year for the General, special revenue, and capital project funds.
5. Budgets are not prepared for permanent and agency funds.

**NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET**

The following funds had an excess of expenditures over budget for the 2011 fiscal year:

	<u>Budget</u>	<u>Actual</u>	<u>Amount Over Budget</u>
Public Health Bio-Terrorism Fund	\$ 38,964	\$ 48,026	\$ 9,062
Special Service District No. Five Fund	28,317	28,416	99



## **SUPPLEMENTARY INFORMATION**

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**GENERAL FUND**  
**November 30, 2011**

	<u>General Account</u>	<u>Contingency Account</u>	<u>Total General Fund</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,669,573	\$ 38,765	\$ 2,708,338
Accounts receivable	25,389	-	25,389
Interest receivable	474	-	474
Due from other funds	2,340	115,000	117,340
Due from other governmental agencies	868,247	-	868,247
Property tax receivable	1,734,242	-	1,734,242
Prepaid expenses	1,119	-	1,119
Inventory	27,010	-	27,010
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 5,328,394</b>	<b>\$ 153,765</b>	<b>\$ 5,482,159</b>
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts payable	\$ 102,242	\$ -	\$ 102,242
Accrued liabilities	186,551	-	186,551
Due to other funds	2,677	-	2,677
Unearned and deferred revenue	501,335	-	501,335
Deferred property taxes	1,734,242	-	1,734,242
	<hr/>	<hr/>	<hr/>
Total liabilities	2,527,047	-	2,527,047
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Nonspendable	28,129	-	28,129
Unassigned	2,773,218	153,765	2,926,983
	<hr/>	<hr/>	<hr/>
Total fund balances	2,801,347	153,765	2,955,112
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,328,394</b>	<b>\$ 153,765</b>	<b>\$ 5,482,159</b>
	<hr/>	<hr/>	<hr/>

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**Year ended November 30, 2011**

	<u>General Account</u>	<u>Contingency Account</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Property taxes	\$ 1,651,994	\$ -	\$ 1,651,994
Intergovernmental	2,448,701	-	2,448,701
Charges for services	1,078,007	-	1,078,007
Interest	20,307	661	20,968
Licenses and permits	284,788	-	284,788
Other	<u>28,805</u>	<u>-</u>	<u>28,805</u>
Total revenues	<u>5,512,602</u>	<u>661</u>	<u>5,513,263</u>
<b>EXPENDITURES</b>			
Current:			
General control and administration	1,552,623	-	1,552,623
Public health and education	164,755	-	164,755
Public safety	2,903,330	-	2,903,330
County development	174,162	-	174,162
Court services	1,234,207	-	1,234,207
Capital outlay	<u>12,554</u>	<u>-</u>	<u>12,554</u>
Total expenditures	<u>6,041,631</u>	<u>-</u>	<u>6,041,631</u>
Excess (deficiency) of revenues over expenditures	<u>(529,029)</u>	<u>661</u>	<u>(528,368)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	1,232,430	15,385	1,247,815
Operating transfers out	<u>(176,334)</u>	<u>-</u>	<u>(176,334)</u>
	<u>1,056,096</u>	<u>15,385</u>	<u>1,071,481</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	527,067	16,046	543,113
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>2,274,280</u>	<u>137,719</u>	<u>2,411,999</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 2,801,347</u></u>	<u><u>\$ 153,765</u></u>	<u><u>\$ 2,955,112</u></u>

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**PUBLIC HEALTH FUND**  
**November 30, 2011**

	<b><u>Public Health Account</u></b>	<b><u>Catastrophic Public Health Emergency Account</u></b>	<b><u>Total Public Health Fund</u></b>
<b>ASSETS</b>			
Cash and investments	\$ 953,214	\$ 206,698	\$ 1,159,912
Accounts receivable	1,569	-	1,569
Due from other governmental agencies	33,388	-	33,388
Property tax receivable	522,509	-	522,509
Inventory	<u>28,616</u>	<u>-</u>	<u>28,616</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,539,296</u></b>	<b><u>\$ 206,698</u></b>	<b><u>\$ 1,745,994</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 6,438	\$ -	\$ 6,438
Accrued liabilities	22,982	-	22,982
Due to other funds	999	-	999
Unearned and deferred revenue	23,850	-	23,850
Deferred property taxes	<u>522,509</u>	<u>-</u>	<u>522,509</u>
<b>Total liabilities</b>	<b><u>576,778</u></b>	<b><u>-</u></b>	<b><u>576,778</u></b>
<b>FUND BALANCES</b>			
Nonspendable	28,616	-	28,616
Restricted:			
Public health and education	<u>933,902</u>	<u>206,698</u>	<u>1,140,600</u>
<b>Total fund balances</b>	<b><u>962,518</u></b>	<b><u>206,698</u></b>	<b><u>1,169,216</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,539,296</u></b>	<b><u>\$ 206,698</u></b>	<b><u>\$ 1,745,994</u></b>

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**PUBLIC HEALTH FUND**  
**Year ended November 30, 2011**

	<u>Public Health Account</u>	<u>Catastrophic Public Health Emergency Account</u>	<u>Total Public Health Fund</u>
<b>REVENUES</b>			
Property taxes	\$ 515,817	\$ -	\$ 515,817
Intergovernmental	395,623	-	395,623
Charges for services	98,212	-	98,212
Interest	3,519	1,570	5,089
Other	2,450	-	2,450
	<hr/>	<hr/>	<hr/>
Total revenues	1,015,621	1,570	1,017,191
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
Public health and education	965,574	-	965,574
Capital outlay	3,751	-	3,751
	<hr/>	<hr/>	<hr/>
Total expenditures	969,325	-	969,325
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	46,296	1,570	47,866
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	71,986	-	71,986
Operating transfers out	(57,009)	-	(57,009)
	<hr/>	<hr/>	<hr/>
	14,977	-	14,977
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	61,273	1,570	62,843
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	901,245	205,128	1,106,373
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, END OF YEAR</b>	\$ 962,518	\$ 206,698	\$ 1,169,216
	<hr/>	<hr/>	<hr/>

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific projects. The County has the following nonmajor special revenue funds:

*County Highway Capital Investment Fund:* This fund was established to accumulate funds for the cost of major capital expenditures, including new road construction, major road rehabilitation projects, bridges, drainage structures and similar projects. Revenues are normally derived from fund transfers from the Highway Fund and other sources. Expenditures from this fund are included in the annual budget and payments from this fund are authorized by the County Board.

*Federal Aid Matching Fund:* This fund is used for the County match for projects funded with federal funds such as reimbursement to the state of Illinois for construction projects. Property tax and interest support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 605 ILCS 5/5-603.

*County Motor Fuel Tax Fund:* This fund is used for the maintenance of County roads using state approved materials and contractors. Disbursements from this fund include: the County Engineer's salary, IMRF, FICA, health insurance reimbursements and construction of, maintenance and materials for road maintenance. Monthly allotments from state of Illinois, interest income and reimbursements from the townships support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 505/8 & 605 ILCS 5/5-701.

*State's Attorney Drug Forfeiture Fund:* This fund accounts for funds received as a result of prosecution of drug offenses.

*Home Health Care Fund:* This fund is used for Home Health Care expenses. The fund is supported by the fees received from Medicare, Medicaid, private insurance and private payers. The Public Health Administrator may issue disbursements from this fund under the authority of County Board of Health and the County Home Health Care Advisory Committee. This fund was established under the authority of the Board of Health.

*HHC Memorial Fund:* This fund is the money received as donations from patients or family members to be used either for designated memorials chosen by the patient and or family or for discretionary purchases for the Home Health Care program.

*Public Health Bio-terrorism Fund:* This fund is to cover expenses related to planning and dealing with Bio-terrorism issues including planning and emergency preparedness. This would include upgrading 24:7 response for emergency situations, communicable disease surveillance, health alert network capabilities, internet response and risk communication devices. This fund is established to track federal and state grant money related to Bio-terrorism.

*Doq Fund:* This fund is used to cover the costs associated with livestock kills. Revenue for this fund comes from registration fees and interest income. Disbursements include livestock kills and truck purchase. The County Engineer authorizes expenditures from this fund. This fund was established under the authority of Illinois Compiled Statutes 510 ILCS 5/7 and 510 ILCS 5/19.

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds (Continued)**

**Rabies Control Fund:** This fund derives its revenue from fees for registration, penalties, city contracts, private pick-ups and interest income. Funds are transferred to the General Funds to reimburse it for Animal Control expenditures. This fund was established under the authority of Illinois Compiled Statutes 510 ILCS 5/7.

**Mental Health Fund:** This fund was established to provide funds for community mental health facilities and services. Monies in this fund are allocated annually by the 708 Mental Health Board, subject to approval of the County Board through the annual budget approval process. The revenues of this fund are derived from the Mental Health Tax Levy (405 ILCS 20/.1 et seq.) which is a part of the County's Tax Levy Ordinance.

**Special Service District No. One Fund:** The purpose of this fund is to provide financial support for the Warren Area Ambulance Service. The revenue for this fund is derived from a tax levied on property within the boundaries of Special Service Area No. One which includes Apple River and Warren Townships and parts of Nora and Thompson Townships. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the approved annual Budget, Appropriations & Tax Levy. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 200/27-5 et seq.

**Special Service District No. Two and Four Fund:** The purpose of this fund is to provide financial support for the Elizabeth Community Ambulance Service. The revenue for this fund is derived from a tax levied on property within the boundaries of the combined Special Service Area No. Two and Four as approved by the County Board. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the approved annual Budget, Appropriations & Tax Levy. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 200/27-5 et seq.14.

**Special Service District No. Five Fund:** The purpose of this fund is to provide financial support for the Hanover Ambulance Service. The revenue for this fund is derived from a tax levied on property within the boundaries of Special Service Area No. Five which includes Hanover Township and parts of Rice and Elizabeth Townships. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the approved annual Budget, Appropriations & Tax Levy. This fund was established under the authority of 35 ILCS 200/27-5 et seq.

**Rentech Energy Escrow Fund:** This fund was established to pay the expenses incurred by Jo Daviess County that are directly associated with the permitting and necessary professional services/County services for the construction of the Rentech Energy Project including direct expenses related to the County's due diligence and oversight of the Project.

**911 Fund:** This fund is used to enhance the emergency telephone system of Jo Daviess County. Disbursements are those necessary to continue the implementation of the enhanced 911 system. Revenue for this fund comes from the telephone surcharge and earned interest. The Emergency Telephone System Board authorizes all expenditures. This fund was established under the authority of Illinois Compiled Statutes 50 ILCS 750/1.

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds (Continued)**

**Sheriff's Forfeiture Fund:** The purpose of this fund is to pay expenses related to the enforcement of laws regulating controlled substances and cannabis and for educational/prevention purposes. Revenue is derived from forfeitures related to arrests and/or seizures made for violations of the Cannabis Control Act and the Controlled Substance Act. Management control of this fund is with the Sheriff and County Treasurer and both must approve expenditures made from this fund. This fund was established under the authority of Illinois Compiled Statutes 720 ILCS 550/1 et seq. and 725 ILCS 150/et seq.

**Economic Development Investment Fund:** The purpose of this fund is to provide a pool of resources that can be used by the County Board to promote economic development throughout the County. This fund was formerly named the Revolving Loan Fund. The fund may be used for the following purposes and other similar expenditures deemed by the County Board as promoting the economic development of the County:

- Economic development loans as outlined in the County Board's "Guidelines and Procedures for the Jo Daviess County Economic Development Investment Fund."
- Operational expenses associated with the Jo Daviess County Economic Development and Planning Department (ED&PD). Eligible expenses include, but are not limited to: personnel costs, supplies and equipment, and contractual services. It is anticipated that interest on fund balance will be sufficient to support operational costs of the ED&PD. Operational funding is to be at the discretion of the County Board on an annual basis.
- Direct investments in projects, approved by the County Board, that directly promote and enhance the economic development of the County.
- Matching fund loans to be used for the purpose of acquiring State and federal economic development grant monies, such as for infrastructure improvements related to the location of a new business or expansion of an existing business in the County. Maximum loan amount is \$100,000.

The revenues of this fund were originally derived from transfers from the former Riverboat Assistance Fund. Revenues from loan repayments, grants, the General Fund, fund balance interest and enterprise zone fees, support this Fund. The County Board authorizes expenditures from this Fund.

**LTCB Grant Fund:** This fund controls the funds received from the state Local Tourism & Convention Bureau (LTCB) grant program. Disbursements include reimbursement to the Convention & Visitors Bureau's tourism promotion fund and administrative projects eligible for the state program. State hotel/motel taxes support this fund. The County Board approves disbursements from this fund. This fund was established pursuant to action by the County Board.

**GIS Automation Fund:** This fund defrays the cost of equipment, material and necessary expenses incurred by the County in implementing and maintaining the Geographic Information System. Disbursements from this fund are for implementing and maintaining the County's Geographic Information System. A portion of the fee charged for every instrument submitted for recording supports this fund. The County Administrator authorizes all expenditures from the fund. This fund was established under the authority of Public Act 9170791.



**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds (Continued)**

**Municipal Retirement Fund:** This fund was established to provide funds for the cost of the County's participation in the Illinois Municipal Retirement Fund (IMRF). The County is authorized to levy the amount necessary to meet its cost (40 ILCS 5/21-110). There is no rate limit on this levy and the levy is in addition to other taxes levied for County purposes.

**Social Security Fund:** This fund was established to provide funds for the cost of the County's participation in the Federal Social Security Insurance Program. The County is authorized to levy the amount necessary to meet its costs (40 ILCS 5/21-110). There is no rate limit on this levy and the levy is in addition to other taxes levied for County purposes. The County is also authorized to levy an additional tax for the payment of the costs of participation in the Federal Medicare Program (40 ILCS 5/21-11 0.1).

**Probation Services Fund:** This fund is used for programming and the costs of operating the Probation Department, except for the payment of salaries. The juvenile and adult offender's fees support this fund. The Chief Circuit Judge and Chief Managing Officer of Probation authorize expenditures from the fund. This fund was established under the authority of Compiled Statutes 730 ILCS 110/15.1.

**Extension Education Fund:** This fund was established to provide matching funds for the local costs of Cooperative Extension supplementing appropriations by the Illinois General Assembly and the U.S. Congress to the University of Illinois. Monies in this fund are allocated annually to the Cooperative Extension Board through the annual budget approval process. The revenues of this fund are derived from the Extension Education Tax Levy (505 ILCS 45/1-11) which is a part of the County's Tax Levy Ordinance.

**Insurance Fund:** This fund was established to provide funds for the cost of the County's insurance premiums for liability insurance, tort judgments, settlements, or reserves (745 ILCS 10/9-107); and for the costs incurred pursuant to the Workers' Compensation Act (820 ILCS 305/1 et seq.); the Workers' Occupational Diseases Act (820 ILCS 310/1 et seq.) and the Unemployment Insurance Act (820 ILCS 405/100 et seq.). There is no rate limit on these levies and the levies are in addition to other taxes levied for County purposes.

**Circuit Clerk Automation Fund:** This fund is used for the purchase of computer software and hardware needed to run the County Court System. Fees collected on civil, criminal, quasi-criminal and traffic cases support the fund. The Clerk of the Circuit Court and Chief Judge of the Circuit Court approve expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 705 ILCS 105/27 .3a.

**Recorder Automation Fund:** This fund defrays the cost of converting the Recorder's document storage to computers or micrographics. A portion of the fee charged for every instrument submitted for recording supports this fund. The County Clerk authorizes all expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 55 ILCS 5/4-4001.

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds (Continued)**

County Clerk Automation Fund: This fund defrays the cost of converting and maintaining the County Clerk's document storage system for vital records. A portion of the fee charged for certified copies of each birth, death and marriage license issued support this fund. The County Clerk authorizes all expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 55 ILCS 5/4-4001.

Court Document Storage Fund: This fund is used for the payment of costs related to the storage of court records. Fees collected on civil, criminal, quasi-criminal and traffic cases support the fund. The Clerk of the Circuit Court approves expenditures, which include payment of costs relative to the storage of court records. This fund was established under the authority of Illinois Compiled Statutes 705 ILCS 105/27.3c.

Tax Sale Automation Fund: This fund is used for costs of hardware, software, research and development and personnel. Revenue for this fund comes from tax sale fees. The County Treasurer and Chief Deputy authorize expenditures from this fund with final approval from the County Board. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 200/21-245.

Election Equipment Fund: This fund is for punch-card equipment buy-out. It is partially funded by a grant from the federal government as a result of the Help America Vote Act of 2002 (H.R.3295). The Act established a program to provide funds to states to replace punch-card and lever voting machines.

Maintenance and Child Support Fund: The revenue collected is to be used by the Circuit Clerk, who has the management control of this fund, to maintain child support and maintenance orders and to record all payments. The fees collected from the payor of child support and maintenance support the fund. This fund was established under the authority of 705 ILCS 105/27.1(u)(32); 705 ILCS 105/27.1a(bb)(4); 705 ILCS 105/27.2(bb)(4); and 705 ILCS 105/27.2a(bb)(4).

Probation EMHD Program Fund: The rental of Electronic Monitoring Equipment is handled through this account. Disbursement from this fund relates to the cost of operating the Electronic Monitoring program. Fees from offenders placed on Electronic Monitoring support this fund. The Chief Managing Officer of Probation authorizes expenditures from the fund. This fund was established under the authority of 730 ILCS 5/5-6-3 (10)(V).

Public Health Foundation Fund: This fund was established to be used for the purchase of infant and toddler convertible safety seats or booster seats for eligible Women, Infant and Children (WIC). This fund is supported primarily by golf fundraisers.

Sheriff DUI Fund: This fund was established to pay for law enforcement equipment that will assist in the prevention of alcohol related criminal violence. Revenue is derived from fines and forfeitures received through the Circuit Clerk. Management control of this fund is with the Sheriff and County Treasurer and both individuals must approve expenditures made from this fund. This fund was established under the authority of 625 ILCS 5/11-501 G) et seq.

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds (Continued)**

*State's Attorney Felony/Misdemeanor Diversion Fund:* The court may order a defendant to comply with certain conditions in order to complete a program. These conditions are similar to those that are ordered after a defendant has been found guilty of an offense. If these conditions are met, the charge will be dismissed and the bond money is released from the Circuit Clerk's agency fund and it is recorded as a program fee in this fund. The State's Attorney is authorized by statute to initiate this program.

*Sheriff Vehicle Fund:* This fund accounts for the acquisition or maintenance of law enforcement vehicles for the Jo Daviess County Sheriff's Office. Revenue is derived from fees paid by persons who, after a court appearance, receive a disposition of court supervision for a violation of any provision of the Illinois Vehicle Code. Management control of this fund is with the Sheriff and County Treasurer; both must approve expenditures made from this fund. This fund was established under the authority of 625 ILCS 5/16-104 (c) et seq.

*Circuit Clerk Operation and Administrative Fund:* This fund accounts for funds collected from defendants who receive a disposition of court supervision after a court appearance on an offense under the Illinois Vehicle Code. Management control of this fund is with the Circuit Clerk. Authority to collect this fee is found in SB 1089.

*Tourism Promotion Fund:* This is used to promote tourism in the County and to operate the Galena/Jo Daviess County Convention and Visitors Bureau.

*Sale in Error Fund:* This fund is used to pay the refund of interest and costs to a tax sale certificate holder that has received a sale in error declaration. Revenue from this fund will come from fees generated at the tax sale. The County Treasurer and the Chief Deputy authorize expenditures from this fund with the final claim approval from the County Board. This fund was established under the authority of 35 ILCS 200/21-310.

*JDC Emergency Services Communications Fund:* This fund was established by the Sheriff to receive public and private funding support for major improvements and/or replacements of the county-wide radio system utilized by all emergency services of Jo Daviess County to include all fire departments, ambulance services and law enforcement agencies. The sources of revenue include but are not limited to grant funding, direct state and/or federal assistance, private donations and local/county funds. Primary expenses shall be only those that will provide major improvements or replacements of existing communications infrastructure for the radio system. There is no statutory reference for this fund outside the statutory authority established for the Office of the Sheriff.

*Public Health Emergency Response Grant Fund:* This fund is to cover expenses related to planning, administration and dealing with Pandemic Flu (H1N1) issues including emergency response. This would cover salaries, including overtime, travel to outlying clinics, and extra costs associated with those clinics. This fund is established to track federal and state grant money related to Pandemic Flu situations (H1N1).

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Special Revenue Funds (Continued)**

**Sobriety Court Fund:** The purpose of this fund is to provide financial support for the operation and administration of the Jo Daviess County Sobriety Court. Revenue for this fund is derived from fees collected from defendants on a judgment of guilty or grant of supervision for violations of the Illinois Vehicle Code or under Section 5-9-1 of the Unified Code of Corrections for a felony; for a Class A, Class B, or Class C misdemeanor; for a petty offense; and for a business offense. The Clerk of Court collects the fees and remits the fees to the Sobriety Court Fund, less 5%, retained as fee income to the Clerk of Court to be used to defray the costs of collection and disbursement of the sobriety court fees. The Director of the Jo Daviess County Probation Department administers expenditures from this fund. This Fund was established under the authority of 55 ILCS 5/5-1101 et al.

**County Jail Medical Costs Fund:** The purpose of this fund is to pay expenses related to necessary medical services for all prisoners in the Jo Daviess County jail. Revenue is derived from a \$10.00 fee for each conviction or order of supervision for a criminal violation, other than a petty offense or business offense, committed in the County. This Fund was established under the authority of 730 ILCS 125/17 et seq.

**Coroners Equipment and Operations Fund:** This fund is to be used solely for the purchase of electronic and forensic identification equipment or other related supplies and the operating expenses of the coroner's office. Revenue is derived from Coroner's fees collected for; transcript of sworn testimony, autopsy reports, verdict of a coroner's jury, toxicology report, print of or an electronic file containing a picture obtained by the coroner, miscellaneous reports including artist's drawings but not including police reports and a coroner's or medical examiner's permit to cremate a dead human body. This Fund was established under authority 55 ILCS 5/4-7001.

**County Transit Fund:** This fund was established to account for the receipt and distribution of certain federal and state public transportation grants. Jo Daviess County is the grantee, and through agreement, The Workshop is the Operator and responsible for managing and operating the Jo Daviess County Transit System. Revenue for this fund includes local match from Jo Daviess County for the Medical Program and Public Transportation Program. The Jo Daviess County Transit System was developed under Section 5311 of Section 313 of the Surface Transportation Act of 1978, including participation in Section 5311 Non-Metro Operating Assistance Program and the Downstate Operating Assistance Program (DOAP) authorized under Article II of the Downstate Public Transportation Act (30 ILCS 740/1-1 et seq.)

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Capital Project Funds** - These funds are used to account for the County's purchase or construction of capital facilities or capital equipment. The County has the following nonmajor capital projects funds:

*Public Health Capital Investment Fund:* This fund is used for major equipment purchases, building improvement and maintenance and any unforeseen expenses for the operation of the Public Health Department services. This fund was established under the authority of the Jo Daviess County Board of Health. This fund was previously reported as a special revenue fund, but was reclassified in FY 2011 to a capital projects fund in order to implement GASB Statement No. 54.

*Tourism Capital Development Fund:* This fund is for capital improvements to buildings used for tourism promotion and administration. This fund's revenue is supplied by the County hotel/motel tax. The County Board approves disbursements from this fund. This fund was established pursuant to action by the County Board. This fund was previously reported as a special revenue fund, but was reclassified in FY 2011 to a capital projects fund in order to implement GASB Statement No. 54.

*County Capital Improvements Fund:* This fund was established to accumulate funds for the cost of: major capital expenditures, including new construction, remodeling and maintenance; and major, one time program expenditures. This fund was originally established by the transfer of monies from the former Riverboat Assistance Fund and subsequently funded by the transfer of funds from the General Fund. Expenditures from this fund are included in the annual budget and payments from the fund authorized by the County Board. This fund was previously reported as a special revenue fund, but was reclassified in FY 2011 to a capital projects fund in order to implement GASB Statement No. 54.

*County Capital Equipment Fund:* This fund was established to accumulate funds for the cost of replacing or planning for the future purchase of major capital equipment items. County departments and offices include in their annual budgets and transfer to the Capital Equipment Replacement Fund amounts to cover the cost of the future purchase of replacement or new equipment items. Expenditures from this fund are included in the annual budget and payments from the fund are authorized by the County Board. This fund was previously reported as a special revenue fund, but was reclassified in FY 2011 to a capital projects fund in order to implement GASB Statement No. 54.

*Home Health Care Capital Equipment Fund:* This fund was established to accumulate funds for the cost of purchasing and planning for the future replacement of capital equipment items needed to establish and maintain a Telehealth program. Expenditures are authorized by the Board of Health and County Board. This fund was previously reported as a special revenue fund, but was reclassified in FY 2011 to a capital projects fund in order to implement GASB Statement No. 54.

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**November 30, 2011**

**Capital Project Funds** (Continued)

*GIS Capital Equipment & Investments Fund:* This fund was established to accumulate funds for the cost of capital equipment replacement (computers, monitors, servers, etc.) and capital investment projects (orthophotography updates, GIS web development, etc.) within the GIS program. Revenues are normally derived from fund transfers from the GIS Automation Fund and other sources. Expenditures from this fund are included in the annual budget and payments from the fund authorized by the County Board. This fund was previously reported as a special revenue fund, but was reclassified in FY 2011 to a capital projects fund in order to implement GASB Statement No. 54.

**Permanent Fund** - These funds are used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

*Working Cash Fund:* This fund accounts for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the funds may not be expended.

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
November 30, 2011

	Special Revenue							
	County Highway Capital Investment Fund	Federal Aid Matching Fund	County Motor Fuel Tax Fund	State's Attorney Drug Forfeiture Fund	Home Health Care Fund	HHC Memorial Fund	Public Health Bio-Terrorism Fund	Dog Fund
<b>ASSETS</b>								
Cash and investments	\$ 341	\$ 1,357,492	\$ 465,294	\$ 947	\$ 922,447	\$ 3,640	\$ 25,182	\$ 9,124
Accounts receivable	-	288	5,110	-	8,946	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	-	41,247	-	55,993	-	13,746	-
Property tax receivable	-	305,021	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 341</b>	<b>\$ 1,662,801</b>	<b>\$ 511,651</b>	<b>\$ 947</b>	<b>\$ 987,386</b>	<b>\$ 3,640</b>	<b>\$ 38,928</b>	<b>\$ 9,124</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 176,823	\$ 32,570	\$ -	\$ 17,791	\$ -	\$ -	\$ -
Accrued liabilities	-	-	4,539	-	14,724	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	9,027	-	-	-
Deferred property taxes	-	305,021	-	-	-	-	-	-
Total liabilities	-	481,844	37,109	-	41,542	-	-	-
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	341	1,180,957	474,542	-	-	-	-	-
Public health and education	-	-	-	-	945,844	3,640	38,928	-
Public safety	-	-	-	-	-	-	-	9,124
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	947	-	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	341	1,180,957	474,542	947	945,844	3,640	38,928	9,124
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 341</b>	<b>\$ 1,662,801</b>	<b>\$ 511,651</b>	<b>\$ 947</b>	<b>\$ 987,386</b>	<b>\$ 3,640</b>	<b>\$ 38,928</b>	<b>\$ 9,124</b>

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
November 30, 2011

	Special Revenue							
	Rabies Control Fund	Mental Health Fund	Special Service District No. One Fund	Special Service District No. Two and Four Fund	Special Service District No. Five Fund	Rentech Energy Escrow Fund	911 Fund	Sheriff's Forfeiture Fund
<b>ASSETS</b>								
Cash and investments	\$ 15,193	\$ 17,529	\$ -	\$ -	\$ -	\$ 541	\$ 354,245	\$ 12,715
Accounts receivable	-	319	14	32	39	-	24,789	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-	25,582	303
Property tax receivable	-	337,153	80,000	64,000	28,317	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 15,193</b>	<b>\$ 355,001</b>	<b>\$ 80,014</b>	<b>\$ 64,032</b>	<b>\$ 28,356</b>	<b>\$ 541</b>	<b>\$ 404,616</b>	<b>\$ 13,018</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ 14	\$ 32	\$ 39	\$ -	\$ 3,883	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	1,000	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	-	-	-	-
Deferred property taxes	-	337,153	80,000	64,000	28,317	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>338,153</b>	<b>80,014</b>	<b>64,032</b>	<b>28,356</b>	<b>-</b>	<b>3,883</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
General control and administration	-	-	-	-	-	541	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	15,193	-	-	-	-	-	400,733	13,018
Mental health	-	16,848	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>15,193</b>	<b>16,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>541</b>	<b>400,733</b>	<b>13,018</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 15,193</b>	<b>\$ 355,001</b>	<b>\$ 80,014</b>	<b>\$ 64,032</b>	<b>\$ 28,356</b>	<b>\$ 541</b>	<b>\$ 404,616</b>	<b>\$ 13,018</b>



**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR FUNDS**  
**COMBINING BALANCE SHEET**  
**November 30, 2011**

	<b>Special Revenue</b>							
	<b>Economic Development Investment Fund</b>	<b>LTCB Grant Fund</b>	<b>GIS Automation Fund</b>	<b>Municipal Retirement Fund</b>	<b>Social Security Fund</b>	<b>Probation Services Fund</b>	<b>Extension Education Fund</b>	<b>Insurance Fund</b>
<b>ASSETS</b>								
Cash and investments	\$ 516,398	\$ 1	\$ 64,499	\$ 334,009	\$ 212,692	\$ 79,178	\$ 1	\$ 394,443
Accounts receivable	-	-	135	400	239	-	76	381
Interest receivable	-	-	-	-	-	69	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	34,460	11,001	-	-	1,116	-	-
Property tax receivable	-	-	-	481,000	259,000	-	80,252	402,764
Loans receivable	88,895	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	77,132
<b>TOTAL ASSETS</b>	<b>\$ 605,293</b>	<b>\$ 34,461</b>	<b>\$ 75,635</b>	<b>\$ 815,409</b>	<b>\$ 471,931</b>	<b>\$ 80,363</b>	<b>\$ 80,329</b>	<b>\$ 874,720</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ 645	\$ -	\$ 168	\$ 2,131	\$ 76	\$ -
Accrued liabilities	-	-	6,339	23,280	13,259	-	-	-
Due to other funds	-	-	9,000	-	-	-	-	-
Unearned and deferred revenue	-	34,460	-	-	-	-	-	-
Deferred property taxes	-	-	-	481,000	259,000	-	80,252	402,764
<b>Total liabilities</b>	<b>-</b>	<b>34,460</b>	<b>15,984</b>	<b>504,280</b>	<b>272,427</b>	<b>2,131</b>	<b>80,328</b>	<b>402,764</b>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	-	77,132
Restricted:								
General control and administration	-	-	59,651	311,129	199,504	-	-	394,824
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	1	-	-	-	-	1	-
Court services	-	-	-	-	-	78,232	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	605,293	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>605,293</b>	<b>1</b>	<b>59,651</b>	<b>311,129</b>	<b>199,504</b>	<b>78,232</b>	<b>1</b>	<b>471,956</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 605,293</b>	<b>\$ 34,461</b>	<b>\$ 75,635</b>	<b>\$ 815,409</b>	<b>\$ 471,931</b>	<b>\$ 80,363</b>	<b>\$ 80,329</b>	<b>\$ 874,720</b>

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
November 30, 2011

	Special Revenue							
	Circuit Clerk Automation Fund	Recorder Automation Fund	County Clerk Automation Fund	Court Document Storage Fund	Tax Sale Automation Fund	Election Equipment Fund	Maintenance and Child Support Fund	Probation EMHD Program Fund
<b>ASSETS</b>								
Cash and investments	\$ 109,946	\$ 121,673	\$ 31,647	\$ 124,715	\$ 14,883	\$ 618	\$ 88,524	\$ 3,878
Accounts receivable	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	3,147	3,836	114	2,542	-	-	4,233	-
Property tax receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 113,093</b>	<b>\$ 125,509</b>	<b>\$ 31,761</b>	<b>\$ 127,257</b>	<b>\$ 14,883</b>	<b>\$ 618</b>	<b>\$ 92,757</b>	<b>\$ 3,878</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 290	\$ 5,579	\$ -	\$ 15,306	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	-	-	847	-
Deferred property taxes	-	-	-	-	-	-	-	-
Total liabilities	290	5,579	-	15,306	-	-	847	-
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
General control and administration	-	119,930	31,761	-	14,883	618	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	112,803	-	-	111,951	-	-	91,910	3,878
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	112,803	119,930	31,761	111,951	14,883	618	91,910	3,878
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 113,093</b>	<b>\$ 125,509</b>	<b>\$ 31,761</b>	<b>\$ 127,257</b>	<b>\$ 14,883</b>	<b>\$ 618</b>	<b>\$ 92,757</b>	<b>\$ 3,878</b>

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
November 30, 2011

Special Revenue								
	Public Health Foundation Fund	Sheriff DUI Fund	State's Attorney Felony/ Misdemeanor Diversion Fund	Sheriff Vehicle Fund	Circuit Clerk Operation and Administrative Fund	Tourism Promotion Fund	Sale in Error Fund	JDC Emergency Services Communication Fund
<b>ASSETS</b>								
Cash and investments	\$ 8,923	\$ 17,059	\$ 10,208	\$ 117,280	\$ 17,890	\$ 444,665	\$ 56,327	\$ 20,749
Accounts receivable	-	-	-	7,275	-	41,334	-	3,750
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	105	175	250	428	-	-	70
Property tax receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,923</b>	<b>\$ 17,164</b>	<b>\$ 10,383</b>	<b>\$ 124,805</b>	<b>\$ 18,318</b>	<b>\$ 485,999</b>	<b>\$ 56,327</b>	<b>\$ 24,569</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ 5,650	\$ -	\$ 29,299	\$ -	\$ 5,771
Accrued liabilities	-	-	-	-	-	13,226	-	-
Due to other funds	-	-	-	-	-	-	-	50,000
Unearned and deferred revenue	-	-	-	-	-	(67)	-	-
Deferred property taxes	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	5,650	-	42,458	-	55,771
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
General control and administration	-	-	-	-	-	-	56,327	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	8,923	-	-	-	-	-	-	-
Public safety	-	17,164	10,383	119,155	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	443,541	-	-
Court services	-	-	-	-	18,318	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(31,202)
Total fund balances (deficit)	8,923	17,164	10,383	119,155	18,318	443,541	56,327	(31,202)
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 8,923</b>	<b>\$ 17,164</b>	<b>\$ 10,383</b>	<b>\$ 124,805</b>	<b>\$ 18,318</b>	<b>\$ 485,999</b>	<b>\$ 56,327</b>	<b>\$ 24,569</b>

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR FUNDS**  
**COMBINING BALANCE SHEET**  
**November 30, 2011**

	<b>Special Revenue</b>					<b>Capital Projects</b>		
	<b>Public Health Emergency Response Grant Fund</b>	<b>Sobriety Court Fund</b>	<b>County Jail Medical Costs Fund</b>	<b>Coroner's Equipment Operation Fund</b>	<b>County Transit Fund</b>	<b>Public Health Capital Investment Fund</b>	<b>Tourism Capital Development Fund</b>	<b>County Capital Improvements Fund</b>
<b>ASSETS</b>								
Cash and investments	\$ 45	\$ 6,231	\$ 3,578	\$ 4,373	\$ -	\$ 406,241	\$ 289,510	\$ 212,536
Accounts receivable	-	-	-	-	-	-	-	10,000
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	407	195	-	261,359	-	-	-
Property tax receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 45</b>	<b>\$ 6,638</b>	<b>\$ 3,773</b>	<b>\$ 4,373</b>	<b>\$ 261,359</b>	<b>\$ 406,241</b>	<b>\$ 289,510</b>	<b>\$ 222,536</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 51	\$ -	\$ -	\$ 148,020	\$ 34,171	\$ -	\$ 52,813
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	65,000
Unearned and deferred revenue	-	-	-	-	113,339	-	-	-
Deferred property taxes	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>261,359</b>	<b>34,171</b>	<b>-</b>	<b>117,813</b>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	45	-	-	-	-	-	-	-
Public safety	-	-	3,773	4,373	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	6,587	-	-	-	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	372,070	289,510	104,723
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>45</b>	<b>6,587</b>	<b>3,773</b>	<b>4,373</b>	<b>-</b>	<b>372,070</b>	<b>289,510</b>	<b>104,723</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 45</b>	<b>\$ 6,638</b>	<b>\$ 3,773</b>	<b>\$ 4,373</b>	<b>\$ 261,359</b>	<b>\$ 406,241</b>	<b>\$ 289,510</b>	<b>\$ 222,536</b>

**JO DAVIESS COUNTY, ILLINOIS**  
**NONMAJOR FUNDS**  
**COMBINING BALANCE SHEET**  
**November 30, 2011**

	<u>Capital Projects</u>				
	<u>County Capital Equipment Fund</u>	<u>Home Health Care Capital Equipment Fund</u>	<u>GIS Capital Equipment &amp; Investments Fund</u>	<u>Permanent Fund Working Cash Fund</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 309,286	\$ 38,801	\$ 57,516	\$ 50,688	\$ 7,353,701
Accounts receivable	-	-	-	-	103,127
Interest receivable	-	-	-	-	69
Due from other funds	2,677	-	9,000	-	11,677
Due from other governmental agencies	-	-	-	-	460,309
Property tax receivable	-	-	-	-	2,037,507
Loans receivable	-	-	-	-	88,895
Prepaid expenses	-	-	-	-	77,132
<b>TOTAL ASSETS</b>	<u>\$ 311,963</u>	<u>\$ 38,801</u>	<u>\$ 66,516</u>	<u>\$ 50,688</u>	<u>\$ 10,132,417</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 960	\$ -	\$ 532,082
Accrued liabilities	-	-	-	-	75,367
Due to other funds	-	-	-	341	125,341
Unearned and deferred revenue	-	-	-	-	157,606
Deferred property taxes	-	-	-	-	2,037,507
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>960</u>	<u>341</u>	<u>2,927,903</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	-	77,132
Restricted:					
General control and administration	-	-	-	-	1,189,168
Transportation	-	-	-	-	1,655,840
Public health and education	-	-	-	-	997,380
Public safety	-	-	-	-	592,916
Mental health	-	-	-	-	16,848
County development	-	-	-	-	443,543
Court services	-	-	-	-	424,626
Working cash	-	-	-	50,347	50,347
Committed	-	-	-	-	605,293
Assigned	311,963	38,801	65,556	-	1,182,623
Unassigned	-	-	-	-	(31,202)
<b>Total fund balances (deficit)</b>	<u>311,963</u>	<u>38,801</u>	<u>65,556</u>	<u>50,347</u>	<u>7,204,514</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 311,963</u>	<u>\$ 38,801</u>	<u>\$ 66,516</u>	<u>\$ 50,688</u>	<u>\$ 10,132,417</u>

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011

	Special Revenue							
	County Highway Capital Investment Fund	Federal Aid Matching Fund	County Motor Fuel Tax Fund	State's Attorney Drug Forfeiture Fund	Home Health Care Fund	HHC Memorial Fund	Public Health Bio-Terrorism Fund	Dog Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ 301,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	702,195	-	530,718	-	52,772	-
Charges for services	-	-	-	305	40,634	-	-	-
Interest	-	9,017	4,333	-	8,420	8	220	23
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	1,933	-	33	-	-	-
Total revenues	-	310,134	708,461	305	579,805	8	52,992	23
<b>EXPENDITURES</b>								
Current:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	-	-	531,420	-	-	-	-	-
Public health and education	-	-	-	-	490,105	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Capital outlay	-	192,250	-	-	6,401	145	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	192,250	531,420	-	496,506	145	-	-
Excess (deficiency) of revenues over expenditures	-	117,884	177,041	305	83,299	(137)	52,992	23
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	(100,000)	-	(26,980)	-	(48,026)	-
	-	-	(100,000)	-	(26,980)	-	(48,026)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	117,884	77,041	305	56,319	(137)	4,966	23
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	341	1,063,073	397,501	642	889,525	3,777	33,962	9,101
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	\$ 341	\$ 1,180,957	\$ 474,542	\$ 947	\$ 945,844	\$ 3,640	\$ 38,928	\$ 9,124

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011

	Special Revenue							
	Rabies Control Fund	Mental Health Fund	Special Service District No. One Fund	Special Service District No. Two and Four Fund	Special Service District No. Five Fund	Rentech Energy Escrow Fund	911 Fund	Sheriff's Forfeiture Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ 332,837	\$ 69,847	\$ 63,984	\$ 28,400	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	88,376	-	-	-	-	-	331,549	5,410
Interest	95	322	40	37	16	2	3,177	51
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	4,000	160	250
Total revenues	<u>88,471</u>	<u>333,159</u>	<u>69,887</u>	<u>64,021</u>	<u>28,416</u>	<u>4,002</u>	<u>334,886</u>	<u>5,711</u>
<b>EXPENDITURES</b>								
Current:								
General control and administration	-	-	-	-	-	4,000	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	69,887	64,021	28,416	-	-	-
Public safety	-	-	-	-	-	-	105,655	4,030
Mental health	-	330,919	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>330,919</u>	<u>69,887</u>	<u>64,021</u>	<u>28,416</u>	<u>4,000</u>	<u>105,655</u>	<u>4,030</u>
Excess (deficiency) of revenues over expenditures	<u>88,471</u>	<u>2,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>229,231</u>	<u>1,681</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	(100,000)	(1,000)	-	-	-	-	(237,915)	-
	<u>(100,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,915)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(11,529)	1,240	-	-	-	2	(8,684)	1,681
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>26,722</u>	<u>15,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539</u>	<u>409,417</u>	<u>11,337</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 15,193</u>	<u>\$ 16,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 541</u>	<u>\$ 400,733</u>	<u>\$ 13,018</u>

(continued)

**JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011**

	<b>Special Revenue</b>							
	<b>Economic Development Investment Fund</b>	<b>LTCB Grant Fund</b>	<b>GIS Automation Fund</b>	<b>Municipal Retirement Fund</b>	<b>Social Security Fund</b>	<b>Probation Services Fund</b>	<b>Extension Education Fund</b>	<b>Insurance Fund</b>
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ 417,688	\$ 249,626	\$ -	\$ 79,223	\$ 397,605
Intergovernmental	-	79,625	-	34,800	21,500	-	-	-
Charges for services	-	-	158,860	-	-	28,432	-	-
Interest	11,033	-	308	2,364	1,630	695	46	1,185
Licenses and permits	9,585	-	-	-	-	-	-	-
Other	6	-	-	-	-	-	-	1,552
Total revenues	<u>20,624</u>	<u>79,625</u>	<u>159,168</u>	<u>454,852</u>	<u>272,756</u>	<u>29,127</u>	<u>79,269</u>	<u>400,342</u>
<b>EXPENDITURES</b>								
Current:								
General control and administration	-	-	158,745	2,353	2,001	-	-	322,479
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	15,279	-	-	-	-	-	79,269	-
Court services	-	-	-	-	-	10,881	-	-
Capital outlay	-	-	919	-	-	6,349	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>15,279</u>	<u>-</u>	<u>159,664</u>	<u>2,353</u>	<u>2,001</u>	<u>17,230</u>	<u>79,269</u>	<u>322,479</u>
Excess (deficiency) of revenues over expenditures	<u>5,345</u>	<u>79,625</u>	<u>(496)</u>	<u>452,499</u>	<u>270,755</u>	<u>11,897</u>	<u>-</u>	<u>77,863</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	36,327	23,000	25,954	12,256	-	-	20,339
Operating transfers out	-	(115,952)	(45,976)	(445,283)	(267,568)	(16,700)	-	-
	<u>-</u>	<u>(79,625)</u>	<u>(22,976)</u>	<u>(419,329)</u>	<u>(255,312)</u>	<u>(16,700)</u>	<u>-</u>	<u>20,339</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>5,345</u>	<u>-</u>	<u>(23,472)</u>	<u>33,170</u>	<u>15,443</u>	<u>(4,803)</u>	<u>-</u>	<u>98,202</u>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>599,948</u>	<u>1</u>	<u>83,123</u>	<u>277,959</u>	<u>184,061</u>	<u>83,035</u>	<u>1</u>	<u>373,754</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 605,293</u>	<u>\$ 1</u>	<u>\$ 59,651</u>	<u>\$ 311,129</u>	<u>\$ 199,504</u>	<u>\$ 78,232</u>	<u>\$ 1</u>	<u>\$ 471,956</u>

(continued)



JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011

	Special Revenue							
	Circuit Clerk Automation Fund	Recorder Automation Fund	County Clerk Automation Fund	Court Document Storage Fund	Tax Sale Automation Fund	Election Equipment Fund	Maintenance and Child Support Fund	Probation EMHD Program Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	9,198	-
Charges for services	46,081	47,206	2,132	37,820	2,200	-	-	-
Interest	741	750	201	119	30	2	217	-
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>46,822</u>	<u>47,956</u>	<u>2,333</u>	<u>37,939</u>	<u>2,230</u>	<u>2</u>	<u>9,415</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
General control and administration	-	2,304	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Capital outlay	39,211	21,048	294	19,027	-	-	-	-
Debt Service:								
Principal	-	9,918	-	-	-	-	-	-
Interest	-	615	-	-	-	-	-	-
Total expenditures	<u>39,211</u>	<u>33,885</u>	<u>294</u>	<u>19,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>7,611</u>	<u>14,071</u>	<u>2,039</u>	<u>18,912</u>	<u>2,230</u>	<u>2</u>	<u>9,415</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	(5,000)	(3,630)	(209)	-	-	-	(10,000)	-
	<u>(5,000)</u>	<u>(3,630)</u>	<u>(209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,611	10,441	1,830	18,912	2,230	2	(585)	-
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>110,192</u>	<u>109,489</u>	<u>29,931</u>	<u>93,039</u>	<u>12,653</u>	<u>616</u>	<u>92,495</u>	<u>3,878</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 112,803</u>	<u>\$ 119,930</u>	<u>\$ 31,761</u>	<u>\$ 111,951</u>	<u>\$ 14,883</u>	<u>\$ 618</u>	<u>\$ 91,910</u>	<u>\$ 3,878</u>

(continued)

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011

	Special Revenue							
	Public Health Foundation Fund	Sheriff DUI Fund	State's Attorney Felony/ Misdemeanor Diversion Fund	Sheriff Vehicle Fund	Circuit Clerk Operation and Administrative Fund	Tourism Promotion Fund	Sale in Error Fund	JDC Emergency Services Communication Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	771,643	-	25,225
Charges for services	-	8,860	4,200	5,207	5,909	102,789	-	-
Interest	-	-	26	377	13	3,866	291	-
Licenses and permits	-	-	-	-	-	-	-	560
Other	6,061	-	-	7,175	-	47	13,200	1,000
Total revenues	6,061	8,860	4,226	12,759	5,922	878,345	13,491	26,785
<b>EXPENDITURES</b>								
Current:								
General control and administration	-	-	-	-	-	-	2,500	27,402
Transportation	-	-	-	-	-	-	-	-
Public health and education	1,890	-	-	-	-	-	-	-
Public safety	-	4,870	-	23,069	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	937,082	-	-
Court services	-	-	-	-	842	-	-	-
Capital outlay	652	-	2,411	38,494	-	518	-	34,950
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	2,542	4,870	2,411	61,563	842	937,600	2,500	62,352
Excess (deficiency) of revenues over expenditures	3,519	3,990	1,815	(48,804)	5,080	(59,255)	10,991	(35,567)
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	84,000	-	99,625	-	-
Operating transfers out	-	-	-	-	-	(114,788)	-	-
	-	-	-	84,000	-	(15,163)	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,519	3,990	1,815	35,196	5,080	(74,418)	10,991	(35,567)
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	5,404	13,174	8,568	83,959	13,238	517,959	45,336	4,365
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	\$ 8,923	\$ 17,164	\$ 10,383	\$ 119,155	\$ 18,318	\$ 443,541	\$ 56,327	\$ (31,202)

(continued)

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011

	Special Revenue					Capital Projects		
	Public Health Emergency Response Grant Fund	Sobriety Court Fund	County Jail Medical Costs Fund	Coroner's Equipment Operation Fund	County Transit Fund	Public Health Capital Investment Fund	Tourism Capital Development Fund	County Capital Improvements Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,320	5,832	-	-	495,441	1,982	-	100,000
Charges for services	-	-	3,211	4,700	-	-	-	-
Interest	5	3	2	2	-	4,836	1,891	1,408
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	13,400	-	-
Total revenues	<u>12,325</u>	<u>5,835</u>	<u>3,213</u>	<u>4,702</u>	<u>495,441</u>	<u>20,218</u>	<u>1,891</u>	<u>101,408</u>
<b>EXPENDITURES</b>								
Current:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	500,532	-	-	-
Public health and education	-	-	-	-	-	37,867	-	-
Public safety	-	-	-	1,269	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	2,186	-	-	-	-	-	-
Capital outlay	-	-	-	-	31,159	27,637	-	416,269
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>2,186</u>	<u>-</u>	<u>1,269</u>	<u>531,691</u>	<u>65,504</u>	<u>-</u>	<u>416,269</u>
Excess (deficiency) of revenues over expenditures	<u>12,325</u>	<u>3,649</u>	<u>3,213</u>	<u>3,433</u>	<u>(36,250)</u>	<u>(45,286)</u>	<u>1,891</u>	<u>(314,861)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	-	36,250	-	-	-
Operating transfers out	(12,320)	-	-	-	-	-	-	-
	<u>(12,320)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	5	3,649	3,213	3,433	-	(45,286)	1,891	(314,861)
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>40</u>	<u>2,938</u>	<u>560</u>	<u>940</u>	<u>-</u>	<u>417,356</u>	<u>287,619</u>	<u>419,584</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 45</u>	<u>\$ 6,587</u>	<u>\$ 3,773</u>	<u>\$ 4,373</u>	<u>\$ -</u>	<u>\$ 372,070</u>	<u>\$ 289,510</u>	<u>\$ 104,723</u>

(continued)

JO DAVIESS COUNTY, ILLINOIS  
NONMAJOR FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended November 30, 2011

	<u>Capital Projects</u>				
	<u>County Capital Equipment Fund</u>	<u>Home Health Care Capital Equipment Fund</u>	<u>GIS Capital Equipment &amp; Investments Fund</u>	<u>Permanent Fund Working Cash Fund</u>	<u>Total Other Governmental Funds</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,940,327
Intergovernmental	-	-	-	-	2,843,251
Charges for services	-	-	-	-	923,881
Interest	2,304	290	902	226	61,524
Licenses and permits	-	-	-	-	10,145
Other	<u>1,000</u>	<u>-</u>	<u>5,204</u>	<u>-</u>	<u>55,021</u>
Total revenues	<u>3,304</u>	<u>290</u>	<u>6,106</u>	<u>226</u>	<u>5,834,149</u>
<b>EXPENDITURES</b>					
Current:					
General control and administration	-	-	74,075	-	595,859
Transportation	-	-	-	-	1,031,952
Public health and education	-	-	-	-	692,186
Public safety	-	-	-	-	138,893
Mental health	-	-	-	-	330,919
County development	-	-	-	-	1,031,630
Court services	-	-	-	-	13,909
Capital outlay	7,432	5,654	7,981	-	858,801
Debt Service:					
Principal	-	-	-	-	9,918
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>615</u>
Total expenditures	<u>7,432</u>	<u>5,654</u>	<u>82,056</u>	<u>-</u>	<u>4,704,682</u>
Excess (deficiency) of revenues over expenditures	<u>(4,128)</u>	<u>(5,364)</u>	<u>(75,950)</u>	<u>226</u>	<u>1,129,467</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	12,053	-	41,000	-	390,804
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(341)</u>	<u>(1,551,688)</u>
	<u>12,053</u>	<u>-</u>	<u>41,000</u>	<u>(341)</u>	<u>(1,160,884)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	7,925	(5,364)	(34,950)	(115)	(31,417)
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<u>304,038</u>	<u>44,165</u>	<u>100,506</u>	<u>50,462</u>	<u>7,235,931</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 311,963</u>	<u>\$ 38,801</u>	<u>\$ 65,556</u>	<u>\$ 50,347</u>	<u>\$ 7,204,514</u>

**JO DAVIESS COUNTY, ILLINOIS**  
**FIDUCIARY FUNDS**  
**November 30, 2011**

**Fiduciary Fund types**

Fiduciary fund types are used to account for net assets and changes in net assets. The fiduciary funds of the County are all considered agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of the operations. The County has the following agency funds:

*Condemnation Fund:* This fund accounts for monies received from the state for "Eminent Domain."

*Township Motor Fuel Tax Fund:* This fund covers maintenance of township roads using state approved materials and contractors. Disbursements are used for road construction and maintenance, materials, equipment rental and reimbursement to County for engineering. Monthly allotments from the state of Illinois, interest income and reimbursement from townships support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of 35 ILCS 505/8 & 605 ILCS 5/6-701.

*Lost and Unknown Heirs Fund:* This fund accounts for unclaimed funds due to death.

*Township Bridge Fund:* This fund covers 80 percent of the cost of bridge projects for townships. Expenditures from this fund include construction of bridges and reimbursement to County. Authorizations from the state of Illinois, interest income, reimbursement from the County and Townships support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of 605 ILCS 5/6-901.

*County Collector's Fund:* This fund accounts for funds received from payment of property taxes.

*Work Release Fund:* This fund accounts for monies of work release inmates. Disbursements from this fund relate to inmates' financial obligations. Fees from work release inmates support this fund. The judge authorizes expenditures from the fund. This fund was established under the authority of 730 ILCS 5/5-7-1.

*Circuit Clerk Fund:* The revenue collected is to be deposited in the General Fund under the Circuit Clerk line item. Fees collected on civil, criminal, quasi-criminal and traffic cases support this fund. This fund was established under the authority of 705 ILCS 105/27.1 through 705 ILCS 105/27 .2a.

*Marriage Fund:* Fees collected from payment for marriage ceremonies support this fund. This fund was established under the authority of 705 ILCS 105/27.1(b) Rule 40.

*County Clerk's Tax Redemption Fund:* This fund accounts for funds received from redemption of property taxes.

*Inheritance Tax Fund:* This fund accounts for funds received from individual estates to be sent to the state of Illinois.

*Probation Restitution Fund:* This fund accounts for funds collected from offenders and disbursed to victims. Disbursements from this fund are reimbursement for out-of-pocket expenses, losses, damages and injuries suffered by victims. Restitution from offenders supports this fund. The Chief Managing Officer of Probation authorizes expenditures from the fund. This fund was established under the authority of 730 ILCS 5/5-5-6.

**JO DAVIESS COUNTY, ILLINOIS**  
**FIDUCIARY FUNDS**  
**November 30, 2011**

**Fiduciary Fund types (Continued)**

**Insurance Clearing Fund:** This fund is for pre-tax benefit of payment for insurance premium, medical and dental expenses and dependent care. Disbursements from this fund are claims payments for enrollees. Payroll deductions from enrollee's paychecks support this fund. Medical Associates Health Plans authorizes all expenditures from the fund.

**Treasurer's Fee Account Fund:** Clearing account for funds.

**Inmate Commissary Fund:** The purpose of this fund is to handle inmate financial transactions. Revenues are derived from commissary purchases, inmate telephone service contract and administrative fees for medical care. Expenditures include: refunds to persons being released from jail, commissary items and any items that would directly benefit the inmates (televisions, cable service, recreational games, etc.). The Sheriff and Jail Administrator (Chief Deputy) have management control over this fund and approve all expenditures. This fund was established under the authority of 730 JLCS 5/3-15-2.

**Sheriff's Kids First Fund:** The purpose of this fund is to support programs for children (i.e. Shop-with-a-Cop program) offered by the Sheriff's Department. The primary source of revenue is grant funding and private and public donations. Primary expenses include the purchasing of essential items for children (i.e. clothing, footwear, school supplies, etc.). There is no statutory reference for this fund outside the statutory authority established for the Office of the Sheriff.

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2011**

	<b><u>Condemnation Fund</u></b>	<b><u>Township Motor Fuel Tax Fund</u></b>	<b><u>Lost and Unknown Heirs Fund</u></b>	<b><u>Township Bridge Fund</u></b>	<b><u>County Collector's Fund</u></b>	<b><u>Work Release Fund</u></b>	<b><u>Circuit Clerk Fund</u></b>	<b><u>Marriage Fund</u></b>
<b>ASSETS</b>								
Cash and investments	\$ 5,571	\$ 771,464	\$ 81	\$ 20,387	\$ 297,234	\$ 821	\$ 182,345	\$ 4,448
Due from other governments	<u>-</u>	<u>82,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,571</u></b>	<b><u>\$ 853,550</u></b>	<b><u>\$ 81</u></b>	<b><u>\$ 20,387</u></b>	<b><u>\$ 297,234</u></b>	<b><u>\$ 821</u></b>	<b><u>\$ 182,345</u></b>	<b><u>\$ 4,448</u></b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 81,816	\$ -	\$ -	\$ 297,234	\$ -	\$ -	\$ -
Due to individuals and private entities	5,571	771,734	81	20,387	-	821	70,265	4,448
Due to other governmental bodies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,080</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 5,571</u></b>	<b><u>\$ 853,550</u></b>	<b><u>\$ 81</u></b>	<b><u>\$ 20,387</u></b>	<b><u>\$ 297,234</u></b>	<b><u>\$ 821</u></b>	<b><u>\$ 182,345</u></b>	<b><u>\$ 4,448</u></b>

(continued)

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2011**

	<b>County Clerk's Tax Redemption Fund</b>	<b>Inheritance Tax Fund</b>	<b>Probation Restitution Fund</b>	<b>Insurance Clearing Fund</b>	<b>Treasurers' Fee Account Fund</b>	<b>Inmate Commissary Fund</b>	<b>Sheriff Kid's First Fund</b>	<b>Total</b>
<b>ASSETS</b>								
Cash and investments	\$ 125,042	\$ 1	\$ 4,220	\$ 53,784	\$ 12	\$ 37,880	\$ 1,505	\$ 1,504,795
Due from other governments	-	-	-	-	-	-	-	82,086
<b>TOTAL ASSETS</b>	<u>\$ 125,042</u>	<u>\$ 1</u>	<u>\$ 4,220</u>	<u>\$ 53,784</u>	<u>\$ 12</u>	<u>\$ 37,880</u>	<u>\$ 1,505</u>	<u>\$ 1,586,881</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,050
Due to individuals and private entities	125,042	1	4,220	53,784	12	37,880	1,505	1,095,751
Due to other governmental bodies	-	-	-	-	-	-	-	112,080
<b>TOTAL LIABILITIES</b>	<u>\$ 125,042</u>	<u>\$ 1</u>	<u>\$ 4,220</u>	<u>\$ 53,784</u>	<u>\$ 12</u>	<u>\$ 37,880</u>	<u>\$ 1,505</u>	<u>\$ 1,586,881</u>



**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2011**

	<u>Balance</u> <u>November 30,</u> <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30,</u> <u>2011</u>
<b>Condemnation Fund</b>				
Assets, cash and investments	\$ 5,571	\$ 1,803	\$ 1,803	\$ 5,571
Liabilities, due to individuals and private entities	\$ 5,571	\$ 1,803	\$ 1,803	\$ 5,571
<b>Township Motor Fuel Tax Fund</b>				
Assets:				
Cash and investments	\$ 487,797	\$ 1,190,700	\$ 907,033	\$ 771,464
Due from other governmental bodies	83,382	906,567	907,863	82,086
	<u>\$ 571,179</u>	<u>\$ 2,097,267</u>	<u>\$ 1,814,896</u>	<u>\$ 853,550</u>
Liabilities:				
Accounts payable	\$ 53,990	\$ 954,720	\$ 926,894	\$ 81,816
Due to individuals and private entities	517,189	1,162,408	907,863	771,734
	<u>\$ 571,179</u>	<u>\$ 2,117,128</u>	<u>\$ 1,834,757</u>	<u>\$ 853,550</u>
<b>Lost and Unknown Heirs Fund</b>				
Assets, cash and investments	\$ 81	\$ -	\$ -	\$ 81
Liabilities, due to individuals and private entities	\$ 81	\$ -	\$ -	\$ 81
<b>Township Bridge Fund</b>				
Assets, cash and investments	\$ 20,206	\$ 151,715	\$ 151,534	\$ 20,387
Liabilities, due to individuals and private entities	\$ 20,206	\$ 151,715	\$ 151,534	\$ 20,387
<b>County Collector's Fund</b>				
Assets:				
Cash and investments	\$ 281,056	\$ 46,633,069	\$ 46,616,891	\$ 297,234
Due from other governmental bodies	22,919	-	22,919	-
	<u>\$ 303,975</u>	<u>\$ 46,633,069</u>	<u>\$ 46,639,810</u>	<u>\$ 297,234</u>
Liabilities:				
Accounts payable	\$ 281,056	46,633,069	46,616,891	\$ 297,234
Due to individuals and private entities	22,919	-	22,919	-
	<u>\$ 303,975</u>	<u>\$ 46,633,069</u>	<u>\$ 46,639,810</u>	<u>\$ 297,234</u>

(continued)

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2011**

	Balance November 30, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance November 30, <u>2011</u>
<b>Work Release Fund</b>				
Assets, cash and investments	\$ 821	\$ 24,722	\$ 24,722	\$ 821
Liabilities, due to individuals and private entities	\$ 821	\$ 24,722	\$ 24,722	\$ 821
<b>Circuit Clerk Fund</b>				
Assets, cash and investments	\$ 210,709	\$ 1,328,822	\$ 1,357,186	\$ 182,345
<b>Liabilities:</b>				
Due to individuals and private entities	\$ 94,664	\$ 44,154	\$ 68,553	\$ 70,265
Due to other governmental bodies	116,045	1,284,668	1,288,633	112,080
	\$ 210,709	\$ 1,328,822	\$ 1,357,186	\$ 182,345
<b>Marriage Fund</b>				
Assets, cash and investments	\$ 3,885	\$ 563	\$ -	\$ 4,448
Liabilities, due to individuals and private entities	\$ 3,885	\$ 563	\$ -	\$ 4,448
<b>County Clerk's Tax Redemption Fund</b>				
Assets, cash and investments	\$ 4,547	\$ 1,225,956	\$ 1,105,461	\$ 125,042
Liabilities, due to individuals and private entities	\$ 4,547	\$ 1,225,956	\$ 1,105,461	\$ 125,042
<b>Inheritance Tax Fund</b>				
Assets, cash and investments	\$ 1	\$ -	\$ -	\$ 1
Liabilities, due to individuals and private entities	\$ 1	\$ -	\$ -	\$ 1
<b>Probation Restitution Fund</b>				
Assets, cash and investments	\$ 3,420	\$ 2,670	\$ 1,870	\$ 4,220
Liabilities, due to individuals and private entities	\$ 3,420	\$ 2,670	\$ 1,870	\$ 4,220

(continued)

**JO DAVIESS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**November 30, 2011**

	Balance November 30, 2010	Additions	Deletions	Balance November 30, 2011
<b>Insurance Clearing Fund</b>				
Assets, cash and investments	\$ 682	\$ 1,032,121	\$ 979,019	\$ 53,784
Liabilities, due to individuals and private entities	\$ 682	\$ 1,032,121	\$ 979,019	\$ 53,784
<b>Treasurer's Fee Account Fund</b>				
Assets, cash and investments	\$ 12	\$ 150,199	\$ 150,199	\$ 12
Liabilities, due to individuals and private entities	\$ 12	\$ 150,199	\$ 150,199	\$ 12
<b>Inmate Commissary Fund</b>				
Assets, cash and investments	\$ 41,983	\$ 38,841	\$ 42,944	\$ 37,880
Liabilities, due to individuals and private entities	\$ 41,983	\$ 38,841	\$ 42,944	\$ 37,880
<b>Sheriff Kid's First</b>				
Assets, cash and investments	\$ 2,460	\$ 800	\$ 1,755	\$ 1,505
Liabilities, due to individuals and private entities	\$ 2,460	\$ 800	\$ 1,755	\$ 1,505
<b>Totals - All Agency Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 1,063,231	\$ 51,781,981	\$ 51,340,417	\$ 1,504,795
Due from other governmental bodies	106,301	906,567	930,782	82,086
Total assets	\$ 1,169,532	\$ 52,688,548	\$ 52,271,199	\$ 1,586,881
<b>Liabilities:</b>				
Accounts payable	\$ 335,046	\$ 47,587,789	\$ 47,543,785	\$ 379,050
Due to individuals and private entities	718,441	3,835,952	3,458,642	1,095,751
Due to other governmental bodies	116,045	1,284,668	1,288,633	112,080
Total liabilities	\$ 1,169,532	\$ 52,708,409	\$ 52,291,060	\$ 1,586,881

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS**  
**AND EQUALIZED ASSESSED VALUATIONS**  
**Year Ended November 30, 2011**  
(Unaudited)

Tax Year	<u>2010</u>	<u>2009</u>	<u>2008</u>
Equalized assessed valuations	\$ 791,439,763	\$ 816,953,398	\$ 800,396,298
Tax rates (maximum allowable is disclosed in parentheses):			
General (as needed)	0.21144	0.18966	0.19515
Highway (.200)	0.10083	0.09802	0.10354
Bridges (.050)	0.03854	0.03746	0.03929
Federal aid matching (.050)	0.03854	0.03746	0.03929
Illinois municipal retirement (as needed)	0.05346	0.05030	0.04208
Social security (as needed)	0.03195	0.03062	0.03125
Extension education (.050)	0.01014	0.00985	0.01033
County health (.150)	0.06602	0.06417	0.06732
Insurance (as needed)	0.05089	0.04511	0.03527
Mental health (.150)	0.04260	0.04140	0.04343
County wide totals	<u>0.64441</u>	<u>0.60405</u>	<u>0.60695</u>
Tax rates (maximum allowable is disclosed in parentheses):			
Special service district number one (.100)	0.05829	0.05066	0.03539
Special service district number two (.100)	0.10000	0.09980	0.09620
Special service district number three (.100)	-	-	-
Special service district number four (.100)	0.10000	0.09980	0.09620
Special service district number five (.110)	0.10599	0.11000	0.10573
Special service district totals	<u>0.36428</u>	<u>0.36026</u>	<u>0.33352</u>
Tax levies			
General	\$ 1,675,929	\$ 1,549,366	\$ 1,561,928
Highway	798,980	800,755	828,658
Bridges	305,377	305,958	314,437
Federal aid matching	305,377	305,958	314,437
Illinois municipal retirement	423,600	410,855	336,776
Social security	253,124	250,124	250,109
Extension education	80,307	80,442	82,642
County health	523,095	524,233	538,754
Insurance	403,200	368,500	282,279
Mental health	337,483	338,197	347,573
County wide totals	<u>\$ 5,106,472</u>	<u>\$ 4,934,388</u>	<u>\$ 4,857,593</u>
Tax levies			
Special service district number one	\$ 70,000	\$ 70,000	\$ 50,000
Special service district number two	64,956	64,800	62,000
Special service district number three	-	-	-
Special service district number four	-	-	-
Special service district number five	28,317	28,611	27,500
Special service district totals	<u>\$ 163,273</u>	<u>\$ 163,411</u>	<u>\$ 139,500</u>

(continued)

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS**  
**AND EQUALIZED ASSESSED VALUATIONS**  
**Year Ended November 30, 2011**  
(Unaudited)

Tax Year	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax extensions:			
General	\$ 1,673,420	\$ 1,545,594	\$ 1,561,973
Highway	798,009	798,980	823,048
Bridges	305,021	305,377	314,476
Federal aid matching	305,021	305,377	314,476
Illinois municipal retirement	423,104	410,029	336,807
Social security	252,865	249,579	250,124
Extension education	80,252	80,307	82,681
County health	522,508	523,095	538,827
Insurance	402,764	367,711	282,300
Mental health	<u>337,153</u>	<u>337,483</u>	<u>347,612</u>
County wide totals	<u>\$ 5,100,117</u>	<u>\$ 4,923,532</u>	<u>\$ 4,852,324</u>
Tax extensions:			
Special service district number one	\$ 70,010	\$ 70,006	\$ 50,013
Special service district number two	63,920	64,800	62,001
Special service district number three	-	-	-
Special service district number four	-	-	-
Special service district number five	<u>28,318</u>	<u>28,317</u>	<u>27,500</u>
Special service district totals	<u>\$ 162,248</u>	<u>\$ 163,123</u>	<u>\$ 139,514</u>

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES FROM TAXES EXTENDED**  
**FOR TORT IMMUNITY PURPOSES**  
**Year Ended November 30, 2011**  
(Unaudited)

Property, liability and workers' compensation insurance	\$ 317,950
County's share of insurance costs paid by the Regional Superintendent's Trust Fund	<u>4,529</u>
Total	<u>\$ 322,479</u>

**JO DAVIESS COUNTY, ILLINOIS  
FEDERAL AWARDS SECTION**

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

Jo Daviess County Board  
Jo Daviess County, Illinois  
Galena, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jo Daviess County, Illinois as of and for the year ended November 30, 2011, which collectively comprise Jo Daviess County, Illinois' basic financial statements, and have issued our report thereon dated April 17, 2012. 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.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness in internal control over financial reporting. (Finding 11-03.)

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (Findings 11-01 and 11-02.)



## Compliance and Other Matters

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

We noted certain matters that we reported to management of Jo Daviess County, Illinois in a separate letter dated April 17, 2012.

Jo Daviess County, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Jo Daviess County, Illinois' responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Board, Finance Committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Dixon, Illinois  
April 17, 2012

**Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

Jo Daviess County Board  
Jo Daviess County, Illinois  
Galena, Illinois

**Compliance**

We have audited the compliance of Jo Daviess County, Illinois with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2011. Jo Daviess County, Illinois' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Jo Daviess County, Illinois' management. Our responsibility is to express an opinion on Jo Daviess County, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jo Daviess County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jo Daviess County, Illinois' compliance with those requirements.

In our opinion, Jo Daviess County, Illinois complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 11-05.

**Internal Control Over Compliance**

The management of Jo Daviess County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jo Daviess County, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as Findings 11-01, 11-04, and 11-05. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Jo Daviess County, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Jo Daviess County, Illinois' responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Board, Finance Committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

Dixon, Illinois  
April 17, 2012

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2011**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grant Number</u>	<u>Disbursements/ Expenditures</u>
<b>Department of Agriculture</b>			
Passed through:			
Illinois Department of Human Services			
Supplemental Nutrition Program for Women, Infants, and Children (WIC) Admin	10.557	11GM279000 11GQ00279	\$ 31,800 22,833
Supplemental Nutrition Program for Women, Infants, and Children (WIC) – Non-Cash	10.557	None	<u>205,221</u>
Total Department of Agriculture			<u>259,854</u>
<b>Department of Health and Human Services</b>			
Passed through:			
Illinois Department of Public Health			
Immunizations Grant – Non-Cash	93.268	None	27,771
Bioterrorism Grant	93.069	7181042	24,357
Bioterrorism Grant	93.069	27180042	13,746
Public Health Emergency Response Extension Grant	93.069	None	12,320
Cancer Grant	93.283	None	1,701
Vector Grant	93.283	None	<u>1,500</u>
			<u>81,395</u>
Illinois Department of Healthcare and Family Services			
Child Support Enforcement	93.563	None	5,078
Medical Assistance Program	93.778	366006575001	<u>5,676</u>
			<u>10,754</u>
National Association of County and City Health Officials			
Medical Reserve Corps	93.008	IMRCSG101005-01	<u>5,000</u>
Total Department of Health and Human Services			<u>97,149</u>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership	16.607	None	3,200
State Criminal Alien Assistance Program	16.606	None	<u>579</u>
Total U.S. Department of Justice			<u>3,779</u>
<b>Department of Transportation</b>			
Passed through:			
Illinois Department of Transportation			
Formula Grants for Other Than Urbanized Areas – Non-cash	20.500	IL-03-0236	27,230
Formula Grants for Other Than Urbanized Areas	20.509	IL-18-X027 IL-18-X028	69,949 <u>129,878</u>
			<u>227,057</u>
Passed through:			
Illinois Emergency Management Agency			
Hazardous Materials Emergency Preparedness Planning Grant	20.703	36-600-6575	<u>2,809</u>
Total Department of Transportation			<u>229,866</u>

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2011**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grant Number</u>	<u>Disbursements/ Expenditures</u>
<b>Environmental Protection Agency</b>			
Passed through:			
Illinois Department of Public Health			
Potable Water Grant	66.605	5380330	<u>1,012</u>
<b>Department of Homeland Security</b>			
Passed through:			
Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.042	None	27,187
IEMA Public Assistance Program	97.036	FEMA-1935-DR-IL	13,322
IEMA Public Assistance Program	97.036	FEMA-1960-DR-IL	23,797
Interoperable Communications Grant	97.055	None	<u>4,000</u>
			<u>68,306</u>
Passed through:			
Illinois Law Enforcement Alarm System Emergency			
Operations Center Technology Grant	97.067	None	<u>3,750</u>
Total Department of Homeland Security			<u>72,056</u>
<b>U.S. Department of Defense</b>			
Passed through:			
Illinois Department of Natural Resources			
Payments in Lieu of Real Estate Taxes	12.112	None	<u>57,625</u>
<b>U.S. Department of the Interior</b>			
Payments in Lieu of Real Estate Taxes	15.226	None	<u>17,340</u>
<b>U.S. Department of Energy</b>			
Passed through:			
Blackhawk Hills Resource Conservation and Development			
Energy Efficiency Grant	81.128	DE-EEO000824	<u>100,000</u>
<b>U.S. Department of Commerce</b>			
Passed through:			
Illinois Emergency Management Agency			
Public Safety Interoperable Communications Grant	11.555	None	<u>17,475</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 856,156</u>

(continued)

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2011**

	<u>CFDA Number</u>	<u>Disbursements Expenditures</u>	<u>Passed- Through to Subrecipients</u>	<u>Cluster Total, If Applicable</u>
<b>SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER</b>				
	10.557	\$ 259,854	\$ -	
	93.268	27,771	-	
	93.069	50,423	-	
	93.283	3,201	-	
	93.563	5,078	-	
	93.778	5,676	-	
	93.008	5,000	-	
	16.607	3,200	-	
	16.606	579	-	
	20.500	27,230	-	
	20.509	199,827	-	
	20.703	2,809	-	
	66.605	1,012	-	
	97.042	27,187	-	
	97.036	37,119	-	
	97.055	4,000	-	
	97.067	3,750	-	
	11.555	17,475	-	
	12.112	57,625	-	
	15.226	17,340	-	
	81.128	<u>100,000</u>	<u>-</u>	
		<u>\$ 856,156</u>	<u>\$ -</u>	

This schedule should be read only in connection with the accompanying notes to the schedule.

**JO DAVIESS COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended November 30, 2011**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jo Daviess County, Illinois and is presented on the modified accrual basis of accounting. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**NOTE 3 - NON-CASH ASSISTANCE**

As reported on the schedule of expenditures of federal awards, Jo Daviess County, Illinois received non-cash awards in the form of immunizations totaling \$27,771, vehicles totaling \$27,230 and WIC Food Instrument redemptions totaling \$205,221.

**NOTE 4 - INSURANCE IN EFFECT, LOANS, AND LOAN GUARANTEES**

The County did not receive any federal awards in the form of non-cash assistance for insurance in effect during the year, loans, or loan guarantees.

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2011**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified?   X   yes        no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes        none
- Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

- Material weakness identified?        yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes        none
- Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

  X   yes        no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
10.557	Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  X   yes        no



**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2011**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**FINDING NO. 11-01 - FINANCIAL STATEMENT AND SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS PREPARATION**

*Criteria or Specific Requirement:* The financial statements and schedule of expenditures of federal awards are the responsibility of management.

*Condition:* The County engages CliftonLarsonAllen LLP to assist in preparing its financial statements, accompanying disclosures, and schedule of expenditures of federal awards. However, as independent auditors, CliftonLarsonAllen LLP cannot be considered part of the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

*Context:* The County Board and management share the ultimate responsibility for the County's internal control system.

*Effect:* It is possible that a misstatement of the County's financial statements or schedule of expenditures of federal awards could occur and not be prevented or detected by the County's internal control.

*Cause:* The County's personnel do not have the necessary resources to prepare the County's financial statements, related disclosures, and schedule of expenditures of federal awards.

*Recommendation:* The County should obtain additional training to be able to assist in the development of the necessary financial reporting package.

*Views of Responsible Officials and Planned Corrective Action:*

Management acknowledges that the County currently does not have trained accounting personnel on staff to prepare certain year-end financial statements, related disclosures and the schedule of expenditures of federal awards. The County will review the requirements to comply with this finding and look for ways to provide staff with the necessary resources and training to assist in the development of the annual financial reporting package.

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2011**

**SECTION II - FINANCIAL STATEMENT FINDINGS** (CONTINUED)

**FINDING NO. 11-02 - DECENTRALIZED OFFICES**

*Criteria or Specific Requirement:* Internal control is the process, affected by management and other personnel, designed to provide reasonable assurance that transactions are properly recorded and accounted for and that transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements. Segregation of accounting duties is an aspect of an internal control environment.

*Condition:* There is an inadequate control over the functions of processing and recording the financial transactions of the Sheriff's and Circuit Clerk's office due to an inadequate segregation of duties stemming from limited personnel.

*Context:* During the process of obtaining an understanding of internal control in planning the audit, assessing control risk and assessing fraud risks, a lack of segregation of duties was noted in the Sheriff's and Circuit Clerk's office.

*Effect:* A lack of segregation of duties and lack of appropriate review functions are deficiencies in internal control that could lead to errors or irregularities in the processing and recording of financial transactions.

*Cause:* The Sheriff's and Circuit Clerk's office has limited personnel over accounting transactions.

*Recommendation:* If it is not economically feasible to hire extra personnel, management's and the County Board's close supervision and review of accounting information is the best means of preventing and detecting errors and irregularities. In addition, there are review procedures that can be implemented to assist in mitigating these risks.

*Views of Responsible Officials and Planned Corrective Action:*

Sheriff's office: When handling cash, from transactions in which a receipt has not previously been issued, one employee (Employee A) will issue a numbered duplicate receipt for the transaction. The second employee (Employee B) will enter the transaction into the computer. The amount will be deposited into a cash bag in a secured area. On a regular basis, receipts will be reconciled and initialed. Employee A will take the receipts to the Treasurer's Office. The Treasurer's Office will issue Employee A, a receipt. The Treasurer's office will deposit the cash in the bank. Employee B will reconcile the cash receipt issued by the Treasurer's office with internal records and with monthly general ledger sheets received from the Treasurer's Office. The Treasurer's Office will reconcile the monthly bank statements. A periodic third party review will be conducted for mitigating control purposes.

Circuit Clerk's office: To the extent possible, monitoring monthly financial results will continue in the Jo Daviess County, Illinois Circuit Clerk's office.

(continued)

**JO DAVIESS COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended November 30, 2011**

**SECTION II - FINANCIAL STATEMENT FINDINGS** (CONTINUED)

**FINDING NO. 11-03 - TIMELY DEPOSITS OF CASH RECEIPTS**

*Criteria or Specific Requirement:* A critical component of an internal control system is timely depositing of cash receipts.

*Condition:* During the course of our audit, we noted cash receipts for the County Clerk's Tax Redemption Fund and Insurance Clearing Fund are not being deposited on a timely basis. The cash receipts for these funds are being accumulated in a desk drawer for up to one month.

*Context:* \$117,108 of undeposited Tax Redemption Fund checks were on hand at November 30. \$44,499 of undeposited Insurance Clearing Fund checks were on hand at November 30.

*Effect:* Holding the cash receipts creates a risk of loss from burglary, misplacement, or misappropriation. Additionally, the cash is not available for expenditures or investment and the accounting records are not accurate (cash is understated).

*Cause:* The County Clerk's office is accumulating the cash receipts until the expenditures are required to be made.

*Recommendation:* Deposits of cash receipts should be made on a daily basis to safeguard County assets and to maintain accurate accounting records.

*Views of Responsible Officials and Planned Corrective Action:*

The County Clerk's Office acknowledges that at times cash receipts were not deposited on a timely basis. To safeguard County assets and to maintain accurate accounting records, cash receipts will be deposited on a daily basis as recommended.

(continued)

**JO DAVIESS COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2011**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING NO. 11-01 - FINANCIAL STATEMENT PREPARATION AND SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

See Section II – Financial Statement Findings

Federal Agency/Program: Department of Agriculture – 10.557 – Supplemental Nutritional  
Program for Women, Infants, and Children; Pass-through  
Illinois Department of Human Services.

All other programs

Questioned Costs: None

**JO DAVIESS COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2011**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** (CONTINUED)

**FINDING NO. 11-04 - PROPER CONTROL OVER ELIGIBILITY**

Federal Agency/Program: Department of Agriculture – 10.557 – Supplemental  
Nutritional Program for Women, Infants, and Children

Questioned Costs: None

*Criteria or Specific Requirement:* The Health Department is required to have proper controls in place to ensure compliance with eligibility requirements. The client's internal controls over eligibility state the Client Certification Form should be signed by the applicant/guardian, the interviewer, and a certified health professional. Additionally, the forms are to be filled out noting income, residency, and household size.

*Condition:* During the course of the audit, we noted one instance where the form was not properly signed by the applicant/guardian and one instance where the form was not properly signed by the certified health professional. Additionally, during the course of the audit, we noted one instance where the household size was not properly documented and one instance where the proof of residency and income were not documented on the form.

*Context:* Of the sixty participants tested, we noted two instances in which the proper signatures were not obtained, and two instances where the form was not completed with all required information.

*Effect:* Failure to properly complete the Client Certification Form could result in applicants being accepted into the program who are not eligible to receive benefits.

*Cause:* The exception was an oversight by the WIC program personnel and other review processes did not detect this lapse in the control system.

*Recommendation:* We recommend the Health Department monitor controls to ensure all controls are being performed as designed.

*Views of Responsible Officials and Planned Corrective Action:*

Management will educate staff involved regarding findings from WIC Program Audit and discuss ways to prevent these deficiencies in the future.

Quality Assurance Auditor or Director of Clinical Services will audit active client chart/forms in pertinent Public Health Programs two times each year and keep recorded documentation of this activity. These reports will be reviewed by Health Administrator.

(continued)

**JO DAVIESS COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended November 30, 2011**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** (CONTINUED)

**FINDING NO. 11-05 - PROPER CONTROL OVER REPORTING**

Federal Agency/Program: Department of Agriculture – 10.557 – Supplemental  
Nutritional Program for Women, Infants, and Children

Questioned Costs: None

*Criteria or Specific Requirement:* The Health Department is required to have proper controls in place to ensure compliance with reporting requirements. The quarterly report filings should be submitted by the date due to Illinois Department of Human Services.

*Condition:* During the course of the audit, we noted quarterly reports being submitted after the due date.

*Context:* Two of two quarterly reports tested were filed late.

*Effect:* Failure to submit the quarterly reports by the due date could result in negative action taken by the Illinois Department of Human Services.

*Cause:* The quarterly reports are not being completed or reviewed prior to filing due date.

*Recommendation:* We recommend the Health Department put into place a policy where the quarterly reports are completed, reviewed, and submitted by the due date.

*Views of Responsible Officials and Planned Corrective Action:*

The County will use Microsoft Outlook Calendar to develop reminders for due dates of reports for grant programs. Reminder window will be activated daily starting one month before due date of report until report is submitted.

A Quality Assurance Auditor will check quarterly reports of grant programs two times per year to ensure reports are completed prior to due date. Reports of audits will be forwarded to Health Administrator.

**JO DAVIESS COUNTY, ILLINOIS**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year Ended November 30, 2011**

**YEAR ENDED NOVEMBER 30, 2010**

**FINDING NO. 10-II-A - SEGREGATION OF DUTIES IN TREASURER'S OFFICE AND  
SHERIFF'S DEPARTMENT**

*Condition:* One individual in the Treasurer's Office has access to the cash collected, reconciles the bank statements and then prepares the cash receipt used to post to the general ledger. Also, not all departments are reconciling their cash receipts given to the Treasurer's Office to the actual postings on the general ledger. Also, one individual in the Sheriff's Department has access to cash, reconciles bank statements, records the information into the Sheriff's records and prepares the deposits that are processed by the Treasurer's Office.

The Treasurer's Office has assigned additional staff to segregate the cash receipt process.

The Sheriff's Department condition still exists and has been reported as Finding 11-02.

**FINDING NO. 10-II-B and 10-II-C - SEGREGATION OF DUTIES – CIRCUIT CLERK'S OFFICE**

*Condition:* Employees of the Circuit Clerk's office who collect cash are also responsible for recording the receipts and reconciling the cash activity. Additionally, employees of the Circuit Clerk's office, who record disbursements in the ledger, also issue checks, sign the checks and distribute the checks.

Condition still exists and has been reported as Finding 11-02.

**FINDING NO. 10-II-D - PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS**

*Condition:* The County has assigned the oversight to the Treasurer's Office. Although Departments within the County are approving that all information is provided to the Treasurer's Office, a review of the Schedule is not being done to ensure the information originally provided is complete and accurate.

Condition still exists and has been reported as Finding 11-01.

**FINDING NO. 10-III-A - PROPER CONTROL OVER REIMBURSEMENTS (Formula Grants for  
Other Than Urbanized Areas)**

*Condition:* The County has an Operator Agreement with a third party to administer the grant program. The third party includes a monthly accrual for audit fees related to the upcoming fiscal year audit. These expenditures are requested for reimbursement before the audit services are provided and paid for.

The third party no longer accrues monthly audit fees.