

MCDONOUGH COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended November 30, 2010



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois (County), as of and for the year ended November 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois as of November 30, 2010, and the respective changes in financial position and cash flows, where applicable, 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 June 13, 2011 on our consideration of McDonough County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

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



Springfield, Illinois
June 13, 2011

MCDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2010

	Primary Government			Component Unit - ETSB
	Governmental Activities	Business-Type Activities	Government Total	
ASSETS				
Cash and cash equivalents	\$ 9,597,306	\$1,651,788	\$11,249,094	\$ 194,222
Restricted cash	-	22,382	22,382	-
Investments	272,989	1,100,000	1,372,989	200,000
Receivables, net:				
State of Illinois	917,567	137,458	1,055,025	-
Property Taxes	4,728,770	350,808	5,079,578	-
Accrued interest	-	9,376	9,376	-
Other	96,637	-	96,637	76,024
Due from fiduciary funds	72,830	-	72,830	-
Due from component unit	17,138	-	17,138	-
Inventories	8,743	59,271	68,014	-
Prepaid expense	207,662	2,987	210,649	-
Capital assets not being depreciated	178,556	61,427	239,983	-
Capital assets, net of accumulated depreciation	<u>6,131,477</u>	<u>2,010,193</u>	<u>8,141,670</u>	<u>18,736</u>
TOTAL ASSETS	<u>22,229,675</u>	<u>5,405,690</u>	<u>27,635,365</u>	<u>488,982</u>
LIABILITIES				
Accounts payable	653,987	469,972	1,123,959	10,000
Due to primary government	-	-	-	17,138
Accrued expense	-	5,215	5,215	-
Due to others	43,998	-	43,998	-
Deferred revenue	4,728,770	350,808	5,079,578	-
Resident deposits	-	8,131	8,131	-
Long-term obligations, due within one year:				
Notes payable	25,163	-	25,163	-
Leases payable	-	3,249	3,249	-
Other commitments	25,000	-	25,000	-
Compensated absences - current	190,878	144,322	335,200	-
Long-term obligations, due in more than one year				
Notes payable	25,837	-	25,837	-
Leases payable	-	7,247	7,247	-
Other commitments	50,000	-	50,000	-
Compensated absences - long-term	100,894	574	101,468	-
Net OPEB obligation	<u>57,344</u>	<u>32,708</u>	<u>90,052</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,901,871</u>	<u>1,022,226</u>	<u>6,924,097</u>	<u>27,138</u>
NET ASSETS				
Investment in capital assets, net of related debt	6,259,033	2,061,124	8,320,157	18,736
Restricted for				
Highways and streets	2,103,275	-	2,103,275	-
Health and welfare	536,907	-	536,907	-
Public safety	898,230	-	898,230	443,108
Public health	609,037	-	609,037	-
Economic development	280,868	-	280,868	-
Specific purpose	1,763,863	22,382	1,786,245	-
Debt service	16,994	-	16,994	-
Retirement	761,409	-	761,409	-
Unrestricted	<u>3,098,188</u>	<u>2,299,958</u>	<u>5,398,146</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 16,327,804</u>	<u>\$4,383,464</u>	<u>\$20,711,268</u>	<u>\$ 461,844</u>

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

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2010

ACTIVITIES	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Component Unit - ETSB
					Primary Government		Total	
					Governmental Activities	Business-Type Activities		
GOVERNMENTAL								
General government	\$ 2,435,914	\$ 664,632	\$ 121,392	\$ 15,652	\$ (1,634,238)	\$ -	\$ (1,634,238)	\$ -
Public safety	2,632,711	1,176,334	114,832	-	(1,341,545)	-	(1,341,545)	-
Corrections	838,847	25,183	-	-	(813,664)	-	(813,664)	-
Judiciary and court related	2,259,524	669,481	180,049	-	(1,409,994)	-	(1,409,994)	-
Transportation	1,907,954	443,921	650,607	-	(813,426)	-	(813,426)	-
Public health and welfare	3,808,189	1,484,684	668,307	-	(1,655,198)	-	(1,655,198)	-
Total governmental activities	<u>13,883,139</u>	<u>4,464,235</u>	<u>1,735,187</u>	<u>15,652</u>	<u>(7,668,065)</u>	<u>-</u>	<u>(7,668,065)</u>	<u>-</u>
BUSINESS-TYPE								
The Elms Nursing Home	<u>5,267,157</u>	<u>4,467,429</u>	<u>102,725</u>	<u>-</u>	<u>-</u>	<u>(697,003)</u>	<u>(697,003)</u>	<u>-</u>
TOTAL McDONOUGH COUNTY	<u>\$ 19,150,296</u>	<u>\$ 8,931,664</u>	<u>\$ 1,837,912</u>	<u>\$ 15,652</u>	<u>(7,668,065)</u>	<u>(697,003)</u>	<u>(8,365,068)</u>	<u>-</u>
COMPONENT UNIT ETSB	<u>\$ 392,230</u>	<u>\$ 363,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,419)</u>
General revenues:								
Taxes:								
Property taxes					4,111,968	333,981	4,445,949	-
Local use tax					84,564	-	84,564	-
General sales tax					1,861,003	-	1,861,003	-
Income and replacement taxes					712,676	-	712,676	-
Investment income					42,316	33,246	75,562	5,277
Miscellaneous					747,844	-	747,844	4,903
Transfers					(71,995)	71,995	-	-
Total general revenues					<u>7,488,376</u>	<u>439,222</u>	<u>7,927,598</u>	<u>10,180</u>
Change in net assets					<u>(179,689)</u>	<u>(257,781)</u>	<u>(437,470)</u>	<u>(18,239)</u>
Net assets - beginning of year					17,391,227	4,641,245	22,032,472	480,083
Prior period adjustment					<u>(883,734)</u>	<u>-</u>	<u>(883,734)</u>	<u>-</u>
Net assets - beginning of year, restated					<u>16,507,493</u>	<u>4,641,245</u>	<u>21,148,738</u>	<u>480,083</u>
Net assets - end of year					<u>\$ 16,327,804</u>	<u>\$ 4,383,464</u>	<u>\$ 20,711,268</u>	<u>\$ 461,844</u>

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

McDONOUGH COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2010

	General Fund	Illinois Municipal Retirement Fund	Public Safety Sales Tax Fund	Social Security Fund
ASSETS				
Cash and cash equivalents	\$ 1,196,097	\$ 567,451	\$ 618,853	\$ 589,889
Investments	-	-	-	-
Receivables, net:				
State of Illinois	468,181	-	288,158	-
Property taxes	917,800	845,000	-	754,958
Other	47,920	5,126	-	-
Due from other funds	405,984	2,692	-	2,577
Inventories	8,743	-	-	-
Due from component unit	-	-	-	-
Advances to other funds	-	-	90,681	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 3,044,725</u>	<u>\$ 1,420,269</u>	<u>\$ 997,692</u>	<u>\$ 1,347,424</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 134,982	\$ 146,947	\$ 39,885	\$ 9,379
Due to others	309	-	-	-
Due to other funds	40,288	250,000	27,379	-
Deferred revenue	917,800	845,000	-	754,958
Advances from other funds	147,828	-	-	-
Total liabilities	<u>1,241,207</u>	<u>1,241,947</u>	<u>67,264</u>	<u>764,337</u>
 FUND BALANCES				
Reserved for:				
Inventories	8,743	-	-	-
Capital acquisitions	-	-	-	-
Advances	-	-	90,681	-
Retirement	-	178,322	-	583,087
Public safety	6,896	-	839,747	-
Public health	-	-	-	-
Unreserved	1,787,879	-	-	-
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total fund balances	<u>1,803,518</u>	<u>178,322</u>	<u>930,428</u>	<u>583,087</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,044,725</u>	<u>\$ 1,420,269</u>	<u>\$ 997,692</u>	<u>\$ 1,347,424</u>

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

County Health Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 475,348	\$ 4,413,734	\$ 7,861,372
4,300	268,689	272,989
76,469	84,759	917,567
295,000	1,616,012	4,428,770
12,484	31,107	96,637
1,303	47,459	460,015
-	-	8,743
-	17,138	17,138
-	57,147	147,828
-	207,662	207,662
<u>\$ 864,904</u>	<u>\$ 6,743,707</u>	<u>\$ 14,418,721</u>
\$ 12,373	\$ 117,746	\$ 461,312
-	43,689	43,998
10,630	37,771	366,068
295,000	1,616,012	4,428,770
-	-	147,828
<u>318,003</u>	<u>1,815,218</u>	<u>5,447,976</u>
-	-	8,743
-	106,318	106,318
-	57,147	147,828
-	-	761,409
-	-	846,643
546,901	62,136	609,037
-	-	1,787,879
-	4,473,611	4,473,611
-	212,283	212,283
-	16,994	16,994
<u>546,901</u>	<u>4,928,489</u>	<u>8,970,745</u>
<u>\$ 864,904</u>	<u>\$ 6,743,707</u>	<u>\$ 14,418,721</u>

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

McDONOUGH COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES
November 30, 2010

Total fund balance for government funds (Exhibit 3)		\$ 8,970,745
<p>Total net assets reported for governmental activities in the statement of net assets is different because:</p> <p>Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:</p>		
Land	\$ 178,556	
Buildings, net	1,094,191	
Building improvements, net	1,327,417	
Infrastructure, net	3,120,519	
Vehicles, net	168,161	
Maintenance equipment, net	300,364	
Computer equipment, net	25,707	
Software, net	53,318	
Office equipment, net	<u>41,800</u>	6,310,033
<p>Internal service funds (see Exhibit 5) are used by the County to charge the cost of liability, unemployment, worker's compensation, and medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:</p>		
		1,471,142
<p>Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at November 30, 2010 are:</p>		
Compensated absences	(291,772)	
Net OPEB obligation	(57,344)	
Other commitments	<u>(75,000)</u>	
Total long-term liabilities		<u>(424,116)</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES		
(EXHIBIT 1)		<u><u>\$ 16,327,804</u></u>

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

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended November 30, 2010

	General Fund	Illinois Municipal Retirement Fund	Public Safety Sales Tax Fund	Social Security Fund
REVENUES				
Property taxes	\$ 879,611	\$ 690,961	\$ -	\$ 717,898
State of Illinois:				
Local use tax	84,564	-	-	-
Sales tax	744,316	-	1,116,687	-
Income tax	537,614	-	-	-
Motor fuel tax allotments	-	-	-	-
Personal property replacement taxes	163,201	11,861	-	-
State grants and expenditure reimbursements	339,127	-	-	-
Federal revenue	33,647	-	-	-
Fees for services and materials	1,187,609	-	-	-
Investment income	8,910	847	2,355	989
Other	213,781	1,403	26,255	1,625
Total revenues	<u>4,192,380</u>	<u>705,072</u>	<u>1,145,297</u>	<u>720,512</u>
EXPENDITURES				
Current:				
General government	1,315,118	89,614	-	77,418
Public safety	1,344,465	176,040	450,896	127,824
Corrections	376,326	9,574	351,226	9,254
Judiciary and court related	1,467,658	193,184	-	29,966
Public health	-	372,109	-	298,520
Public welfare	-	-	-	-
Transportation	-	55,592	-	53,734
Capital outlay	15,604	-	104,964	-
Debt service - principal	3,784	-	-	-
Total expenditures	<u>4,522,955</u>	<u>896,113</u>	<u>907,086</u>	<u>596,716</u>
Excess (deficiency) of revenues over expenditures	<u>(330,575)</u>	<u>(191,041)</u>	<u>238,211</u>	<u>123,796</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	248,041	-	-	-
Transfers out	(46,278)	-	(100,000)	-
Total other financing sources (uses)	<u>201,763</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(128,812)</u>	<u>(191,041)</u>	<u>138,211</u>	<u>123,796</u>
FUND BALANCES, BEGINNING OF YEAR	1,872,923	369,363	792,217	459,291
Prior period adjustment	59,407	-	-	-
FUND BALANCES, BEGINNING OF YEAR - RESTATED	<u>1,932,330</u>	<u>369,363</u>	<u>792,217</u>	<u>459,291</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,803,518</u>	<u>\$ 178,322</u>	<u>\$ 930,428</u>	<u>\$ 583,087</u>

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

<u>County Health Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 334,185	\$ 1,189,766	\$ 3,812,421
-	-	84,564
-	-	1,861,003
-	-	537,614
-	404,244	404,244
-	-	175,062
192,670	274,613	806,410
475,637	-	509,284
152,213	707,041	2,046,863
698	23,567	37,366
11,858	335,347	590,269
<u>1,167,261</u>	<u>2,934,578</u>	<u>10,865,100</u>
-	254,301	1,736,451
-	15,381	2,114,606
-	20,927	767,307
-	139,181	1,829,989
1,206,592	569,890	2,447,111
-	104,079	104,079
-	1,414,725	1,524,051
3,089	67,944	191,601
-	25,000	28,784
<u>1,209,681</u>	<u>2,611,428</u>	<u>10,743,979</u>
<u>(42,420)</u>	<u>323,150</u>	<u>121,121</u>
22,413	474,946	745,400
-	(876,672)	(1,022,950)
<u>22,413</u>	<u>(401,726)</u>	<u>(277,550)</u>
<u>(20,007)</u>	<u>(78,576)</u>	<u>(156,429)</u>
566,908	5,007,065	9,067,767
-	-	59,407
<u>566,908</u>	<u>5,007,065</u>	<u>9,127,174</u>
<u>\$ 546,901</u>	<u>\$ 4,928,489</u>	<u>\$ 8,970,745</u>

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

MCDONOUGH COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year ended November 30, 2010

Net change in fund balances - total governmental funds (Exhibit 4)	\$ (156,429)
<p>The change in net assets reported for governmental activities in the statement of activities is different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:</p>	
Capital outlay	66,112
Depreciation	(427,981)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to increase/decrease net assets:</p>	
Dispositions	(9,154)
<p>Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.</p>	
<p>Repayments:</p>	
Leases payable	3,784
Other commitments	25,000
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.</p>	
Compensated absences	(7,657)
Net OPEB obligation	(6,198)
Internal services funds (See Exhibit 6) are used by the County to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities	<u>332,834</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT 2)	<u><u>\$ (179,689)</u></u>

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

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2010

	Business-type Activities Enterprise Fund - The Elms	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,651,788	\$ 1,735,934
Restricted cash	22,382	-
Investments	1,100,000	-
Receivables:		
State of Illinois	137,458	-
Property taxes	350,808	300,000
Accrued interest	9,376	-
Due from other funds	-	336,857
Inventories	59,271	-
Prepaid expenses	2,987	-
Total current assets	3,334,070	2,372,791
NONCURRENT ASSETS		
Capital assets (net of accumulated depreciation)	2,071,620	-
Total assets	5,405,690	2,372,791
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	469,972	192,675
Accrued expense	5,215	-
Due to other funds	-	357,974
Deferred revenue	350,808	300,000
Resident deposits	8,131	-
Notes payable - current	-	25,163
Leases payable	3,249	-
Compensated absences payable - current	144,322	-
Total current liabilities	981,697	875,812
NONCURRENT LIABILITIES		
Notes payable - noncurrent	-	25,837
Leases payable - noncurrent	7,247	-
Compensated absences payable	574	-
Net OPEB obligation	32,708	-
Total noncurrent liabilities	40,529	25,837
Total liabilities	1,022,226	901,649
NET ASSETS		
Investment in capital assets	2,061,124	-
Restricted for:		
Other purposes	22,382	-
Unrestricted	2,299,958	1,471,142
TOTAL NET ASSETS	\$ 4,383,464	\$ 1,471,142

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

MCDONOUGH COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSE, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended November 30, 2010

	Business-type Activities	Governmental Activities
	Enterprise Fund - The Elms	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 4,467,429	\$ 2,417,373
Other revenue	76,456	-
Total current assets	4,543,885	2,417,373
OPERATING EXPENSES		
Insurance premiums	-	505,165
Medical claims and administration fees	-	2,287,055
Public health:		
Dietary	585,841	-
Housekeeping	197,790	-
Laundry	146,244	-
Maintenance	123,574	-
Nursing	2,341,155	-
Therapy	197,388	-
Activities	118,891	-
Social services	68,222	-
Administrative	327,764	-
Payroll related	791,439	-
Depreciation	182,126	-
Plant operations	158,829	-
Contractual	27,894	-
Total operating expenses	5,267,157	2,792,220
Operating loss	(723,272)	(374,847)
NONOPERATING REVENUES (EXPENSES)		
Property taxes	333,981	299,547
Investment income	33,246	4,950
Grants	-	30,900
Interest expense	-	(2,679)
Other	-	169,408
Total nonoperating revenues (expenses)	367,227	502,126
Income before transfers and contributions	(356,045)	127,279
TRANSFERS		
Transfers in	71,995	216,000
Transfers out	-	(10,445)
Total transfers	71,995	205,555
CONTRIBUTION REVENUE - Farm and Macomb Public Building Commission		
	26,269	-
CHANGE IN NET ASSETS	(257,781)	332,834
TOTAL NET ASSETS - BEGINNING OF YEAR	4,641,245	1,138,308
TOTAL NET ASSETS - END OF YEAR	\$ 4,383,464	\$ 1,471,142

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

MCDONOUGH COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2010

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - The Elms</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,525,000	\$ -
Payments to suppliers	(2,088,109)	(2,639,948)
Payments to employees	(2,942,131)	-
Internal activity-payments from (to) other funds	-	2,434,695
Other receipts	76,456	-
Net cash used in operating activities	<u>(428,784)</u>	<u>(205,253)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	398,322	413,421
Other nonoperating revenue	-	169,408
Grants received	-	30,900
Interfund borrowing (lending)	-	(529,676)
Transfers in (out)	71,995	205,555
Net cash provided by noncapital financing activities	<u>470,317</u>	<u>289,608</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of loan proceeds	(2,749)	(56,745)
Interest paid on loan	-	(2,679)
Proceeds from loan	-	51,000
Net cash provided by capital financing activities	<u>(2,749)</u>	<u>(8,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	30,826	4,950
Proceeds from maturity of investments	1,350,000	-
Purchase of investments	(1,100,000)	-
Net cash provided by (used in) investing activities	<u>280,826</u>	<u>4,950</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	319,610	80,881
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,354,560</u>	<u>1,655,053</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,674,170</u>	<u>\$ 1,735,934</u>
CASH AND CASH EQUIVALENTS, END OF YEAR		
Cash and cash equivalents	\$ 1,651,788	\$ 1,735,934
Restricted cash	22,382	-
Total	<u>\$ 1,674,170</u>	<u>\$ 1,735,934</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (723,272)	\$ (374,847)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	182,126	-
Loss on disposal of assets	5,381	-
Change in assets and liabilities:		
Accounts receivable	50,411	-
Inventories	(2,747)	-
Prepaid expenses	(833)	17,322
Accounts payable	20,360	152,272
Deferred revenue	7,160	-
Accrued liabilities	18,218	-
Compensated absences payable	11,629	-
Net OPEB obligation	2,783	-
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (428,784)</u>	<u>\$ (205,253)</u>
Non-cash capital and related financing activities:		
Donated capital assets	\$ 26,269	\$ -
Total non-cash capital and related financing activities	<u>\$ 26,269</u>	<u>\$ -</u>

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

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
November 30, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 2,461,102
Investments	270,000
Receivables:	
State of Illinois	596,392
Other	8,789
Due from other funds	8,513
TOTAL ASSETS	\$ 3,344,796
LIABILITIES	
Accounts payable	\$ 103,996
Due to other funds	81,343
Due to other taxing units	1,864,374
Due to others	1,295,083
TOTAL LIABILITIES	\$ 3,344,796

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

November 30, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

DISCRETELY PRESENTED COMPONENT UNIT:

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay current liabilities. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes collected within 90 days. Also, income taxes have a 150 day availability period in the current year due to delays in distributions from the State of Illinois. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

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

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

D. Cash and Cash Equivalents

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

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

E. Accounts Receivable

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

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

H. Property Taxes

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

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

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

I. Compensated Absences

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

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

Personal Leave

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

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

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

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

I. Compensated Absences - Continued

Sick Leave

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

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

Vacation Leave

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

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

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

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

I. Compensated Absences - Continued

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

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

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

J. Long-term Obligations

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

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

K. Interfund Transactions

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Interfund Transactions – Continued

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

L. Fund Balance/Net Assets

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

M. Restricted Assets

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

N. Patient Service Revenue

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

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

O. Provider Tax

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

P. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

A. Deposits with Financial Institutions

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

2. DEPOSITS AND INVESTMENTS – Continued

B. Investments

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

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

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

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

3. COUNTY FARM

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

4. CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended November 30, 2010 consists of the following:

	Restated Balances December 1	Additions	Retirements	Balances November 30
Land	\$ 178,556	\$ -	\$ -	\$ 178,556
Total capital assets not being depreciated	<u>178,556</u>	<u>-</u>	<u>-</u>	<u>178,556</u>
Buildings	2,482,220	-	-	2,482,220
Building improvements	2,408,281	-	-	2,408,281
Maintenance equipment	1,367,764	11,995	-	1,379,759
Software	114,680	-	-	114,680
Vehicles	664,268	54,117	63,707	654,678
Office equipment	271,027	-	-	271,027
Computer equipment	350,722	-	-	350,722
Infrastructure	<u>4,920,911</u>	<u>-</u>	<u>-</u>	<u>4,920,911</u>
Total capital assets being depreciated	<u>12,579,873</u>	<u>66,112</u>	<u>63,707</u>	<u>12,582,278</u>
Less accumulated depreciation for:				
Buildings	(1,337,363)	(50,667)	-	(1,388,030)
Building improvements	(994,810)	(86,055)	-	(1,080,865)
Maintenance equipment	(1,031,289)	(48,105)	-	(1,079,394)
Software	(45,192)	(16,170)	-	(61,362)
Vehicles	(473,890)	(67,180)	54,553	(486,517)
Office equipment	(222,290)	(6,937)	-	(229,227)
Computer equipment	(280,410)	(44,604)	-	(325,014)
Infrastructure	<u>(1,692,129)</u>	<u>(108,263)</u>	<u>-</u>	<u>(1,800,392)</u>
Total accumulated depreciation	<u>(6,077,373)</u>	<u>(427,981)</u>	<u>54,553</u>	<u>(6,450,801)</u>
Total capital assets, being depreciated, net	<u>6,502,500</u>	<u>(361,869)</u>	<u>9,154</u>	<u>6,131,477</u>
Total capital assets, net of accumulated depreciation	<u>\$ 6,681,056</u>	<u>\$ (361,869)</u>	<u>\$ 9,154</u>	<u>\$ 6,310,033</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

4. CAPITAL ASSETS – Continued

B. Business-type Activities – Continued

	<u>Balances</u> <u>December 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>November 30</u>
Land, not depreciated	\$ 61,427	\$ -	\$ -	\$ 61,427
Building and improvements, land improvements/ landscaping	4,237,772	-	31,459	4,206,313
Equipment, including vehicles	<u>1,072,999</u>	<u>26,269</u>	<u>60,819</u>	<u>1,038,449</u>
Total capital assets - at cost, being depreciated	<u>5,310,771</u>	<u>26,269</u>	<u>92,278</u>	<u>5,244,762</u>
Less accumulated depreciation for:				
Building and improvements, land improvements/ landscaping	(2,460,474)	(98,624)	29,415	(2,529,683)
Equipment, including vehicles	<u>(678,866)</u>	<u>(83,502)</u>	<u>57,482</u>	<u>(704,886)</u>
Total accumulated depreciation	<u>(3,139,340)</u>	<u>(182,126)</u>	<u>86,897</u>	<u>(3,234,569)</u>
Total capital assets, being depreciated, net	<u>2,171,431</u>	<u>(155,857)</u>	<u>5,381</u>	<u>2,010,193</u>
Total capital assets net of accumulated depreciation	<u>\$ 2,232,858</u>	<u>\$ (155,857)</u>	<u>\$ 5,381</u>	<u>\$ 2,071,620</u>

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

Governmental activities:	
General government	\$ 140,109
Public safety	58,353
Judiciary and court related	2,664
Corrections	42,196
Transportation	170,213
Public health and welfare	<u>14,446</u>
Total depreciation expense - governmental activities	<u>\$ 427,981</u>
Business-type activities:	
The Elms Nursing Home	<u>\$ 182,126</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

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

County

Funding Policy. As set by statute, the County’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2010 was 10.69 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For the fiscal year ending November 30, 2010, the County’s annual pension cost of \$853,467 for the Regular plan was equal to the County’s required and actual contributions.

Three-Year Trend Information for Regular Plan

<u>Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
11/30/2010	\$ 853,467	100%	\$ -
11/30/2009	685,452	100%	-
12/31/2008	677,025	100%	-

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

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

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of the County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funded Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 80.54 percent funded. The actuarial accrued liability for benefits was \$22,083,048 and the actuarial value of assets was \$17,785,240, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,297,808. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$8,237,702 and the ratio of the UAAL to the covered payroll was 52.17 percent.

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

Sheriff's Law Enforcement Personnel (SLEP)

Funding Policy. As set by statute, the County's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2010 was 23.66 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

Sheriff's Law Enforcement Personnel (SLEP)

Annual Pension Cost. For fiscal year ending November 30, 2010, the County's annual pension cost of \$176,040 for the Sheriff's Law Enforcement Personnel plan was equal to the County's required and actual contributions.

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

<u>Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
11/30/2010	\$ 176,040	100%	\$ -
11/30/2009	152,823	100%	-
12/31/2008	155,385	100%	-

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

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of the County's Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funded Progress. As of December 31, 2010 the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 67.11 percent funded. The actuarial accrued liability for benefits was \$3,689,799 and the actuarial value of assets was \$2,476,401, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,213,398. The covered payroll for calendar year (annual payroll of active employees covered by the plan) was \$753,084 and the ratio of the UAAL to the covered payroll was 161.12 percent.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

Sheriff's Law Enforcement Personnel (SLEP)

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

Elected County Official

Funding Policy. As set by statute, the County's Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2010 was 20.75 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending November 30, 2010, the County's annual pension cost of \$9,522 for the Elected County Official plan was equal to the County's required and actual contributions.

Three-Year Trend Information for the Elected County Official Plan

<u>Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
11/30/2010	\$ 9,522	100%	\$ -
11/30/2009	11,230	100%	-
12/31/2008	21,071	100%	-

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

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

Elected County Official

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of the County's Elected County Official plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Elected County Official plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funded Progress. As of December 31, 2010, the most recent actuarial valuation date, the Elected County Official plan was 83.87 percent funded. The actuarial accrued liability for benefits was \$409,117 and the actuarial value of assets was \$343,110, resulting in an underfunded actuarial accrued liability (UAAL) of \$66,007. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$49,322 and the ratio of the UAAL to the covered payroll was 133.83 percent.

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

6. DEFERRED COMPENSATION PLAN

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

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

7. LONG-TERM DEBT

A. Leases Payable

Office Building

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

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

Equipment Leases

On April 16, 2009, the County entered into a noncancelable lease agreement with RK Dixon Co. for the lease of a \$14,994 copier. The agreement calls for monthly payments of \$250 commencing May 15, 2009. The final payment is due April 30, 2014. The balance due at November 30, 2010 was \$10,496.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

7. LONG-TERM DEBT – Continued

A. Leases Payable – Continued

Equipment Leases – Continued

Following is a schedule of minimum future rental payments and the net present value of these minimum lease payments as of November 30, 2010 for the above equipment lease:

Year ending November 30:		<u>Business-Type Activities</u>
	2011	\$ 3,249
	2012	2,999
	2013	2,999
	2014	<u>1,249</u>
Total minimum lease payments		<u>\$ 10,496</u>

B. Notes Payable

On June 15, 2007, the County entered into an agreement with MidAmerica National Bank to finance the repairs to the Courthouse roof. The County borrowed \$89,400 at an interest rate of 4.68 percent, to be paid in five annual payments of \$20,740, beginning September 15, 2008, with a final payment due on September 15, 2012. This note was paid off by a new note on October 25, 2010. The new note was for \$51,000 with an interest rate of 3.65%, to be paid in two annual payments of \$26,820 beginning September 15, 2011, with a final payment due on September 15, 2012. The principal balance of \$51,000 due at November 30, 2010 is included in the notes payable of the County. This note is paid out of the Liability Insurance Internal Service Fund.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ 25,163	\$ 1,658	\$ 26,821
2012	25,837	943	26,780
Total	<u>\$ 51,000</u>	<u>\$ 2,601</u>	<u>\$ 53,601</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

7. LONG-TERM DEBT – Continued

C. Changes in Long-Term Debt

Long-term liability activity for the year ended November 30, 2010 was as follows:

	Balances December 1	Additions	Reductions	Balances November 30	Due Within One Year
Governmental Activities:					
Contracts payable (capital leases)	\$ 3,784	\$ -	\$ 3,784	\$ -	\$ -
Notes payable	56,745	51,000	56,745	51,000	25,163
Compensated absences payable	284,115	307,976	300,319	291,772	190,878
Net OPEB obligation	51,146	6,198	-	57,344	-
Other commitments (See Note 13)	<u>100,000</u>	<u>-</u>	<u>25,000</u>	<u>75,000</u>	<u>25,000</u>
Governmental activity - long-term liabilities	<u>\$ 495,790</u>	<u>\$ 365,174</u>	<u>\$ 385,848</u>	<u>\$ 475,116</u>	<u>\$ 241,041</u>
Business-type activities:					
Leases payable	\$ 13,245	\$ -	\$ 2,749	\$ 10,496	\$ 3,249
Net OPEB obligation	29,925	2,783	-	32,708	-
Compensated absences payable	<u>133,267</u>	<u>144,322</u>	<u>132,693</u>	<u>144,896</u>	<u>144,322</u>
Business-type activity - long-term liabilities	<u>\$ 176,437</u>	<u>\$ 147,105</u>	<u>\$ 135,442</u>	<u>\$ 188,100</u>	<u>\$ 147,571</u>

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

8. STATUTORY DEBT MARGIN

A schedule indicating the statutory debt margin computation follows:

2009 Assessed valuation	<u>\$ 359,217,205</u>
Statutory debt limitation (2.875 percent of assessed valuation)	\$ 10,327,495
Debt outstanding at November 30, 2010	<u>126,000</u>
Statutory debt margin, November 30, 2010	<u>\$ 10,201,495</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS

Interfund receivable and payable balances at November 30, 2010 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Illinois Municipal Retirement Fund	\$ -	\$ 2,692
Social Security Fund	-	2,577
Internal Service Funds	352,267	35,019
Agency Funds	42,717	-
Nonmajor Governmental Funds	<u>11,000</u>	<u>-</u>
	<u>405,984</u>	<u>40,288</u>
 Illinois Municipal Retirement Fund:		
General Fund	2,692	-
Internal Service Funds	<u>-</u>	<u>250,000</u>
	<u>2,692</u>	<u>250,000</u>
 Public Safety Sales Tax Fund		
Internal Service Funds	<u>-</u>	<u>27,379</u>
 Social Security Fund		
General Fund	<u>2,577</u>	<u>-</u>
 County Health Fund		
Internal Service Funds	-	10,630
Nonmajor Governmental Funds	<u>1,303</u>	<u>-</u>
	<u>1,303</u>	<u>10,630</u>
 Internal Service Funds:		
General Fund	35,019	352,267
Illinois Municipal Retirement Fund	250,000	-
Public Safety Sales Tax Fund	27,379	-
County Health Fund	10,630	-
Nonmajor Governmental Funds	<u>13,829</u>	<u>5,707</u>
	<u>336,857</u>	<u>357,974</u>
 Agency Funds:		
General Fund	-	42,717
Nonmajor Governmental Funds	<u>8,513</u>	<u>38,626</u>
	<u>8,513</u>	<u>81,343</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Nonmajor Governmental Funds:		
General Fund	\$ -	\$ 11,000
County Health Fund	-	1,303
Internal Service Funds	5,707	13,829
Agency Funds	38,626	8,513
Nonmajor Governmental Funds	<u>3,126</u>	<u>3,126</u>
	<u>47,459</u>	<u>37,771</u>
Total Interfund Receivables/Payables	<u>\$ 805,385</u>	<u>\$ 805,385</u>

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

- \$352,267 due from Internal Service funds to the General fund. This balance relates to a loan to the Employee Insurance Clearing Fund for the start up costs of the self insurance program. The County expects the obligation will be liquidated within one year.
- \$35,019 due to the Internal Service funds from the General Fund. This balance relates to accrued but unpaid transfers for employee self insurance. The County expects the obligation will be liquidated within one year.
- \$42,717 due from Agency funds to the General fund. This balance relates to a) \$42,090 accrued but unpaid fees received in the County Clerk fund and b) \$627 accrued but unpaid interest received in Agency funds. The County expects the obligation will be liquidated within one year.
- \$250,000 due to Internal Service funds from the Illinois Municipal Retirement fund. This balance relates to a loan to the Illinois Municipal Retirement fund to cover operating expenses. The County expects the obligation will be liquidated within one year.
- \$27,379 due to Internal Service funds from the Public Safety Sales Tax fund. This balance relates to accrued but unpaid transfers for employee self insurance. The County expects the obligation will be liquidated within one year.
- \$38,626 due to Nonmajor governmental funds from Agency funds. This balance relates to a) accrued but unpaid transfers of \$29,993 from the Township Motor Fuel Tax fund to the Engineering Revolving fund and b) accrued but unpaid fees of \$8,633 from the County Clerk fund.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

Advances from/to other funds at November 30, 2010 consist of:

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

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

- \$90,681 remaining advance from the Public Safety Sales Tax fund to the General fund to cover general County expenses. Repayment is not expected within one year.
- \$57,147 remaining advance from the County Waste Management fund to the General fund to cover general County expenses. Repayment is not expected within one year.

Interfund transfers during fiscal year ending November 30, 2010 consist of:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
General Fund	\$ 46,278	\$ 46,278
Public Safety Sales Tax Fund	100,000	-
Nonmajor governmental funds	100,951	-
Internal Service Funds	<u>812</u>	<u>-</u>
	<u>248,041</u>	<u>46,278</u>
Public Safety Sales Tax Fund:		
General Fund	<u>-</u>	<u>100,000</u>
	<u>-</u>	<u>100,000</u>
County Health Fund:		
Nonmajor Governmental Funds	<u>22,413</u>	<u>-</u>
	<u>22,413</u>	<u>-</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

	<u>Transfers In</u>	<u>Transfers Out</u>
Internal Service Funds:		
General Fund	\$ -	\$ 812
Nonmajor governmental funds	216,000	-
The Elms Fund	-	9,633
	<u>216,000</u>	<u>10,445</u>
The Elms Fund:		
Nonmajor governmental funds	<u>71,995</u>	-
	<u>71,995</u>	-
Nonmajor Governmental Funds:		
General Fund	-	100,951
County Health Fund	-	22,413
Nonmajor Governmental Funds	465,313	465,313
Internal Service Funds	9,633	216,000
The Elms Building Fund	-	71,995
	<u>474,946</u>	<u>876,672</u>
Total interfund transfers	<u>\$ 1,033,395</u>	<u>\$ 1,033,395</u>

The purposes of the significant interfund transfers are as follows:

- \$46,278 transferred from the Sheriff sub-fund to the General Corporate sub-fund. This amount relates to fees received in the Sheriff fund. This transfer will not be repaid.
- \$100,000 transferred from the Public Safety Sales Tax fund to the General fund. This amount relates to a routine budgeted transfer. This transfer will not be repaid.
- \$100,951 transferred from Nonmajor governmental funds to the General fund. This amount relates to a) routine budget transfer of \$90,000 from the Insurance Reserve fund and b) transfer of \$10,951 from the Supporting Processing fund for salaries. These transfers will not be repaid.
- \$22,413 transferred from Nonmajor governmental funds to the County Health fund. This amount relates to transfers from the Tuberculosis Fund for the administration of health services. This transfer will not be repaid.
- \$216,000 transferred from Nonmajor governmental funds to the Internal Service funds. This amount relates to a transfer from the Elms Building fund to the Employee Insurance Clearing Fund to cover self insurance expenses. This transfer will not be repaid.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

9. INTERFUND TRANSACTIONS – Continued

- \$71,995 transferred from Nonmajor governmental funds to The Elms fund. This amount relates to a transfer of investments from the Elms Building Fund. This transfer will not be repaid.
- \$465,313 transferred between the Nonmajor governmental funds. This amount relates to a) transfers of \$346,069 to the County Highway fund to repay roadway maintenance expenditures, b) transfers of \$112,795 to the Equipment Replacement fund for replacement of equipment and vehicles on a scheduled basis, and c) transfer of \$6,449 to the Engineering Revolving fund for repayment of engineering services. These transfers will not be repaid.

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

A. Related Organizations

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

B. Jointly Governed Organizations

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

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

C. Joint Ventures

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

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

The Center's fiscal year end is November 30. Separate audited financial statements are available through the Macomb/McDonough County Emergency Dispatch Center, Inc. Summarized financial information of the Center as of and for the year ended November 30, 2010, follows:

Statement of Net Assets Information

Assets:	
Current assets	\$ 248,715
Property and equipment, net	<u>165,711</u>
Total assets	<u>\$ 414,426</u>
Liabilities and net assets:	
Liabilities	\$ 43,709
Net assets	<u>370,717</u>
Total liabilities and net assets	<u>\$ 414,426</u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

C. Joint Ventures – Continued

Statement of Activities Information

Operating revenue	\$ 811,389
Operating expenses	<u>857,308</u>
Operating net loss	<u>(45,919)</u>
Nonoperating revenue	<u>539</u>
Change in net assets	(45,380)
Net assets, beginning	<u>416,097</u>
Net assets, ending	<u><u>\$ 370,717</u></u>

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

The Council's fiscal year end is November 30. Separate audited financial statements are not available. Summarized financial information of the Council as of and for the year ended November 30, 2010, follows:

Statement of Net Assets Information

Assets:	
Cash and cash equivalents	\$ 19,823
Other receivables	8,789
Due from other funds	<u>8,513</u>
Total assets	<u><u>\$ 37,125</u></u>
Liabilities and net assets:	
Liabilities	\$ 26,736
Net assets	<u>10,389</u>
Total liabilities and net assets	<u><u>\$ 37,125</u></u>

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

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

C. Joint Ventures – Continued

Statement of Activities Information

Fees for services	\$ 109,528
Investment income	<u>21</u>
Total revenues	109,549
Total expenditures	<u>109,963</u>
Change in fund balance	(414)
Fund balance, beginning	<u>10,803</u>
Fund balance, ending	<u><u>\$ 10,389</u></u>

11. RISK MANAGEMENT

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

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health claims of employees; and natural disasters. The County purchases commercial insurance for all risks of loss, excluding group health care coverage and workers' compensation, which are described below. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Workers' Compensation

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

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

11. RISK MANAGEMENT – Continued

C. Group Health Plan

Beginning July 1, 2001, the County uses an internal service fund to account for and finance its uninsured risks of loss related to its self-funded health insurance plan. Under this plan, the County is self-insured for the first \$75,000 of covered charges per individual per year. Commercial insurance is carried for amounts in excess of self-insured amounts. Claims payable are reported in the accounts payable amount on the financial statements. Changes in claims liability for the self-funded health insurance plan in fiscal years 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Balance at beginning of year	\$ 39,842	\$ 126,826
Claims incurred	1,902,096	1,569,392
Claims paid	<u>1,782,966</u>	<u>1,656,376</u>
Balance at end of year	<u>\$ 158,972</u>	<u>\$ 39,842</u>

12. ADMINISTRATION AGREEMENT

The County entered into an administration agreement for its self-funded health plan with Mutual Medical Plans, Inc. This agreement has a three-year term extending through November 30, 2012, and fees for services under this agreement are assessed at \$16 per participant per month. Fees paid to Mutual Medical for administrative, clerical, and consulting services in fiscal 2010 were \$57,544.

13. COMMITMENTS

The Macomb/McDonough County Enterprise Zone and McDonough County Board Chairman approved a resolution on October 30, 2003 authorizing the gifting of up to \$25,000 per year by McDonough County to Macomb Area Economic Development Corporation (MAEDCO) beginning in 2003 and terminating in 2013 to fund MAEDCO's purchase of a building to serve as a business and technology incubator within the boundaries of the Macomb/McDonough County Enterprise Zone. However, should the proposed acquisition not come to fruition, then all funds allocated will be refunded to the Enterprise Zone Economic Development Fund. This is a total commitment of \$250,000 of which the balance at November 30, 2010 is \$75,000.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

14. CONTINGENCY

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

The Elms Nursing Home recognizes patient service revenue based on third-party payor agreements as described in NOTE 1N. The Illinois Department of Healthcare and Family Services (IHFS) is responsible for calculating the Medicaid billing rate to be used by all long-term care facilities in the State, including The Elms Nursing Home. During fiscal year 2008, IHFS informed all long-term care facilities that the Medicaid rates for the period from October 1, 2006 to September 30, 2007 were incorrectly calculated by IHFS. The miscalculated rate has led to excessive amounts being remitted to all long-term care facilities in the State of Illinois, which IHFS plans to recoup. During the fiscal year ending November 30, 2009 it was determined that The Elms owed IHFS \$311,967 in Medicaid overbillings. Of the amount owed \$118,574 was repaid to IHFS during 2009 with the remaining amount of \$193,419 included in Accounts Payable in the Statement of Net Assets - Proprietary Funds as of November 30, 2010.

15. CONDUIT DEBT OBLIGATION

The County has issued Capital Improvement Bonds to provide financial assistance to a private-sector entity for the acquisition, construction, and installation of fixtures and equipment deemed to be in the public interest. The bonds are secured by the property financed and owned by the private-sector entity and are payable solely from payments received on the underlying mortgage loan. As of November 30, 2010, the principal amount payable under these bonds was \$5,042,510. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

16. PRIOR PERIOD ADJUSTMENT

The County has restated beginning fund balance/net assets as of December 1, 2009 to a) correct receivable balances, b) correct capital asset balances, and c) correct fiduciary fund reporting.

	General Fund	Governmental Activities
FUND BALANCE/ NET ASSETS, December 1 (as previously reported)	\$ 1,872,923	\$ 17,391,227
Restated for		
a) Understated receivable	59,407	59,407
b) Overstated capital assets	-	(905,211)
c) Correct fund reporting	-	(37,930)
FUND BALANCE/ NET ASSETS, DECEMBER 1 (as restated)	<u>\$ 1,932,330</u>	<u>\$ 16,507,493</u>

17. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Benefits Provided

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

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

17. OTHER POST-EMPLOYMENT BENEFITS – Continued

Membership

At December 1, 2009 (latest information available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	14
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>213</u>
TOTAL	<u>227</u>
Participating employers	<u><u>1</u></u>

Funding Policy

The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute 100% of the blended premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended November 30, 2010, retirees contributed \$99,533 and the County contributed \$40,768. Active employees do not contribute to the plan until retirement.

Annual OPEB costs and Net OPEB Obligation

The County had an actuarial valuation performed for the plan as of December 1, 2009 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2010. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2010 and 2009 were as follows (information for fiscal year 2008 is not available as an actuarial valuation was performed for the first time as of December 1, 2008):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2009	\$ 81,071	\$ 36,397	44.90%	\$ 44,673
November 30, 2010	\$ 86,147	\$ 40,768	47.32%	\$ 90,052

McDONOUGH COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS - Continued

17. OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB costs and Net OPEB Obligation – Continued

The net OPEB obligation (NOPEBO) as November 30, 2010 (latest information available), was calculated as follows:

Annual required contribution	\$ 84,137
Interest on net OPEB obligation	2,010
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	86,147
Contributions made	<u>40,768</u>
Increase (decrease) in net OPEB obligation	45,379
Net OPEB obligation beginning of year	<u>44,673</u>
NET OPEB OBLIGATION END OF YEAR	<u>\$ 90,052</u>

Funded Status and Funding Progress. The funded status of the plan as of December 1, 2009 (latest information available), was as follows:

Actuarial accrued liability (AAL)	\$ 672,454
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 672,454
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 7,203,976
UAAL as a percentage of covered payroll	9.33%

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

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - Continued

17. OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB costs and Net OPEB Obligation – Continued

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

In the December 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.50% interest rate assumption and an annual healthcare cost trend rate of 8.50% initially, reduced by decrements to an ultimate rate of 5.00%. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis. The remaining amortization period at November 30, 2010, was 29 years.

18. FUND DEFICITS

The Local Improvement Fund and State's Attorney Victim/Witness Fund had deficit fund equity of \$1,330 and \$72, respectively, at November 30, 2010. The County plans to eliminate the deficit fund equity either through improved future fund operating results or with funds transferred from another County fund.

REQUIRED SUPPLEMENTARY INFORMATION

**McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY
November 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/10	\$ 17,785,240	\$ 22,083,048	\$ 4,297,808	80.54%	\$ 8,237,702	52.17%
12/31/09	16,660,530	21,016,300	4,355,770	79.27%	8,164,521	53.35%
12/31/08	16,513,021	19,720,449	3,207,428	83.74%	7,918,421	40.51%
12/31/07	18,260,024	18,369,549	109,525	99.40%	7,585,834	1.44%
12/31/06	16,333,418	16,579,538	246,120	98.52%	7,256,834	3.39%
12/31/05	15,760,685	15,440,154	(320,531)	102.08%	7,053,731	(4.54)%

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP)
November 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/10	\$ 2,476,401	\$ 3,689,799	\$ 1,213,398	67.11%	\$ 753,084	161.12%
12/31/09	2,109,586	3,443,115	1,333,529	61.27%	738,651	180.54%
12/31/08	1,791,594	3,179,984	1,388,390	56.34%	711,472	195.14%
12/31/07	2,037,346	2,970,963	933,617	68.58%	693,066	134.71%
12/31/06	2,141,057	3,211,603	1,070,546	66.67%	620,062	172.65%
12/31/05	1,739,378	2,820,754	1,081,376	61.66%	606,880	178.19%

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS (ECO)
November 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/10	\$ 343,110	\$ 409,117	\$ 66,007	83.87%	\$ 49,322	133.83%
12/31/09	307,421	389,352	81,931	78.96%	50,312	162.85%
12/31/08	320,394	347,762	27,368	92.13%	78,097	35.04%
12/31/07	426,335	528,426	102,091	80.68%	78,253	130.46%
12/31/06	357,690	469,351	111,661	76.21%	123,942	90.09%
12/31/05	314,502	560,079	245,577	56.15%	138,440	177.39%

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST-EMPLOYMENT BENEFITS PLAN
 November 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/01/09	\$ -	\$ 672,454	\$ 672,454	0.00%	\$ 7,203,976	9.33%
12/01/08	-	661,134	661,134	0.00%	6,965,216	9.49%

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

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

November 30, 2010

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/10	\$ 853,467	\$ 853,467	100.00%
11/30/09	685,452	685,452	100.00%
12/31/08	677,025	677,025	100.00%
12/31/07	653,899	653,899	100.00%
12/31/06	74,020	74,020	100.00%
12/31/05	446,501	446,501	100.00%

See accompanying Independent Auditor's Report.

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

November 30, 2010

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/10	\$ 176,040	\$ 176,040	100.00%
11/30/09	152,823	152,823	100.00%
12/31/08	155,385	155,385	100.00%
12/31/07	164,256	164,256	100.00%
12/31/06	136,724	136,724	100.00%
12/31/05	128,234	128,234	100.00%

See accompanying Independent Auditor's Report.

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

November 30, 2010

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/10	\$ 9,522	\$ 9,522	100.00%
11/30/09	11,230	11,230	100.00%
12/31/08	21,071	21,071	100.00%
12/31/07	23,014	23,014	100.00%
12/31/06	30,341	30,341	100.00%
12/31/05	28,020	28,020	100.00%

See accompanying Independent Auditor's Report.

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

November 30, 2010

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
11/30/10	\$ 40,768	\$ 84,137	48.45%
11/30/09	36,397	81,071	44.90%

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended November 30, 2010

	Original Budget	Amended Budget	Actual
REVENUES			
Property taxes	\$ 854,760	\$ 854,760	\$ 1,049,413
State of Illinois:			
Local use tax	94,000	94,000	77,631
Sales tax	756,000	756,000	748,729
Income tax	600,000	600,000	415,317
Personal property replacement taxes	225,000	225,000	171,981
State grants and expenditure reimbursements	345,553	345,553	395,380
Federal revenue	25,000	97,695	20,377
Fees for services and materials	1,072,370	1,072,370	1,152,874
Elms matching funds	1,400,000	1,400,000	-
Investment income	12,500	12,500	9,721
Other	148,500	148,500	274,531
Total revenues	5,533,683	5,606,378	4,315,954
 EXPENDITURES			
Current:			
General government	2,985,596	2,996,041	1,328,502
Employee benefits	410,000	410,000	373,749
Public safety	1,227,546	1,282,296	1,160,993
Corrections	394,540	394,540	356,170
Judiciary and court related	1,320,978	1,328,478	1,306,293
Capital outlay	32,500	32,500	16,367
Total expenditures	6,371,160	6,443,855	4,542,074
Excess (deficiency) of revenue over expenditures	(837,477)	(837,477)	(226,120)
 OTHER FINANCING SOURCES			
Net transfers between funds	492,000	492,000	244,476
NET CHANGE IN FUND BALANCES	\$ (345,477)	\$ (345,477)	18,356
 RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			 (147,898)
SHERIFF FUND - SUBFUND ACTIVITY NOT BUDGETED			730
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR - RESTATED			1,932,330
FUND BALANCES, GAAP BASIS, END OF YEAR			\$ 1,803,518

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ILLINOIS MUNICIPAL RETIREMENT FUND
Year Ended November 30, 2010

	Original Budget	Amended Budget	Actual
REVENUES			
Property taxes	\$ 692,000	\$ 692,000	\$ 798,301
Replacement taxes	12,000	12,000	11,861
Investment income	2,500	2,500	847
Miscellaneous	1,800	1,800	1,403
Total revenues	708,300	708,300	812,412
EXPENDITURES			
Employee Benefits:			
Employee benefits	882,349	937,349	897,539
Total expenditures	882,349	937,349	897,539
Excess (deficiency) of revenue over expenditures			
NET CHANGE IN FUND BALANCES	\$ (174,049)	\$ (229,049)	(85,127)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			(105,914)
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			369,363
FUND BALANCES, GAAP BASIS, END OF YEAR			\$ 178,322

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY SALES TAX FUND
Year Ended November 30, 2010

	Original Budget	Amended Budget	Actual
REVENUES			
Sales taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,121,935
Investment income	1,000	1,000	2,355
Other	6,500	27,434	26,255
Total revenues	1,007,500	1,028,434	1,150,545
 EXPENDITURES			
Current:			
Employee benefits	328,600	328,600	293,523
Public safety	349,946	370,380	287,210
Corrections	235,681	236,181	225,480
Capital outlay	85,000	85,000	76,824
Total expenditures	999,227	1,020,161	883,037
Excess (deficiency) of revenue over expenditures	8,273	8,273	267,508
Other financing sources (uses)			
Transfers out	(250,000)	(250,000)	(100,000)
Total other financing sources (uses)	(250,000)	(250,000)	(100,000)
NET CHANGE IN FUND BALANCES	\$ (241,727)	\$ (241,727)	167,508
 RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			(29,297)
 FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			792,217
 FUND BALANCES, GAAP BASIS, END OF YEAR			\$ 930,428

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - SOCIAL SECURITY FUND
Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 719,000	\$ 719,000	\$ 835,535
Investment income	1,000	1,000	989
Other	<u>2,500</u>	<u>2,500</u>	<u>1,625</u>
Total revenues	<u>722,500</u>	<u>722,500</u>	<u>838,149</u>
EXPENDITURES			
Current:			
General government	25,094	25,094	25,094
Employee benefits	702,800	762,800	691,984
Court services reimbursement	<u>(107,609)</u>	<u>(107,609)</u>	<u>(129,744)</u>
Total expenditures	<u>620,285</u>	<u>680,285</u>	<u>587,334</u>
Excess (deficiency) of revenue over expenditures			
NET CHANGE IN FUND BALANCES	<u>\$ 102,215</u>	<u>\$ 42,215</u>	250,815
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			(127,019)
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			<u>459,291</u>
FUND BALANCES, GAAP BASIS, END OF YEAR			<u>\$ 583,087</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - COUNTY HEALTH FUND
Year Ended November 30, 2010

	Original Budget	Amended Budget	Actual
REVENUES			
Property taxes	\$ 326,888	\$ 326,888	\$ 398,526
State grant and expenditure reimbursements	142,241	142,241	224,650
Federal revenue	351,901	351,901	251,230
Fees for services and materials	165,035	165,035	149,945
Investment income	-	-	698
Other	4,000	4,000	11,859
Total revenues	990,065	990,065	1,036,908
EXPENDITURES			
Current:			
Public health	979,977	979,977	947,663
Capital outlay	-	-	3,089
Total expenditures	979,977	979,977	950,752
Excess (deficiency) of revenue over expenditures	10,088	10,088	86,156
Other financing sources (uses)			
Transfers in	-	-	32,197
Total other financing sources (uses)	-	-	32,197
NET CHANGE IN FUND BALANCES	\$ 10,088	\$ 10,088	118,353
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			(138,360)
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			566,908
FUND BALANCES, GAAP BASIS, END OF YEAR			\$ 546,901

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
NOVEMBER 30, 2010

1. BUDGET AND APPROPRIATIONS

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 55 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30, and is available for public inspection at least fifteen days prior to final adoption. All appropriations cease with the close of the fiscal year. The budget document is prepared for all budgetary funds on the cash basis and includes a statement of the revenues collected and expenditures paid of the immediately preceding fiscal year and a projection of the revenues collected and the proposed itemized appropriations for the ensuing fiscal year. A fiscal year budget was not prepared for the Sheriff sub-fund, County Motor Fuel Tax Fund, Elms Building Fund, Animal Pet Population Fund Local Improvement Fund, and the County Farm Fund.

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

2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The budgetary comparison schedules for the General Fund, Illinois Municipal Retirement Fund, Public Safety Sales Tax Fund, Social Security Fund, and County Health Fund present comparisons of the budget on a cash basis with actual data on the cash basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present basic financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis and timing differences in the excess (deficiency) of revenue over expenditures for the year ended November 30, 2010 is presented on each budgetary comparison schedule in the line item titled "Reconciliation to modified accrual basis - net change resulting from recording accounts receivable, payable, and other accrued items."

McDONOUGH COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – Continued

3. EXCESS OVER BUDGET

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

The following budgeted funds had an excess of expenditures over appropriations for the year ended November 30, 2010:

	<u>Appropriations</u>	<u>Expenditures</u>
Cooperative Extension Fund	\$ 151,000	\$ 154,088
Mental Health Fund	326,888	403,324
Support Processing Fund	20,000	24,067

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET - BY SUBFUND
GENERAL FUND
November 30, 2010

	General Corporate	Sheriff	Total General Fund
ASSETS			
Cash and Cash equivalents	\$ 1,186,296	\$ 9,801	\$ 1,196,097
Receivables, net:			
State of Illinois	468,181	-	468,181
Property taxes	917,800	-	917,800
Other	47,920	-	47,920
Due from other funds	408,580	(2,596)	405,984
Inventories	8,743	-	8,743
	<u>\$ 3,037,520</u>	<u>\$ 7,205</u>	<u>\$ 3,044,725</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 134,982	\$ -	\$ 134,982
Due to others	-	309	309
Due to other funds	40,288	-	40,288
Deferred revenue	917,800	-	917,800
Advances from other funds	147,828	-	147,828
	<u>1,240,898</u>	<u>309</u>	<u>1,241,207</u>
Total liabilities			
FUND BALANCES			
Reserved for inventories	8,743	-	8,743
Reserved for public safety	-	6,896	6,896
Unreserved	1,787,879	-	1,787,879
	<u>1,796,622</u>	<u>6,896</u>	<u>1,803,518</u>
Total fund balances			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,037,520</u>	<u>\$ 7,205</u>	<u>\$ 3,044,725</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BY SUBFUND
GENERAL FUND
Year Ended November 30, 2010

	<u>General Corporate</u>	<u>Sheriff</u>	<u>Total General Fund</u>
REVENUES			
Property taxes	\$ 879,611	\$ -	\$ 879,611
State of Illinois:			
Local use tax	84,564	-	84,564
Sales tax	744,316	-	744,316
Income tax	537,614	-	537,614
Personal property replacement taxes	163,201	-	163,201
State grants and expenditure reimbursements	335,959	3,168	339,127
Federal revenue	33,647	-	33,647
Fees for services and materials	1,141,331	46,278	1,187,609
Investment income	8,896	14	8,910
Other	213,781	-	213,781
Total revenues	<u>4,142,920</u>	<u>49,460</u>	<u>4,192,380</u>
 EXPENDITURES			
Current:			
General government	1,315,118	-	1,315,118
Public safety	1,342,013	2,452	1,344,465
Corrections	376,326	-	376,326
Judiciary and court related	1,467,658	-	1,467,658
Capital outlay	15,604	-	15,604
Debt service	3,784	-	3,784
Total expenditures	<u>4,520,503</u>	<u>2,452</u>	<u>4,522,955</u>
Excess (deficiency) of revenue over expenditures	<u>(377,583)</u>	<u>47,008</u>	<u>(330,575)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	248,041	-	248,041
Transfers out	<u>-</u>	<u>(46,278)</u>	<u>(46,278)</u>
Total other financing sources (uses)	<u>248,041</u>	<u>(46,278)</u>	<u>201,763</u>
 NET CHANGE IN FUND BALANCES	<u>(129,542)</u>	<u>730</u>	<u>(128,812)</u>
 FUND BALANCES, BEGINNING OF YEAR	1,866,757	6,166	1,872,923
Prior period adjustment	<u>59,407</u>	<u>-</u>	<u>59,407</u>
 FUND BALANCES, BEGINNING OF THE YEAR - RESTATED	<u>1,926,164</u>	<u>6,166</u>	<u>1,932,330</u>
 FUND BALANCES, END OF YEAR	<u>\$ 1,796,622</u>	<u>\$ 6,896</u>	<u>\$ 1,803,518</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF CERTAIN REVENUE ITEMS
GENERAL FUND
Year Ended November 30, 2010

FEEES FOR SERVICES AND MATERIALS

General Corporate:

Coroner's report fees	\$ 2,380
Aperture cards	-
Police contracts - Prairie City	-
Vending machines	339
Maintenance salary reimbursement	41,680
State's attorney collections	1,426
County Clerk fees	226,568
Circuit Clerk fines	696,300
Circuit Clerk fees	163,362
Industry police protection	8,276
Sheriff - Scott County inmates	1,000
Total	<u>1,141,331</u>

Sheriff:

Process dockets	13,842
Foreign service	8,248
Transportation and boarding of prisoners	914
Answering service	8,154
Other	15,120
Total	<u>46,278</u>

TOTAL FEES FOR SERVICES AND MATERIALS

\$ 1,187,609

OTHER

General Corporate:

Tax penalties, interest, and costs	\$ 93,348
Insight franchise fees	17,010
Worker's compensation payment	24,315
Miscellaneous	8,788
Landfill tipping	61,973
Reimburse telephone - other funds	8,347
	<u>8,347</u>

TOTAL OTHER

\$ 213,781

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
GENERAL GOVERNMENT			
County Board:			
Members per diem	\$ 50,960	\$ 50,960	\$ 45,147
Mileage	10,500	10,500	7,258
Administrative assistant	11,255	11,255	11,254
Office supplies	4,000	4,000	2,375
County dues	3,100	3,100	2,475
Other	3,700	3,700	2,289
	<u>83,515</u>	<u>83,515</u>	<u>70,798</u>
County Treasurer:			
Salary	45,014	45,014	45,014
Deputy clerk salaries	58,570	58,570	50,115
Office supplies and expense	12,692	12,692	8,901
	<u>116,276</u>	<u>116,276</u>	<u>104,030</u>
County Clerk:			
Salary	45,014	45,014	45,014
Deputy clerk salaries	112,500	112,500	110,014
Office supplies and expense	5,000	5,000	4,969
Recording births and deaths	675	675	651
	<u>163,189</u>	<u>163,189</u>	<u>160,648</u>
Microfilming Department:			
Salary	22,233	22,233	22,224
Supplies	7,000	7,000	6,856
	<u>29,233</u>	<u>29,233</u>	<u>29,080</u>
Elections:			
Building and equipment rental	1,800	1,800	1,760
Judges	43,800	42,100	37,037
Election supplies	35,000	36,700	36,681
Printing and publications of ballots	800	800	6
HAVA grant	-	17,945	17,945
Computer equipment	28,000	28,000	25,656
Deputy clerk salaries	28,500	28,500	25,851
	<u>137,900</u>	<u>155,845</u>	<u>144,936</u>

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
GENERAL GOVERNMENT (Continued)			
Supervisor of Assessments:			
Salary - Supervisor	\$ 45,014	\$ 45,014	\$ 45,014
Deputy clerk salaries	71,975	71,975	71,795
Office supplies	5,361	5,361	4,234
Mileage, education, and dues	9,900	9,900	5,723
Publications	20,000	20,000	16,891
	<u>152,250</u>	<u>152,250</u>	<u>143,657</u>
Board of Review:			
Salaries	13,170	13,170	13,169
Appraisals and administration	1,500	1,500	-
Mileage, supplies, and meetings	500	500	-
	<u>15,170</u>	<u>15,170</u>	<u>13,169</u>
Building and Grounds:			
Maintenance supervisor salary	60,678	60,678	60,678
Salaries - maintenance personnel	47,959	47,959	38,827
Building supplies	9,500	9,500	10,003
Contractual	22,500	26,500	23,630
Janitorial supplies	4,000	5,000	4,625
Reimbursement expense	2,700	2,700	2,700
Telephone and phone repairs	58,000	58,000	54,646
Utilities	90,000	90,000	60,345
	<u>295,337</u>	<u>300,337</u>	<u>255,454</u>
Network Administrator			
Salary	38,625	38,625	38,625
Supplies	1,000	1,000	358
Equipment	500	500	-
Miscellaneous	1,500	1,500	57
	<u>41,625</u>	<u>41,625</u>	<u>39,040</u>

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
GENERAL GOVERNMENT (Continued)			
Regional Office of Superintendent of Educational Service:			
Allocated portion of joint cost	\$ 49,636	\$ 62,336	\$ 62,320
Office improvement	50,000	50,000	13,951
Comprehensive Plan	28,000	28,000	10,500
Contingency	100,000	74,800	-
	<u>227,636</u>	<u>215,136</u>	<u>86,771</u>
Other:			
Surety bonds	3,500	3,500	3,316
W.I.R.C. dues	3,715	3,715	3,713
Postage	50,000	50,000	51,440
Preparation of budget	2,500	2,500	-
Revenue stamps	85,000	85,000	64,505
Training and education	8,500	8,500	2,688
Computer service	70,000	70,000	60,783
Audits	88,250	88,250	85,250
Elms matching funds	1,400,000	1,400,000	-
Accounting and consulting services	12,000	12,000	9,224
	<u>1,723,465</u>	<u>1,723,465</u>	<u>280,919</u>
Total General Government	<u>2,985,596</u>	<u>2,996,041</u>	<u>1,328,502</u>
EMPLOYEE BENEFITS	<u>410,000</u>	<u>410,000</u>	<u>373,749</u>
PUBLIC SAFETY			
Police Protection - Sheriff:			
Sheriff salary	66,412	66,412	66,412
Deputies, Dispatchers, and Jailers' salaries	776,000	776,000	766,384
Deputy pay - call-out, court	7,750	7,750	6,901
Deputy and Jailer overtime	86,500	94,500	88,959
Deputy and Jailer life insurance	700	700	521
Courthouse security salaries	72,000	72,000	71,705
Courthouse security overtime	9,000	9,000	7,944
Courthouse security - Bailiff's	4,000	4,000	1,830
Courthouse security equipment	3,000	3,000	1,995
Courthouse security uniforms	2,000	2,000	514
Office supplies	13,500	13,500	10,141
Radio repair and maintenance	29,000	29,000	18,529
Miscellaneous	32,500	24,500	18,360
Monthly access fee	8,229	8,229	7,992
	<u>1,110,591</u>	<u>1,110,591</u>	<u>1,068,187</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
PUBLIC SAFETY (Continued)			
Civil Defense:			
Director salary	\$ 14,180	\$ 14,180	\$ 14,180
Part time secretary	250	250	-
Travel	3,000	3,000	932
Local emergency planning	1,500	1,500	-
IESMA Grant	25,000	-	-
Pre hazard mitigation	-	54,750	25,000
TICP	-	25,000	-
Office supplies	2,200	2,200	1,447
Equipment and contractual	6,000	6,000	624
	<u>52,130</u>	<u>106,880</u>	<u>42,183</u>
Coroner:			
Salary	26,110	26,110	26,110
Office supplies and education	4,800	4,800	3,026
Transportation	7,100	7,100	3,542
Professional services	12,800	12,800	9,720
Medical and contractual	8,500	8,500	7,125
Coroner's grant expense	4,315	4,315	-
Reimbursable expense	1,200	1,200	1,100
	<u>64,825</u>	<u>64,825</u>	<u>50,623</u>
Total Public Safety	<u>1,227,546</u>	<u>1,282,296</u>	<u>1,160,993</u>
CORRECTIONS			
Juvenile Probation Officer:			
Child Care	<u>120,000</u>	<u>120,000</u>	<u>81,630</u>
Adult Probation Officer:			
County share of joint cost	<u>274,540</u>	<u>274,540</u>	<u>274,540</u>
Total Corrections	<u>394,540</u>	<u>394,540</u>	<u>356,170</u>

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2010

JUDICIARY AND COURT RELATED	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
State's Attorney:			
Salary	\$ 171,540	\$ 171,540	\$ 166,508
Assistants	134,930	134,930	134,930
Collection Specialist salary	21,630	21,630	21,630
Secretary salaries	86,317	86,317	86,317
Grant victim/witness salaries	4,208	4,208	3,354
Investigator	15,141	15,141	15,141
Witness fees	2,400	2,400	128
Office supplies and maintenance	10,000	10,000	9,969
Appellate Prosecutor	11,000	11,000	11,000
Court ordered medical	3,000	3,000	1,785
	<u>460,166</u>	<u>460,166</u>	<u>450,762</u>
Courts:			
Circuit and Associated Judges' salary	1,500	1,500	1,418
County share Chief Judge	3,953	3,953	3,952
Office supplies and expense	6,500	6,500	6,493
Administrative secretary	36,498	36,498	36,498
Court appointed attorneys	99,900	107,400	107,234
Court appointed transcripts and miscellaneous	150	150	17
Jurors' meals and lodging	650	650	237
Jury certificates	10,000	10,000	6,130
Jury commissioner	7,992	7,992	7,992
Jury commission supplies	200	200	187
Translator	6,000	6,000	6,000
	<u>173,343</u>	<u>180,843</u>	<u>176,158</u>
Public Defender:			
Public Defender	171,540	171,540	166,508
Office Manager	35,371	35,371	35,371
Secretary	11,908	11,908	11,782
Assistant PD 1	73,567	73,567	73,567
Assistant PD 2	50,989	50,989	50,989
Court ordered medical	1,500	1,500	-
Office supplies and expense	11,410	11,410	10,280
	<u>356,285</u>	<u>356,285</u>	<u>348,497</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
JUDICIARY AND COURT RELATED (Continued)			
Circuit Clerk:			
Salary	\$ 45,014	\$ 45,014	\$ 45,014
Deputy clerk salaries	<u>286,170</u>	<u>286,170</u>	<u>285,862</u>
	<u>331,184</u>	<u>331,184</u>	<u>330,876</u>
Total Judiciary and Court Related	<u>1,320,978</u>	<u>1,328,478</u>	<u>1,306,293</u>
 CAPITAL OUTLAY			
Equipment purchases	25,000	25,000	13,006
Computer purchases	<u>7,500</u>	<u>7,500</u>	<u>3,361</u>
Total capital outlay	<u>32,500</u>	<u>32,500</u>	<u>16,367</u>
 TOTAL GENERAL FUND	 <u><u>\$ 6,371,160</u></u>	 <u><u>\$ 6,443,855</u></u>	 <u><u>\$ 4,542,074</u></u> (Concluded)

See accompanying Independent Auditor's Report.

**McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2010**

	Special Revenue Funds	Debt Service	Capital Projects			Permanent	Total Nonmajor Governmental Funds
		Insurance Bond Funds	Equipment Replacement Funds	Capital Improvement & Equipment Fund	Local Improvement Fund	County Farm Fund	
ASSETS							
Cash and cash equivalents	\$ 4,138,166	\$ 16,994	\$ 188,613	\$ 7,825	\$ -	\$ 62,136	\$ 4,413,734
Investments	200,000	-	25,000	-	-	43,689	268,689
Receivables, net:							
State of Illinois	84,759	-	-	-	-	-	84,759
Property taxes	1,616,012	-	-	-	-	-	1,616,012
Other	31,107	-	-	-	-	-	31,107
Due from other funds	44,759	-	-	2,700	-	-	47,459
Due from component unit	17,138	-	-	-	-	-	17,138
Advances to other funds	57,147	-	-	-	-	-	57,147
Prepaid items	207,662	-	-	-	-	-	207,662
TOTAL ASSETS	\$ 6,396,750	\$ 16,994	\$ 213,613	\$ 10,525	\$ -	\$ 105,825	\$ 6,743,707
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 117,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,746
Due to others	-	-	-	-	-	43,689	43,689
Due to other funds	36,441	-	-	-	1,330	-	37,771
Deferred revenue	1,616,012	-	-	-	-	-	1,616,012
Total liabilities	1,770,199	-	-	-	1,330	43,689	1,815,218
Fund balances:							
Reserved for:							
Capital acquisitions	95,793	-	-	10,525	-	-	106,318
Debt service	-	-	-	-	-	-	-
Advances	57,147	-	-	-	-	-	57,147
Public health	-	-	-	-	-	62,136	62,136
Unreserved	4,473,611	16,994	213,613	-	(1,330)	-	4,702,888
Total fund balances	4,626,551	16,994	213,613	10,525	(1,330)	62,136	4,928,489
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,396,750	\$ 16,994	\$ 213,613	\$ 10,525	\$ -	\$ 105,825	\$ 6,743,707

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended November 30, 2010

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
		Insurance Bond Funds	Equipment Replacement Funds	Capital Improvement & Equipment Fund	Local Improvement Fund		
REVENUE							
Property taxes	\$1,189,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,766
State of Illinois:							
Motor fuel tax allotments	404,244	-	-	-	-	-	404,244
State grants and expenditure reimbursements	274,613	-	-	-	-	-	274,613
Fees for services and materials	707,041	-	-	-	-	-	707,041
Investment income	20,633	28	1,464	12	-	1,430	23,567
Other	305,708	-	7,289	-	-	22,350	335,347
Total revenues	<u>2,902,005</u>	<u>28</u>	<u>8,753</u>	<u>12</u>	<u>-</u>	<u>23,780</u>	<u>2,934,578</u>
EXPENDITURES							
Current:							
General government	252,050	-	-	-	-	2,251	254,301
Public safety	15,381	-	-	-	-	-	15,381
Corrections	20,927	-	-	-	-	-	20,927
Judiciary and court related	139,181	-	-	-	-	-	139,181
Public health	538,036	-	-	-	-	31,854	569,890
Public welfare	104,079	-	-	-	-	-	104,079
Transportation	1,414,725	-	-	-	-	-	1,414,725
Capital outlay	33,101	-	34,843	-	-	-	67,944
Total expenditures	<u>2,542,480</u>	<u>-</u>	<u>34,843</u>	<u>-</u>	<u>-</u>	<u>34,105</u>	<u>2,611,428</u>
Excess (deficiency) of revenues over expenditures	<u>359,525</u>	<u>28</u>	<u>(26,090)</u>	<u>12</u>	<u>-</u>	<u>(10,325)</u>	<u>323,150</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	352,518	-	112,795	-	-	9,633	474,946
Transfers out	(876,672)	-	-	-	-	-	(876,672)
Total other financing sources (uses)	<u>(524,154)</u>	<u>-</u>	<u>112,795</u>	<u>-</u>	<u>-</u>	<u>9,633</u>	<u>(401,726)</u>
NET CHANGE IN FUND BALANCES	<u>(164,629)</u>	<u>28</u>	<u>86,705</u>	<u>12</u>	<u>-</u>	<u>(692)</u>	<u>(78,576)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>4,791,180</u>	<u>16,966</u>	<u>126,908</u>	<u>10,513</u>	<u>(1,330)</u>	<u>62,828</u>	<u>5,007,065</u>
FUND BALANCES, END OF YEAR	<u>\$4,626,551</u>	<u>\$ 16,994</u>	<u>\$ 213,613</u>	<u>\$ 10,525</u>	<u>\$ (1,330)</u>	<u>\$ 62,136</u>	<u>\$ 4,928,489</u>

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010**

	County Highway Fund	County Motor Fuel Fund	County Aid to Bridges Fund	Federal Aid Matching Fund	Engineering Revolving Fund	Tuberculosis Fund	Veterans' Assistance Fund
ASSETS							
Cash and cash equivalents	\$ 614,864	\$ 204,055	\$ 233,780	\$ 657,595	\$ 175,999	\$ 16,297	\$ 88,660
Investments	-	-	-	200,000	-	-	-
Receivables, net:							
State of Illinois	-	69,395	-	-	-	-	-
Property taxes	256,480	-	140,577	175,404	-	31,505	67,638
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	29,993	-	-
Due from component unit	17,138	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 888,482</u>	<u>\$ 273,450</u>	<u>\$ 374,357</u>	<u>\$ 1,032,999</u>	<u>\$ 205,992</u>	<u>\$ 47,802</u>	<u>\$ 156,298</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 66,336	\$ 13,995	\$ 13,882	\$ -	\$ 5,331	\$ -	\$ 2,250
Due to other funds	-	-	-	-	-	1,303	-
Deferred revenue	256,480	-	140,577	175,404	-	31,505	67,638
Total liabilities	<u>322,816</u>	<u>13,995</u>	<u>154,459</u>	<u>175,404</u>	<u>5,331</u>	<u>32,808</u>	<u>69,888</u>
Fund balances:							
Reserved for capital acquisitions	-	-	-	-	-	-	-
Reserved for advances	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-
Unreserved	565,666	259,455	219,898	857,595	200,661	14,994	86,410
Total fund balances (deficit)	<u>565,666</u>	<u>259,455</u>	<u>219,898</u>	<u>857,595</u>	<u>200,661</u>	<u>14,994</u>	<u>86,410</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 888,482</u>	<u>\$ 273,450</u>	<u>\$ 374,357</u>	<u>\$ 1,032,999</u>	<u>\$ 205,992</u>	<u>\$ 47,802</u>	<u>\$ 156,298</u>

(Continued)

**McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010**

	Building Rental Fund	Cooperative Extension Fund	Animal Control Fund	Mental Health Fund	Law Library Fund	Recorder Automation Fund	Court Automation Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 92,601	\$ 3,602	\$ 19,977	\$ 47,095	\$ 104,947
Investments	-	-	-	-	-	-	-
Receivables, net:							
State of Illinois	-	-	-	-	-	-	-
Property taxes	350,000	158,900	-	350,808	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	2,700	-
Due from component unit	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Prepaid items	-	-	-	207,662	-	-	-
TOTAL ASSETS	<u>\$ 350,000</u>	<u>\$ 158,900</u>	<u>\$ 92,601</u>	<u>\$ 562,072</u>	<u>\$ 19,977</u>	<u>\$ 49,795</u>	<u>\$ 104,947</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 2,788	\$ -	\$ -	\$ 3,300	\$ 691
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	350,000	158,900	-	350,808	-	-	-
Total liabilities	<u>350,000</u>	<u>158,900</u>	<u>2,788</u>	<u>350,808</u>	<u>-</u>	<u>3,300</u>	<u>691</u>
Fund balances:							
Reserved for capital acquisitions	-	-	-	-	-	-	-
Reserved for advances	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-
Unreserved	-	-	89,813	211,264	19,977	46,495	104,256
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>89,813</u>	<u>211,264</u>	<u>19,977</u>	<u>46,495</u>	<u>104,256</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 350,000</u>	<u>\$ 158,900</u>	<u>\$ 92,601</u>	<u>\$ 562,072</u>	<u>\$ 19,977</u>	<u>\$ 49,795</u>	<u>\$ 104,947</u>

(Continued)

**McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010**

	Vital Records Automation Fund	Drug Enforcement Fund	Senior Citizens' Transportation Fund	Support Processing Fund	State's Attorney Victim/Witness Fund	Treasurer's Automation Fund	Document Storage Fund
ASSETS							
Cash and cash equivalents	\$ 16,538	\$ 28,016	\$ 138,178	\$ 23,715	\$ 796	\$ 35,582	\$ 70,094
Investments	-	-	-	-	-	-	-
Receivables, net:							
State of Illinois	-	-	-	5,114	10,250	-	-
Property taxes	-	-	42,500	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	570	-	-	-	3,007	-	-
Due from component unit	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 17,108</u>	<u>\$ 28,016</u>	<u>\$ 180,678</u>	<u>\$ 28,829</u>	<u>\$ 14,053</u>	<u>\$ 35,582</u>	<u>\$ 70,094</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 601
Due to other funds	-	-	-	-	14,125	-	-
Deferred revenue	-	-	42,500	-	-	-	-
Total liabilities	<u> </u>	<u> </u>	<u>42,500</u>	<u> </u>	<u>14,125</u>	<u> </u>	<u>601</u>
Fund balances:							
Reserved for capital acquisitions	-	-	95,793	-	-	-	-
Reserved for advances	-	-	-	-	-	-	-
Reserved for notes receivable	-	-	-	-	-	-	-
Unreserved	17,108	28,016	42,385	28,829	(72)	35,582	69,493
Total fund balances (deficit)	<u>17,108</u>	<u>28,016</u>	<u>138,178</u>	<u>28,829</u>	<u>(72)</u>	<u>35,582</u>	<u>69,493</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,108</u>	<u>\$ 28,016</u>	<u>\$ 180,678</u>	<u>\$ 28,829</u>	<u>\$ 14,053</u>	<u>\$ 35,582</u>	<u>\$ 70,094</u>

(Continued)

**MCDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010**

	County Waste Management Fund	Economic Development Revolving Loan Fund	Court System Maintenance Fund	Arrestees' Medical Cost Fund	Sheriff's DUI Equipment Fund	Elms Building Fund	State's Attorney Drug Enforcement Fund	GIS Fee Fund
ASSETS								
Cash and cash equivalents	\$ 7,611	\$ 156,689	\$ 142,023	\$ 12,387	\$ 3,498	\$ -	\$ 7,686	\$ 89,295
Investments	-	-	-	-	-	-	-	-
Receivables, net:								
State of Illinois	-	-	-	-	-	-	-	-
Property taxes	-	42,200	-	-	-	-	-	-
Other	12,128	18,979	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	4,917
Due from component unit	-	-	-	-	-	-	-	-
Advances to other funds	57,147	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 76,886	\$ 217,868	\$ 142,023	\$ 12,387	\$ 3,498	\$ -	\$ 7,686	\$ 94,212
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 3,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,375
Due to other funds	8,513	-	-	-	-	-	-	-
Deferred revenue	-	42,200	-	-	-	-	-	-
Total liabilities	11,591	42,200	-	-	-	-	-	4,375
Fund balances:								
Reserved for capital acquisitions	-	-	-	-	-	-	-	-
Reserved for advances	57,147	-	-	-	-	-	-	-
Unreserved	8,148	175,668	142,023	12,387	3,498	-	7,686	89,837
Total fund balances (deficit)	65,295	175,668	142,023	12,387	3,498	-	7,686	89,837
TOTAL LIABILITIES AND FUND BALANCES	\$ 76,886	\$ 217,868	\$ 142,023	\$ 12,387	\$ 3,498	\$ -	\$ 7,686	\$ 94,212

(Continued)

**McDONOUGH COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
November 30, 2010**

	County Clerk GIS Fee Fund	State's Attorney Child Advocacy Fund	USDA Solid Waste Fund	Animal Control Memorial Fund	Animal Pet Population Fund	Insurance Reserve Fund	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and cash equivalents	\$ 14,916	\$ 11,285	\$ 100	\$ 48,170	\$ 36,742	\$ 1,035,373	\$ 4,138,166
Investments	-	-	-	-	-	-	200,000
Receivables, net:							
State of Illinois	-	-	-	-	-	-	84,759
Property taxes	-	-	-	-	-	-	1,616,012
Other	-	-	-	-	-	-	31,107
Due from other funds	447	3,125	-	-	-	-	44,759
Due from component unit	-	-	-	-	-	-	17,138
Advances to other funds	-	-	-	-	-	-	57,147
Prepaid items	-	-	-	-	-	-	207,662
TOTAL ASSETS	<u>\$ 15,363</u>	<u>\$ 14,410</u>	<u>\$ 100</u>	<u>\$ 48,170</u>	<u>\$ 36,742</u>	<u>\$ 1,035,373</u>	<u>\$ 6,396,750</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 1,119	\$ -	\$ -	\$ 117,746
Due to other funds	-	12,500	-	-	-	-	36,441
Deferred revenue	-	-	-	-	-	-	1,616,012
Total liabilities	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>1,119</u>	<u>-</u>	<u>-</u>	<u>1,770,199</u>
Fund balances:							
Reserved for capital acquisitions	-	-	-	-	-	-	95,793
Reserved for advances	-	-	-	-	-	-	57,147
Unreserved	15,363	1,910	100	47,051	36,742	1,035,373	4,473,611
Total fund balances (deficit)	<u>15,363</u>	<u>1,910</u>	<u>100</u>	<u>47,051</u>	<u>36,742</u>	<u>1,035,373</u>	<u>4,626,551</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,363</u>	<u>\$ 14,410</u>	<u>\$ 100</u>	<u>\$ 48,170</u>	<u>\$ 36,742</u>	<u>\$ 1,035,373</u>	<u>\$ 6,396,750</u>

(Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2010

	County Highway Fund	County Motor Fuel Fund	County Aid to Bridges Fund	Federal Aid Matching Fund	Engineering Revolving Fund	Tuberculosis Fund	Veterans' Assistance Fund
REVENUES							
Property taxes	\$ 243,891	\$ -	\$ 133,677	\$ 166,796	\$ -	\$ 29,957	\$ 64,316
State of Illinois:							
Motor fuel tax allotments	-	404,244	-	-	-	-	-
State grants and expenditure reimbursements	-	246,363	-	-	-	-	-
Fees for services and materials	161,035	-	-	-	68,033	-	-
Investment income	2,943	342	1,820	7,637	1,808	30	173
Other	209,940	-	40,844	-	9,145	-	1,135
Total revenues	<u>617,809</u>	<u>650,949</u>	<u>176,341</u>	<u>174,433</u>	<u>78,986</u>	<u>29,987</u>	<u>65,624</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-
Public health	-	-	-	-	-	16,972	-
Public welfare	-	-	-	-	-	-	50,325
Transportation	976,585	230,528	90,118	36,906	80,588	-	-
Capital outlay	-	-	-	-	9,227	-	-
Total expenditures	<u>976,585</u>	<u>230,528</u>	<u>90,118</u>	<u>36,906</u>	<u>89,815</u>	<u>16,972</u>	<u>50,325</u>
Excess (deficiency) of revenues over expenditures	<u>(358,776)</u>	<u>420,421</u>	<u>86,223</u>	<u>137,527</u>	<u>(10,829)</u>	<u>13,015</u>	<u>15,299</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	346,069	-	-	-	6,449	-	-
Transfers out	-	(362,878)	(63,301)	(39,134)	-	(22,413)	-
Total other financing sources (uses)	<u>346,069</u>	<u>(362,878)</u>	<u>(63,301)</u>	<u>(39,134)</u>	<u>6,449</u>	<u>(22,413)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(12,707)	57,543	22,922	98,393	(4,380)	(9,398)	15,299
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>578,373</u>	<u>201,912</u>	<u>196,976</u>	<u>759,202</u>	<u>205,041</u>	<u>24,392</u>	<u>71,111</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 565,666</u>	<u>\$ 259,455</u>	<u>\$ 219,898</u>	<u>\$ 857,595</u>	<u>\$ 200,661</u>	<u>\$ 14,994</u>	<u>\$ 86,410</u>

(Continued)

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2010

	Building Rental Fund	Cooperative Extension Fund	Animal Control Fund	Mental Health Fund	Law Library Fund	Recorder Automation Fund	Court Automation Fund
REVENUES							
Property taxes	\$ -	\$ 154,088	\$ -	\$ 333,677	\$ -	\$ -	\$ -
State of Illinois:							
Motor fuel tax allotments	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-
Fees for services and materials	-	-	86,865	-	21,809	27,332	47,855
Investment income	-	-	588	180	20	65	166
Other	-	-	1,143	-	-	-	-
Total revenues	<u>-</u>	<u>154,088</u>	<u>88,596</u>	<u>333,857</u>	<u>21,829</u>	<u>27,397</u>	<u>48,021</u>
EXPENDITURES							
Current:							
General government	-	154,088	-	-	-	5,020	-
Public safety	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	14,076	-	38,679
Public health	-	-	97,571	323,992	-	-	-
Public welfare	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Capital outlay	-	-	346	-	-	17,989	-
Total expenditures	<u>-</u>	<u>154,088</u>	<u>97,917</u>	<u>323,992</u>	<u>14,076</u>	<u>23,009</u>	<u>38,679</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(9,321)</u>	<u>9,865</u>	<u>7,753</u>	<u>4,388</u>	<u>9,342</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>(9,321)</u>	<u>9,865</u>	<u>7,753</u>	<u>4,388</u>	<u>9,342</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>99,134</u>	<u>201,399</u>	<u>12,224</u>	<u>42,107</u>	<u>94,914</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,813</u>	<u>\$ 211,264</u>	<u>\$ 19,977</u>	<u>\$ 46,495</u>	<u>\$ 104,256</u>

(Continued)

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2010

	Vital Records Automation Fund	Drug Enforcement Fund	Senior Citizens' Transportation Fund	Support Processing Fund	State's Attorney Victim/Witness Fund	Treasurer's Automation Fund	Document Storage Fund
REVENUES							
Property taxes	\$ -	\$ -	\$ 42,877	\$ -	\$ -	\$ -	\$ -
State of Illinois:							
Motor fuel tax allotments	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	22,000	-	-
Fees for services and materials	7,612	-	-	14,507	-	7,100	47,755
Investment income	21	35	1,201	39	9	53	87
Other	-	17,940	-	-	-	3,790	-
Total revenues	<u>7,633</u>	<u>17,975</u>	<u>44,078</u>	<u>14,546</u>	<u>22,009</u>	<u>10,943</u>	<u>47,842</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	6,989	-
Public safety	-	11,597	-	-	-	-	-
Corrections	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	13,116	23,500	-	22,661
Public health	-	-	-	-	-	-	-
Public welfare	-	-	53,754	-	-	-	-
Transportation	-	-	-	-	-	-	-
Capital outlay	2,075	380	-	-	-	-	-
Total expenditures	<u>2,075</u>	<u>11,977</u>	<u>53,754</u>	<u>13,116</u>	<u>23,500</u>	<u>6,989</u>	<u>22,661</u>
Excess (deficiency) of revenues over expenditures	<u>5,558</u>	<u>5,998</u>	<u>(9,676)</u>	<u>1,430</u>	<u>(1,491)</u>	<u>3,954</u>	<u>25,181</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(10,951)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,558	5,998	(9,676)	(9,521)	(1,491)	3,954	25,181
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>11,550</u>	<u>22,018</u>	<u>147,854</u>	<u>38,350</u>	<u>1,419</u>	<u>31,628</u>	<u>44,312</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 17,108</u>	<u>\$ 28,016</u>	<u>\$ 138,178</u>	<u>\$ 28,829</u>	<u>\$ (72)</u>	<u>\$ 35,582</u>	<u>\$ 69,493</u>

(Continued)

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2010

	County Waste Management Fund	Economic Development Revolving Loan Fund	Court System Maintenance Fund	Arrestees' Medical Cost Fund	Sheriff's DUI Equipment Fund	Elms Building Fund	State's Attorney Drug Enforcement Fund	GIS Fee Fund
REVENUES								
Property taxes	\$ -	\$ 20,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-	-
Fees for services and materials	73,705	-	46,391	12,679	2,292	-	-	49,830
Investment income	24	1,322	176	29	5	1,163	4	267
Other	5,000	-	-	955	-	-	5,621	1,493
Total revenues	<u>78,729</u>	<u>21,809</u>	<u>46,567</u>	<u>13,663</u>	<u>2,297</u>	<u>1,163</u>	<u>5,625</u>	<u>51,590</u>
EXPENDITURES								
Current:								
General government	-	12,944	-	-	-	-	-	73,009
Public safety	-	-	-	-	-	-	3,784	-
Corrections	-	-	-	20,927	-	-	-	-
Judiciary and court related	-	-	8,291	-	-	-	-	-
Public health	93,988	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,883	-	-	-
Debt service - principal	-	25,000	-	-	-	-	-	-
Total expenditures	<u>93,988</u>	<u>37,944</u>	<u>8,291</u>	<u>20,927</u>	<u>1,883</u>	<u>-</u>	<u>3,784</u>	<u>73,009</u>
Excess (deficiency) of revenues over expenditures	<u>(15,259)</u>	<u>(16,135)</u>	<u>38,276</u>	<u>(7,264)</u>	<u>414</u>	<u>1,163</u>	<u>1,841</u>	<u>(21,419)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(287,995)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(287,995)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(15,259)</u>	<u>(16,135)</u>	<u>38,276</u>	<u>(7,264)</u>	<u>414</u>	<u>(286,832)</u>	<u>1,841</u>	<u>(21,419)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>80,554</u>	<u>191,803</u>	<u>103,747</u>	<u>19,651</u>	<u>3,084</u>	<u>286,832</u>	<u>5,845</u>	<u>111,256</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 65,295</u>	<u>\$ 175,668</u>	<u>\$ 142,023</u>	<u>\$ 12,387</u>	<u>\$ 3,498</u>	<u>\$ -</u>	<u>\$ 7,686</u>	<u>\$ 89,837</u>

(Continued)

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended November 30, 2010

	County Clerk GIS Fee Fund	State's Attorney Child Advocacy Fund	USDA Solid Waste Fund	Animal Control Memorial Fund	Animal Pet Population Fund	Insurance Reserve Fund	Total Nonmajor Special Revenue Funds
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,766
State of Illinois:							
Motor fuel tax allotments	-	-	-	-	-	-	404,244
State grants and expenditure reimbursements	-	6,250	-	-	-	-	274,613
Fees for services and materials	4,542	9,726	-	5,140	12,833	-	707,041
Investment income	21	22	-	69	47	267	20,633
Other	-	-	-	8,702	-	-	305,708
Total revenues	<u>4,563</u>	<u>15,998</u>	<u>-</u>	<u>13,911</u>	<u>12,880</u>	<u>267</u>	<u>2,902,005</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	252,050
Public safety	-	-	-	-	-	-	15,381
Corrections	-	-	-	-	-	-	20,927
Judiciary and court related	-	18,858	-	-	-	-	139,181
Public health	-	-	-	5,513	-	-	538,036
Public welfare	-	-	-	-	-	-	104,079
Transportation	-	-	-	-	-	-	1,414,725
Capital outlay	1,201	-	-	-	-	-	33,101
Debt service - principal	-	-	-	-	-	-	25,000
Total expenditures	<u>1,201</u>	<u>18,858</u>	<u>-</u>	<u>5,513</u>	<u>-</u>	<u>-</u>	<u>2,542,480</u>
Excess (deficiency) of revenues over expenditures	<u>3,362</u>	<u>(2,860)</u>	<u>-</u>	<u>8,398</u>	<u>12,880</u>	<u>267</u>	<u>359,525</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	352,518
Transfers out	-	-	-	-	-	(90,000)	(876,672)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(524,154)</u>
NET CHANGE IN FUND BALANCES	<u>3,362</u>	<u>(2,860)</u>	<u>-</u>	<u>8,398</u>	<u>12,880</u>	<u>(89,733)</u>	<u>(164,629)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>12,001</u>	<u>4,770</u>	<u>100</u>	<u>38,653</u>	<u>23,862</u>	<u>1,125,106</u>	<u>4,791,180</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 15,363</u>	<u>\$ 1,910</u>	<u>\$ 100</u>	<u>\$ 47,051</u>	<u>\$ 36,742</u>	<u>\$ 1,035,373</u>	<u>\$ 4,626,551</u>
							(Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue							
	County Highway		County Aid to Bridges		Federal Aid Matching		Engineering Revolving	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ 239,000	\$ 291,222	\$ 131,000	\$ 159,619	\$ 163,444	\$ 199,163	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-	-
Fees for services and materials	390,000	452,095	-	-	-	-	137,000	68,033
Investment income	1,000	2,943	7,000	1,820	12,000	7,637	300	1,808
Other	430,000	219,299	120,000	39,734	30,000	-	-	9,145
Total revenues	1,060,000	965,559	258,000	201,173	205,444	206,800	137,300	78,986
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-
Transportation	1,109,900	978,919	300,000	165,859	400,000	76,041	127,700	80,357
Capital outlay	-	-	-	-	-	-	37,000	4,391
Total expenditures	1,109,900	978,919	300,000	165,859	400,000	76,041	164,700	84,748
Excess (deficiency) of revenues over expenditures	(49,900)	(13,360)	(42,000)	35,314	(194,556)	130,759	(27,400)	(5,762)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	77,574	-	1,110	-	-	40,000	6,449
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	77,574	-	1,110	-	-	40,000	6,449
NET CHANGE IN FUND BALANCES	\$ (49,900)	64,214	\$ (42,000)	36,424	\$ (194,556)	130,759	\$ 12,600	687
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(76,921)		(13,502)		(32,366)		(5,067)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		578,373		196,976		759,202		205,041
FUND BALANCES (DEFICIT), END OF YEAR		\$ 565,666		\$ 219,898		\$ 857,595		\$ 200,661

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue							
	Tuberculosis Fund		Veterans' Assistance		Cooperative Extension		Animal Control Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ 30,000	\$ 35,896	\$ 63,000	\$ 76,792	\$ 151,000	\$ 154,088	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	109,825	86,865
Fees for services and materials	-	-	-	-	-	-	500	588
Investment income	-	30	150	173	-	-	900	1,142
Other	-	-	1,500	1,135	-	-	-	-
Total revenues	<u>30,000</u>	<u>35,926</u>	<u>64,650</u>	<u>78,100</u>	<u>151,000</u>	<u>154,088</u>	<u>111,225</u>	<u>88,595</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	151,000	154,088	-	-
Public safety	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-	-
Public health	50,000	49,170	-	-	-	-	113,426	100,781
Public welfare	-	-	61,225	55,117	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,500	346
Total expenditures	<u>50,000</u>	<u>49,170</u>	<u>61,225</u>	<u>55,117</u>	<u>151,000</u>	<u>154,088</u>	<u>115,926</u>	<u>101,127</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(13,244)</u>	<u>3,425</u>	<u>22,983</u>	<u>-</u>	<u>-</u>	<u>(4,701)</u>	<u>(12,532)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(1,303)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,303)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (20,000)</u>	<u>(14,547)</u>	<u>\$ 3,425</u>	<u>22,983</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (4,701)</u>	<u>(12,532)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		\$ 5,149		(7,684)		-		3,211
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>24,392</u>		<u>71,111</u>		<u>-</u>		<u>99,134</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 14,994</u>		<u>\$ 86,410</u>		<u>\$ -</u>		<u>\$ 89,813</u>

(Continued)

See accompanying Independent Auditor's Report.

**MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010**

	Special Revenue							
	Mental Health Fund		Law Library Fund		Recorder Automation		Court Automation Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ 326,888	\$ 398,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-	-
Fees for services and materials	-	-	14,300	20,047	22,500	27,225	43,000	47,389
Investment income	-	180	230	20	70	65	200	166
Other	-	-	-	-	-	-	-	-
Total revenues	<u>326,888</u>	<u>398,591</u>	<u>14,530</u>	<u>20,067</u>	<u>22,570</u>	<u>27,290</u>	<u>43,200</u>	<u>47,555</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	7,000	6,441	-	-
Public safety	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	-	-	14,500	14,076	-	-	67,100	55,283
Public health	326,888	403,324	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	15,050	15,030	-	-
Total expenditures	<u>326,888</u>	<u>403,324</u>	<u>14,500</u>	<u>14,076</u>	<u>22,050</u>	<u>21,471</u>	<u>67,100</u>	<u>55,283</u>
Excess (deficiency) of revenues over expenditures	-	(4,733)	30	5,991	520	5,819	(23,900)	(7,728)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>(4,733)</u>	<u>\$ 30</u>	<u>5,991</u>	<u>\$ 520</u>	<u>5,819</u>	<u>\$ (23,900)</u>	<u>(7,728)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		14,598		1,762		(1,431)		17,070
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>201,399</u>		<u>12,224</u>		<u>42,107</u>		<u>94,914</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 211,264</u>		<u>\$ 19,977</u>		<u>\$ 46,495</u>		<u>\$ 104,256</u>

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue							
	Vital Records Automation		Drug Enforcement Fund		Senior Citizens' Transportation Fund		Support Processing Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 51,199	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-	-
Fees for services and materials	7,000	7,450	-	-	-	-	12,000	14,507
Investment income	35	21	30	35	800	1,201	-	39
Other	-	-	25,000	17,940	-	-	-	-
Total revenues	7,035	7,471	25,030	17,975	42,800	52,400	12,000	14,546
EXPENDITURES								
Current:								
General government	2,000	1,980	-	-	-	-	-	-
Public safety	-	-	22,000	11,597	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	20,000	24,067
Public health	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	60,000	53,754	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	3,000	2,693	-	380	-	-	-	-
Total expenditures	5,000	4,673	22,000	11,977	60,000	53,754	20,000	24,067
Excess (deficiency) of revenues over expenditures	2,035	2,798	3,030	5,998	(17,200)	(1,354)	(8,000)	(9,521)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 2,035	2,798	\$ 3,030	5,998	\$ (17,200)	(1,354)	\$ (8,000)	(9,521)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		2,760		-		(8,322)		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		11,550		22,018		147,854		38,350
FUND BALANCES (DEFICIT), END OF YEAR	\$ 17,108		\$ 28,016		\$ 138,178		\$ 28,829	

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue							
	State's Attorney Victim/Witness Fund		Treasurer's Automation		Document Storage Fund		County Waste Management Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	23,500	22,000	-	-	-	-	-	-
Fees for services and materials	-	-	2,000	7,100	42,000	47,265	75,000	72,881
Investment income	40	9	100	53	100	87	100	24
Other	-	-	2,000	3,790	-	-	-	5,000
Total revenues	23,540	22,009	4,100	10,943	42,100	47,352	75,100	77,905
EXPENDITURES								
Current:								
General government	-	-	12,000	6,989	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	23,500	23,500	-	-	31,200	31,143	-	-
Public health	-	-	-	-	-	-	102,800	98,265
Public welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	23,500	23,500	12,000	6,989	31,200	31,143	102,800	98,265
Excess (deficiency) of revenues over expenditures	40	(1,491)	(7,900)	3,954	10,900	16,209	(27,700)	(20,360)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 40	(1,491)	\$ (7,900)	3,954	\$ 10,900	16,209	\$ (27,700)	(20,360)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS						8,972		5,101
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		1,419		31,628		44,312		80,554
FUND BALANCES (DEFICIT), END OF YEAR	\$ (72)		\$ 35,582		\$ 69,493		\$ 65,295	

(Continued)

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue							
	Economic Development Revolving Loan Fund		Court System Maintenance Fund		Arrestees' Medical Cost		Sheriff's DUI Equipment	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ 67,700	\$ 29,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-	-
Fees for services and materials	-	-	42,000	46,092	11,000	12,663	3,000	2,292
Investment income	8,245	8,159	100	176	100	29	-	5
Other	-	-	-	-	1,000	955	-	-
Total revenues	<u>75,945</u>	<u>37,692</u>	<u>42,100</u>	<u>46,268</u>	<u>12,100</u>	<u>13,647</u>	<u>3,000</u>	<u>2,297</u>
EXPENDITURES								
Current:								
General government	105,000	37,943	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	25,950	25,938	-	-
Judiciary and court related	-	-	40,000	10,400	-	-	-	-
Public health	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	3,500	3,476
Total expenditures	<u>105,000</u>	<u>37,943</u>	<u>40,000</u>	<u>10,400</u>	<u>25,950</u>	<u>25,938</u>	<u>3,500</u>	<u>3,476</u>
Excess (deficiency) of revenues over expenditures	<u>(29,055)</u>	<u>(251)</u>	<u>2,100</u>	<u>35,868</u>	<u>(13,850)</u>	<u>(12,291)</u>	<u>(500)</u>	<u>(1,179)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (29,055)</u>	<u>(251)</u>	<u>\$ 2,100</u>	<u>35,868</u>	<u>\$ (13,850)</u>	<u>(12,291)</u>	<u>\$ (500)</u>	<u>(1,179)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(15,884)		2,408		5,027		1,593
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>191,803</u>		<u>103,747</u>		<u>19,651</u>		<u>3,084</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 175,668</u>		<u>\$ 142,023</u>		<u>\$ 12,387</u>		<u>\$ 3,498</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue							
	State's Attorney Drug Enforcement Fund		GIS Fee Fund		County Clerk GIS Fee		State's Attorney Child Advocacy Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	12,500	6,250
Fees for services and materials	-	-	55,000	49,654	5,000	4,526	12,700	8,443
Investment income	30	4	500	267	60	21	-	22
Other	3,000	5,621	1,200	1,493	-	-	-	-
Total revenues	3,030	5,625	56,700	51,414	5,060	4,547	25,200	14,715
EXPENDITURES								
Current:								
General government	-	-	75,725	68,635	-	-	-	-
Public safety	6,000	3,784	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	23,462	18,858
Public welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	10,000	1,201	-	-
Total expenditures	6,000	3,784	75,725	68,635	10,000	1,201	23,462	18,858
Excess (deficiency) of revenues over expenditures	(2,970)	1,841	(19,025)	(17,221)	(4,940)	3,346	1,738	(4,143)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (2,970)	1,841	\$ (19,025)	(17,221)	\$ (4,940)	3,346	\$ 1,738	(4,143)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS								
				(4,198)		16		1,283
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		5,845		111,256		12,001		4,770
FUND BALANCES (DEFICIT), END OF YEAR		\$ 7,686		\$ 89,837		\$ 15,363		\$ 1,910

(Continued)

MCDONOUGH COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue				Capital Projects			
	Animal Control Memorial		Insurance Reserve Fund		Equipment Replacement Fund		Capital Improvement & Equipment Fund	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Illinois:								
Motor fuel tax allotments	-	-	-	-	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-	-	-	-	-
Fees for services and materials	5,000	5,378	-	-	-	-	-	-
Investment income	70	69	100,000	267	100	1,464	50	12
Other	8,700	8,702	-	-	145,000	120,083	-	-
Total revenues	13,770	14,149	100,000	267	145,100	121,547	50	12
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	-	-	-	-
Judiciary and court related	-	-	-	-	-	-	-	-
Public health	5,000	4,632	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	5,000	4,632	-	-	120,000	36,392	2,500	-
Excess (deficiency) of revenues over expenditures	8,770	9,517	100,000	267	25,100	85,155	(2,450)	12
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(200,000)	(90,000)	-	-	-	-
Total other financing sources (uses)	-	-	(200,000)	(90,000)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 8,770	9,517	\$ (100,000)	(89,733)	\$ 25,100	85,155	\$ (2,450)	12
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(1,119)		-		1,550		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		38,653		1,125,106		126,908		10,513
FUND BALANCES (DEFICIT), END OF YEAR	\$ 47,051		\$ 1,035,373		\$ 213,613		\$ 10,525	

(Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2010

	<u>Liability Insurance Fund</u>	<u>Self Insurance Fund</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,097,449	\$ 638,485	\$ 1,735,934
Receivables, net:			
Property taxes	300,000	-	300,000
Due from other funds	<u>265,545</u>	<u>71,312</u>	<u>336,857</u>
 TOTAL ASSETS	 <u>1,662,994</u>	 <u>709,797</u>	 <u>2,372,791</u>
 LIABILITIES			
Current liabilities:			
Accounts payable	9,758	182,917	192,675
Deferred revenue	300,000	-	300,000
Due to other funds	12,561	345,413	357,974
Long-term liabilities:			
Due within one year	25,163	-	25,163
Due in more than one year	<u>25,837</u>	<u>-</u>	<u>25,837</u>
 TOTAL LIABILITIES	 <u>373,319</u>	 <u>528,330</u>	 <u>901,649</u>
 TOTAL NET ASSETS	 <u><u>\$ 1,289,675</u></u>	 <u><u>\$ 181,467</u></u>	 <u><u>\$ 1,471,142</u></u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended November 30, 2010

	<u>Liability Insurance Fund</u>	<u>Self Insurance Fund</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Charges for services	<u>\$ 232,634</u>	<u>\$ 2,184,739</u>	<u>\$ 2,417,373</u>
OPERATING EXPENSES			
Unemployment	39,353	-	39,353
Liability insurance	209,548	-	209,548
Workman's compensation	256,264	-	256,264
Medical claims and administration fees	<u>70,274</u>	<u>2,216,781</u>	<u>2,287,055</u>
Total operating expenses	<u>575,439</u>	<u>2,216,781</u>	<u>2,792,220</u>
Operating loss	<u>(342,805)</u>	<u>(32,042)</u>	<u>(374,847)</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes	299,547	-	299,547
Investment income	4,950	-	4,950
Grants	30,900	-	30,900
Interest expense	(2,679)	-	(2,679)
Other	<u>-</u>	<u>169,408</u>	<u>169,408</u>
Total nonoperating revenue	<u>332,718</u>	<u>169,408</u>	<u>502,126</u>
Income (loss) before transfers	<u>(10,087)</u>	<u>137,366</u>	<u>127,279</u>
OTHER FINANCING SOURCES			
Transfers in	-	216,000	216,000
Transfers out	<u>(9,633)</u>	<u>(812)</u>	<u>(10,445)</u>
Total other financing sources (uses)	<u>(9,633)</u>	<u>215,188</u>	<u>205,555</u>
CHANGE IN NET ASSETS	(19,720)	352,554	332,834
TOTAL NET ASSETS (DEFICIT) - BEGINNING	<u>1,309,395</u>	<u>(171,087)</u>	<u>1,138,308</u>
TOTAL NET ASSETS (DEFICIT) - ENDING	<u>\$ 1,289,675</u>	<u>\$ 181,467</u>	<u>\$ 1,471,142</u>

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended November 30, 2010

	<u>Liability Insurance Fund</u>	<u>Self Insurance Fund</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ (565,845)	\$ (2,074,103)	\$ (2,639,948)
Internal activity-payments from (to) other funds	<u>249,956</u>	<u>2,184,739</u>	<u>2,434,695</u>
Net cash provided by (used in) operating activities	<u>(315,889)</u>	<u>110,636</u>	<u>(205,253)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	413,421	-	413,421
Other nonoperating revenue (expense)	-	169,408	169,408
Grants received	30,900	-	30,900
Interfund borrowing (lending)	(249,889)	(279,787)	(529,676)
Transfers in (out)	<u>(9,633)</u>	<u>215,188</u>	<u>205,555</u>
Net cash provided by (used in) noncapital financing activities	<u>184,799</u>	<u>104,809</u>	<u>289,608</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Repayment of loan proceeds	(56,745)	-	(56,745)
Interest paid on loan proceeds	(2,679)	-	(2,679)
Proceeds from loan	<u>51,000</u>	<u>-</u>	<u>51,000</u>
Net cash used in capital financing activities	<u>(8,424)</u>	<u>-</u>	<u>(8,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>4,950</u>	<u>-</u>	<u>4,950</u>
Net cash provided by investing activities	<u>4,950</u>	<u>-</u>	<u>4,950</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(134,564)	215,445	80,881
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,232,013</u>	<u>423,040</u>	<u>1,655,053</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,097,449</u>	<u>\$ 638,485</u>	<u>\$ 1,735,934</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	\$ (342,805)	\$ (32,042)	\$ (374,847)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Change in assets and liabilities:			
Accounts receivable	17,322	-	17,322
Accounts payable	<u>9,594</u>	<u>142,678</u>	<u>152,272</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (315,889)</u>	<u>\$ 110,636</u>	<u>\$ (205,253)</u>

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2010

	County Collector's Tax Fund		Court Services Fund	Multi-County Chief Judge Fund	Probation Service Fund	Inheritance Tax Fund	Condemnation Fund
	Current Tax Collection Account	Mobile Home Privilege Tax Account					
ASSETS							
Cash and cash equivalents	\$ 14,523	\$ 503	\$ 392,352	\$ 46,082	\$ 284,029	\$ 11	\$ 19,919
Investments	-	-	-	-	-	-	20,000
Receivables:							
State of Illinois	-	-	501,749	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 14,523</u>	<u>\$ 503</u>	<u>\$ 894,101</u>	<u>\$ 46,082</u>	<u>\$ 284,029</u>	<u>\$ 11</u>	<u>\$ 39,919</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 48,744	\$ -	\$ 1,125	\$ -	\$ -
Due to other funds	-	-	-	-	267	-	-
Due to other taxing units	14,523	503	-	-	-	-	-
Due to others	-	-	845,357	46,082	282,637	11	39,919
TOTAL LIABILITIES	<u>\$ 14,523</u>	<u>\$ 503</u>	<u>\$ 894,101</u>	<u>\$ 46,082</u>	<u>\$ 284,029</u>	<u>\$ 11</u>	<u>\$ 39,919</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2010

	<u>Unclaimed Estates Fund</u>	<u>Advocacy Fund</u>	<u>Dive and Rescue Team Fund</u>	<u>Sheriff's Inmate Commissary Fund</u>	<u>State's Attorney Restitution Fund</u>	<u>Township MFT Fund</u>	<u>Township Bridge Fund</u>
ASSETS							
Cash and cash equivalents	\$ 20,197	\$ 157	\$ 2,762	\$ 13,199	\$ 571	\$ 1,071,148	\$ 154,433
Investments	-	-	-	-	-	200,000	-
Receivables:							
State of Illinois	-	-	-	-	-	94,643	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 20,197</u>	<u>\$ 157</u>	<u>\$ 2,762</u>	<u>\$ 13,199</u>	<u>\$ 571</u>	<u>\$ 1,365,791</u>	<u>\$ 154,433</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,322	\$ 4,069
Due to other funds	359	-	-	-	-	29,993	-
Due to other taxing units	-	-	-	-	-	1,312,476	150,364
Due to others	19,838	157	2,762	13,199	571	-	-
TOTAL LIABILITIES	<u>\$ 20,197</u>	<u>\$ 157</u>	<u>\$ 2,762</u>	<u>\$ 13,199</u>	<u>\$ 571</u>	<u>\$ 1,365,791</u>	<u>\$ 154,433</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2010

	Tri-County Waste and Resource Management Fund	Tax Sale Indemnity Fund	County Clerk	Circuit Clerk	Total
ASSETS					
Cash and cash equivalents	\$ 19,823	\$ 44,550	\$ 109,827	\$ 267,016	\$ 2,461,102
Investments	-	-	-	50,000	270,000
Receivables:					
State of Illinois	-	-	-	-	596,392
Other	8,789	-	-	-	8,789
Due from other funds	8,513	-	-	-	8,513
	<u>37,125</u>	<u>44,550</u>	<u>109,827</u>	<u>317,016</u>	<u>3,344,796</u>
TOTAL ASSETS	<u>\$ 37,125</u>	<u>\$ 44,550</u>	<u>\$ 109,827</u>	<u>\$ 317,016</u>	<u>\$ 3,344,796</u>
LIABILITIES					
Accounts payable	\$ 26,736	\$ -	\$ -	\$ -	\$ 103,996
Due to other funds	-	-	50,724	-	81,343
Due to other taxing units	10,389	-	59,103	317,016	1,864,374
Due to others	-	44,550	-	-	1,295,083
	<u>37,125</u>	<u>44,550</u>	<u>109,827</u>	<u>317,016</u>	<u>3,344,796</u>
TOTAL LIABILITIES	<u>\$ 37,125</u>	<u>\$ 44,550</u>	<u>\$ 109,827</u>	<u>\$ 317,016</u>	<u>\$ 3,344,796</u>

(Concluded)

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS

For the Year Ended November 30, 2010

	Balances, December 1, 2009	Additions	Deductions	Balances, November 30, 2010
Total All Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 7,706,566	\$ 43,777,246	\$ 49,022,710	\$ 2,461,102
Investments	495,000	-	225,000	270,000
Accounts receivable	569,943	605,181	569,943	605,181
Due from other funds	8,789	8,513	8,789	8,513
TOTAL ASSETS	\$ 8,780,298	\$ 44,390,940	\$ 49,826,442	\$ 3,344,796
LIABILITIES				
Accounts payable	\$ 141,598	\$ 81,575	\$ 119,177	\$ 103,996
Due to other funds	60,927	50,724	30,308	81,343
Due to other taxing units	7,357,828	40,805,815	46,299,269	1,864,374
Due to others	1,219,945	3,452,826	3,377,688	1,295,083
TOTAL LIABILITIES	\$ 8,780,298	\$ 44,390,940	\$ 49,826,442	\$ 3,344,796
1. County Collector - Current Tax Collection Account				
ASSETS				
Cash and cash equivalents	\$ 5,543,915	\$ 37,637,655	\$ 43,167,047	\$ 14,523
TOTAL ASSETS	\$ 5,543,915	\$ 37,637,655	\$ 43,167,047	\$ 14,523
LIABILITIES				
Due to other taxing units	\$ 5,543,915	\$ 37,637,655	\$ 43,167,047	\$ 14,523
TOTAL LIABILITIES	\$ 5,543,915	\$ 37,637,655	\$ 43,167,047	\$ 14,523
2. County Collector - Mobile Home Privilege Tax Account				
ASSETS				
Cash and cash equivalents	\$ 2,181	\$ 61,221	\$ 62,899	\$ 503
TOTAL ASSETS	\$ 2,181	\$ 61,221	\$ 62,899	\$ 503
LIABILITIES				
Due to other taxing units	\$ 2,181	\$ 61,221	\$ 62,899	\$ 503
TOTAL LIABILITIES	\$ 2,181	\$ 61,221	\$ 62,899	\$ 503

MCDONOUGH COUNTY, ILLINOIS

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

For the Year Ended November 30, 2010

	Balances, December 1, 2009	Additions	Deductions	Balances, November 30, 2010
3. Court Services				
ASSETS				
Cash and cash equivalents	\$ 263,446	\$ 2,559,098	\$ 2,430,192	\$ 392,352
Accounts receivable	448,702	501,749	448,702	501,749
TOTAL ASSETS	\$ 712,148	\$ 3,060,847	\$ 2,878,894	\$ 894,101
LIABILITIES				
Accounts payable	\$ 33,883	\$ 26,323	\$ 11,462	\$ 48,744
Due to others	678,265	3,034,524	2,867,432	845,357
TOTAL LIABILITIES	\$ 712,148	\$ 3,060,847	\$ 2,878,894	\$ 894,101
4. Multi-County Chief Judge				
ASSETS				
Cash and cash equivalents	\$ 33,784	\$ 21,004	\$ 8,706	\$ 46,082
TOTAL ASSETS	\$ 33,784	\$ 21,004	\$ 8,706	\$ 46,082
LIABILITIES				
Accounts payable	\$ 546	\$ -	\$ 546	\$ -
Due to others	33,238	21,004	8,160	46,082
TOTAL LIABILITIES	\$ 33,784	\$ 21,004	\$ 8,706	\$ 46,082
5. Probation Service				
ASSETS				
Cash and cash equivalents	\$ 400,033	\$ 32,013	\$ 148,017	\$ 284,029
TOTAL ASSETS	\$ 400,033	\$ 32,013	\$ 148,017	\$ 284,029
LIABILITIES				
Accounts payable	\$ 14,771	\$ 1,125	\$ 14,771	\$ 1,125
Due to other funds	267	-	-	267
Due to others	384,995	30,888	133,246	282,637
TOTAL LIABILITIES	\$ 400,033	\$ 32,013	\$ 148,017	\$ 284,029

MCDONOUGH COUNTY, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2010

	Balances, December 1, 2009	Additions	Deductions	Balances, November 30, 2010
6. Inheritance Tax				
ASSETS				
Cash and cash equivalents	\$ 32,638	\$ 232,163	\$ 264,790	\$ 11
TOTAL ASSETS	\$ 32,638	\$ 232,163	\$ 264,790	\$ 11
LIABILITIES				
Due to others	\$ 32,638	\$ 232,163	\$ 264,790	\$ 11
TOTAL LIABILITIES	\$ 32,638	\$ 232,163	\$ 264,790	\$ 11
7. Condemnation				
ASSETS				
Cash and cash equivalents	\$ 19,551	\$ 368	\$ -	\$ 19,919
Investments	20,000	-	-	20,000
TOTAL ASSETS	\$ 39,551	\$ 368	\$ -	\$ 39,919
LIABILITIES				
Due to others	\$ 39,551	\$ 368	\$ -	\$ 39,919
TOTAL LIABILITIES	\$ 39,551	\$ 368	\$ -	\$ 39,919
8. Unclaimed Estates				
ASSETS				
Cash and cash equivalents	\$ 3,499	\$ 16,698	\$ -	\$ 20,197
TOTAL ASSETS	\$ 3,499	\$ 16,698	\$ -	\$ 20,197
LIABILITIES				
Due to other funds	\$ 359	\$ -	\$ -	\$ 359
Due to others	3,140	16,698	-	19,838
TOTAL LIABILITIES	\$ 3,499	\$ 16,698	\$ -	\$ 20,197

MCDONOUGH COUNTY, ILLINOIS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
 AGENCY FUNDS

For the Year Ended November 30, 2010

	Balances, December 1, 2009	Additions	Deductions	Balances, November 30, 2010
9. Advocacy				
ASSETS				
Cash and cash equivalents	\$ 157	\$ -	\$ -	\$ 157
TOTAL ASSETS	\$ 157	\$ -	\$ -	\$ 157
LIABILITIES				
Due to others	\$ 157	\$ -	\$ -	\$ 157
TOTAL LIABILITIES	\$ 157	\$ -	\$ -	\$ 157
10. Dive and Rescue Team				
ASSETS				
Cash and cash equivalents	\$ 2,980	\$ 304	\$ 522	\$ 2,762
TOTAL ASSETS	\$ 2,980	\$ 304	\$ 522	\$ 2,762
LIABILITIES				
Due to others	\$ 2,980	\$ 304	\$ 522	\$ 2,762
TOTAL LIABILITIES	\$ 2,980	\$ 304	\$ 522	\$ 2,762
11. Sheriff's Inmate Commissary Account				
ASSETS				
Cash and cash equivalents	\$ 17,542	\$ 83,588	\$ 87,931	\$ 13,199
TOTAL ASSETS	\$ 17,542	\$ 83,588	\$ 87,931	\$ 13,199
LIABILITIES				
Due to others	\$ 17,542	\$ 83,588	\$ 87,931	\$ 13,199
TOTAL LIABILITIES	\$ 17,542	\$ 83,588	\$ 87,931	\$ 13,199

MCDONOUGH COUNTY, ILLINOIS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
 AGENCY FUNDS

For the Year Ended November 30, 2010

	Balances, December 1, 2009	Additions	Deductions	Balances, November 30, 2010
12. State's Attorney Restitution Account				
ASSETS				
Cash and cash equivalents	\$ 312	\$ 15,826	\$ 15,567	\$ 571
TOTAL ASSETS	\$ 312	\$ 15,826	\$ 15,567	\$ 571
LIABILITIES				
Due to others	\$ 312	\$ 15,826	\$ 15,567	\$ 571
TOTAL LIABILITIES	\$ 312	\$ 15,826	\$ 15,567	\$ 571
13. Township MFT				
ASSETS				
Cash and cash equivalents	\$ 918,845	\$ 1,432,942	\$ 1,280,639	\$ 1,071,148
Investments	200,000	-	-	200,000
Accounts receivable	114,811	94,643	114,811	94,643
TOTAL ASSETS	\$ 1,233,656	\$ 1,527,585	\$ 1,395,450	\$ 1,365,791
LIABILITIES				
Accounts payable	\$ 64,278	\$ 23,322	\$ 64,278	\$ 23,322
Due to other funds	29,993	-	-	29,993
Due to other taxing units	1,139,385	1,504,263	1,331,172	1,312,476
TOTAL LIABILITIES	\$ 1,233,656	\$ 1,527,585	\$ 1,395,450	\$ 1,365,791
14. Township Bridge				
ASSETS				
Cash and cash equivalents	\$ 81,984	\$ 229,210	\$ 156,761	\$ 154,433
Investments	225,000	-	225,000	-
TOTAL ASSETS	\$ 306,984	\$ 229,210	\$ 381,761	\$ 154,433
LIABILITIES				
Accounts payable	\$ 1,772	\$ 4,069	\$ 1,772	\$ 4,069
Due to other taxing units	305,212	225,141	379,989	150,364
TOTAL LIABILITIES	\$ 306,984	\$ 229,210	\$ 381,761	\$ 154,433

MCDONOUGH COUNTY, ILLINOIS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
 AGENCY FUNDS

For the Year Ended November 30, 2010

	Balances, December 1, 2009	Additions	Deductions	Balances, November 30, 2010
15. Tri-County Waste and Resource Management				
ASSETS				
Cash and cash equivalents	\$ 21,932	\$ 107,466	\$ 109,575	\$ 19,823
Accounts receivable	6,430	8,789	6,430	8,789
Due from other funds	8,789	8,513	8,789	8,513
TOTAL ASSETS	\$ 37,151	\$ 124,768	\$ 124,794	\$ 37,125
LIABILITIES				
Accounts payable	\$ 26,348	\$ 26,736	\$ 26,348	\$ 26,736
Due to other taxing units	10,803	98,032	98,446	10,389
TOTAL LIABILITIES	\$ 37,151	\$ 124,768	\$ 124,794	\$ 37,125
16. Tax Sale Indemnity				
ASSETS				
Cash and cash equivalents	\$ 27,127	\$ 17,463	\$ 40	\$ 44,550
TOTAL ASSETS	\$ 27,127	\$ 17,463	\$ 40	\$ 44,550
LIABILITIES				
Due to others	\$ 27,127	\$ 17,463	\$ 40	\$ 44,550
TOTAL LIABILITIES	\$ 27,127	\$ 17,463	\$ 40	\$ 44,550
17. County Clerk				
ASSETS				
Cash and cash equivalents	\$ 46,726	\$ 315,884	\$ 252,783	\$ 109,827
TOTAL ASSETS	\$ 46,726	\$ 315,884	\$ 252,783	\$ 109,827
LIABILITIES				
Due to other funds	\$ 30,308	\$ 50,724	\$ 30,308	\$ 50,724
Due to other taxing units	16,418	265,160	222,475	59,103
TOTAL LIABILITIES	\$ 46,726	\$ 315,884	\$ 252,783	\$ 109,827
18. Circuit Clerk				
ASSETS				
Cash and cash equivalents	\$ 289,914	\$ 1,014,343	\$ 1,037,241	\$ 267,016
Investments	50,000	-	-	50,000
TOTAL ASSETS	\$ 339,914	\$ 1,014,343	\$ 1,037,241	\$ 317,016
LIABILITIES				
Due to other taxing units	339,914	1,014,343	1,037,241	317,016
TOTAL LIABILITIES	\$ 339,914	\$ 1,014,343	\$ 1,037,241	\$ 317,016

SUPPLEMENTAL INFORMATION

McDONOUGH COUNTY, ILLINOIS
SCHEDULE OF TAX INFORMATION
Year Ended November 30, 2010

	<u>Year Ended November 30, 2010</u>		
	<u>2009</u>		
	<u>Levy</u>	<u>Rate</u>	<u>Collection</u>
General Corporate **	\$ 900,000	0.24377	\$ 872,673
County Highway	244,258	0.06800	243,437
County Aid to Bridges	133,882	0.03727	133,428
Federal Aid Matching	167,040	0.04650	166,485
Tuberculosis	30,000	0.00835	29,901
Veterans' Assistance	64,386	0.01792	64,197
Municipal Retirement	692,000	0.19264	689,676
Social Security	719,000	0.20016	716,563
Building Rental (Building Commission) **	-	-	-
Cooperative Extension	154,322	0.04296	153,801
Mental Health	334,080	0.09300	333,057
County Health	334,080	0.09300	333,636
Senior Citizens' Transportation	42,924	0.01195	42,798
Economic Development Revolving Loan	-	-	20,487
Insurance Reserve Bond	-	-	-
Liability Insurance	300,000	0.08351	298,990
The Elms	334,080	0.09300	333,981
TOTALS	<u>\$ 4,450,052</u>	<u>1.23203</u>	<u>\$ 4,433,110</u>

ASSESSED VALUATION

\$ 359,217,205

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

** For the year ended November 30, 2010, the assessed valuations used for General Corporate and Building Rental were \$384,170,684, which includes the assessed valuation of Enterprise Zone properties. Collections of \$20,487 of taxes extended for the General Corporate levies of McDonough County, City of Macomb, and Macomb City Township were distributed to the Economic Development Revolving Loan Fund (Enterprise Zone).

<u>Year Ended November 30, 2009</u>			<u>Year Ended November 30, 2008</u>		
<u>2008</u>			<u>2007</u>		
<u>Levy</u>	<u>Rate</u>	<u>Collection</u>	<u>Levy</u>	<u>Rate</u>	<u>Collection</u>
\$ 880,000	0.25525	\$ 842,327	\$ 850,000	0.26171	\$ 791,519
239,000	0.07139	238,549	233,000	0.07399	231,886
131,000	0.03913	130,752	129,000	0.04097	128,402
163,444	0.04882	163,131	151,000	0.04795	150,275
30,000	0.00896	29,938	15,000	0.00477	14,948
63,000	0.01882	62,885	62,000	0.01969	61,712
542,000	0.16190	540,987	522,000	0.16576	519,541
594,000	0.17743	592,882	572,000	0.18163	569,226
-	-	-	365,000	0.11238	362,625
151,000	0.04510	150,701	147,000	0.04668	146,297
326,888	0.09764	326,262	300,000	0.09526	298,545
326,888	0.09764	326,262	300,000	0.09526	298,546
42,000	0.01255	41,936	58,000	0.01842	57,730
-	-	45,234	-	-	74,819
-	-	-	225,384	0.07755	243,045
575,000	0.17175	573,904	599,000	0.19020	596,097
326,888	0.09764	326,522	298,000	0.09463	296,539
<u>\$ 4,391,108</u>	<u>1.30402</u>	<u>\$ 4,392,272</u>	<u>\$ 4,826,384</u>	<u>1.52685</u>	<u>\$ 4,841,752</u>
	<u>\$ 334,779,460</u>			<u>\$ 314,109,550</u>	