

JO DAVIESS COUNTY, ILLINOIS

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

November 30, 2012



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, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2013, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 20, Illinois Municipal Retirement Fund and Other Post-Employment Benefits information on page 55, and budgetary comparison information on pages 56 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining major, nonmajor, and agency fund statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 19, 2013

Management's Discussion and Analysis
Year Ended November 30, 2012

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, 2012. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which begins on page 21 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 \$29,859,959 and \$26,524,527 (net assets) at the close of fiscal years 2012 and 2011, respectively. Of this amount, \$15,785,463 represented the County's investment in capital assets, net of related debt, \$8,536,062, was held for restricted purposes, and \$5,538,434 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 \$3,335,432 and \$2,220,469 in fiscal years 2012 and 2011, respectively.

At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,972,258, an increase of \$1,323,228 in comparison to the prior year. Approximately 24 percent of this total amount, \$3,304,545, is available for spending at the government's discretion (unassigned fund balance).

The unassigned fund balance in the General Fund was \$3,311,140 or 53 percent of total General Fund expenditures for fiscal year ended 2012.

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 22 through 24 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 25 through 28 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 \$1,333,204 and \$1,586,881 for fiscal years ended 2012 and 2011, respectively.

The basic fiduciary fund financial statement can be found on page 29 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 \$29,859,959, which represents an increase of \$3,335,432 from 2011.

Of the County's net assets, 53 percent and 49 percent for fiscal years ended 2012 and 2011, 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:

Government-Wide Financial Analysis (Continued)

Table 1 – Jo Daviess County, Illinois' Net Assets

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 21,856,616	\$ 20,833,772
Capital assets, net	<u>16,695,129</u>	<u>13,112,020</u>
Total assets	<u>38,551,745</u>	<u>33,945,792</u>
Current liabilities	7,683,263	7,286,619
Noncurrent liabilities	<u>1,008,523</u>	<u>134,646</u>
Total liabilities	<u>8,691,786</u>	<u>7,421,265</u>
Net assets:		
Invested in capital assets, net of related debt	15,785,463	13,105,129
Restricted for:		
General control and administration	1,792,638	1,189,168
Transportation	2,827,423	2,957,666
Public health and education	2,237,637	2,137,980
Mental health	19,562	16,848
Public safety	464,930	592,916
Court services	463,853	424,626
County development	679,755	443,543
Working cash	50,264	50,347
Unrestricted	<u>5,538,434</u>	<u>5,606,304</u>
Total net assets	<u>\$ 29,859,959</u>	<u>\$ 26,524,527</u>

A portion of the County's net assets \$8,536,062 (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, \$5,538,434 (19 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2012, 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 \$3,335,432 during the current fiscal year.

Table 2 highlights the County's revenues and expenses for the fiscal year ended November 30, 2012 and 2011. 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.

Government-Wide Financial Analysis (Continued)

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

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,238,906	\$ 4,830,602
Operating grants and contributions	1,094,904	1,265,544
Capital grants and contributions	2,560,727	127,268
General revenues:		
Local property taxes	5,323,301	5,197,048
Hotel/motel taxes	737,750	681,562
State income tax	1,013,902	877,642
Motor fuel tax	637,259	674,384
Sales tax	966,239	955,608
Corporate personal property replacement taxes	193,154	192,801
Other taxes	181,830	175,600
Unrestricted investment earnings	66,438	95,442
Other	<u>282,358</u>	<u>283,539</u>
Total revenues	<u>17,296,768</u>	<u>15,357,040</u>
Expenses:		
General control and administration	2,360,155	2,344,395
Transportation	3,904,983	2,895,381
Public health and education	1,637,492	1,839,733
Public safety	3,382,610	3,220,075
Mental health	329,272	333,058
County development	1,039,598	1,226,989
Court services	1,280,229	1,276,325
Interest	<u>26,997</u>	<u>615</u>
Total expenses	<u>13,961,336</u>	<u>13,136,571</u>
Increase in net assets	3,335,432	2,220,469
Net assets, beginning	<u>26,524,527</u>	<u>24,304,058</u>
Net assets, ending	<u>\$29,859,959</u>	<u>\$26,524,527</u>

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 2012</u>	<u>Net (Expense) of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net (Expense) of Services 2011</u>
General control and administration	\$ 2,360,155	\$ (923,840)	\$ 2,344,395	\$ (950,554)
Transportation	3,904,983	(144,405)	2,895,381	(738,524)
Public health and education	1,637,492	(573,598)	1,839,733	(629,432)
Public safety	3,382,610	(2,857,236)	3,220,075	(2,771,977)
Mental health	329,272	(329,272)	333,058	(333,058)
County development	1,039,598	(450,252)	1,226,989	(860,015)
Court services	1,280,229	(761,199)	1,276,325	(628,982)
Interest	<u>26,997</u>	<u>(26,997)</u>	<u>615</u>	<u>(615)</u>
Total	<u>\$13,961,336</u>	<u>\$(6,066,799)</u>	<u>\$13,136,571</u>	<u>\$(6,913,157)</u>

Net cost of services is 43 percent and 53 percent of total cost of services in 2012 and 2011, 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 \$1,939,728 or 13 percent from the prior year. If property taxes in the amount of \$5,323,301 are factored out of the total all other government-wide revenue increased \$1,813,475 or 12 percent. Program revenue increased \$1,671,123 or 27 percent. The most significant sources of revenue during fiscal year 2012 continued to be property taxes, operating grants and contributions, contributed capital, and charges for services.

Expenditures: Total government-wide expenditures increased \$824,765 or 6 percent from the prior year. Programs which experienced an increase in fiscal year 2012 include transportation \$1,009,602 or 35 percent, and public safety \$162,535 or 5 percent. Programs which experienced a decrease include public health and education which decreased \$202,241 or 11 percent and county development which decreased \$187,391 or 15 percent.

Government-Wide Financial Analysis (Continued)

The most significant classification of expenditures supporting County operations are personnel related costs. In fiscal year 2012 government-wide expenditures for personnel costs (salaries, wages, pension contributions, employee benefits and health insurance) totaled approximately \$7,081,792. This is an increase of \$182,200 or 2.6 percent more than the prior year total of \$6,899,592. Salaries and wages totaled \$5,212,392, an increase of \$23,954 or 0.5 percent more than the prior year total of \$5,188,438. Employee benefits (social security, medicare, health insurance, unemployment, and IMRF pension contributions) totaled \$1,869,400, an increase of \$158,246 or 9.3 percent over the prior year total of \$1,711,154. Increases are primarily due to IMRF pension contributions which increased \$63,935 or 10.9 percent and the employer portion of health insurance premiums which increased \$88,638 or 11.9 percent from prior year. Personnel costs for salaries/wages and employee benefits represent 51.3 percent and 52.5 percent of the County's total cost of services in 2012 and 2011, 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, 2012), the County's governmental funds reported combined ending fund balances of \$13,972,258, an increase of \$1,323,228 in comparison with the prior year. Approximately 24 percent of this total amount, \$3,304,545, 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, committed, or assigned.

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. 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, Information Technology, Building & Zoning, Animal Control, County Board and County Administrator. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes or projects. The operational budgets of four (4) County departments are found in the Special Revenue Funds; they include the Highway Department (Highway Fund and MFT Fund), the Health Department (Public Health and Home Health Care), the Convention & Visitors Bureau and the GIS Department.

Financial Analysis of the Government's Funds (Continued)

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,311,140 while total fund balance reached \$3,350,774 (this includes the Contingency Fund). 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 53 percent of total actual General Fund expenditures (\$6,282,252), while total fund balance represents approximately 53 percent of that same amount.

The fund balance of the County's General Fund increased by \$395,662 during the current year; this increase is primarily due to more than anticipated intergovernmental revenue, licenses and permits, charges for services and to the timing of payments received from the state of Illinois; in addition, total expenditures were \$299,276 or 4.5 percent less than anticipated.

The County Highway Fund had a fund balance of \$1,103,343 which increased \$163,330 from the prior year. This increase is primarily due to more than anticipated intergovernmental revenue and less than anticipated personnel costs, fuel and building expenditures.

The County Aid to Bridges Fund had a fund balance of \$461,539 which increased \$81,364 from the prior year. This increase is primarily due to more than anticipated intergovernmental revenue and less than anticipated expenditures for capital improvements which were partially offset by more than anticipated professional service expenses.

The Public Health Fund had a fund balance of \$1,196,134, which increased \$26,918 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 maintenance and personnel costs.

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 2012. 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 (\$5,827,170) exceeded estimates (\$5,342,247) for the period by \$484,923 (this includes the Contingency Fund). This increase is primarily due to more than anticipated receipts of intergovernmental revenues of \$359,994. Significant intergovernmental variances include state income tax and salary reimbursements, which due to the timing of distributions from the state, exceeded expectations by \$174,239 and \$162,967, respectively. Also exceeding expectations by \$10,000 or more were building permits \$77,370, penalties on tax collections \$71,224, local use tax \$14,064, county sales tax \$13,824, county supplemental tax \$13,356, franchise fees \$10,437, and communication tower fees \$10,100. These variances were partially offset by revenue projections which fell short of expectations by more than \$10,000 including: court costs/fines/fees \$42,436, holiday patrol grant \$19,506, and interfund transfers from IMRF fund \$16,203 and SS fund \$13,022.

General Fund Budgetary Variances (Continued)

Budget to actual expenditures: Total expenditures (\$6,282,252) were less than budget (\$6,581,528) for the period by \$299,276. General Fund expenditure categories less than budget include: General control and administration \$128,462, Public health and education \$12,822, Public safety \$61,768, County development \$22,967, Court services \$66,954 and Capital outlay \$6,303. Personnel costs of (\$5,074,649) were less than budget (\$5,174,714) by \$100,065 or 1.9 percent. Variances include part time wages and health insurance which were \$84,272 and \$35,325 under budget, respectively; overtime and full time wages exceeded budget by \$38,620 and \$13,479, respectively. Personnel costs represented 80.8 percent of total General Fund expenditures.

The General Fund had a year-end fund balance of \$3,350,774. While this is an increase of \$395,662 from the prior year (this includes the Contingency Fund), it also represents an increase of \$649,175 over the \$253,513 deficit anticipated when the fiscal year 2012 budget was adopted.

Major Special Revenue Fund Variances

County Highway Fund: The County Highway Fund had a fund balance of \$1,103,343, which is a \$163,330 increase from the prior year. Actual revenues exceeded expectations by \$51,541. This was primarily due to more than estimated miscellaneous income \$29,892, sales tax \$9,243, and an unanticipated IEMA grant of \$11,882 and offset in part by less than anticipated property tax \$11,118. Actual expenditures were less than budget by \$231,332. This was primarily due to less than anticipated personnel costs \$79,901, fuel/oil \$43,918, buildings \$26,764, contingency \$24,395, and operating supplies \$13,606.

County Aid to Bridges Fund: The County Aid to Bridges Fund had a fund balance of \$461,539, which is an increase of \$81,364 from the prior year. This increase is primarily due to more than anticipated intergovernmental revenue and less than anticipated expenditures for capital improvements which were partially offset by more than anticipated professional service expenses.

Public Health Fund: The Public Health Fund had a fund balance of \$1,196,134, which is an increase of \$26,918 from the prior year (this includes the Catastrophic Public Health Emergency Fund). Actual revenues exceeded expectations by \$15,175. Actual expenditures were less than budget by \$205,429. The Catastrophic Public Health Emergency Fund budgeted \$200,000 for expenditures, no expenditures were made from this fund in fiscal year 2012.

Capital Asset and Long-Term Debt Activity

Capital assets: Jo Daviess County, Illinois' investment in capital assets for its governmental activities amounted to \$16,695,129 and \$13,112,020 (net of accumulated depreciation) as of November 30, 2012 and 2011, respectively. This investment in capital assets includes land, construction-in-progress, buildings and improvements, equipment and machinery, transportation equipment, and infrastructure.

Capital Asset and Long-Term Debt Activity (Continued)

Major capital asset events during fiscal year 2012 include completion of the Cahill Road bridge over the Plum River in Pleasant Valley Township; completion of the Bethel Road Wurster Bridge, extensive repairs to the Small Pox Creek Bridge on Blackjack Road; construction of the Holland Bridge over the Apple River on Scout Camp Road (this project is ongoing and should be completed by the beginning of December); construction of the enhanced Public Safety Radio Communication System began in May of 2012 and should be completed by the spring of 2013; the GIS Department purchased a new copier, plotter and completed the orthophotography project; the east stairway in the Courthouse was resurfaced; the fire alarm system in the Public Safety building was replaced; the Sheriff's Department purchased four new squad vehicles, squad cameras, and sixteen laptop computers; the Highway Department purchased a snow blower, fence mower, disc mower, tractor, copier, dump truck, pick up truck, a new phone system, installed a narrow band compliant radio communication system, poured a new concrete floor and installed air exchangers in the shop area and began office improvements in the administrative areas of the Highway building; and the Jo Daviess County Transit received, thru a federal grant, three new 14 passenger vans.

Table 4 – Jo Daviess County, Illinois' Capital Assets

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Land	\$ 267,943	\$ 248,543
Construction-in-progress	4,045,255	1,123,545
Buildings and improvements	2,523,589	2,622,234
Equipment and machinery	775,918	706,235
Transportation and equipment	1,240,159	1,140,351
Roads and bridges	<u>7,842,265</u>	<u>7,271,112</u>
Total	<u>\$16,695,129</u>	<u>\$13,112,020</u>

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

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. In fiscal year 2012, the County entered into Debt certificates in the amount of \$1,000,000 for the purchase of public safety radio communications. The balance at November 30, 2012 was \$909,666. Jo Daviess County had a capital lease for equipment that had a balance of \$0- and \$6,891 as of November 30, 2012 and 2011, 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.

Profile of Jo Daviess County

Jo Daviess County, incorporated in 1827, is located in the northwest corner of Illinois. The county is bounded by the Mississippi River/Iowa border to the west, and the Wisconsin border to the north. Stephenson County lies to the east, and Carroll County lies to the south. The county has an area of 384,768 acres. The primary industries are agriculture, tourism services and manufacturing. The county has 23 townships and ten incorporated communities ranging in population from 121 (Nora) to 3,429 (Galena). Galena, the largest community, serves as the county seat. The county also has two large recreational communities, Apple Canyon Lake and the Galena Territories, both are located in unincorporated Jo Daviess County. According to the U.S. Census Bureau, the County population in the year 2010 was 22,678, an increase of 389, or 1.7 percent, from the 2000 population of 22,289.

Jo Daviess County operates under the township form of government. The governing body is the County Board. Jo Daviess County is comprised of 17 County Board districts. One County Board member is elected from each district for a four-year term, with half of the Board elected every two years. The County Board's primary function is to establish the various budgets of the county funds and to levy taxes for county purposes. Also, the board adopts all ordinances and rules pertaining to the management and business of the county departments.

The County Administrator, appointed by the County Board, directs the day-to-day operations of County functions and activities, which fall under the jurisdiction of the County Board. He is responsible for coordinating the preparation and implementation of the County's annual operating and capital budgets; administering personnel and purchasing policies and administering all risk management and insurance programs.

Under the Counties Code (55 ILCS 5/et. seq.), the County Board has the authority to appropriate expenditures and levy property taxes. The County of Jo Daviess is a legal subdivision of the State of Illinois. The services and functions of Jo Daviess County Government are limited to those that are specifically authorized by State Law. The annual budget serves as the foundation for Jo Daviess County's financial planning and control.

Services provided by Jo Daviess County Government include law enforcement and prosecution, emergency services, assessment and collection of taxes, recording of legal documents, conducting of elections, construction and maintenance of roads and bridges, public health, court services, and adult corrections. Regulatory functions include zoning, liquor control, rabies control, subdivision regulations, restaurant licensing and flood control.

Economic Factors and Outlook

Recovery from the great recession, high unemployment, revenue shortfalls, and the continuation of delayed state payments were all concerns in 2012 and continue as we enter 2013. The County's major challenges are to provide the community (residents and taxpayers) with a wide variety of services with a limited set of resources. In recent years this has been compounded by the fiscal stress placed upon the County by the slow recovery from the economic recession and by the State of Illinois' budget deficiencies. The economic recession resulted in significant reductions in income tax revenue, sales tax revenue and other state shared tax revenues. In response, the County implemented several measures to reduce expenses, including a pay freeze in both fiscal year 2010 and 2011 for all non-union employees, union agreements included a pay freeze for at least one year; a hiring freeze policy and a voluntary furlough program were implemented and in 2010 a 3 percent across the board reduction of all General Fund budgets was implemented. Jo Daviess County uses a 15 step target based budgeting process which has helped control expenses during this difficult period.

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. In 2012, for the first time in six years, new home permits increased over prior year. A total of 43 new home building permits were issued in unincorporated Jo Daviess County in 2012; this is a 43 percent increase over the 30 new home permits issued in 2011; however this number is still 75 percent less than the 175 new home permits that were issued in 2005.

While the local economy struggles to return to pre-recession levels, the County remains optimistic that commercial and industrial growth will continue to occur in Jo Daviess County. Reasons for this optimism include the construction of the new \$20 million dollar Gavilon Grain facility near Warren, Illinois and the \$100 million dollar Rentech Energy Midwest expansion 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 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.

The local economy has shown some positive trends from the recession. Locally generated sales tax revenues, income taxes, corporate personal property replacement taxes and hotel/motel tax all have recovered from the losses experienced in recent years, but while these revenues are back or close to back to where they were before the recession, expenses have continued to increase. This is a challenge to the County as it continues to "do more with less".

Economic Factors and Outlook (Continued)

Another major concern relates to the reductions in state funding for various public health and safety programs, which include grants, direct funding and salary reimbursements. Continued reductions in state funding would mean the County would have to dip further into its reserves, find alternate funding sources to continue the programs or potentially eliminate the programs altogether.

Employment

Although the recession officially ended in 2009, the recovery thus far has been weak and mixed. Unemployment rose significantly in 2009 to levels not seen since the early 1980's and has remained much higher than pre-recession levels. One of the consequences is a decline in local revenue. As we enter 2013, high unemployment continues to have a negative affect on state and local revenue, especially tax revenue (sales, income, use, corporate) which tend to move with income.

The Illinois Department of Employment Security (IDES) reports that the February 2013 unemployment rate, not seasonally adjusted for Illinois, was 10.5 percent (up from 9.4 percent in February 2012), the U.S. unemployment rate was 8.1 percent (down from 8.7 percent in February 2012), and the unemployment rate in Jo Daviess County was 10.4 percent (up from 9.7 in February 2012). The overall 2012 unemployment rate for Jo Daviess County was 7.4 percent and compares to overall 2011 unemployment rate of 7.8 percent. In February 2013, Northwest Illinois continued to have some of the highest unemployment rates in the State with three of Illinois' 10 highest unemployed counties in Boone 14.7 percent, Ogle 13.4 percent, and Winnebago 13.1 percent.

The Illinois Department of Employment Security (IDES) reports the total labor force in Jo Daviess County in February 2013 was 12,229 of which 10,958 were employed, 1,271 were unemployed and an unemployment rate of 10.4 percent. This compares to the February 2012 total labor force of 12,477 of which 11,265 were employed, 1,212 were unemployed and an unemployment rate of 9.7 percent.

Labor trends – since 2006 Jo Daviess County has continued to lose jobs while the number of employers has increased. The most current quarterly workforce indicator report from the Illinois Department of Employment Security (IDES) indicates that in the 2nd quarter of 2012, 7,973 individuals were employed by 821 Jo Daviess County employers. This compares to 8,163 employed by 819 employers in the 2nd quarter of 2011 and 8,959 employed by 782 employers in the 2nd quarter of 2006.

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 2012, county property tax revenue totaled \$5,323,301, an increase of \$126,253 or 2.4 percent over the fiscal year 2011 amount of \$5,197,048 and represents 31.0 percent of total county-wide revenue, down from 33.8 percent in 2011, and down from 33.7 percent in 2010.

Management's Discussion and Analysis
Year Ended November 30, 2012

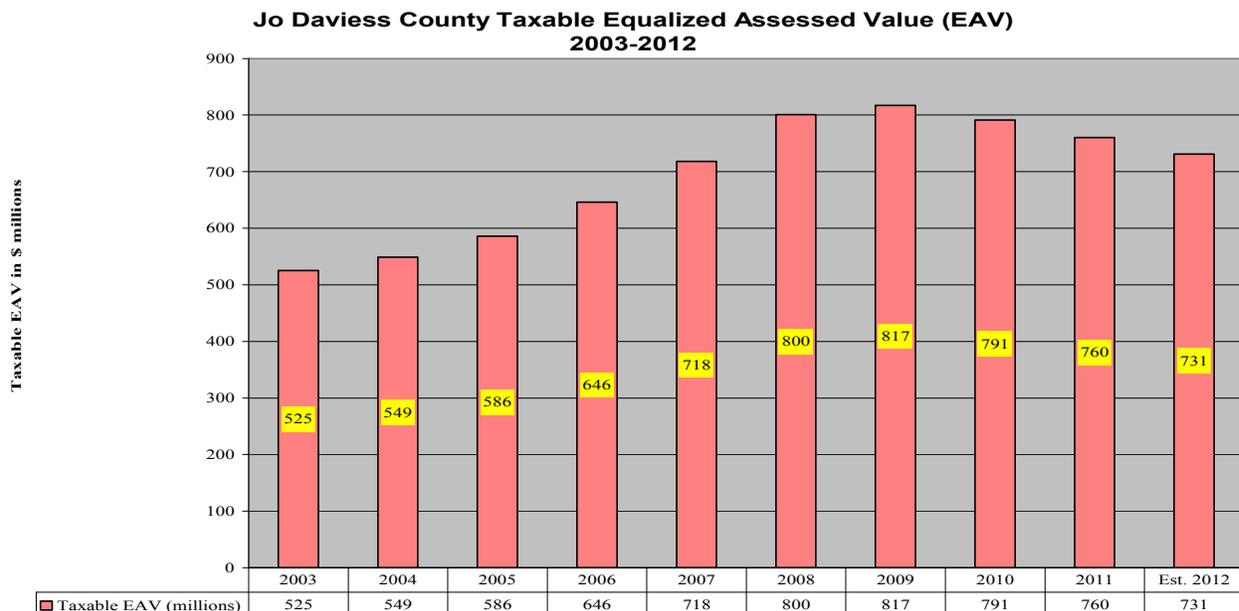
Property Tax Levy (Continued)

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. There are provisions in the law which does 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 3.0 percent was utilized in administering the 2012 Property Tax Extension Limitation Law formula.

Proposed 2012 Jo Daviess County Property Tax Extension (Levy)

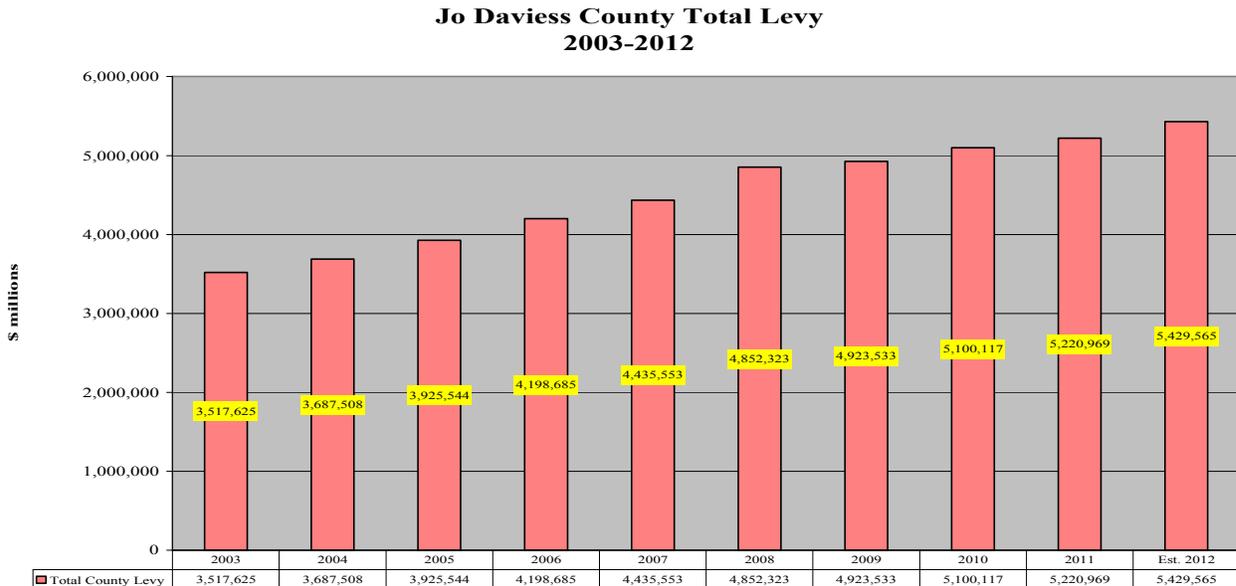
The estimated allowable property tax extension increase for 2012 (payable 2013) is \$208,596. To determine this amount, several variables were considered. The County Assessor's Office estimated the 2012 gross assessed valuation of Jo Daviess County to be \$796,000,000; this is a decrease of \$31,531,843 or 3.8 percent less than the 2011 gross assessed value of \$827,531,843. This total includes an estimated \$7,000,000 in new property/construction.

The 2011 taxable equalized assessed value (EAV) in Jo Daviess County was \$760,254,141. The 2012 taxable EAV for Jo Daviess County is anticipated to decrease to \$731,366,500.



The County Clerk's Office estimated the overall maximum aggregate tax levy extension for 2012 to be \$5,429,565. This amount represents an increase of \$208,596 or 4.0 percent more than the 2011 total aggregate levy extension of \$5,220,969. Approximately \$156,629 or 75 percent of the proposed 2012 property tax levy increase (payable 2012) is the result of a 3 percent inflationary CPI increase on existing property and approximately \$51,967 or 25 percent is the result of an estimated \$7 million increase in EAV associated with new construction and/or property.

Proposed 2012 Jo Daviess County Property Tax Extension (Levy) (Continued)



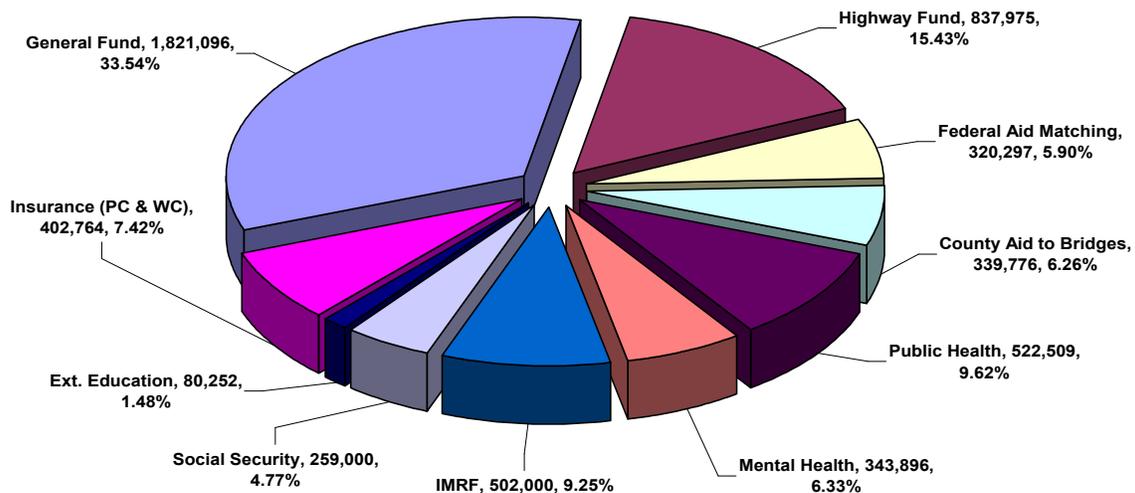
The following table compares the estimated 2012 property tax extension increase with the actual 2009, 2010, and 2011 property tax extension increases and the associated variables that were used to determine the estimated property tax extension increase.

Year	Total \$ Increase	CPI	Increase per CPI	New Property	Increase per New Property
2009	\$71,211	0.1%	\$4,852	\$11.0 million	\$66,359
2010	\$176,584	2.7%	\$133,142	\$6.7 million	\$43,442
2011	\$120,852	1.5%	\$76,502	\$6.2 million	\$44,350
Est. 2012	\$208,596	3.0%	\$156,629	\$7.0 million	\$51,967

The overall Jo Daviess County property tax levy is distributed between ten (10) individual special purpose property tax levies, they include: General Corporate, County Highway, Federal Aid Matching, County Bridge, Public Health, Mental Health, IMRF, Social Security, Extension Education, and Insurance. In addition the County is responsible for three special service area (SSA) levies, SSA #1- Warren Ambulance, SSA #2 & #4- Elizabeth Ambulance and SSA #5- Hanover Ambulance.

The proposed total aggregate property tax extension for Jo Daviess County for 2012 (payable in 2013), less special service areas (exempt from PTELL), is estimated to be \$5,429,565.

Jo Daviess County
Proposed 2012 Property Tax Levy (Payable FY2013)
(Less Special Service Areas) - \$5,429,565

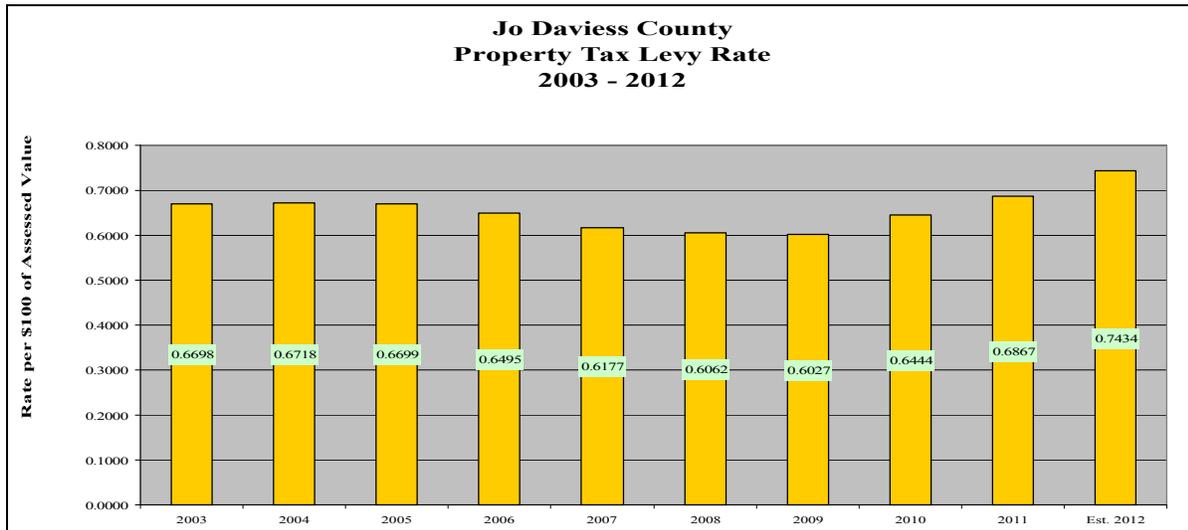
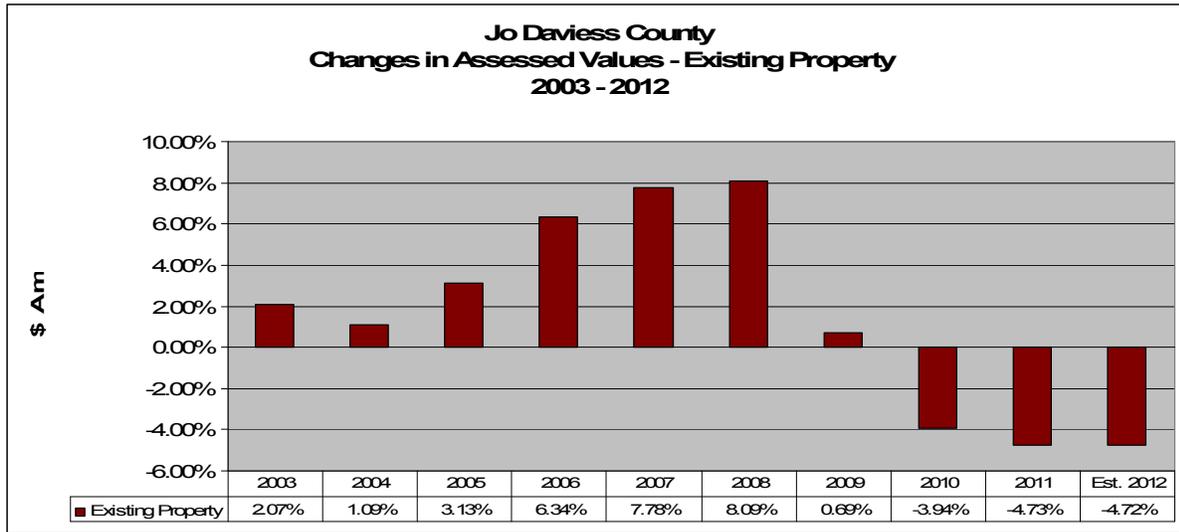


Proposed 2012 Property Tax Extension Rate

The proposed 2012 Jo Daviess County property tax rate is 0.74239/hundred dollars of assessed value. This is an increase of 0.05565/hundred over the 2011 rate of 0.68674/hundred. The primary reason property tax levy rates for taxing districts in Jo Daviess County have increased is due in part to the fact that the total overall EAV of property in Jo Daviess County has decreased.

In PTELL counties property tax rates generally decrease when overall equalized assessed values increase, at a rate faster than inflation, and increase when equalized assessed values decrease. Per sales ratios calculated by the Illinois Department of Revenue, some Jo Daviess County township assessment districts have experienced significant decreases in assessed valuation in recent years. 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. During the four year period of 2006-2009 the overall taxable EAV of existing property in Jo Daviess County increased 6.3 percent for 2006, 7.80 percent for 2007, 8.10 percent for 2008, and 0.69 percent for 2009 while the CPI for PTELL purposes was 3.40 percent for levy year 2006, 2.50 percent for 2007, 4.10 percent for 2008, and 0.10 percent for 2009. During the three year period 2010-2012 the overall EAV of existing property decreased 3.94 percent in 2010, decreased 4.73 percent for 2011, and decreased an estimated 4.72 percent for 2012 while the CPI for PTELL was 2.70 percent for 2010, 1.50 percent for 2011, and 3.00 percent for 2012.

Proposed 2012 Property Tax Extension Rate (Continued)



Proposed 2012 Special Service Area Property Tax Extension (Levy)

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 & #4 Elizabeth Ambulance - \$0.100/hundred dollars of assessed value, and SSA #5 Hanover Ambulance - \$0.110/hundred dollars of assessed value.

Proposed 2012 Special Service Area Property Tax Extension (Levy) (Continued)

The combined 2012 total property tax levy (payable 2013) for all three SSA is \$172,317. This represents an increase of \$812 or 0.5 percent over the actual 2011 combined SSA property tax levy amount of \$171,505. SSA #1 has a proposed levy of \$80,000 which is a \$4 decrease from its 2011 actual levy amount of \$80,004, SSA #2 & #4 has a proposed levy of \$64,000 which is an increase of \$816 or 1.3 percent over its 2011 actual levy of \$63,184, and SSA #5 has a proposed levy of \$28,317 which is a \$1 decrease from its 2011 actual levy amount of \$28,318.

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 2013 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, 2012**

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 13,281,795
Receivables:	
Accounts	277,493
Interest	4,344
Property taxes	5,601,882
Due from other governments	2,594,200
Inventories	73,015
Prepaid expenses	2,970
Loans receivable	20,917
Total current assets	21,856,616
Noncurrent assets:	
Capital assets, non depreciable:	
Land	267,943
Construction-in-progress	4,045,255
Capital assets, depreciable:	
Buildings and improvements	4,506,919
Equipment and machinery	3,025,455
Transportation equipment	2,902,982
Road and bridges	14,963,705
Less accumulated depreciation	(13,017,130)
Total noncurrent assets	16,695,129
TOTAL ASSETS	38,551,745

	Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable	1,218,452
Accrued liabilities	116,681
Accrued compensated absences	362,821
Unearned revenue	293,117
Unearned property taxes	5,601,882
Current portion of debt certificates	90,310
Total current liabilities	<u>7,683,263</u>
Noncurrent liabilities:	
Long-term portion of debt certificates	819,356
Net pension obligation	134,315
Other postemployment benefit obligation	54,852
Total noncurrent liabilities	<u>1,008,523</u>
TOTAL LIABILITIES	<u>8,691,786</u>
NET ASSETS	
Invested in capital assets, net of related debt	15,785,463
Restricted for:	
General control and administration	1,792,638
Transportation	2,827,423
Public health and education	2,237,637
Public safety	464,930
Mental health	19,562
County development	679,755
Court services	463,853
Working cash	50,264
Unrestricted	<u>5,538,434</u>
TOTAL NET ASSETS	<u>\$ 29,859,959</u>

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

**JO DAVIESS COUNTY
STATEMENT OF ACTIVITIES
Year Ended November 30, 2012**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Revenue (Expense) and Changes in Net Assets</u> <u>Governmental Activities</u>
Functions/Programs					
PRIMARY GOVERNMENT:					
Governmental activities:					
General control and administration	\$ 2,360,155	\$ 1,338,226	\$ 91,213	\$ 6,876	\$ (923,840)
Transportation	3,904,983	690,580	607,119	2,462,879	(144,405)
Public health and education	1,637,492	850,676	213,218	-	(573,598)
Public safety	3,382,610	434,402	-	90,972	(2,857,236)
Mental health	329,272	-	-	-	(329,272)
County development	1,039,598	413,275	176,071	-	(450,252)
Court services	1,280,229	511,747	7,283	-	(761,199)
Interest	26,997	-	-	-	(26,997)
Total governmental activities	<u>13,961,336</u>	<u>4,238,906</u>	<u>1,094,904</u>	<u>2,560,727</u>	<u>(6,066,799)</u>
General revenues:					
Property taxes					5,323,301
Sales tax					966,239
Hotel/motel use tax					737,750
State income tax					1,013,902
Motor fuel tax					637,259
Corporate personal property replacement taxes					193,154
Other taxes					181,830
Unrestricted investment earnings					66,438
Other					<u>282,358</u>
Total general revenues					<u>9,402,231</u>
Change in net assets					3,335,432
NET ASSETS, BEGINNING OF YEAR					<u>26,524,527</u>
NET ASSETS, END OF YEAR					<u>\$ 29,859,959</u>

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

**JO DAVIESS COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2012**

	General Fund	County Highway Fund	County Aid To Bridges Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 3,122,545	\$ 977,021	\$ 419,427	\$ 1,197,791	\$ 7,565,011	\$ 13,281,795
Accounts receivable	25,921	7,736	145,979	550	97,307	277,493
Interest receivable	3,272	-	-	476	596	4,344
Due from other funds	116,519	150,000	-	-	412,730	679,249
Due from other governments	802,509	52,857	798,219	27,391	913,224	2,594,200
Property taxes receivable	1,821,096	837,975	339,776	522,509	2,080,526	5,601,882
Loans receivable	-	-	-	-	20,917	20,917
Prepaid expenses	2,970	-	-	-	-	2,970
Inventory	36,664	19,856	-	16,495	-	73,015
	<u>\$ 5,931,496</u>	<u>\$ 2,045,445</u>	<u>\$ 1,703,401</u>	<u>\$ 1,765,212</u>	<u>\$ 11,090,311</u>	<u>\$ 22,535,865</u>
TOTAL ASSETS						
LIABILITIES						
Accounts payable	\$ 120,081	\$ 81,731	\$ 245,391	\$ 12,388	\$ 758,861	\$ 1,218,452
Accrued liabilities	65,839	9,075	-	9,116	32,651	116,681
Due to other funds	172,070	-	400,000	988	106,191	679,249
Unearned and deferred revenue	401,636	13,321	256,695	24,077	251,614	947,343
Deferred property taxes	1,821,096	837,975	339,776	522,509	2,080,526	5,601,882
	<u>2,580,722</u>	<u>942,102</u>	<u>1,241,862</u>	<u>569,078</u>	<u>3,229,843</u>	<u>8,563,607</u>
Total liabilities						
FUND BALANCES						
Nonspendable	39,634	19,856	-	16,495	-	75,985
Restricted:						
General control and administration	-	-	-	-	1,792,638	1,792,638
Transportation	-	1,083,487	461,539	-	1,282,397	2,827,423
Public health and education	-	-	-	1,179,639	1,057,998	2,237,637
Public safety	-	-	-	-	464,930	464,930
Mental health	-	-	-	-	19,562	19,562
County development	-	-	-	-	679,755	679,755
Court services	-	-	-	-	463,853	463,853
Working cash	-	-	-	-	50,264	50,264
Committed	-	-	-	-	718,057	718,057
Assigned	-	-	-	-	1,337,609	1,337,609
Unassigned	3,311,140	-	-	-	(6,595)	3,304,545
	<u>3,350,774</u>	<u>1,103,343</u>	<u>461,539</u>	<u>1,196,134</u>	<u>7,860,468</u>	<u>13,972,258</u>
Total fund balances						
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,931,496</u>	<u>\$ 2,045,445</u>	<u>\$ 1,703,401</u>	<u>\$ 1,765,212</u>	<u>\$ 11,090,311</u>	<u>\$ 22,535,865</u>

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, 2012

Total governmental fund balances	\$ 13,972,258
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 \$13,017,130	16,695,129
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	654,226
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Debt certificates payable	(909,666)
Net pension obligation	(134,315)
Other post-employment benefit obligation	(54,852)
Accrued compensated absences	(362,821)
 Total net assets - governmental activities	 \$ 29,859,959

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, 2012

	General Fund	County Highway Fund	County Aid To Bridges Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,709,567	\$ 786,891	\$ 300,834	\$ 515,243	\$ 2,010,766	\$ 5,323,301
Intergovernmental	2,643,231	203,727	782,209	146,261	3,540,810	7,316,238
Charges for services	1,068,808	-	-	97,255	931,699	2,097,762
Interest	21,702	3,273	330	3,816	37,317	66,438
Licenses and permits	357,605	-	-	-	2,225	359,830
Other	26,257	104,659	156,784	1,378	99,262	388,340
Total revenues	5,827,170	1,098,550	1,240,157	763,953	6,622,079	15,551,909
EXPENDITURES						
Current:						
General control and administration	1,669,565	-	-	-	560,227	2,229,792
Transportation	-	877,870	1,008,793	-	1,504,751	3,391,414
Public health and education	175,062	-	-	731,711	711,702	1,618,475
Public safety	3,004,800	-	-	-	225,714	3,230,514
Mental health	-	-	-	-	329,056	329,056
County development	186,678	-	-	-	833,941	1,020,619
Court services	1,241,659	-	-	-	15,331	1,256,990
Capital outlay	4,488	281,302	-	6,610	1,735,199	2,027,599
Debt service:						
Principal	-	-	-	-	97,225	97,225
Interest	-	-	-	-	26,997	26,997
Total expenditures	6,282,252	1,159,172	1,008,793	738,321	6,040,143	15,228,681
Excess (deficiency) of revenues over expenditures	(455,082)	(60,622)	231,364	25,632	581,936	323,228
OTHER FINANCING SOURCES (USES)						
Operating transfers in	1,401,934	258,646	-	52,000	770,640	2,483,220
Proceeds on issuance of debt	-	-	-	-	1,000,000	1,000,000
Operating transfers out	(551,190)	(34,694)	(150,000)	(50,714)	(1,696,622)	(2,483,220)
Total other financing sources (uses)	850,744	223,952	(150,000)	1,286	74,018	1,000,000
Excess of revenues and other financing sources over expenditures and other financing uses	395,662	163,330	81,364	26,918	655,954	1,323,228
FUND BALANCES, BEGINNING OF YEAR	2,955,112	940,013	380,175	1,169,216	7,204,514	12,649,030
FUND BALANCES, END OF YEAR	\$ 3,350,774	\$ 1,103,343	\$ 461,539	\$ 1,196,134	\$ 7,860,468	\$ 13,972,258

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, 2012

Net change in fund balances - total governmental funds \$ 1,323,228

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					2,071,650
Depreciation expense:					
General control and administration	\$	(79,723)			
Transportation		(541,590)			
Public health and education		(19,988)			
Public safety		(159,799)			
County development		(19,933)			
Court services		(24,405)			
		(845,438)			(845,438)

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

Contributed capital	2,462,879
Loss on disposal of capital assets	(105,982)

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	(482,206)	
Operating grants and contributions	(93,071)	
Capital grants and contributions	(12,160)	
Income tax	(21,302)	
Hotel/motel tax	67	
Sales tax	(4,966)	
Use tax	1,600	
	(612,038)	(612,038)

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	(1,571)
Change in net pension obligation	(42,708)
Change in other postemployment benefits obligation	(11,813)

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:

Issuance of long-term debt	(1,000,000)
Repayment of principal of long-term debt	97,225

Change in net assets of governmental activities \$ 3,335,432

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, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 1,254,551
Due from other governments	<u>78,653</u>
TOTAL ASSETS	<u>\$ 1,333,204</u>
LIABILITIES	
Accounts payable	\$ 309,861
Due to individuals and private entities	907,698
Due to other governments	<u>115,645</u>
TOTAL LIABILITIES	<u>\$ 1,333,204</u>

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

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

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, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summarized modified cash basis financial information of Local Redevelopment Authority for the year ended November 30, 2012, is presented below:

Statement of Net Assets - Modified Cash Basis as of November 30, 2012

Assets, cash and cash equivalents		\$ 1,429,097
Capital assets, net		<u>1,524,448</u>
Total assets		<u>\$ 2,953,545</u>
Current liabilities, accrued payroll taxes		\$ 2,431
Net Assets:		
Investment in capital assets	\$ 1,524,448	
Unreserved	<u>1,426,666</u>	
Total net assets		<u>2,951,114</u>
Total liabilities and net assets		<u>\$ 2,953,545</u>

**Statement of Receipts, Disbursements and Changes in Net Assets - Modified
Cash Basis for Year Ended November 30, 2012**

Receipts:		
Charges for services, leases		\$ 62,556
Other income		23,838
Interest income		<u>15,890</u>
Total revenues		102,284
Disbursements		<u>417,866</u>
Change in net assets		(315,582)
Net assets, beginning of year		<u>3,266,696</u>
Net assets, end of year		<u>\$ 2,951,114</u>

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, 2012

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.

Basic Financial Statements – Fund Financial Statements

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.

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, 2012

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 the 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. Property and sales taxes, sale of material, reimbursement from townships and interest income support this fund.

County Aid to Bridges Fund: This covers joint funding for County and township bridge projects, culvert replacements and project design. Property tax, interest income and reimbursement from State of Illinois and townships support this fund.

Public Health Fund: This fund is used for public health expenditures and is supported by the public health property tax levy and funds from Illinois Department of Public Health, Illinois Department of Human Services, and 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 2012 are major funds.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

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 2012 tax levy is budgeted for the fiscal year 2013, the revenue from this tax levy is deferred.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

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, and 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, 2012

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 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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The change in accrued 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>
\$ 361,250	\$ 362,821	\$ 361,250	\$ 362,821	\$ 362,821

Deferred and Unearned Revenue

Deferred revenue arises 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, 2012, but which were levied to finance fiscal year 2013 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 revenue includes 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, 2012

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.

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, 2012

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, 2012, the County's cash and investments were as follows:

Cash and deposits with financial institutions, statement of net assets	\$ 11,192,763
Investments, statement of net assets	2,089,032
Cash and deposits with financial institutions, fiduciary funds	<u>1,254,551</u>
Total	<u>\$ 14,536,346</u>

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 12 to 48 months.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

<u>Investment Type</u>	<u>Fair Value</u>
Certificate of Deposit, various banks	\$ 1,805,401
Repurchase agreement, First Community Bank	258,317
Illinois Funds Money Market Mutual fund	194
Money Market, Citizens State Bank	<u>25,120</u>
Total	<u>\$ 2,089,032</u>

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, 2012 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 investments in any one issuer that represent 5 percent or more of total County investments are as follows: East Dubuque Savings Bank-63.87%; First Community Bank-27.74%; and Citizens State Bank-7.18%. 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, 2012

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, 2012, the County's deposits and investments were entirely covered by federal depository insurance or collateralized.

NOTE 3 - LOANS 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 required 120 monthly payments of \$728 including interest at 4.5 percent. The loan matured on July 31, 2012 and was paid off.

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 required 120 monthly payments of \$256 including interest at prime less 2.0 percent, or 1.25 percent as of November 30, 2012. The loan matures July 17, 2016. As of November 30, 2012, the County's loan receivable balance was \$20,917.

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 required 83 monthly payments of \$1,405 including interest at 4.75 percent. The loan matures November 10, 2015. In July 2012, the remaining balance of \$51,644 was paid off.

The remaining loan receivable is included in committed fund balance of the Economic Development Investment Fund.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 4 - CAPITAL ASSETS

	Balance November 30, 2011	Additions	Retirements	Balance November 30, 2012
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 248,543	\$ 19,400	\$ -	\$ 267,943
Construction-in-progress	<u>1,123,545</u>	<u>3,456,413</u>	<u>534,703</u>	<u>4,045,255</u>
Total capital assets not being depreciated	<u>1,372,088</u>	<u>3,475,813</u>	<u>534,703</u>	<u>4,313,198</u>
Capital assets being depreciated:				
Buildings and improvements	4,476,102	30,817	-	4,506,919
Equipment and machinery	2,820,746	204,709	-	3,025,455
Transportation equipment	2,664,600	388,376	149,994	2,902,982
Roads and bridges	<u>14,099,524</u>	<u>969,517</u>	<u>105,336</u>	<u>14,963,705</u>
Total capital assets being depreciated	<u>24,060,972</u>	<u>1,593,419</u>	<u>255,330</u>	<u>25,399,061</u>
Less accumulated depreciation for:				
Buildings and improvements	1,853,868	129,462	-	1,983,330
Equipment and machinery	2,114,511	135,026	-	2,249,537
Transportation equipment	1,524,249	284,026	145,452	1,662,823
Roads and bridges	<u>6,828,412</u>	<u>296,924</u>	<u>3,896</u>	<u>7,121,440</u>
Total accumulated depreciation	<u>12,321,040</u>	<u>845,438</u>	<u>149,348</u>	<u>13,017,130</u>
Total capital assets being depreciated, net	<u>11,739,932</u>	<u>747,981</u>	<u>105,982</u>	<u>12,381,931</u>
Governmental activities capital assets, net	<u>\$ 13,112,020</u>	<u>\$ 4,223,794</u>	<u>\$ 640,685</u>	<u>\$ 16,695,129</u>

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the governmental functions as follows:

General control and administration	\$ 79,723
Transportation	541,590
Public health and education	19,988
Public safety	159,799
County development	19,933
Court services	<u>24,405</u>
Total depreciation expense - governmental activities	<u>\$ 845,438</u>

NOTE 5 - LONG-TERM DEBT

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

	Balance November 30, <u>2011</u>	<u>Issued</u>	<u>Retired</u>	Balance November 30, <u>2012</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital lease obligations	\$ 6,891	\$ -	\$ 6,891	\$ -	\$ -
Debt certificates	-	1,000,000	90,334	909,666	90,310
Net pension obligation	91,607	42,708	-	134,315	-
Other post-employment obligations	<u>43,039</u>	<u>11,813</u>	<u>-</u>	<u>54,852</u>	<u>-</u>
Total governmental activities	<u>\$ 141,537</u>	<u>\$ 1,054,521</u>	<u>\$ 97,225</u>	<u>\$ 1,098,833</u>	<u>\$ 90,310</u>

As of November 30, 2012, the County has a net pension obligation accrued in the amount of \$134,315 (see Note 7).

As of November 30, 2012, the County has other post-employment benefits accrued in the amount of \$54,852 (see Note 8).

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 \$-0- as of November 30, 2012.

In fiscal year 2012, the County entered into debt certificates 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 of \$117,200 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.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

A schedule of annual principal and interest payments for the debt certificates is as follows:

<u>Year ending November 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 90,310	\$ 26,890	\$ 117,200
2014	93,068	24,132	117,200
2015	95,911	21,289	117,200
2016	98,787	18,413	117,200
2017	101,858	15,342	117,200
2018 - 2021	<u>429,732</u>	<u>29,309</u>	<u>459,041</u>
Total	<u>\$ 909,666</u>	<u>\$ 135,375</u>	<u>\$ 1,045,041</u>

The following schedule illustrates the legal debt margin of the County as of November 30, 2012:

Assessed valuation - 2011	<u>\$ 760,254,141</u>
Statutory debt limitation (2.875% of assessed valuation)	\$ 21,857,307
Total debt:	
Debt certificates	<u>909,666</u>
Legal debt margin	<u>\$ 20,947,641</u>

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

Regular Employees Plan

Plan Description

The County's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Regular Employees Plan (continued)

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 2011 was 10.55 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 11.45 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, 2011, the employer's actual contributions for pension cost for the regular employees were \$328,784. Its required contribution for calendar year 2011 was \$356,832.

Three-Year Trend Information

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2011	\$ 356,832	92%	\$ 81,229
December 31, 2010	371,932	86%	53,181
December 31, 2009	280,603	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 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, 2011, the most recent actuarial valuation date, the regular plan was 77.84 percent funded. The actuarial accrued liability for benefits was \$8,980,601 and the actuarial value of assets was \$6,990,447, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,990,154. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$3,116,435 and the ratio of the UAAL to the covered payroll was 64 percent.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012**

NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Regular Employees Plan (continued)

Funded Status and Funding Progress (continued)

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.

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.

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 2011 was 16.20 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 17.11 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For calendar year ending December 31, 2011, the employer's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$260,980. Its required contribution for calendar year 2011 was \$275,640.

Three-Year Trend Information

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2011	\$ 275,640	95%	\$ 53,086
December 31, 2010	289,727	87%	38,426
December 31, 2009	202,633	100%	-

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012**

NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

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

Three-Year Trend Information (continued)

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 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, 2011, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 76.80 percent funded. The actuarial accrued liability for benefits was \$7,036,371 and the actuarial value of assets was \$5,403,619, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,632,752. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,610,988 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.

Net Pension Obligation

The components of the change in the net pension obligation for Illinois Municipal Retirement for the current fiscal year is as follows:

	<u>IMRF</u>	<u>SLEP</u>
Annual required contribution	\$ 356,832	\$ 275,640
Contributions	<u>328,784</u>	<u>260,980</u>
Increase in net pension obligation	28,048	14,660
Net pension obligation, beginning of year	<u>53,181</u>	<u>38,426</u>
Net pension obligation, end of year	<u>\$ 81,229</u>	<u>\$ 53,086</u>

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Post retirement healthcare benefits are available to vested employees retiring under the Illinois Retirement System (IMRF) or the Sheriff's Law Enforcement Personnel (SLEP) retirement system. All eligible IMRF and SLEP employees and their spouses are eligible to continue medical, prescription drug and dental coverage with the County plans upon retirement for their lifetimes with the retiree paying 100 percent of the required premium. IMRF benefits fall into two tiers. Tier 1, employees hired before January 1, 2011, to be eligible for retiree benefits, IMRF employees must be a minimum of age 55 with eight or more years of service; SLEP employees must be a minimum of age 50 and 20 years of service. All employees hired after January 1, 2011 will fall under a "Tier 2" retirement schedule. To be eligible for Tier 2 retiree benefits, IMRF employees must be a minimum of age 62 with 10 or more years of service; SLEP employees must be a minimum of age 55 with 10 or more years of SLEP service to be eligible for SLEP retiree benefits.

Retirees pay the entire amount of their premiums for this coverage; however, the premiums are blended rates based on the cost of healthcare benefits for younger active employees along with retirees. Thus, the premiums paid by retirees are lower than the true cost of their healthcare benefits, resulting in the retirees receiving an "implicit rate subsidy." GASB Statement No. 45 considers other post-employment benefits to be part of the compensation that is paid to employees for their services and the cost of these benefits should be recognized while the employees are providing their services, rather than after they've retired. The plan does not issue a stand-alone financial report. The County is required to have an actuarial study conducted to assist in determining these benefits and the related liability every two years. The last study was performed in fiscal year 2011.

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>
Total	<u>99</u>
Participating employers	<u>1</u>

Funding Policy

Retirees pay the full amount of the premiums, as determined by the group health insurance company. The monthly retiree contribution rates for 2012 were \$541.84 for single coverage, \$1,327.53 for family coverage, and \$438.00 for single-Medicare Primary coverage. The County's contribution is in the form of higher premiums paid for active employees that subsidize the cost of the retirees' health insurance. The plan is financed on a pay-as-you-go basis.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

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	\$ 28,067
Interest on net OPEB obligation	1,722
Adjustment to annual required contribution	<u>(915)</u>
Annual OPEB cost (expense)	28,874
Contributions and payments made	<u>17,061</u>
Increase in net OPEB obligation	11,813
Net OPEB obligation, beginning of year	<u>43,039</u>
Net OPEB obligation, end of year	<u><u>\$ 54,852</u></u>

Three-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
November 30, 2012	\$ 28,874	59.09%	\$ 54,852
November 30, 2011	28,067	44.44%	43,039
November 30, 2010	23,899	38.53%	27,444

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 \$5,212,393 and the ratio of the UAAL to the covered payroll was 4.88 percent.

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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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, 2012, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
Major funds:		
General Fund	\$ 172,070	\$ 116,519
Special revenue funds:		
County Highway Fund	-	150,000
County Aid to Bridges Fund	400,000	-
Public Health Fund	988	-
Nonmajor Governmental Funds	<u>106,191</u>	<u>412,730</u>
Total	<u>\$ 679,249</u>	<u>\$ 679,249</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.

Interfund transfers during the year ended November 30, 2012, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 1,401,934	\$ 551,190
Special revenue funds:		
County Highway Fund	258,646	34,694
County Aid to Bridges Fund	-	150,000
Public Health Fund	52,000	50,714
Nonmajor Governmental Funds	<u>770,640</u>	<u>1,696,622</u>
Total operating transfers	<u>\$ 2,483,220</u>	<u>\$ 2,483,220</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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

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, 2012 was \$5,000. During the year ended November 30, 2012, 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 \$57,258 in payments to the trust during the year ended November 30, 2012. The financial information is available by contacting Aaron Mercier at Regional Superintendent of Schools Trust Fund, 500 N. Rush Street, Stockton, Illinois 61085.

NOTE 12 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the November 30, 2013 financial statements include:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, issued November 2010. The objective of this statement is to improve financial reporting for a governmental financial reporting entity. This statement modifies certain requirements for inclusion of component units in the financial reporting entity.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued December 2010. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 12 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
(CONTINUED)

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

New accounting standards effective for the November 30, 2014 financial statements include:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*, issued March 2012. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, issued June 2012. The objective of this statement is to improve financial reporting by state and local governmental pension plans. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

New accounting standards effective for the November 30, 2015 financial statements include:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012. The primary objective of this statement is to improve accounting and financial reporting by state and local governmental for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2012

NOTE 13 - COMMITMENTS

The County has financial commitments relating to various bridge projects, culvert projects and a radio communication upgrade that are estimated to be approximately \$500,000.

NOTE 14 - MINIMUM YEAR-END FUND BALANCE POLICIES

The County has adopted minimum year-end fund balance policies for fiscal year 2012 as follows:

<u>Fund Name</u>	<u>Amount</u>	<u>Policy</u>
General Fund	\$ 1,725,000	Estimated three months of operating expenses
Highway Fund	476,000	Estimated four months of operating revenue
Public Health Fund	410,000	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	174,000	50%-60% of the total eligible expenses for the period
Illinois Municipal Retirement Fund	312,000	60% of the total eligible expenses for the period
Insurance Fund	440,000	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.

NOTE 15 - SUBSEQUENT EVENTS

Management evaluated subsequent events through April 19, 2013, the date the financial statements were available to be issued.

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
SCHEDULES OF FUNDING PROGRESS
November 30, 2012
(Unaudited)

Actuarial Valuation <u>Date</u>	Fair Value of Net Assets <u>(1)</u>	Actuarial Accrued Liability (AAL)- Entry Age <u>(2)</u>	Unfunded (Over- funded) AAL (UAAL) <u>(2-1)</u>	Funded Ratio <u>(1/2)</u>	Covered Payroll <u>(3)</u>	UAAL as a % of Covered Payroll <u>((2-1) / 3)</u>
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Illinois Municipal Retirement Fund

12/31/2011	\$ 6,990,447	\$ 8,980,601	\$ 1,990,154	77.84%	\$ 3,116,435	63.86%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$6,625,384.
On a market basis, the funded ratio would be 73.77%.

Sheriff's Law Enforcement Personnel Plan

12/31/2011	\$ 5,403,619	\$ 7,036,371	\$ 1,632,752	76.80%	\$ 1,610,988	101.35%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$5,181,228.
On a market basis, the funded ratio would be 73.63%.

Other Post-Employment Benefits

12/1/2011	\$ -	\$ 254,497	\$ 254,497	0.00%	\$ 5,212,393	4.88%
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%

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, 2012
(Unaudited)

	<u>Budget</u>		<u>Actual</u>	Actual over
	<u>Original</u>	<u>Final</u>		<u>(under)</u>
REVENUES				
Property taxes	\$ 1,734,242	\$ 1,734,242	\$ 1,709,567	\$ (24,675)
Intergovernmental	2,283,237	2,283,237	2,643,231	359,994
Charges for services	992,302	992,302	1,068,808	76,506
Interest	15,146	14,996	21,702	6,706
Licenses and permits	266,595	266,595	357,605	91,010
Other	<u>50,875</u>	<u>50,875</u>	<u>26,257</u>	<u>(24,618)</u>
 Total revenues	 <u>\$ 5,342,397</u>	 <u>\$ 5,342,247</u>	 <u>5,827,170</u>	 <u>\$ 484,923</u>
EXPENDITURES				
Current:				
General control and administration	\$ 1,757,018	\$ 1,798,027	1,669,565	\$ (128,462)
Public health and education	187,883	187,884	175,062	(12,822)
Public safety	3,066,567	3,066,568	3,004,800	(61,768)
County development	206,975	209,645	186,678	(22,967)
Court services	1,308,101	1,308,613	1,241,659	(66,954)
Capital outlay	<u>14,449</u>	<u>10,791</u>	<u>4,488</u>	<u>(6,303)</u>
 Total expenditures	 <u>\$ 6,540,993</u>	 <u>\$ 6,581,528</u>	 <u>6,282,252</u>	 <u>\$ (299,276)</u>
 Deficiency of revenues over expenditures			 <u>(455,082)</u>	
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 1,274,918	\$ 1,274,918	1,401,934	\$ 127,016
Operating transfers out	<u>(329,835)</u>	<u>(329,835)</u>	<u>(551,190)</u>	<u>(221,355)</u>
	 <u>\$ 945,083</u>	 <u>\$ 945,083</u>	 <u>850,744</u>	 <u>\$ (94,339)</u>
 Excess of revenues and other financing sources over expenditures and other financing uses			 395,662	
 FUND BALANCE, BEGINNING OF YEAR			 <u>2,955,112</u>	
 FUND BALANCE, END OF YEAR			 <u>\$ 3,350,774</u>	

JO DAVIESS COUNTY, ILLINOIS
COUNTY HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended November 30, 2012
(Unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Actual over (under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 798,009	\$ 798,009	\$ 786,891	\$ (11,118)
Intergovernmental	180,000	180,000	203,727	23,727
Interest	5,000	5,000	3,273	(1,727)
Other	<u>64,000</u>	<u>64,000</u>	<u>104,659</u>	<u>40,659</u>
Total revenues	<u>\$ 1,047,009</u>	<u>\$ 1,047,009</u>	<u>1,098,550</u>	<u>\$ 51,541</u>
EXPENDITURES				
Current:				
Transportation	\$ 1,150,501	\$ 1,080,754	877,870	\$ (202,884)
Capital outlay	<u>240,000</u>	<u>309,750</u>	<u>281,302</u>	<u>(28,448)</u>
Total expenditures	<u>\$ 1,390,501</u>	<u>\$ 1,390,504</u>	<u>1,159,172</u>	<u>\$ (231,332)</u>
Deficiency of revenues over expenditures			<u>(60,622)</u>	
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 258,646	\$ 258,646	258,646	\$ -
Operating transfers out	<u>(37,000)</u>	<u>(37,000)</u>	<u>(34,694)</u>	<u>2,306</u>
Total other financing sources (uses)	<u>\$ 221,646</u>	<u>\$ 221,646</u>	<u>223,952</u>	<u>\$ 2,306</u>
Excess of revenues and other financing sources over expenditures and other financing uses			163,330	
FUND BALANCE, BEGINNING OF YEAR			<u>940,013</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,103,343</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, 2012
(Unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Actual over (under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 305,021	\$ 305,021	\$ 300,834	\$ (4,187)
Intergovernmental	610,000	610,000	782,209	172,209
Interest	4,200	4,200	330	(3,870)
Other	<u>150,000</u>	<u>150,000</u>	<u>156,784</u>	<u>6,784</u>
Total revenues	<u>\$ 1,069,221</u>	<u>\$ 1,069,221</u>	<u>1,240,157</u>	<u>\$ 170,936</u>
EXPENDITURES				
Current:				
Transportation	<u>\$ 1,310,000</u>	<u>\$ 1,310,000</u>	<u>1,008,793</u>	<u>\$ (301,207)</u>
Excess of revenues over expenditures			<u>231,364</u>	
OTHER FINANCING USES				
Operating transfers out	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	<u>(150,000)</u>	<u>\$ -</u>
Excess of revenues over expenditures and other financing uses			81,364	
FUND BALANCE, BEGINNING OF YEAR			<u>380,175</u>	
FUND BALANCE, END OF YEAR			<u>\$ 461,539</u>	

JO DAVIESS COUNTY, ILLINOIS
PUBLIC HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended November 30, 2012
(Unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Actual over (under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 522,509	\$ 522,509	\$ 515,243	\$ (7,266)
Intergovernmental	162,919	162,919	146,261	(16,658)
Charges for services	60,150	60,150	97,255	37,105
Interest	3,200	3,200	3,816	616
Other	-	-	1,378	1,378
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 748,778</u>	<u>\$ 748,778</u>	<u>763,953</u>	<u>\$ 15,175</u>
EXPENDITURES				
Current:				
Public health and education	\$ 932,750	\$ 934,162	731,711	\$ (202,451)
Capital outlay	11,000	9,588	6,610	(2,978)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 943,750</u>	<u>\$ 943,750</u>	<u>738,321</u>	<u>\$ (205,429)</u>
Excess of revenues over expenditures			<u>25,632</u>	
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 52,000	\$ 52,000	52,000	\$ -
Operating transfers out	(68,100)	(68,100)	(50,714)	17,386
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u>\$ (16,100)</u>	<u>\$ (16,100)</u>	<u>1,286</u>	<u>\$ 17,386</u>
Excess of revenues and other financing sources over expenditures and other financing uses			26,918	
FUND BALANCE, BEGINNING OF YEAR			<u>1,169,216</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,196,134</u>	

JO DAVIESS COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2012
(Unaudited)

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 17, 2011. 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 2012 fiscal year:

	<u>Budget</u>	<u>Actual</u>	<u>Amount Over Budget</u>
Federal Aid Matching Fund	\$ 600,000	\$ 1,141,631	\$ 541,631
JDC Natural Hazard Mitigation Fund	\$ 55,000	\$ 56,661	\$ 1,661

SUPPLEMENTARY INFORMATION

**JO DAVIESS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
GENERAL FUND
November 30, 2012**

	<u>General Account</u>	<u>Contingency Account</u>	<u>Total General Fund</u>
ASSETS			
Cash and investments	\$ 3,051,809	\$ 70,736	\$ 3,122,545
Accounts receivable	25,921	-	25,921
Interest receivable	3,272	-	3,272
Due from other funds	8,227	108,292	116,519
Due from other governmental agencies	802,509	-	802,509
Property tax receivable	1,821,096	-	1,821,096
Prepaid expenses	2,970	-	2,970
Inventory	36,664	-	36,664
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 5,752,468	\$ 179,028	\$ 5,931,496
LIABILITIES			
Accounts payable	\$ 120,081	\$ -	\$ 120,081
Accrued liabilities	65,839	-	65,839
Due to other funds	172,070	-	172,070
Unearned and deferred revenue	401,636	-	401,636
Deferred property taxes	1,821,096	-	1,821,096
	<hr/>	<hr/>	<hr/>
Total liabilities	2,580,722	-	2,580,722
FUND BALANCES			
Nonspendable	39,634	-	39,634
Unassigned	3,132,112	179,028	3,311,140
	<hr/>	<hr/>	<hr/>
Total fund balances	3,171,746	179,028	3,350,774
TOTAL LIABILITIES AND FUND BALANCES			
	\$ 5,752,468	\$ 179,028	\$ 5,931,496

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year ended November 30, 2012

	<u>General Account</u>	<u>Contingency Account</u>	<u>Total General Fund</u>
REVENUES			
Property taxes	\$ 1,709,567	\$ -	\$ 1,709,567
Intergovernmental	2,643,231	-	2,643,231
Charges for services	1,068,808	-	1,068,808
Interest	21,630	72	21,702
Licenses and permits	357,605	-	357,605
Other	<u>26,257</u>	<u>-</u>	<u>26,257</u>
Total revenues	<u>5,827,098</u>	<u>72</u>	<u>5,827,170</u>
EXPENDITURES			
Current:			
General control and administration	1,648,401	21,164	1,669,565
Public health and education	175,062	-	175,062
Public safety	3,004,800	-	3,004,800
County development	186,678	-	186,678
Court services	1,241,659	-	1,241,659
Capital outlay	<u>4,488</u>	<u>-</u>	<u>4,488</u>
Total expenditures	<u>6,261,088</u>	<u>21,164</u>	<u>6,282,252</u>
Deficiency of revenues over expenditures	<u>(433,990)</u>	<u>(21,092)</u>	<u>(455,082)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,240,579	161,355	1,401,934
Operating transfers out	<u>(436,190)</u>	<u>(115,000)</u>	<u>(551,190)</u>
	<u>804,389</u>	<u>46,355</u>	<u>850,744</u>
Excess of revenues and other financing sources over expenditures and other financing uses	370,399	25,263	395,662
FUND BALANCES, BEGINNING OF YEAR	<u>2,801,347</u>	<u>153,765</u>	<u>2,955,112</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,171,746</u>	<u>\$ 179,028</u>	<u>\$ 3,350,774</u>

**JO DAVIESS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
PUBLIC HEALTH FUND
November 30, 2012**

	Public Health <u>Account</u>	Catastrophic Public Health Emergency <u>Account</u>	Total Public Health <u>Fund</u>
ASSETS			
Cash and investments	\$ 990,395	\$ 207,396	\$ 1,197,791
Accounts receivable	550	-	550
Interest receivable	-	476	476
Due from other governmental agencies	27,391	-	27,391
Property taxes receivable	522,509	-	522,509
Inventory	<u>16,495</u>	<u>-</u>	<u>16,495</u>
TOTAL ASSETS	<u>\$ 1,557,340</u>	<u>\$ 207,872</u>	<u>\$ 1,765,212</u>
LIABILITIES			
Accounts payable	\$ 12,388	\$ -	\$ 12,388
Accrued liabilities	9,116	-	9,116
Due to other funds	988	-	988
Unearned and deferred revenue	24,077	-	24,077
Deferred property taxes	<u>522,509</u>	<u>-</u>	<u>522,509</u>
Total liabilities	<u>569,078</u>	<u>-</u>	<u>569,078</u>
FUND BALANCES			
Nonspendable	16,495	-	16,495
Restricted:			
Public health and education	<u>971,767</u>	<u>207,872</u>	<u>1,179,639</u>
Total fund balances	<u>988,262</u>	<u>207,872</u>	<u>1,196,134</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,557,340</u>	<u>\$ 207,872</u>	<u>\$ 1,765,212</u>

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PUBLIC HEALTH FUND
Year ended November 30, 2012

	Public Health Account	Catastrophic Public Health Emergency Account	Total Public Health Fund
REVENUES			
Property taxes	\$ 515,243	\$ -	\$ 515,243
Intergovernmental	146,261	-	146,261
Charges for services	97,255	-	97,255
Interest	2,642	1,174	3,816
Other	1,378	-	1,378
	<hr/>	<hr/>	<hr/>
Total revenues	762,779	1,174	763,953
EXPENDITURES			
Current:			
Public health and education	731,711	-	731,711
Capital outlay	6,610	-	6,610
	<hr/>	<hr/>	<hr/>
Total expenditures	738,321	-	738,321
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>
	24,458	1,174	25,632
OTHER FINANCING SOURCES (USES)			
Operating transfers in	52,000	-	52,000
Operating transfers out	(50,714)	-	(50,714)
	<hr/>	<hr/>	<hr/>
	1,286	-	1,286
Excess of revenues and other financing sources over expenditures and other financing uses	<hr/>	<hr/>	<hr/>
	25,744	1,174	26,918
FUND BALANCES, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	962,518	206,698	1,169,216
FUND BALANCES, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 988,262	\$ 207,872	\$ 1,196,134

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

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, and health insurance reimbursements; 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: The purpose of this fund is to provide financial support for the State's Attorney Office for expenses incurred as a result of prosecution of drug offenses. Eligible expenses include, but are not limited to: salaries for cash management, training, supplies, and purchase of equipment for case research. Revenue for this fund is derived from the receipt of 12.5% of the fines and forfeitures received by the Illinois State Police as a result of the prosecution of drug offenses. The State's Attorney authorizes expenditures from the fund. This fund was established under the authority of 725 ILCS 175/1 et al.

Home Health Care Fund: This fund is used for Home Health Care expenditures. 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 Emergency Preparedness Fund: This fund is to cover expenditures related to planning and dealing with public health emergencies. This would include upgrading and maintaining 24:7 response for emergency situations, communicable disease surveillance, health alert network, public health mutual aide, siren alerts, internet capability and risk communication devices and public health responses to national and global health concerns. This fund is established to track federal and state grant money related to public health emergency preparedness.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

Special Revenue Funds (Continued)

Dog Fund: This fund is used to cover the costs associated with livestock kills. Revenue for this fund comes from one third of registration fees from the Rabies Fund 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.

Rabies Control Fund: The revenue from this fund is disbursed by transferring one third into the Dog Fund and two thirds into the General Fund. This fund derives its revenue from fees for registration, penalties, city contracts, private pick-ups and interest income. Expenditures fall under the guidelines of the General Fund. 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.

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: The purpose of this fund is to pay the expenditures 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 expenditures related to the County's due diligence and over of the Project. The revenue for this fund is derived from deposits made by Rentech Energy Midwest. This fund was established by action of the Jo Daviess County Board on September 12, 2006.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

Special Revenue Funds (Continued)

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.

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 Economic Development 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 expenditures 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 Matching 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.

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012

Special Revenue Funds (Continued)

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 Geographic Information System/Information Technology Coordinator authorizes all expenditures from the fund. This fund was established under the authority of Public Act 9170791.

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 Tax 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

Special Revenue Funds (Continued)

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 5/3-5018.

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 5/3-5018.

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.

County Treasurer 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 is used for the purchase of infant and toddler convertible safety seats or booster seats for eligible Women, Infant, and Children (WIC) infants and children. This fund was established per a golf fund raiser sponsored by the Stockton Black Hawk Golf Course manager, Jay Upmann in October 2005. The fund was dissolved in November 2012.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

Special Revenue Funds (Continued)

Sheriff DUI Fund: The purpose of this fund is 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 (j) et seq.

State's Attorney Felony/Misdemeanor Diversion Program Fund: This fund will consist of money deposited by defendants as bond for offenses that are charged but may be dismissed, if certain conditions are met. The court will be ordering a defendant to comply with certain conditions in order to complete the 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 money deposited will be disbursed to the State's Attorney's Office, Circuit Clerk's Office, and the arresting agency. The State's Attorney is authorized by statute to initiate this program.

Sheriff Vehicle Fund: The purpose of this fund is to pay 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: The purpose of the fund is to deposit and disburse 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. Disbursements from this fund include staff salaries and benefits; CVB Board of Directors expenses; promotion expenses; local promotion grants; phone and information centers; county administrative fee; and transfer to tourism capital development fund. The County hotel/motel tax, established pursuant to 55 ILCS 5/5-1030, partnership dues, state grants, and the triathlon fees support this fund. The County Board approves disbursements from this fund. This fund was established pursuant to action by the County Board.

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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

Special Revenue Funds (Continued)

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 expenditures 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).

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 expenditures 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.

Coroner's 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.

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012

Special Revenue Funds (Continued)

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 Natural Hazard Mitigation Fund: This fund was established to account for the receipt and distribution of federal (FEMA) and state (IEMA) natural hazard mitigation grants. Grants may include natural hazard mitigation planning grants and grants for natural hazard mitigation projects in Jo Daviess County. Regulations governing mitigation planning and requirements for local mitigation plans are published under 44 CFR §201.6.

State's Attorney Records Automation Fund: The purpose of this fund is to discharge the expenditures of the State's Attorney's Office for establishing and maintaining the automated record keeping systems. Revenue for this fund is derived from fees collected from defendants on judgment of guilty or a grant of supervision for a violation of any provision of the Illinois Vehicle Code or any felony, misdemeanor, or petty offense. The Clerk of the Court collects the fee and remits the fees monthly to the county treasurer, to be deposited by him or her into a special fund designated as the State's Attorney Records Automation Fund. Expenditures from this fund may be made by the State's Attorney for hardware, software, research, and development costs and personnel related thereto. This fund was established under the authority of 55 ILCS 5/4-2002.

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012

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.

Tourism Capital Development Fund: Disbursements from this fund include 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.

County Capital Investment 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.

County Capital Equipment Replacement 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.

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. Equipment includes but is not limited to computers, printers, and Telehealth monitoring equipment. The Home Health Care Equipment Fund amounts to cover the costs of the future purchase and replacement of new equipment items. Expenditures from this fund are included in the annual budget and payments from the fund are authorized by the Board of Health and County Board.

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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2012**

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, 2012

	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 Emergency Preparedness Fund	Dog Fund
ASSETS								
Cash and investments	\$ 341	\$ 598,419	\$ 538,064	\$ 947	\$ 999,687	\$ 3,648	\$ 22,112	\$ 9,097
Accounts receivable	-	288	1,498	-	7,883	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	250,000	-	-	266	-	-	-
Due from other governments	-	371,820	38,355	-	69,777	-	15,546	-
Property taxes receivable	-	320,297	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 341	\$ 1,540,824	\$ 577,917	\$ 947	\$ 1,077,613	\$ 3,648	\$ 37,658	\$ 9,097
LIABILITIES								
Accounts payable	\$ -	\$ 504,440	\$ 10,157	\$ -	\$ 14,098	\$ -	\$ -	\$ -
Accrued liabilities	-	-	1,791	-	5,880	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	40,992	-	-	-
Deferred property taxes	-	320,297	-	-	-	-	-	-
Total liabilities	-	824,737	11,948	-	60,970	-	-	-
FUND BALANCES (DEFICIT)								
Restricted:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	341	716,087	565,969	-	-	-	-	-
Public health and education	-	-	-	-	1,016,643	3,648	37,658	-
Public safety	-	-	-	-	-	-	-	9,097
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	947	-	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	341	716,087	565,969	947	1,016,643	3,648	37,658	9,097
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 341	\$ 1,540,824	\$ 577,917	\$ 947	\$ 1,077,613	\$ 3,648	\$ 37,658	\$ 9,097

(continued)

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2012

	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
ASSETS								
Cash and investments	\$ 3,813	\$ 20,244	\$ -	\$ -	\$ -	\$ 543	\$ 268,100	\$ 6,807
Accounts receivable	3,334	318	14	25	39	-	17,069	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	41,154	144
Property taxes receivable	-	343,896	80,000	64,000	28,317	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 7,147	\$ 364,458	\$ 80,014	\$ 64,025	\$ 28,356	\$ 543	\$ 326,323	\$ 6,951
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 14	\$ 25	\$ 39	\$ -	\$ 4,749	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	7,000	1,000	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	-	-	24,609	-
Deferred property taxes	-	343,896	80,000	64,000	28,317	-	-	-
Total liabilities	7,000	344,896	80,014	64,025	28,356	-	29,358	-
FUND BALANCES (DEFICIT)								
Restricted:								
General control and administration	-	-	-	-	-	543	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	147	-	-	-	-	-	296,965	6,951
Mental health	-	19,562	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	147	19,562	-	-	-	543	296,965	6,951
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 7,147	\$ 364,458	\$ 80,014	\$ 64,025	\$ 28,356	\$ 543	\$ 326,323	\$ 6,951

(continued)

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2012**

	<u>Special Revenue</u>							
	Economic Development Investment Fund	LTCB Matching Grant Fund	GIS Automation Fund	Municipal Retirement Fund	Social Security Fund	Probation Services Fund	Extension Education Fund	Insurance Fund
ASSETS								
Cash and investments	\$ 699,500	\$ 40,274	\$ 45,647	\$ 355,854	\$ 218,768	\$ 83,861	\$ 1	\$ 571,406
Accounts receivable	-	-	289	2,029	243	-	76	380
Interest receivable	140	-	-	-	-	28	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	123,839	53,691	12,626	-	-	1,692	-	-
Property taxes receivable	-	-	-	502,000	259,000	-	80,252	402,764
Loans receivable	20,917	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 844,396	\$ 93,965	\$ 58,562	\$ 859,883	\$ 478,011	\$ 85,581	\$ 80,329	\$ 974,550
LIABILITIES								
Accounts payable	\$ 2,500	\$ -	\$ 1,139	\$ -	\$ -	\$ 4,324	\$ 76	\$ -
Accrued liabilities	-	-	2,511	10,064	5,672	-	-	-
Due to other funds	-	93,964	4,000	-	-	-	-	-
Unearned and deferred revenue	123,839	-	-	-	-	-	-	-
Deferred property taxes	-	-	-	502,000	259,000	-	80,252	402,764
Total liabilities	126,339	93,964	7,650	512,064	264,672	4,324	80,328	402,764
FUND BALANCES (DEFICIT)								
Restricted:								
General control and administration	-	-	50,912	347,819	213,339	-	-	571,786
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	1	-	-	-	-	1	-
Court services	-	-	-	-	-	81,257	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	718,057	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	718,057	1	50,912	347,819	213,339	81,257	1	571,786
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 844,396	\$ 93,965	\$ 58,562	\$ 859,883	\$ 478,011	\$ 85,581	\$ 80,329	\$ 974,550

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2012

	<u>Special Revenue</u>							
	<u>Circuit Clerk Automation Fund</u>	<u>Recorder Automation Fund</u>	<u>County Clerk Automation Fund</u>	<u>Court Document Storage Fund</u>	<u>County Treasurer Automation Fund</u>	<u>Election Equipment Fund</u>	<u>Maintenance and Child Support Fund</u>	<u>Probation EMHD Program Fund</u>
ASSETS								
Cash and investments	\$ 126,045	\$ 134,079	\$ 31,896	\$ 136,718	\$ 17,172	\$ 619	\$ 87,676	\$ 3,879
Accounts receivable	-	-	-	79	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	3,530	4,759	133	3,006	-	-	2,540	-
Property taxes receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 129,575</u>	<u>\$ 138,838</u>	<u>\$ 32,029</u>	<u>\$ 139,803</u>	<u>\$ 17,172</u>	<u>\$ 619</u>	<u>\$ 90,216</u>	<u>\$ 3,879</u>
LIABILITIES								
Accounts payable	\$ 427	\$ 3,216	\$ -	\$ 10,954	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	-	-	1,693	-
Deferred property taxes	-	-	-	-	-	-	-	-
Total liabilities	<u>427</u>	<u>3,216</u>	<u>-</u>	<u>10,954</u>	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>-</u>
FUND BALANCES (DEFICIT)								
Restricted:								
General control and administration	-	135,622	32,029	-	17,172	619	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	129,148	-	-	128,849	-	-	88,523	3,879
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>129,148</u>	<u>135,622</u>	<u>32,029</u>	<u>128,849</u>	<u>17,172</u>	<u>619</u>	<u>88,523</u>	<u>3,879</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 129,575</u>	<u>\$ 138,838</u>	<u>\$ 32,029</u>	<u>\$ 139,803</u>	<u>\$ 17,172</u>	<u>\$ 619</u>	<u>\$ 90,216</u>	<u>\$ 3,879</u>

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2012

	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
ASSETS								
Cash and investments	\$ -	\$ 24,421	\$ 11,320	\$ 96,349	\$ 21,348	\$ 548,429	\$ 70,050	\$ 344,638
Accounts receivable	-	-	-	-	-	63,743	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	93,964	-	62,500
Due from other governments	-	1,031	-	654	528	-	-	259
Property taxes receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 25,452	\$ 11,320	\$ 97,003	\$ 21,876	\$ 706,136	\$ 70,050	\$ 407,397
LIABILITIES								
Accounts payable	\$ -	\$ 853	\$ -	\$ -	\$ 356	\$ 19,650	\$ -	\$ 54,650
Accrued liabilities	-	-	-	-	-	6,733	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	-	-	-	-
Deferred property taxes	-	-	-	-	-	-	-	-
Total liabilities	-	853	-	-	356	26,383	-	54,650
FUND BALANCES (DEFICIT)								
Restricted:								
General control and administration	-	-	-	-	-	-	70,050	352,747
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	24,599	11,320	97,003	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	679,753	-	-
Court services	-	-	-	-	21,520	-	-	-
Working cash	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	24,599	11,320	97,003	21,520	679,753	70,050	352,747
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ -	\$ 25,452	\$ 11,320	\$ 97,003	\$ 21,876	\$ 706,136	\$ 70,050	\$ 407,397

(continued)
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JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2012

	Special Revenue						
	Public Health Emergency Response Grant Fund	Sobriety Court Fund	County Jail Medical Costs Fund	Coroner's Equipment and Operations Fund	County Transit Fund	JDC Natural Hazard Mitigation Fund	State's Attorney Records Automation Fund
ASSETS							
Cash and investments	\$ 49	\$ 8,992	\$ 6,582	\$ 11,862	\$ -	\$ 12,288	\$ 444
Accounts receivable	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	531	404	-	156,291	10,695	219
Property taxes receivable	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 49	\$ 9,523	\$ 6,986	\$ 11,862	\$ 156,291	\$ 22,983	\$ 663
LIABILITIES							
Accounts payable	\$ -	\$ 456	\$ -	\$ -	\$ 102,408	\$ 22,980	\$ -
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned and deferred revenue	-	-	-	-	53,883	6,598	-
Deferred property taxes	-	-	-	-	-	-	-
Total liabilities	-	456	-	-	156,291	29,578	-
FUND BALANCES (DEFICIT)							
Restricted:							
General control and administration	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Public health and education	49	-	-	-	-	-	-
Public safety	-	-	6,986	11,862	-	-	-
Mental health	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-
Court services	-	9,067	-	-	-	-	663
Working cash	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(6,595)	-
Total fund balances (deficit)	49	9,067	6,986	11,862	-	(6,595)	663
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 49	\$ 9,523	\$ 6,986	\$ 11,862	\$ 156,291	\$ 22,983	\$ 663

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2012

Capital Projects								
	Public Health Capital Investment Fund	Tourism Capital Development Fund	County Capital Investment Fund	County Capital Equipment Replacement Fund	Home Health Care Capital Equipment Fund	GIS Capital Equipment & Investments Fund	Permanent Fund Working Cash Fund	Total Other Governmental Funds
ASSETS								
Cash and investments	\$ 380,980	\$ 290,433	\$ 216,712	\$ 325,737	\$ 39,879	\$ 78,790	\$ 50,491	\$ 7,565,011
Accounts receivable	-	-	-	-	-	-	-	97,307
Interest receivable	279	-	-	-	-	149	-	596
Due from other funds	-	-	-	2,000	-	4,000	-	412,730
Due from other governments	-	-	-	-	-	-	-	913,224
Property taxes receivable	-	-	-	-	-	-	-	2,080,526
Loans receivable	-	-	-	-	-	-	-	20,917
TOTAL ASSETS	\$ 381,259	\$ 290,433	\$ 216,712	\$ 327,737	\$ 39,879	\$ 82,939	\$ 50,491	\$ 11,090,311
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 1,350	\$ -	\$ -	\$ -	\$ 758,861
Accrued liabilities	-	-	-	-	-	-	-	32,651
Due to other funds	-	-	-	-	-	-	227	106,191
Unearned and deferred revenue	-	-	-	-	-	-	-	251,614
Deferred property taxes	-	-	-	-	-	-	-	2,080,526
Total liabilities	-	-	-	1,350	-	-	227	3,229,843
FUND BALANCES (DEFICIT)								
Restricted:								
General control and administration	-	-	-	-	-	-	-	1,792,638
Transportation	-	-	-	-	-	-	-	1,282,397
Public health and education	-	-	-	-	-	-	-	1,057,998
Public safety	-	-	-	-	-	-	-	464,930
Mental health	-	-	-	-	-	-	-	19,562
County development	-	-	-	-	-	-	-	679,755
Court services	-	-	-	-	-	-	-	463,853
Working cash	-	-	-	-	-	-	50,264	50,264
Committed	-	-	-	-	-	-	-	718,057
Assigned	381,259	290,433	216,712	326,387	39,879	82,939	-	1,337,609
Unassigned	-	-	-	-	-	-	-	(6,595)
Total fund balances (deficit)	381,259	290,433	216,712	326,387	39,879	82,939	50,264	7,860,468
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 381,259	\$ 290,433	\$ 216,712	\$ 327,737	\$ 39,879	\$ 82,939	\$ 50,491	\$ 11,090,311

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

	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 Emergency Preparedness Fund	Dog Fund
REVENUES								
Property taxes	\$ -	\$ 300,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	371,820	644,054	-	572,220	-	38,587	-
Charges for services	-	-	-	-	54,329	-	-	-
Interest	-	4,107	4,047	-	5,629	7	143	16
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	18,162	-	79	1	-	-
Total revenues	<u>-</u>	<u>676,761</u>	<u>666,263</u>	<u>-</u>	<u>632,257</u>	<u>8</u>	<u>38,730</u>	<u>16</u>
EXPENDITURES								
Current:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	-	343,430	474,836	-	-	-	-	-
Public health and education	-	-	-	-	532,910	-	-	-
Public safety	-	-	-	-	-	-	-	43
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Capital outlay	-	798,201	-	-	293	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,141,631</u>	<u>474,836</u>	<u>-</u>	<u>533,203</u>	<u>-</u>	<u>-</u>	<u>43</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(464,870)</u>	<u>191,427</u>	<u>-</u>	<u>99,054</u>	<u>8</u>	<u>38,730</u>	<u>(27)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	-	-	-	-	-
Proceeds on issuance of debt	-	-	-	-	-	-	-	-
Operating transfers out	-	-	(100,000)	-	(28,255)	-	(40,000)	-
Total	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(28,255)</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>(464,870)</u>	<u>91,427</u>	<u>-</u>	<u>70,799</u>	<u>8</u>	<u>(1,270)</u>	<u>(27)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>341</u>	<u>1,180,957</u>	<u>474,542</u>	<u>947</u>	<u>945,844</u>	<u>3,640</u>	<u>38,928</u>	<u>9,124</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 341</u>	<u>\$ 716,087</u>	<u>\$ 565,969</u>	<u>\$ 947</u>	<u>\$ 1,016,643</u>	<u>\$ 3,648</u>	<u>\$ 37,658</u>	<u>\$ 9,097</u>

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

	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
REVENUES								
Property taxes	\$ -	\$ 332,492	\$ 79,862	\$ 63,214	\$ 28,257	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	94,907	-	-	-	-	-	313,655	709
Interest	47	278	32	25	11	1	1,268	23
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	1	400	867
Total revenues	<u>94,954</u>	<u>332,770</u>	<u>79,894</u>	<u>63,239</u>	<u>28,268</u>	<u>2</u>	<u>315,323</u>	<u>1,599</u>
EXPENDITURES								
Current:								
General control and administration	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	79,894	63,239	28,268	-	-	-
Public safety	-	-	-	-	-	-	90,498	7,666
Mental health	-	329,056	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>329,056</u>	<u>79,894</u>	<u>63,239</u>	<u>28,268</u>	<u>-</u>	<u>90,498</u>	<u>7,666</u>
Excess (deficiency) of revenues over expenditures	<u>94,954</u>	<u>3,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>224,825</u>	<u>(6,067)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	-	-	-	-	-
Proceeds on issuance of debt	-	-	-	-	-	-	-	-
Operating transfers out	(110,000)	(1,000)	-	-	-	-	(328,593)	-
	<u>(110,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328,593)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(15,046)	2,714	-	-	-	2	(103,768)	(6,067)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<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>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 147</u>	<u>\$ 19,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 543</u>	<u>\$ 296,965</u>	<u>\$ 6,951</u>

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

	Special Revenue							
	Economic Development Investment Fund	LTCB Matching Grant Fund	GIS Automation Fund	Municipal Retirement Fund	Social Security Fund	Probation Services Fund	Extension Education Fund	Insurance Fund
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ 474,280	\$ 255,445	\$ -	\$ 79,222	\$ 397,160
Intergovernmental	123,839	176,071	-	38,100	21,600	-	-	-
Charges for services	-	-	169,657	-	-	24,143	-	-
Interest	7,193	-	158	2,058	1,357	465	31	1,138
Licenses and permits	-	-	-	-	-	-	-	-
Other	6	-	-	-	-	-	-	726
Total revenues	<u>131,038</u>	<u>176,071</u>	<u>169,815</u>	<u>514,438</u>	<u>278,402</u>	<u>24,608</u>	<u>79,253</u>	<u>399,024</u>
EXPENDITURES								
Current:								
General control and administration	-	-	165,919	3,405	1,845	-	-	318,696
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	18,274	-	-	-	-	-	79,253	-
Court services	-	-	-	-	-	10,172	-	-
Capital outlay	-	-	635	-	-	7,661	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>18,274</u>	<u>-</u>	<u>166,554</u>	<u>3,405</u>	<u>1,845</u>	<u>17,833</u>	<u>79,253</u>	<u>318,696</u>
Excess (deficiency) of revenues over expenditures	<u>112,764</u>	<u>176,071</u>	<u>3,261</u>	<u>511,033</u>	<u>276,557</u>	<u>6,775</u>	<u>-</u>	<u>80,328</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	23,000	25,954	12,256	-	-	19,502
Proceeds on issuance of debt	-	-	-	-	-	-	-	-
Operating transfers out	-	(176,071)	(35,000)	(500,297)	(274,978)	(3,750)	-	-
	<u>-</u>	<u>(176,071)</u>	<u>(12,000)</u>	<u>(474,343)</u>	<u>(262,722)</u>	<u>(3,750)</u>	<u>-</u>	<u>19,502</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	112,764	-	(8,739)	36,690	13,835	3,025	-	99,830
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<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>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 718,057</u>	<u>\$ 1</u>	<u>\$ 50,912</u>	<u>\$ 347,819</u>	<u>\$ 213,339</u>	<u>\$ 81,257</u>	<u>\$ 1</u>	<u>\$ 571,786</u>

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

	Special Revenue							
	Circuit Clerk Automation Fund	Recorder Automation Fund	County Clerk Automation Fund	Court Document Storage Fund	County Treasurer Automation Fund	Election Equipment Fund	Maintenance and Child Support Fund	Probation EMHD Program Fund
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	5,376	6,437	-
Charges for services	41,033	50,966	2,380	34,025	2,260	-	-	-
Interest	364	402	128	77	29	1	176	-
Licenses and permits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1
Total revenues	<u>41,397</u>	<u>51,368</u>	<u>2,508</u>	<u>34,102</u>	<u>2,289</u>	<u>5,377</u>	<u>6,613</u>	<u>1</u>
EXPENDITURES								
Current:								
General control and administration	-	3,009	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-
Capital outlay	20,052	25,645	2,240	17,204	-	5,376	-	-
Debt Service:								
Principal	-	6,892	-	-	-	-	-	-
Interest	-	130	-	-	-	-	-	-
Total expenditures	<u>20,052</u>	<u>35,676</u>	<u>2,240</u>	<u>17,204</u>	<u>-</u>	<u>5,376</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>21,345</u>	<u>15,692</u>	<u>268</u>	<u>16,898</u>	<u>2,289</u>	<u>1</u>	<u>6,613</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	-	-	-	-	-
Proceeds on issuance of debt	-	-	-	-	-	-	-	-
Operating transfers out	(5,000)	-	-	-	-	-	(10,000)	-
	<u>(5,000)</u>	<u>-</u>	<u>-</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	16,345	15,692	268	16,898	2,289	1	(3,387)	1
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<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>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 129,148</u>	<u>\$ 135,622</u>	<u>\$ 32,029</u>	<u>\$ 128,849</u>	<u>\$ 17,172</u>	<u>\$ 619</u>	<u>\$ 88,523</u>	<u>\$ 3,879</u>

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

	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
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	19,154	-	766,053	-	33,915
Charges for services	-	9,777	3,950	4,582	5,382	108,586	-	-
Interest	-	-	21	258	10	1,902	163	-
Licenses and permits	-	-	-	-	-	-	-	2,225
Other	-	1,000	-	15,989	-	160	13,560	1,345
Total revenues	<u>-</u>	<u>10,777</u>	<u>3,971</u>	<u>39,983</u>	<u>5,392</u>	<u>876,701</u>	<u>13,723</u>	<u>37,485</u>
EXPENDITURES								
Current:								
General control and administration	-	-	-	-	-	-	-	59,143
Transportation	-	-	-	-	-	-	-	-
Public health and education	7,391	-	-	-	-	-	-	-
Public safety	-	3,342	-	67,504	-	-	-	-
Mental health	-	-	-	-	-	-	-	-
County development	-	-	-	-	-	736,414	-	-
Court services	-	-	-	-	2,190	-	-	-
Capital outlay	1,532	-	3,034	78,631	-	338	-	742,218
Debt Service:								
Principal	-	-	-	-	-	-	-	90,333
Interest	-	-	-	-	-	-	-	26,867
Total expenditures	<u>8,923</u>	<u>3,342</u>	<u>3,034</u>	<u>146,135</u>	<u>2,190</u>	<u>736,752</u>	<u>-</u>	<u>918,561</u>
Excess (deficiency) of revenues over expenditures	<u>(8,923)</u>	<u>7,435</u>	<u>937</u>	<u>(106,152)</u>	<u>3,202</u>	<u>139,949</u>	<u>13,723</u>	<u>(881,076)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	84,000	-	176,071	-	265,025
Proceeds on issuance of debt	-	-	-	-	-	-	-	1,000,000
Operating transfers out	-	-	-	-	-	(79,808)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,000</u>	<u>-</u>	<u>96,263</u>	<u>-</u>	<u>1,265,025</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(8,923)</u>	<u>7,435</u>	<u>937</u>	<u>(22,152)</u>	<u>3,202</u>	<u>236,212</u>	<u>13,723</u>	<u>383,949</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>8,923</u>	<u>17,164</u>	<u>10,383</u>	<u>119,155</u>	<u>18,318</u>	<u>443,541</u>	<u>56,327</u>	<u>(31,202)</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 24,599</u>	<u>\$ 11,320</u>	<u>\$ 97,003</u>	<u>\$ 21,520</u>	<u>\$ 679,753</u>	<u>\$ 70,050</u>	<u>\$ 352,747</u>

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

	Special Revenue						
	Public Health Emergency Response Grant Fund	Sobriety Court Fund	County Jail Medical Costs Fund	Coroner's Equipment and Operations Fund	County Transit Fund	JDC Natural Hazard Mitigation Fund	State's Attorney Records Automation Fund
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	5,445	-	-	666,576	50,063	-
Charges for services	-	-	3,210	7,485	-	-	663
Interest	3	4	3	4	-	3	-
Licenses and permits	-	-	-	-	-	-	-
Other	1	-	-	-	-	-	-
Total revenues	<u>4</u>	<u>5,449</u>	<u>3,213</u>	<u>7,489</u>	<u>666,576</u>	<u>50,066</u>	<u>663</u>
EXPENDITURES							
Current:							
General control and administration	-	-	-	-	-	-	-
Transportation	-	-	-	-	686,485	-	-
Public health and education	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	56,661	-
Mental health	-	-	-	-	-	-	-
County development	-	-	-	-	-	-	-
Court services	-	2,969	-	-	-	-	-
Capital outlay	-	-	-	-	18,841	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>2,969</u>	<u>-</u>	<u>-</u>	<u>705,326</u>	<u>56,661</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4</u>	<u>2,480</u>	<u>3,213</u>	<u>7,489</u>	<u>(38,750)</u>	<u>(6,595)</u>	<u>663</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	38,750	-	-
Proceeds on issuance of debt	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,750</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4	2,480	3,213	7,489	-	(6,595)	663
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>45</u>	<u>6,587</u>	<u>3,773</u>	<u>4,373</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 49</u>	<u>\$ 9,067</u>	<u>\$ 6,986</u>	<u>\$ 11,862</u>	<u>\$ -</u>	<u>\$ (6,595)</u>	<u>\$ 663</u>

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

	Capital Projects							
	Public Health Capital Investment Fund	Tourism Capital Development Fund	County Capital Investment Fund	County Capital Equipment Replacement Fund	Home Health Care Capital Equipment Fund	GIS Capital Equipment & Investments Fund	Permanent Fund Working Cash Fund	Total Other Governmental Funds
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,010,766
Intergovernmental	-	-	-	1,500	-	-	-	3,540,810
Charges for services	-	-	-	-	-	-	-	931,699
Interest	2,189	923	25	1,789	78	587	144	37,317
Licenses and permits	-	-	-	-	-	-	-	2,225
Other	-	-	46,964	-	-	-	-	99,262
Total revenues	<u>2,189</u>	<u>923</u>	<u>46,989</u>	<u>3,289</u>	<u>78</u>	<u>587</u>	<u>144</u>	<u>6,622,079</u>
EXPENDITURES								
Current:								
General control and administration	-	-	-	-	-	8,210	-	560,227
Transportation	-	-	-	-	-	-	-	1,504,751
Public health and education	-	-	-	-	-	-	-	711,702
Public safety	-	-	-	-	-	-	-	225,714
Mental health	-	-	-	-	-	-	-	329,056
County development	-	-	-	-	-	-	-	833,941
Court services	-	-	-	-	-	-	-	15,331
Capital outlay	-	-	-	3,661	-	9,637	-	1,735,199
Debt Service:								
Principal	-	-	-	-	-	-	-	97,225
Interest	-	-	-	-	-	-	-	26,997
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,661</u>	<u>-</u>	<u>17,847</u>	<u>-</u>	<u>6,040,143</u>
Excess (deficiency) of revenues over expenditures	<u>2,189</u>	<u>923</u>	<u>46,989</u>	<u>(372)</u>	<u>78</u>	<u>(17,260)</u>	<u>144</u>	<u>581,936</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	7,000	-	65,000	18,439	1,000	34,643	-	770,640
Proceeds on issuance of debt	-	-	-	-	-	-	-	1,000,000
Operating transfers out	-	-	-	(3,643)	-	-	(227)	(1,696,622)
	<u>7,000</u>	<u>-</u>	<u>65,000</u>	<u>14,796</u>	<u>1,000</u>	<u>34,643</u>	<u>(227)</u>	<u>74,018</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>9,189</u>	<u>923</u>	<u>111,989</u>	<u>14,424</u>	<u>1,078</u>	<u>17,383</u>	<u>(83)</u>	<u>655,954</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>372,070</u>	<u>289,510</u>	<u>104,723</u>	<u>311,963</u>	<u>38,801</u>	<u>65,556</u>	<u>50,347</u>	<u>7,204,514</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 381,259</u>	<u>\$ 290,433</u>	<u>\$ 216,712</u>	<u>\$ 326,387</u>	<u>\$ 39,879</u>	<u>\$ 82,939</u>	<u>\$ 50,264</u>	<u>\$ 7,860,468</u>

**JO DAVIESS COUNTY, ILLINOIS
FIDUCIARY FUNDS
November 30, 2012**

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, 2012**

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, 2012

	Condemnation Fund	Township Motor Fuel Tax Fund	Lost and Unknown Heirs Fund	Township Bridge Fund	County Collector's Fund	Work Release Fund	Circuit Clerk Fund	Marriage Fund
ASSETS								
Cash and investments	\$ 5,571	\$ 606,985	\$ 81	\$ 20,456	\$ 245,010	\$ 821	\$ 182,846	\$ 4,891
Due from other governments	<u>-</u>	<u>78,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,571</u>	<u>\$ 685,638</u>	<u>\$ 81</u>	<u>\$ 20,456</u>	<u>\$ 245,010</u>	<u>\$ 821</u>	<u>\$ 182,846</u>	<u>\$ 4,891</u>
LIABILITIES								
Accounts payable	\$ -	\$ 64,851	\$ -	\$ -	\$ 245,010	\$ -	\$ -	\$ -
Due to individuals and private entities	5,571	620,787	81	20,456	-	821	67,201	4,891
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,645</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 5,571</u>	<u>\$ 685,638</u>	<u>\$ 81</u>	<u>\$ 20,456</u>	<u>\$ 245,010</u>	<u>\$ 821</u>	<u>\$ 182,846</u>	<u>\$ 4,891</u>

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2012

	County Clerk's Tax Redemption Fund	Inheritance Tax Fund	Probation Restitution Fund	Insurance Clearing Fund	Treasurer's Fee Account Fund	Inmate Commissary Fund	Sheriff's Kids First Fund	Total
ASSETS								
Cash and investments	\$ 81,742	\$ 1	\$ 5,020	\$ 62,041	\$ 12	\$ 37,819	\$ 1,255	\$ 1,254,551
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,653</u>
TOTAL ASSETS	<u>\$ 81,742</u>	<u>\$ 1</u>	<u>\$ 5,020</u>	<u>\$ 62,041</u>	<u>\$ 12</u>	<u>\$ 37,819</u>	<u>\$ 1,255</u>	<u>\$ 1,333,204</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,861
Due to individuals and private entities	81,742	1	5,020	62,041	12	37,819	1,255	907,698
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,645</u>
TOTAL LIABILITIES	<u>\$ 81,742</u>	<u>\$ 1</u>	<u>\$ 5,020</u>	<u>\$ 62,041</u>	<u>\$ 12</u>	<u>\$ 37,819</u>	<u>\$ 1,255</u>	<u>\$ 1,333,204</u>

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2012

	Balance November 30, 2011	Additions	Deletions	Balance November 30, 2012
Condemnation Fund				
Assets, cash and investments	\$ 5,571	\$ -	\$ -	\$ 5,571
Liabilities, due to individuals and private entities	\$ 5,571	\$ -	\$ -	\$ 5,571
Township Motor Fuel Tax Fund				
Assets:				
Cash and investments	\$ 771,464	\$ 1,183,014	\$ 1,347,493	\$ 606,985
Due from other governments	82,086	1,059,724	1,063,157	78,653
	<u>\$ 853,550</u>	<u>\$ 2,242,738</u>	<u>\$ 2,410,650</u>	<u>\$ 685,638</u>
Liabilities:				
Accounts payable	\$ 81,816	\$ 1,330,894	\$ 1,347,859	\$ 64,851
Due to individuals and private entities	771,734	911,844	1,062,791	620,787
	<u>\$ 853,550</u>	<u>\$ 2,242,738</u>	<u>\$ 2,410,650</u>	<u>\$ 685,638</u>
Lost and Unknown Heirs Fund				
Assets, cash and investments	\$ 81	\$ -	\$ -	\$ 81
Liabilities, due to individuals and private entities	\$ 81	\$ -	\$ -	\$ 81
Township Bridge Fund				
Assets, cash and investments	\$ 20,387	\$ 151,693	\$ 151,624	\$ 20,456
Liabilities, due to individuals and private entities	\$ 20,387	\$ 151,693	\$ 151,624	\$ 20,456
County Collector's Fund				
Assets, cash and investments	\$ 297,234	\$ 47,502,710	\$ 47,554,934	\$ 245,010
Liabilities, due to other governments	\$ 297,234	47,502,710	47,554,934	\$ 245,010

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2012

	Balance November 30, 2011	Additions	Deletions	Balance November 30, 2012
Work Release Fund				
Assets, cash and investments	\$ 821	\$ 22,053	\$ 22,053	\$ 821
Liabilities, due to individuals and private entities	\$ 821	\$ 22,053	\$ 22,053	\$ 821
Circuit Clerk Fund				
Assets, cash and investments	\$ 182,345	\$ 1,160,804	\$ 1,160,303	\$ 182,846
Liabilities, due to individuals and private entities	\$ 70,265	\$ 31,519	\$ 34,583	\$ 67,201
Due to other governments	112,080	1,129,285	1,125,720	115,645
	\$ 182,345	\$ 1,160,804	\$ 1,160,303	\$ 182,846
Marriage Fund				
Assets, cash and investments	\$ 4,448	\$ 443	\$ -	\$ 4,891
Liabilities, due to individuals and private entities	\$ 4,448	\$ 443	\$ -	\$ 4,891
County Clerk's Tax Redemption Fund				
Assets, cash and investments	\$ 125,042	\$ 1,036,901	\$ 1,080,201	\$ 81,742
Liabilities, due to individuals and private entities	\$ 125,042	\$ 1,036,901	\$ 1,080,201	\$ 81,742
Inheritance Tax Fund				
Assets, cash and investments	\$ 1	\$ -	\$ -	\$ 1
Liabilities, due to individuals and private entities	\$ 1	\$ -	\$ -	\$ 1
Probation Restitution Fund				
Assets, cash and investments	\$ 4,220	\$ 1,910	\$ 1,110	\$ 5,020
Liabilities, due to individuals and private entities	\$ 4,220	\$ 1,910	\$ 1,110	\$ 5,020

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2012

	Balance November 30, 2011	Additions	Deletions	Balance November 30, 2012
Insurance Clearing Fund				
Assets, cash and investments	\$ 53,784	\$ 1,133,651	\$ 1,125,394	\$ 62,041
Liabilities, due to individuals and private entities	\$ 53,784	\$ 1,133,651	\$ 1,125,394	\$ 62,041
Treasurer's Fee Account Fund				
Assets, cash and investments	\$ 12	\$ 17,494	\$ 17,494	\$ 12
Liabilities, due to individuals and private entities	\$ 12	\$ 17,494	\$ 17,494	\$ 12
Inmate Commissary Fund				
Assets, cash and investments	\$ 37,880	\$ 31,596	\$ 31,657	\$ 37,819
Liabilities, due to individuals and private entities	\$ 37,880	\$ 31,596	\$ 31,657	\$ 37,819
Sheriff's Kids First Fund				
Assets, cash and investments	\$ 1,505	\$ 1,000	\$ 1,250	\$ 1,255
Liabilities, due to individuals and private entities	\$ 1,505	\$ 1,000	\$ 1,250	\$ 1,255
Totals - All Agency Funds				
Assets:				
Cash and investments	\$ 1,504,795	\$ 52,243,269	\$ 52,493,513	\$ 1,254,551
Due from other governments	82,086	1,059,724	1,063,157	78,653
Total assets	<u>\$ 1,586,881</u>	<u>\$ 53,302,993</u>	<u>\$ 53,556,670</u>	<u>\$ 1,333,204</u>
Liabilities:				
Accounts payable	\$ 379,050	\$ 48,833,604	\$ 48,902,793	\$ 309,861
Due to individuals and private entities	1,095,751	3,340,104	3,528,157	907,698
Due to other governments	112,080	1,129,285	1,125,720	115,645
Total liabilities	<u>\$ 1,586,881</u>	<u>\$ 53,302,993</u>	<u>\$ 53,556,670</u>	<u>\$ 1,333,204</u>

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS
AND EQUALIZED ASSESSED VALUATIONS
Year Ended November 30, 2012
(Unaudited)

Tax Year	<u>2011</u>	<u>2010</u>	<u>2009</u>
Equalized assessed valuations	\$ 760,254,141	\$ 791,439,763	\$ 816,953,398
Tax rates (maximum allowable is disclosed in parentheses):			
General (as needed)	0.22788	0.21144	0.18966
Highway (.200)	0.10489	0.10083	0.09802
Bridges (.050)	0.04010	0.03854	0.03746
Federal aid matching (.050)	0.04010	0.03854	0.03746
Illinois municipal retirement (as needed)	0.06322	0.05346	0.05030
Social security (as needed)	0.03405	0.03195	0.03062
Extension education (.050)	0.01056	0.01014	0.00985
County health (.150)	0.06868	0.06602	0.06417
Insurance (as needed)	0.05294	0.05089	0.04511
Mental health (.150)	<u>0.04432</u>	<u>0.04260</u>	<u>0.04140</u>
County wide totals	<u>0.68674</u>	<u>0.64441</u>	<u>0.60405</u>
Tax rates (maximum allowable is disclosed in parentheses):			
Special service district number one (.100)	0.07919	0.05829	0.05066
Special service district number two and four (.100)	0.10000	0.10000	0.09980
Special service district number five (.110)	<u>0.10638</u>	<u>0.10599</u>	<u>0.11000</u>
Special service district totals	<u>0.28557</u>	<u>0.26428</u>	<u>0.26046</u>
Tax levies:			
General	\$ 1,734,242	\$ 1,675,929	\$ 1,549,366
Highway	798,009	798,980	800,755
Bridges	305,021	305,377	305,958
Federal aid matching	305,021	305,377	305,958
Illinois municipal retirement	481,000	423,600	410,855
Social security	259,000	253,124	250,124
Extension education	80,252	80,307	80,442
County health	522,509	523,095	524,233
Insurance	402,764	403,200	368,500
Mental health	<u>337,153</u>	<u>337,483</u>	<u>338,197</u>
County wide totals	<u>\$ 5,224,971</u>	<u>\$ 5,106,472</u>	<u>\$ 4,934,388</u>
Tax levies:			
Special service district number one	\$ 80,000	\$ 70,000	\$ 70,000
Special service district number two and four	64,000	64,956	64,800
Special service district number five	<u>28,317</u>	<u>28,317</u>	<u>28,611</u>
Special service district totals	<u>\$ 172,317</u>	<u>\$ 163,273</u>	<u>\$ 163,411</u>

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS
AND EQUALIZED ASSESSED VALUATIONS
Year Ended November 30, 2012
(Unaudited)

Tax Year	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax extensions:			
General	\$ 1,732,467	\$ 1,673,420	\$ 1,545,594
Highway	797,431	798,009	798,980
Bridges	304,862	305,021	305,377
Federal aid matching	304,862	305,021	305,377
Illinois municipal retirement	480,633	423,104	410,029
Social security	258,867	252,865	249,579
Extension education	80,283	80,252	80,307
County health	522,142	522,508	523,095
Insurance	402,478	402,764	367,711
Mental health	<u>336,944</u>	<u>337,153</u>	<u>337,483</u>
County wide totals	<u>\$ 5,220,969</u>	<u>\$ 5,100,117</u>	<u>\$ 4,923,532</u>
Tax extensions:			
Special service district number one	\$ 80,004	\$ 70,010	\$ 70,006
Special service district number two and four	63,184	63,920	64,800
Special service district number five	<u>28,318</u>	<u>28,318</u>	<u>28,317</u>
Special service district totals	<u>\$ 171,506</u>	<u>\$ 162,248</u>	<u>\$ 163,123</u>

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES FROM TAXES EXTENDED
FOR TORT IMMUNITY PURPOSES
Year Ended November 30, 2012
(Unaudited)

Property, liability and workers' compensation insurance	\$ 314,123
County's share of insurance costs paid by the Regional Superintendent's Trust Fund	<u>4,574</u>
Total	<u>\$ 318,697</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, 2012, which collectively comprise Jo Daviess County, Illinois' basic financial statements, and have issued our report thereon dated April 19, 2013. 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 deficiencies, 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 certain deficiencies in internal control over financial reporting that we consider to be material weaknesses 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 and responses to be a material weakness in internal control over financial reporting (Finding 2012-3).

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 and responses to be significant deficiencies (Findings 2012-1, 2012-2, and 2012-4).

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 19, 2013.

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 19, 2013



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, 2012. Jo Daviess County, Illinois' major federal programs are 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 programs are 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 programs for the year ended November 30, 2012.

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 2012-1 and 2012-4. 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 19, 2013

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2012

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grant Number</u>	<u>Disbursements/ Expenditures</u>
Department of Agriculture			
Passed through:			
Illinois Department of Human Services Supplemental Nutrition Program for Women, Infants, and Children (WIC) – Non-Cash	10.557	None	\$ <u>56,198</u>
Department of Health and Human Services			
Passed through:			
Illinois Department of Public Health			
Immunizations Grant – Non-Cash	93.268	None	16,725
Bioterrorism Grant	93.069	27180042	23,041
Bioterrorism Grant	93.074	37180042A	15,546
Immunization Cooperative Agreements	93.268	None	800
Cancer Grant	93.283	None	<u>5,641</u>
			<u>61,753</u>
Illinois Department of Healthcare and Family Services Child Support Enforcement	93.563	None	<u>4,249</u>
Illinois State Board of Elections Voting Access for Individuals with Disabilities	93.617	None	<u>1,666</u>
Total Department of Health and Human Services			<u>67,668</u>
U.S. Department of Justice			
Justice Assistance Grant	16.738	None	19,154
State Criminal Alien Assistance Program	16.606	None	<u>4,034</u>
Total U.S. Department of Justice			<u>23,188</u>
Department of Transportation			
Passed through:			
Illinois Department of Transportation			
Formula Grants for Other Than Urbanized Areas – Non-Cash	20.509	IL-18-X027	174,696
Formula Grants for Other Than Urbanized Areas	20.509	IL-18-X028	51,997
		IL-18-X029	140,309
Alcohol Impaired Driving Countermeasures Incentive	20.601	OP2-0043-117	7,287
Highway Planning and Construction	20.205	ER-0085	<u>511,550</u>
			<u>885,839</u>
Passed through:			
Illinois Emergency Management Agency Hazardous Materials Emergency Preparedness Planning Grant	20.703	36-600-6575	<u>1,754</u>
Total Department of Transportation			<u>887,593</u>
Environmental Protection Agency			
Passed through:			
Illinois Department of Public Health Potable Water Grant	66.432	35322042A	<u>825</u>

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2012**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grant Number</u>	<u>Disbursements/ Expenditures</u>
Department of Homeland Security			
Passed through:			
Illinois Emergency Management Agency Emergency Management Performance Grants	97.042	12EMAJODAV	16,039
	97.042	11NBEMJODA	11,882
Hazard Mitigation Grant	97.039	FEMA-1935-DR-IL	<u>56,661</u>
			<u>84,582</u>
Passed through:			
Illinois Law Enforcement Alarm System Emergency Operations Center Technology Grant	97.067	None	<u>33,915</u>
Total Department of Homeland Security			<u>118,497</u>
U.S. Department of Defense			
Passed through:			
Illinois Department of Natural Resources Payments in Lieu of Real Estate Taxes	12.112	None	<u>73,975</u>
U.S. Department of the Interior Payments in Lieu of Real Estate Taxes	15.226	None	<u>17,724</u>
U.S. Election Assistance Commission			
Passed through:			
Illinois State Board of Elections Help America Vote Act	90.401	None	<u>3,710</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,249,378</u>

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2012

SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER	<u>CFDA Number</u>	<u>Disbursements Expenditures</u>	<u>Passed- Through to Subrecipients</u>	<u>Cluster Total, If Applicable</u>
	10.557	\$ 56,198	\$ -	
	93.283	5,641	-	
	66.432	825	-	
	20.509	367,002	-	
	93.069	23,041	-	
	97.042	27,921	-	
	90.401	3,710	-	
	93.617	1,666	-	
	20.703	1,754	-	
	16.606	4,034	-	
	97.067	33,915	-	
	93.563	4,249	-	
	12.112	73,975	-	
	15.226	17,724	-	
	97.039	56,661	-	
	93.074	15,546	-	
	20.205	511,550	91,395	\$ 511,550
	20.601	7,287	-	7,287
	16.738	19,154	-	19,154
	93.268	<u>17,525</u>	<u>-</u>	17,525
		<u>\$ 1,249,378</u>	<u>\$ 91,395</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, 2012

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 \$16,725, vehicles totaling \$174,696 and WIC Food Instrument redemptions totaling \$56,198.

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.

NOTE 5 - SUBRECIPIENTS

The County passed through federal funding in the amount of \$91,395 to subrecipients.

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
20.509	Formula Grants for Other Than Urbanized Areas

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS

**FINDING NO. 2012-1 - PREPARATION OF THE FINANCIAL STATEMENTS AND SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

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 consider obtaining additional training to be able to assist in the development of the necessary financial reporting package or use experienced personnel. 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:

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 currently does not have the resources to hire an on staff accountant or to hire a third party accounting firm. The County Administrator will review requirements to comply with this finding by November 30, 2013, to look for ways to provide staff with resources and training opportunities that will increase their knowledge of governmental accounting, auditing, and financial reporting.

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

FINDING NO. 2012-2 - SEGREGATION OF DUTIES - CIRCUIT CLERK'S OFFICE

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 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 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 Circuit Clerk's office has limited personnel over accounting transactions.

Recommendation: Accounting and financial reporting duties of personnel should be reviewed for opportunities to better segregate duties. 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:

The Circuit Clerk, Sharon Wand, to the extent possible, will monitor monthly financial results in the Jo Daviess County, Illinois Circuit Clerk's office, throughout fiscal year ended November 30, 2013.

(continued)

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

FINDING NO. 2012-3 - UNRECORDED ACCOUNTS PAYABLE

Criteria or Specific Requirement: Generally accepted accounting principles require the recording of expenditures when they are incurred.

Condition: During the audit process we noted unrecorded payables related to the Highway Department projects in process.

Context: Adjusting entries of approximately \$600,000 were recorded to accrue additional payables on highway projects.

Effect: Accounts payable and expenditures were understated on the unaudited records by approximately \$600,000.

Cause: Lack of communication between the Treasurer's Office and the Highway Department related to projects in process in which expenditures aren't paid out quickly after year end.

Recommendation: We recommend implementing additional year end procedures related to obtaining a schedule of highway projects in process and recently completed that includes expenditures to date and what has been paid to date. This should be reviewed with the Treasurer's Office and the Administrator's Office so accounts payable, and related construction-in-progress can be properly recorded at year end.

Views of Responsible Officials and Planned Corrective Action:

The Highway Department will work in conjunction with the County Treasurer's Office and the County Administrator to develop or acquire and implement electronic project tracking software by November 30, 2013. Reports generated from the project tracking software will be submitted to the County Treasurer's office on a monthly basis to ensure that expenses are recorded and accrued in the correct fiscal year in the appropriate county funds on a timely basis per generally accepted accounting principles.

(continued)

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

FINDING NO. 2012-4 - PROPER CONTROLS OVER PAYROLL TIMESHEETS

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. Specifically, the Highway Department internal controls over payroll expense should include appropriate review and approval of time sheets.

Condition: During the course of the audit, we noted employee time sheets, which allocate time charged to the federal program, were not being properly reviewed and approved by the Highway Department.

Context: Of the time sheets selected for testing, none had appropriate documentation of review and approval.

Effect: Failure to properly review and approve time sheets could result in time being incorrectly charged to the program.

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

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

Views of Responsible Officials and Planned Corrective Action:

The Highway Department will work with the County Administrator to update current time tracking methods by June 30, 2013. In fiscal year 2013, all employee time sheets will be reviewed and approved by both the Assistant County Engineer John Schonhoff and the County Engineer Steve Keeffer.

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**FINDING NO. 2012-1 - PREPARATION OF THE FINANCIAL STATEMENTS AND SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

See Section II – Financial Statement Findings

Federal Agency/Program: Department of Transportation – 20.205 – Highway Planning and
Construction; Pass-through Illinois Department of Transportation.

Department of Transportation – 20.509 – Formula Grants for
Other Than Urbanized Areas; Pass-through Illinois Department
of Transportation.

All other programs

Questioned Costs: None

(continued)

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2012**

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

FINDING NO. 2012-4 - PROPER CONTROLS OVER PAYROLL TIMESHEETS

See Section II – Financial Statement Findings

Federal Agency/Program: Department of Transportation – 20.205 – Highway Planning
and Construction; Pass-through Illinois Department of
Transportation

Questioned Costs: None

JO DAVIESS COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended November 30, 2012

YEAR ENDED NOVEMBER 30, 2011

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

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.

Condition still exists and has been reported as Finding 2012-1.

FINDING NO. 11-02 - DECENTRALIZED OFFICES

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

The Sheriff's office has assigned additional staff to better segregate duties. The Circuit Clerk's condition still exists and has been reported as Finding 2012-2.

FINDING NO. 11-03 - TIMELY DEPOSITS 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.

The County Clerk's office now deposits all cash receipts on a timely basis.

**FINDING NO. 11-04 - PROPER CONTROL OVER ELIGIBILITY (Supplemental Nutritional
Program for Women, Infants, and Children)**

Condition: During the course of the audit, we noted one instance where the Client Certification Form was not properly signed by the applicant/guardian and one instance where the Client Certification 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.

The County no longer administers this grant.

**FINDING NO. 11-05 - PROPER CONTROL OVER REPORTING (Supplemental Nutritional
Program for Women, Infants, and Children)**

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

The County no longer administers this grant.