

IROQUOIS COUNTY, ILLINOIS
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
November 30, 2011



CliftonLarsonAllen

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Independent Auditor's Report

Iroquois County Board
Watseka, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois (County) as of and for the year ended November 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Iroquois 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois as of November 30, 2011, 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.

As described in Note 1 to the financial statements, during the year ended November 30, 2011, the County adopted the provisions of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the classifications of fund balances and certain fund types.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2012 on our consideration of the County's 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 management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 3 - 7 and 44 - 53 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois County, Illinois' basic financial statements. The combining financial statements, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. 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 statistical information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

Champaign, Illinois
May 22, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Iroquois County, Illinois' financial performance provides an overview of the County's financial activities for the year ended November 30, 2011.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities of Iroquois County, Illinois present an overall view of the County finances. These statements tell how these services were financed. The fund statements focus on financial information about activities in more detail than the government-wide statements.

FINANCIAL HIGHLIGHTS

- The assets of Iroquois County exceeded its liabilities in the governmental activities at the close of the most recent fiscal year by \$65,290,777 (*net assets*). Net assets invested in capital assets (net of depreciation and related debt) accounts for eighty-four percent of this amount (\$54,838,222). Of the total, \$1,281,540 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental net assets decreased by \$470,327 from operations. The business-type net assets increased by \$27,105.
- Overall governmental activities revenues including transfers were \$14,075,559 which was \$470,327 less than expenses.

REPORTING ON THE COUNTY AS A WHOLE

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

One of the most asked questions about County finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities reports help answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. One way to measure the County's financial health or financial position is the difference between assets and liabilities. Increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as property tax base, factor in the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into two kinds of activities:

Governmental activities – Most of the County's basic services are reported here: general government, health and sanitation, public safety, transportation, culture and recreation, and public assistance. Property, income, sales and replacement taxes, intergovernmental revenues, investment earnings, miscellaneous revenues, and transfers finance most of these activities.

Business-type activities – The County reports the activities from the County farm and 911 Emergency Service Board as business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COUNTY'S MOST SIGNIFICANT FUNDS

FUND FINANCIAL STATEMENTS

The County has separate statements for each type of County funds – governmental, proprietary and fiduciary. The emphasis is on major governmental and enterprise funds displayed in separate columns. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds – Most of the County's basic services are reported in governmental funds using the current financial resources management focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary funds – Most of the County's proprietary funds revenues comes from charges for services in the 911 Emergency Service Board and cash rent of the County farm.

COUNTY'S FIDUCIARY RESPONSIBILITIES

The County is trustee, or fiduciary, for the following fund: Township Motor Fuel Tax. It is also responsible for other assets that, because of an agency arrangement, can be used only for certain beneficiaries. These activities are excluded from the County's financial statements because these assets cannot be used for County operations.

COUNTY AS A WHOLE

Tables presenting the net assets and the changes in net assets for the years ended November 30, 2011 and 2010 follow.

**TABLE 1
NET ASSETS**

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total Primary</u> <u>Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 15,641,657	\$ 15,234,658	\$ 435,674	\$ 371,167	\$ 16,077,331	\$ 15,605,825
Capital assets	<u>54,838,222</u>	<u>56,717,654</u>	<u>333,036</u>	<u>388,582</u>	<u>55,171,258</u>	<u>57,106,236</u>
Total assets	<u>70,479,879</u>	<u>71,952,312</u>	<u>768,710</u>	<u>759,749</u>	<u>71,248,589</u>	<u>72,712,061</u>
Current liabilities	4,568,733	5,674,063	5,778	23,922	4,574,511	5,697,985
Non-current liabilities	<u>620,369</u>	<u>451,245</u>	-	-	<u>620,369</u>	<u>451,245</u>
Total liabilities	<u>5,189,102</u>	<u>6,125,308</u>	<u>5,778</u>	<u>23,922</u>	<u>5,194,880</u>	<u>6,149,230</u>
Net assets:						
Invested in capital assets	54,838,222	56,717,654	333,036	388,582	55,171,258	57,106,236
Restricted	9,171,015	6,665,809	-	-	9,171,015	6,665,809
Unrestricted	<u>1,281,540</u>	<u>2,443,541</u>	<u>429,896</u>	<u>347,245</u>	<u>1,711,436</u>	<u>2,790,786</u>
Total net assets	<u>\$ 65,290,777</u>	<u>\$ 65,827,004</u>	<u>\$ 762,932</u>	<u>\$ 735,827</u>	<u>\$ 66,053,709</u>	<u>\$ 66,562,831</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 2 CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program revenues:						
Charges for services	\$ 2,982,200	\$ 2,614,147	\$ 487,825	\$ 513,775	\$ 3,470,025	\$ 3,127,922
Grants and contributions	1,382,764	4,443,682	-	-	1,382,764	4,443,682
General revenues:						
Property taxes	4,805,561	3,993,213	-	-	4,805,561	3,993,213
Other taxes/intergovernmental	3,813,959	4,113,719	-	-	3,813,959	4,113,719
Other general revenues	<u>742,374</u>	<u>7,077,154</u>	<u>156,333</u>	<u>7,032</u>	<u>898,707</u>	<u>7,084,186</u>
Total revenues	<u>13,726,858</u>	<u>22,241,915</u>	<u>644,158</u>	<u>520,807</u>	<u>14,371,016</u>	<u>22,762,722</u>
Program expenses						
General government	3,510,726	2,327,120	-	-	3,510,726	2,327,120
Health and sanitation	2,756,278	5,886,135	-	-	2,756,278	5,886,135
Public safety	3,705,546	4,377,922	-	-	3,705,546	4,377,922
Transportation	4,527,858	5,234,450	-	-	4,527,858	5,234,450
Culture and recreation	22,956	24,828	-	-	22,956	24,828
Public assistance	22,522	18,921	-	-	22,522	18,921
Emergency services	-	-	266,936	332,541	266,936	332,541
Farm	-	-	<u>1,416</u>	<u>13,240</u>	<u>1,416</u>	<u>13,240</u>
Total expenses	<u>14,545,886</u>	<u>17,869,376</u>	<u>268,352</u>	<u>345,781</u>	<u>14,814,238</u>	<u>18,215,157</u>
Excess (deficiency) before transfers	(819,028)	4,372,539	375,806	175,026	(443,222)	4,547,565
Transfers	<u>348,701</u>	<u>187,212</u>	<u>(348,701)</u>	<u>(187,212)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ (470,327)</u>	<u>\$ 4,559,751</u>	<u>\$ 27,105</u>	<u>\$ (12,186)</u>	<u>\$ (443,222)</u>	<u>\$ 4,547,565</u>

At the end of the current year, Iroquois County maintained positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The County was in the same situation the previous fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL ACTIVITIES

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government.

County Motor Fuel Tax Fund – This fund receives and accounts for the County's share of motor fuel taxes from the State of Illinois and expenditures thereon.

Retirement Fund – This fund accounts for the County's share to the Illinois Municipal Retirement Fund and FICA.

County Highway Fund – This fund is used to collect and disburse funds for County engineering projects.

Ford-Iroquois Health Department Fund – This fund accounts for the operations of the Health Department.

GENERAL FUND BUDGETARY HIGHLIGHTS

The revenue side of the budget relied heavily on property taxes and intergovernmental revenues, which were over budget by \$604,784, and charges for services, licenses, permits and fees which were over budget by \$459,841. The actual total revenue was over budgeted revenues by \$1,121,439. Actual expenditures in public safety exceeded budgeted amounts by \$94,667 while total expenditures were \$527,925 over budget. The General Fund result was an excess of revenues over expenditures of \$525,504 (includes County Information Systems Fund).

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

On November 30, 2011 and 2010, the County had \$102,721,180 and \$101,875,861 invested in capital assets including highway, infrastructure, farm land, equipment, buildings and roads. See Note 7 for more detailed information about the County's capital assets.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 18,600	\$ 18,600	\$ 153,037	\$ 153,037	\$ 171,637	\$ 171,637
Buildings and improvements	8,051,107	7,865,017	-	-	8,051,107	7,865,017
Equipment	1,044,396	922,706	1,538,455	1,538,455	2,582,851	2,461,161
Transportation network	90,580,854	90,100,189	-	-	90,580,854	90,100,189
Vehicles	1,334,731	1,277,857	-	-	1,334,731	1,277,857
Totals	<u>\$101,029,688</u>	<u>\$100,184,369</u>	<u>\$ 1,691,492</u>	<u>\$ 1,691,492</u>	<u>\$102,721,180</u>	<u>\$101,875,861</u>

Debt

Non-current liabilities reported on the entity-wide statement of net assets represent accumulated compensation due to employees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In 2011 the County was not forced to have employees take furlough days and we were able to go the entire year without borrowing from the bank. While it was close, the County was able to make significant progress. The use of automation funds has been and will continue to be a resource that we cannot do without. The Elected Officials and Department Heads have been generous and the Board appreciates this. The County was able to receive a significant amount of funds from the Zoning Department in the form of fees for the wind farm. This allowed the County to decrease the health insurance line deficit to almost \$-0-. The County is in negotiations with FOP and AFSME.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers with a general overview of the County's finances and shows the County's accountability for the money it receives. If you have any questions about this report or need additional information, contact **IROQUOIS COUNTY FINANCE CHAIRMAN JIM MEYER at 1001 EAST GRANT STREET, WATSEKA, ILLINOIS 60970.**

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2011

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 8,263,083	\$ 205,957	\$ 8,469,040
Investments	2,262,147	150,530	2,412,677
Accrued interest	1,001	-	1,001
Receivables, net:			
Accounts	116,565	70,167	186,732
Taxes	3,223,350	-	3,223,350
Other	71,041	-	71,041
Due from other governmental agencies	1,567,519	-	1,567,519
Loans	136,951	-	136,951
Prepaid expenses	-	9,020	9,020
Capital assets not being depreciated:			
Land	18,600	153,037	171,637
Vehicle	17,500	-	17,500
Capital assets depreciated:			
Vehicles	1,317,231	-	1,317,231
Buildings and improvements	8,051,107	-	8,051,107
Equipment	1,044,396	1,538,455	2,582,851
Transportation network	90,580,854	-	90,580,854
Less accumulated depreciation	(46,191,466)	(1,358,456)	(47,549,922)
TOTAL ASSETS	\$ 70,479,879	\$ 768,710	\$ 71,248,589
LIABILITIES			
Accounts payable and accrued expenses	\$ 898,812	\$ 5,778	\$ 904,590
Deferred revenue	3,669,921	-	3,669,921
Noncurrent liabilities:			
Due in more than one year	620,369	-	620,369
Total liabilities	5,189,102	5,778	5,194,880
NET ASSETS			
Invested in capital assets	54,838,222	333,036	55,171,258
Restricted for:			
Retirement	1,909,616	-	1,909,616
General and administrative	191,010	-	191,010
Health and sanitation	1,411,988	-	1,411,988
Public safety	386,732	-	386,732
Transportation and highway	4,149,230	-	4,149,230
Culture and recreation	9	-	9
Public assistance	592,268	-	592,268
Capital projects	530,162	-	530,162
Unrestricted	1,281,540	429,896	1,711,436
Total net assets	65,290,777	762,932	66,053,709
TOTAL LIABILITIES AND NET ASSETS	\$ 70,479,879	\$ 768,710	\$ 71,248,589

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended November 30, 2011

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
PROGRAMS							
Governmental Activities:							
General government	\$ (3,510,726)	\$ 1,800,112	\$ -	\$ -	\$ (1,710,614)	\$ -	\$ (1,710,614)
Health and sanitation	(2,756,278)	615,278	1,035,151	60,000	(1,045,849)	-	(1,045,849)
Justice and public safety	(3,705,546)	332,555	137,613	150,000	(3,085,378)	-	(3,085,378)
Transportation	(4,527,858)	234,255	-	-	(4,293,603)	-	(4,293,603)
Culture and recreation	(22,956)	-	-	-	(22,956)	-	(22,956)
Public assistance	(22,522)	-	-	-	(22,522)	-	(22,522)
Total governmental activities	<u>(14,545,886)</u>	<u>2,982,200</u>	<u>1,172,764</u>	<u>210,000</u>	<u>(10,180,922)</u>	<u>-</u>	<u>(10,180,922)</u>
Business-Type Activities:							
911 Emergency Service Board	(266,936)	381,993	-	-	-	115,057	115,057
County farm	(1,416)	105,832	-	-	-	104,416	104,416
Total business-type activities	<u>(268,352)</u>	<u>487,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,473</u>	<u>219,473</u>
TOTAL	<u>\$ (14,814,238)</u>	<u>\$ 3,470,025</u>	<u>\$ 1,172,764</u>	<u>\$ 210,000</u>	<u>(10,180,922)</u>	<u>219,473</u>	<u>(9,961,449)</u>

General revenues:			
Property taxes	\$ 4,805,561	\$ -	\$ 4,805,561
Income taxes	904,289	-	904,289
Sales taxes	1,005,844	-	1,005,844
Replacement taxes	191,584	-	191,584
Intergovernmental revenues	1,712,242	-	1,712,242
Interest	55,164	2,333	57,497
Miscellaneous	687,210	154,000	841,210
Transfers	<u>348,701</u>	<u>(348,701)</u>	<u>-</u>
Total general revenues and transfers	<u>9,710,595</u>	<u>(192,368)</u>	<u>9,518,227</u>
Change in net assets	(470,327)	27,105	(443,222)
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	<u>65,761,104</u>	<u>735,827</u>	<u>66,496,931</u>
NET ASSETS - END OF YEAR	<u>\$ 65,290,777</u>	<u>\$ 762,932</u>	<u>\$ 66,053,709</u>

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

**IROQUOIS COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2011**

	<u>General Fund</u>	<u>County Motor Fuel Tax</u>	<u>Retirement</u>	<u>County Highway</u>	<u>Ford-Iroquois Public Health Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 828,414	\$ 605,946	\$ 1,925,198	\$ 1,057,138	\$ 618,925	\$ 2,654,746	\$ 7,690,367
Investments	-	1,483,866	-	-	344,643	433,638	2,262,147
Accrued interest	-	-	-	-	1,001	-	1,001
Receivables (net of applicable for estimated uncollectible amounts)							
Accounts	-	-	-	-	116,565	-	116,565
Property taxes	1,167,075	-	893,000	432,250	-	463,125	2,955,450
Other	2,235	-	-	-	-	68,806	71,041
Intergovernmental	626,321	49,154	-	-	892,044	-	1,567,519
Loans	-	-	-	-	-	136,951	136,951
Due from other funds	51,956	-	-	-	-	68,807	120,763
TOTAL ASSETS	\$ 2,676,001	\$ 2,138,966	\$ 2,818,198	\$ 1,489,388	\$ 1,973,178	\$ 3,826,073	\$ 14,921,804
LIABILITIES							
Accounts payable and accrued expenses	\$ 211,512	\$ 23,881	\$ 15,582	\$ 69,465	\$ 114,619	\$ 463,529	\$ 898,588
Due to other funds	-	-	-	-	-	68,807	68,807
Deferred revenue	1,399,075	-	893,000	432,250	446,571	463,125	3,634,021
Total liabilities	1,610,587	23,881	908,582	501,715	561,190	995,461	4,601,416
FUND BALANCE							
Restricted:							
Retirement	-	-	1,909,616	-	-	-	1,909,616
General and administrative	-	-	-	-	-	191,010	191,010
Health and sanitation	-	-	-	-	1,411,988	-	1,411,988
Justice and public safety	-	-	-	-	-	386,732	386,732
Transportation and highway	-	2,115,085	-	987,673	-	1,046,472	4,149,230
Culture and recreation	-	-	-	-	-	9	9
Public assistance	-	-	-	-	-	592,268	592,268
Capital projects	-	-	-	-	-	253,355	253,355
Committed:							
Capital projects	-	-	-	-	-	276,807	276,807
Assigned:							
General and administrative	-	-	-	-	-	52,122	52,122
Public safety	-	-	-	-	-	31,837	31,837
Unassigned	1,065,414	-	-	-	-	-	1,065,414
Total fund balance	1,065,414	2,115,085	1,909,616	987,673	1,411,988	2,830,612	10,320,388
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,676,001	\$ 2,138,966	\$ 2,818,198	\$ 1,489,388	\$ 1,973,178	\$ 3,826,073	\$ 14,921,804

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

**IROQUOIS COUNTY, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE NET ASSETS OF GOVERNMENTAL ACTIVITIES
November 30, 2011**

**Amounts reported for governmental activities in the statement
of net assets are different because:**

Fund balances-total governmental funds	\$ 10,320,388
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	54,838,222
Certain revenues are reported as deferred revenue and are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net assets on the full accrual basis.	232,000
Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	520,536
Payables resulting from the long-term economic focus on the statement of net assets are not reported in the funds, which focus on current financial resources.	<u>(620,369)</u>
Net assets of governmental activities	<u>\$ 65,290,777</u>

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

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

	<u>General Fund</u>	<u>County Motor Fuel Tax</u>	<u>Retirement</u>	<u>County Highway</u>	<u>Ford-Iroquois Public Health Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property taxes	\$ 1,195,592	\$ -	\$ 1,643,914	\$ 442,389	\$ 482,199	\$ 473,484	\$ 4,237,578
Charges for services	715,834	-	-	234,255	615,278	-	1,565,367
Licenses, permits and fees	565,356	-	-	-	-	-	565,356
Fines, fees and forfeits	496,346	-	-	-	-	355,131	851,477
Intergovernmental	2,496,244	828,234	-	411,300	1,095,151	416,294	5,247,223
Interest	1,883	20,902	3,333	2,276	7,974	17,952	54,320
Miscellaneous	34,410	-	-	32,601	375,947	213,318	656,276
	<u>5,505,665</u>	<u>849,136</u>	<u>1,647,247</u>	<u>1,122,821</u>	<u>2,576,549</u>	<u>1,476,179</u>	<u>13,177,597</u>
EXPENDITURES							
General government	1,055,151	-	920,946	-	-	152,681	2,128,778
Health and sanitation	-	-	-	-	2,624,229	151,001	2,775,230
Justice and public safety	3,035,225	-	-	-	-	665,168	3,700,393
Transportation	-	1,348,420	-	617,285	-	618,034	2,583,739
Culture and recreation	-	-	-	-	-	21,492	21,492
Public assistance	-	-	-	-	-	22,522	22,522
Capital outlay	-	-	-	68,857	85,159	109,392	263,408
Other	923,317	-	-	-	-	-	923,317
	<u>5,013,693</u>	<u>1,348,420</u>	<u>920,946</u>	<u>686,142</u>	<u>2,709,388</u>	<u>1,740,290</u>	<u>12,418,879</u>
Excess (deficiency) of revenues over expenditures	<u>491,972</u>	<u>(499,284)</u>	<u>726,301</u>	<u>436,679</u>	<u>(132,839)</u>	<u>(264,111)</u>	<u>758,718</u>

	<u>General Fund</u>	<u>County Motor Fuel Tax</u>	<u>Retirement</u>	<u>County Highway</u>	<u>Ford-Iroquois Public Health Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	\$ 294,775	\$ -	\$ 74,424	\$ 16,950	\$ -	\$ 301,400	\$ 687,549
Operating transfers out	(143,666)	(16,950)	-	(8,000)	-	(174,811)	(343,427)
Total other financing sources (uses)	<u>151,109</u>	<u>(16,950)</u>	<u>74,424</u>	<u>8,950</u>	<u>-</u>	<u>126,589</u>	<u>344,122</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	643,081	(516,234)	800,725	445,629	(132,839)	(137,522)	1,102,840
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>422,333</u>	<u>2,631,319</u>	<u>1,108,891</u>	<u>542,044</u>	<u>1,544,827</u>	<u>2,968,134</u>	<u>9,217,548</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,065,414</u>	<u>\$ 2,115,085</u>	<u>\$ 1,909,616</u>	<u>\$ 987,673</u>	<u>\$ 1,411,988</u>	<u>\$ 2,830,612</u>	<u>\$ 10,320,388</u>

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

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	1,102,840
<p>Revenues that are not available to pay current obligations are reported as deferred revenue in the fund financial statement, but they are presented in the statement of activities. The effect of the change from prior year is a reconciling item.</p>		
		(50,500)
<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. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital outlay	\$	881,960
Depreciation expense		<u>(2,761,392)</u>
		(1,879,432)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.</p>		
Decrease in compensated absences		6,482
Increase in net pension obligations		<u>(175,606)</u>
		(169,124)
<p>Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. The net expenditure of internal service funds is reported with governmental activities</p>		
		<u>525,889</u>
Change in net assets of governmental activities	\$	<u>(470,327)</u>

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2011

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
CURRENT ASSETS		
Cash	\$ 205,957	\$ 572,716
Investments	150,530	-
Receivables, net		
Accounts	70,167	-
Property taxes	-	267,900
Prepaid expense	9,020	-
	<u>435,674</u>	<u>840,616</u>
Total current assets		
NONCURRENT ASSETS		
Land	153,037	-
Equipment	1,538,455	-
Less accumulated depreciation	<u>(1,358,456)</u>	<u>-</u>
	<u>333,036</u>	<u>-</u>
Total noncurrent assets		
TOTAL ASSETS	<u>\$ 768,710</u>	<u>\$ 840,616</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 5,778	\$ 224
Due to other funds	-	51,956
Deferred revenue	-	267,900
	<u>5,778</u>	<u>320,080</u>
Total liabilities		
NET ASSETS		
Invested in capital assets	333,036	-
Unrestricted	<u>429,896</u>	<u>520,536</u>
	<u>762,932</u>	<u>520,536</u>
Total net assets		
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 768,710</u>	<u>\$ 840,616</u>

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended November 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES		
Charges for services	\$ -	\$ 1,076,804
Fees	381,993	-
Rental income	105,832	-
Miscellaneous	<u>-</u>	<u>30,934</u>
Total operating revenues	<u>487,825</u>	<u>1,107,738</u>
OPERATING EXPENSES		
General and administrative	-	1,155,255
Public safety	249,283	-
Capital outlay	17,653	-
Farm	<u>1,416</u>	<u>-</u>
Total operating expenses	<u>268,352</u>	<u>1,155,255</u>
Operating income (loss)	<u>219,473</u>	<u>(47,517)</u>
NON-OPERATING REVENUES		
Taxes	-	567,983
Sale of assets	154,000	-
Interest income	<u>2,333</u>	<u>844</u>
Total non-operating revenues	<u>156,333</u>	<u>568,827</u>
Net income before transfers	<u>375,806</u>	<u>521,310</u>
OPERATING TRANSFERS		
Operating transfers in	-	4,579
Operating transfers out	<u>(348,701)</u>	<u>-</u>
Total operating transfers	<u>(348,701)</u>	<u>4,579</u>
CHANGE IN NET ASSETS	27,105	525,889
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>735,827</u>	<u>(5,353)</u>
NET ASSETS, END OF YEAR	<u>\$ 762,932</u>	<u>\$ 520,536</u>

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
Year Ended November 30, 2011

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers/interfund users	\$ 388,169	\$ 1,107,738
Cash received for rent	105,832	-
Cash paid to suppliers and for claims	(148,984)	(1,228,499)
Cash paid to employees	(72,946)	-
Internal activity - payments from other funds	-	(176,091)
Net cash provided by (used in) operating activities	272,071	(296,852)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax receipts	-	567,983
Cash transfers from (to) other funds	(348,701)	4,579
Net cash provided by (used in) noncapital financing activities	(348,701)	572,562
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of investments	20,000	-
Proceeds from sale of assets	154,000	-
Interest payments received	2,923	844
Net cash provided by (used in) investing activities	176,923	844
NET INCREASE (DECREASE) IN CASH	100,293	276,554
CASH, BEGINNING OF YEAR	105,664	296,162
CASH, END OF YEAR	\$ 205,957	\$ 572,716
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 219,473	\$ (47,517)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	55,546	-
Effects of changes in operating assets and liabilities:		
Receivables	6,176	283,600
Prepaid expense	9,020	-
Accounts payable and accrued expenses	(18,144)	(73,244)
Due to other funds	-	(176,091)
Deferred revenue	-	(283,600)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 272,071	\$ (296,852)

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2011

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Cash	\$ 2,916,017	\$ 3,065,060	\$ 5,981,077
Investments	6,669,664	178,842	6,848,506
Property taxes receivable	-	1,084,235	1,084,235
Inventory	-	8,415	8,415
Due from other governments	<u>189,622</u>	<u>-</u>	<u>189,622</u>
 Total assets	 <u>9,775,303</u>	 <u>4,336,552</u>	 <u>14,111,855</u>
 Accounts payable	 9,541	 49,509	 59,050
Deferred property taxes	-	1,084,235	1,084,235
Amounts held in trust and available for distribution to others	 <u>-</u>	 <u>3,202,808</u>	 <u>3,202,808</u>
 Total liabilities	 <u>9,541</u>	 <u>4,336,552</u>	 <u>4,346,093</u>
 NET ASSETS			
RESTRICTED FOR OTHER PURPOSES	<u>\$ 9,765,762</u>	<u>\$ -</u>	<u>\$ 9,765,762</u>

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUND
November 30, 2011

	<u>Private Purpose Trust Fund</u>
ADDITIONS:	
Intergovernmental	\$ 2,751,753
Interest	<u>98,616</u>
Total additions	<u>2,850,369</u>
 DEDUCTIONS:	
Transportation	<u>2,645,998</u>
CHANGE IN NET ASSETS	204,371
NET ASSETS, BEGINNING OF YEAR	<u>9,561,391</u>
NET ASSETS, END OF YEAR	<u><u>\$ 9,765,762</u></u>

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

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Iroquois County, Illinois (County) was incorporated in 1883 and operates under a County Board form of government. Revenues are substantially generated as a result of taxes assessed and allocated to the County (examples would be property, sales, income, and motor fuel taxes), charges for services performed and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the County and nearby surrounding area and the appropriations of entitlements at the state and federal government level. Taxable industry within the area is primarily manufacturing and retail. The surrounding area has a substantial agricultural base.

The following is a summary of the more significant accounting policies of the County.

PRINCIPLES USED TO DETERMINE THE SCOPE OF THE REPORTING ENTITY

Iroquois County is a municipal corporation governed by an elected board. As required by accounting principles generally accepted in the United States of America, these financial statements present Iroquois County, Illinois (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the County are financially accountable. Organizations for which the County is accountable because it appoints a majority of the voting board, but is not financially accountable for its operations, are related organizations. Component units and related organizations are described in Note 2.

The County Board Chairman and County Board make appointments of the governing boards of a number of fire protection, drainage, public water, and sanitary districts. Even though the County Board may appoint a majority of the members of the respective districts, the members do not serve at the discretion of the County Board, that is, they can be removed only for cause. There are no indications that the County Board can impose its will over these districts and, therefore, has no financial accountability. These units are not considered component units of Iroquois County, Illinois.

Financial information of component units is blended with that of Iroquois County, Illinois, where among other criteria, the nature of services rendered by the component unit is almost exclusively for the benefit of the County or where the governing body of the component unit is substantially the same as that of the County. Component unit financial information that is not blended with that of the County is discretely reported. The County does not have any discretely presented component units.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF 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 levied for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, and fund balance/retained earnings, revenues, and expenditures/expenses.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

(Continued)

Governmental funds are those through which governmental functions of the County are financed. The acquisition, use, and balances of the County's expendable resources and the related liabilities are accounted for through governmental funds. The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

County Motor Fuel Tax Fund - This fund is used to collect and disburse state funds for County road projects.

Retirement Fund - This fund is used to collect and disburse contributions to IMRF and FICA.

County Highway Fund - This fund is used to collect and disburse funds for County engineering projects.

Ford-Iroquois Health Department Fund - This fund accounts for the operations of the Health Department.

Proprietary funds are used to account for those County activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The County has no major proprietary funds.

In addition to the general fund mentioned above, the County uses the following fund types:

Governmental Fund Types

Special Revenue Funds - Special Revenue 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 - The Capital Projects Funds are used to account for the County's purchase or construction of major capital facilities which are not financed by other funds.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION
(Continued)

Proprietary Fund Types

Enterprise Funds - The Enterprise Funds operations are financed similar to a private business enterprise; the intent is that the cost of the service is financed by user charges, and the activities be measured on a net income basis.

Internal Service Funds - The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the government, on a cost-reimbursement basis.

Fiduciary Fund Types

Agency Funds - These funds are used to account for assets held in an agency capacity for others. The reporting is similar to proprietary funds. These funds are not reflected in the government-wide financial statements since not available to support County programs.

Private Purpose Trust Fund - This fund reports trust arrangements under which principal and income benefit other governments. This fund accounts for funds collected for the improvement of township roads within the County. This fund is not reported in the government-wide statement since not available to support County programs.

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.

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

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

BUDGET AND APPROPRIATIONS

The County adopts an annual budget and appropriation ordinance in accordance with Illinois Compiled Statutes 55 ILCS 5/6. The budget covers the fiscal year ending November 30, and is available for public inspection at least 15 days prior to final adoption. All appropriations lapse with the close of the fiscal year. The budget document is prepared for all budgetary funds and is adopted on a basis consistent with accounting principles generally accepted in the United States of America using the same basis of accounting as described above.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGET AND APPROPRIATIONS (Continued)

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, makes appropriations in excess of those authorized in the budget. The legal level of control, the level at which expenditures may not exceed appropriations, is at the fund level.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on hand, demand deposits, money market funds, and short-term investments with a maturity of three months or less at date of purchase.

The County maintains pooled cash accounts for different fund groups which are used to account for all cash transactions of that group. Monthly interest income of the pool is distributed to the individual funds based on their cash balances in the pool during the period.

INVESTMENTS

Investments consist of certificates of deposit with maturities of six months to five years. These investments are stated at cost which approximates fair value.

RECEIVABLES

Taxes receivable are recorded net of an allowance for uncollectible amounts based on historical experience of approximately 5% of extensions. Other receivables are recorded net of any estimated allowance for uncollectibles.

Loans receivable in governmental funds consist of development assistance loans that are scheduled to be collected over a number of years.

All loan and property tax receivables are shown net of an allowance for uncollectibility, if applicable.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2001, consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The County's other major infrastructure network, bridges, were added at December 1, 2005, and are reported at an estimated historical cost using the deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The County uses a \$10,000 threshold for capitalizing fixed assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Transportation network	35-45 years
Buildings and improvements	25-95 years
Equipment	5-25 years
Vehicles	5-12 years

IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with government accounting standards, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries," management evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal live cycle of the capital asset. No impairment losses were recognized in the year ended November 30, 2011.

COMPENSATED ABSENCES

Vested or accumulated vacation/sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation/sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

In accordance with the provisions of the accounting standards, Accounting for Compensated Absences, no liability is recorded for nonvesting, accumulating rights to receive vacation/sick leave benefits.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES (Continued)

County policy states that an employee must use each year's vacation days by their anniversary date. Sick days may be accumulated to a total of 60 days per employee with no amount payable upon separation from service. Any amounts earned in excess of the 60-day maximum is paid at half-pay rate to the employee in the ensuing month. Additionally, if employees have earned 30 days of sick leave, they may elect to have excesses over 30 days paid to them at half-pay.

FUND BALANCE

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County did not have any nonspendable resources as of November 30, 2011.

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

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

Assigned – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the County Board Chair or Treasurer or other official. This classification also includes the remaining positive fund balance for all governmental funds.

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

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Beginning fund balances for the County's governmental funds have been restated to reflect the above classifications.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

The County levies property taxes annually on or before the last Tuesday in December based on the assessed valuation determined in April of the same year. Property tax payments are due in two equal installments. The first is generally due June 1, and the second is generally due on September 1 with distributions to the County and other districts shortly thereafter. Property taxes become a lien on the property on January 1. Taxes receivable at November 30 that are intended to finance the subsequent fiscal year are appropriately deferred.

NOTE 2 - INDIVIDUAL COMPONENT UNITS AND RELATED ORGANIZATION DISCLOSURES

Organizations qualifying as component units or related organizations as defined in Note 1 and their treatment are as follows:

Component Units

The Ford-Iroquois Public Health Department is an Illinois governmental entity, which is governed by a separate board, appointed by the Counties of Ford and Iroquois, which also approves its budget. The Health Department's financial statements are blended with those of the County because of the degree of control the County can exercise over its activities. Its transactions are accounted for in the Ford-Iroquois Public Health Department Fund, which is shown as a major fund of the County.

The Veterans Assistance Commission is a central assistance committee composed of one delegate from each County post to oversee assistance to military veterans and their families. The oversight is shared by the Chairman of the County Board or his designee. Under Illinois law, the County is to provide office space, phone and supplies for the Commission and payment of assistance claims. Because of its oversight powers and the economic burden this requirement places on the County, its transactions are accounted for in the Veterans Assistance Fund which is blended with other non-major governmental funds.

The Iroquois County Emergency Service Board is created by the County Board which also defines its powers and duties. This board oversees the implementation and operations of the emergency telephone system. The operations are accounted for in the 911 Emergency Service Board Proprietary Fund.

The Iroquois County Joint Dispatch Committee is created by a joint agreement between the Emergency Service Board, the City of Watseka, and the County Board. The Committee oversees the operations of a communications system to dispatch and communicate regarding the usual customary functions of local government involving police, fire, EMS and other emergency functions. Because it is not a separate legal entity, the operations are accounted for in the Joint Dispatch Fund which is blended with other County non-major governmental funds.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 2 - INDIVIDUAL COMPONENT UNITS AND RELATED ORGANIZATION DISCLOSURES
(CONTINUED)

Related Organizations

The Cooperative Extension Services of the College of Agriculture at the University of Illinois operate in counties where extension councils have been established to disseminate information on subjects related to agriculture and home economics and other University programs. Oversight is provided by extension councils which derive their duties and powers from the Board of Trustees of the University of Illinois. Extension service programs and related local funding are coordinated by an extension board numbering at least seven, comprised of four members from the Extension Council and three from the County Board. The County extends taxes to finance operations of the Extension Service. The County is not financially responsible for any part of the Extension Services' operations except as it may choose to be.

The above related organization is not included in the financial statements of the County. However, the County maintains an agency fund where property taxes are deposited and then disbursed to the Cooperative.

NOTE 3 - CASH AND INVESTMENTS

The County maintains commingled accounts for several funds for operating activity, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund. Separate operating and investment accounts are also maintained for certain funds independently. All accounts are the direct responsibility of the County Treasurer. The carrying amount of the County's bank deposits, including certificates of deposits, was \$23,711,300, and the bank balances totaled \$20,275,128. Included in the carrying amount of the County's bank deposits and the bank balances are certificates of deposits totaling \$8,916,540, respectively. The County's bank deposits were fully insured or collateralized as of November 30, 2011.

Interest Rate Risk – the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the County's policy states investments shall provide sufficient liquidity to enable the County to meet all operating requirements that may be reasonably anticipated. Additionally, the County's policy is to seek the highest interest rate available combined with safety of principal. The County's certificate of deposit investment maturities include \$950,000 with maturity dates in 2014 and the remainder mature in 2012.

Credit Risk – risk that an issuer or other counter party to an investment will not fulfill its obligation. State law limits investments in commercial paper, corporate bonds, and mutual funds to the top two ratings issued by nationally recognized rating organizations (NRSRO's). In addition, the County's investment policy, in compliance with state statutes, authorizes the Treasurer to invest in the following:

- a. Notes, bonds, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- b. Bonds, notes, or other similar obligations of the United States of America or its agencies.
- c. Interest bearing accounts, certificates of deposit or interest bearing time deposits or any other investment constituting direct obligation of any bank as defined by the Illinois Banking Act.
- d. Short term obligations (corporate paper) of corporations organized in the United States with assets exceeding \$500,000 if (a) such obligations are rated at the time of purchase within the 3 highest classifications established by at least 2 standard rating services and which mature not later than 180 days from the date of purchase, and (b) such purchases do not exceed 10% of the corporation's outstanding obligations or (c) in money market mutual funds registered under the Investment Company Act of 1940.

Custodial Credit Risk – the risk that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. It shall be the discretion of the Iroquois County Treasurer to determine whether or not collateral will be required of financial institutions receiving funds from the Iroquois County Treasurer. At all times, the Iroquois County Treasurer will require that deposits in excess of 35% of the capital and surplus of a financial institution will be collateralized. The Iroquois County Treasurer may request collateral for any part of deposits in financial institutions when the Iroquois County Treasurer determines it to be in the best interest of safeguarding the funds on deposit. When collateral is required, 110% of the deposit will be required and evidenced by an approved written agreement.

Concentration of Credit Risk – The County's investment policy states that one of its objectives is diversity of investment to avoid unreasonable risks.

NOTE 4 - INTERFUND ACTIVITY

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2011 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ <u>51,956</u>	\$ -
Non-Major Fund		
Grant Fund	-	68,807
Solid Waste Fund	<u>68,807</u>	-
Internal Service Fund		
Group Insurance	-	<u>51,956</u>
TOTAL	<u>\$ 120,763</u>	<u>\$ 120,763</u>

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 4 - INTERFUND ACTIVITY (CONTINUED)

The amounts due to/from other funds are for cash overdrafts within a pooled bank account at year-end. These amounts are expected to be repaid within one year.

Interfund transfers for the year ended November 30, 2011 consisted of the following:

Transfers to General Fund from:	
Non-major governmental funds	<u>\$ 100,775</u>
Transfers to General Fund from:	
Non-major enterprise funds	<u>\$ 186,000</u>
Transfers to Non-major Governmental Funds from:	
General fund	<u>\$ 143,666</u>
Transfers to General Fund from:	
County highway	<u>\$ 8,000</u>
Transfers to County Highway – Major Governmental Fund from:	
County Motor Fuel Tax – Major governmental fund	<u>\$ 16,950</u>
Transfers to Retirement Fund from:	
Non-major governmental funds	<u>\$ 56,231</u>
Transfers to Retirement Fund from:	
Non-major enterprise funds	<u>\$ 18,193</u>
Transfers to Non-major Governmental Funds from:	
Non-major governmental funds	<u>\$ 13,226</u>
Transfers to Non-major Governmental Funds from:	
Non-major enterprise funds	<u>\$ 144,508</u>
Transfers to Internal Service Funds from:	
Non-major governmental funds	<u>\$ 4,579</u>

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

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 5 - LOANS RECEIVABLE

In accordance with its agreement with the Illinois Department of Commerce and Community Affairs Community Development Assistance Program, the County has received funding to issue community development loans.

Changes in loans receivable are summarized as follows:

	Balance November 30, 2010	Additions	Deductions	Balance November 30, 2011
Watseka Triangle-Geiger				
Truck Parts	\$ 2,806	\$ -	\$ 2,806	\$ -
Katherine Blunk	74,276	-	-	74,276
The Gathering	71,024	-	8,349	62,675
Total	<u>\$ 148,106</u>	<u>\$ -</u>	<u>\$ 11,155</u>	<u>\$ 136,951</u>

The description of the loans and the annual expected proceeds as of November 30, 2011, is as follows:

<u>Borrower</u>	<u>Watseka Triangle-GTP</u>	<u>Katherine Blunk</u>	<u>The Gathering</u>
<u>Date of Loan</u>	<u>March 1, 1991</u>	<u>October 30, 2006</u>	<u>May 1, 2009</u>
Original principal balance	\$ 108,000	\$ 105,000	\$ 85,000
Interest rate	5%	5%	4%
Monthly installment	854.06	1,484.06	900.00

<u>Year Ending November 30</u>	<u>Katherine Blunk November 30, 2013</u>		<u>The Gathering April 1, 2016</u>		<u>Total Principal</u>	<u>Total Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2012	\$ 47,970	\$ 8,716	\$ 8,396	\$ 2,404	\$ 56,366	\$ 11,120
2013	26,306	380	8,738	2,062	35,044	2,442
2014	-	-	9,094	1,706	9,094	1,706
2015	-	-	9,420	1,380	9,420	1,380
2016	-	-	27,027	547	27,027	547
Total	<u>\$ 74,276</u>	<u>\$ 9,096</u>	<u>\$ 62,675</u>	<u>\$ 8,099</u>	<u>\$ 136,951</u>	<u>\$ 17,195</u>

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 6 - GENERAL LONG-TERM DEBT

During fiscal year ended November 30, 2011, the County's general long-term debt consisted of compensated absences and net pension obligation. Changes in long-term debt for the year ended November 30, 2011 are as follows:

	Balance November 30 <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30 <u>2011</u>
Compensated absences	\$ 451,245	\$ 411,885	\$ 418,367	\$ 444,763
Net pension obligation	<u>-</u>	<u>175,606</u>	<u>-</u>	<u>175,606</u>
Total	<u>\$ 451,245</u>	<u>\$ 587,491</u>	<u>\$ 418,367</u>	<u>\$ 620,369</u>

For governmental activities, compensated absences are liquidated primarily by the general fund.

See Note 9 for additional information on net pension obligations.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ending November 30, 2011, was as follows:

**Primary government:
Governmental activities**

	Balance November 30 <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance November 30 <u>2011</u>
Transportation network	\$ 90,100,189	\$ 498,486	\$ 17,821	\$ 90,580,854
Buildings and improvements	7,865,017	186,090	-	8,051,107
Equipment	922,706	121,690	-	1,044,396
Vehicles	<u>1,260,357</u>	<u>75,694</u>	<u>18,820</u>	<u>1,317,231</u>
Capital assets depreciated	100,148,269	881,960	36,641	100,993,588
Less accumulated depreciation	(43,466,715)	(2,761,392)	(36,641)	(46,191,466)
Vehicle	17,500	-	-	17,500
Land	<u>18,600</u>	<u>-</u>	<u>-</u>	<u>18,600</u>
Total	<u>\$ 56,717,654</u>	<u>\$ (1,879,432)</u>	<u>\$ -</u>	<u>\$ 54,838,222</u>

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Business-Type activities:
911 Emergency Service Board

	Balance November 30 <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance November 30 <u>2011</u>
Equipment	\$ 1,538,455	\$ -	\$ -	\$ 1,538,455
Less accumulated depreciation	<u>(1,302,910)</u>	<u>(55,546)</u>	<u>-</u>	<u>(1,358,456)</u>
Total	<u>\$ 235,545</u>	<u>\$ (55,546)</u>	<u>\$ -</u>	<u>\$ 179,999</u>

County Farm

Land	\$ <u>153,037</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>153,037</u>
Capital assets not depreciated	<u>\$ 153,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,037</u>

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

Governmental activities:

General government	\$ 83,683
Public safety	159,461
Transportation	2,492,780
Culture and recreation	1,464
Health and sanitation	<u>24,004</u>

Total depreciation – governmental activities **\$2,761,392**

Business-type activities:

911 Emergency Service Board	<u>\$ 55,546</u>
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**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 8 - LEASES

Building leases

The County leases space to various non-profit entities under formal and informal arrangements. As indicated below, certain lease agreements are beyond their scheduled due dates. However, payments continue to be made even though the leases have not been revised to reflect a modified due date. Rent receipts are recorded in the General Fund.

<u>Entity</u>	<u>Rent Amount</u>	<u>Lease Term</u>
County Farm Service Agency	\$3,492.80 monthly	October 1, 2006 to September 30, 2011
Champaign Consortium JTPA	\$387.45 monthly	September 1, 2004 to August 31, 2008 (automatic renewals thereafter)
ECICA Headstart	\$2,615.00 quarterly	September 1, 2009 to August 31, 2010 (automatic renewals thereafter)
Volunteer Services of Iroquois Co.	\$470.40 monthly	December 1, 1999 to November 30, 2000 (automatic renewals thereafter)
911 Emergency Service Board	\$400.00 monthly	September 1, 2007 to August 31, 2010
Kankakee Community College	\$401.50 monthly	July 1, 2010 to June 30, 2011 (automatic renewals thereafter)

Farm lease

The County owns farmland that is leased for cash. The current lease is effective for March 1, 2010 to February 28, 2013. Terms of the lease are \$263 cash rent per acre for a total rent over the three-year term of \$317,494. The County received rent of \$105,832 for the year ended November 30, 2011. The rent is recorded in the County Farm Propriety Fund.

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 9 - PENSION PLANS

The most recent information available is for the year ended December 31, 2010.

DEFINED BENEFIT PENSION PLAN - OTHER QUALIFIED IROQUOIS COUNTY EMPLOYEES

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

Funding Policy. As set by statute, the County 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 County's contribution rate for calendar year 2010 was 8.48 percent of annual covered payroll. The County's annual required contribution rate for calendar year 2010 was 11.39 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 December 31, 2010, the County's actual contributions for pension cost were \$292,214. Its required contribution for calendar year 2010 was \$308,177.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 308,177	95%	\$ 96,117
12/31/09	259,805	100%	-
12/31/08	269,631	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5 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% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% 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 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.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 9 - PENSION PLANS (CONTINUED)

DEFINED BENEFIT PENSION PLAN - OTHER QUALIFIED IROQUOIS COUNTY EMPLOYEES
(Continued)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 79.81 percent funded. The actuarial accrued liability for benefits was \$8,236,892 and the actuarial value of assets was \$6,574,214, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,662,678. The covered payroll (annual payroll of active employees covered by the plan) was \$3,127,164 and the ratio of the UAAL to the covered payroll was 53 percent.

The schedule of funding progress, presented as required supplemental information 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.

DEFINED BENEFIT PENSION PLAN - SHERIFF'S LAW ENFORCEMENT PERSONNEL

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

Funding Policy. As set by statute, the County 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 County's contribution rate for calendar year 2010 was 18.00 percent of annual covered payroll. The County's annual required contribution rate for calendar year 2010 was 21.02 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2010, the County's actual contributions for pension cost were \$134,382. Its required contribution for calendar year 2010 was \$170,024.

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 9 - PENSION PLANS (CONTINUED)

DEFINED BENEFIT PENSION PLAN - SHERIFF'S LAW ENFORCEMENT PERSONNEL
(Continued)

**THREE-YEAR TREND INFORMATION FOR THE SHERIFF'S
LAW ENFORCEMENT PERSONNEL PLAN**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 170,024	79%	\$ 57,300
12/31/09	150,156	100%	-
12/31/08	163,217	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5 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% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County 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 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 Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 44.39 percent funded. The actuarial accrued liability for benefits was \$2,484,188 and the actuarial value of assets was \$1,102,609, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,381,579. The covered payroll (annual payroll of active employees covered by the plan) was \$801,791 and the ratio of the UAAL to the covered payroll was 172 percent.

The schedule of funding progress, presented as required supplemental information 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.

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 9 - PENSION PLANS (CONTINUED)

DEFINED BENEFIT PENSION PLAN - ELECTED COUNTY OFFICIALS

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

Funding Policy. As set by statute, the County 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 County's contribution rate for calendar year 2010 was 41.17% of annual covered payroll. The County's annual required contribution rate for calendar year 2010 was 94.75 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2010, the County's actual contributions for pension cost were \$122,071. Its required contribution for calendar year 2010 was \$111,236.

**THREE-YEAR TREND INFORMATION FOR THE ELECTED
COUNTY OFFICIAL PLAN**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 122,071	110%	\$ -
12/31/09	122,071	100%	-
12/31/08	195,969	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 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% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County 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 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.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 9 - PENSION PLANS (CONTINUED)

DEFINED BENEFIT PENSION PLAN - ELECTED COUNTY OFFICIALS (Continued)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Elected County Official plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$-0- and the actuarial value of assets was \$(2,163,513), resulting in an underfunded actuarial accrued liability (UAAL) of \$2,163,513. The covered payroll (annual payroll of active employees covered by the plan) was \$117,399 and the ratio of the UAAL to the covered payroll was 1843 percent.

The schedule of funding progress, presented as required supplemental information 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.

DEFINED BENEFIT PENSION PLAN - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

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

Funding Policy. As set by statute, the Health Department'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 Health Department's contribution rate for calendar year 2010 was 12.93 percent of annual covered payroll. The Health Department 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 December 31, 2010, the County's actual contributions for pension costs were \$162,718. Its required contribution for calendar year 2010 was \$184,907.

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011**

NOTE 9 - PENSION PLANS (CONTINUED)

**DEFINED BENEFIT PENSION PLAN - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT
(Continued)**

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 184,907	88%	\$ 22,189
12/31/09	67,640	100%	-
12/31/08	81,511	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5 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% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the regular 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 regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 58.85 percent funded. The actuarial accrued liability for benefits was \$2,914,565 and the actuarial value of assets was \$1,715,168, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,199,397. The covered payroll (annual payroll of active employees covered by the plan) was \$1,430,062 and the ratio of the UAAL to the covered payroll was 84 percent.

The schedule of funding progress, presented as required supplemental information 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.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 10 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures over Budget

The following individual funds had an excess of actual expenditures over legally enacted budgeted amounts for the year ended November 30, 2011: General, County Highway, Ford-Iroquois Public Health Department, Unemployment Compensation, Public Safety, Arrestee's Medical Costs, Drug Abuse, Court Security, Coroner Automation, Court Document Storage, Electronic Voting System, Grant, Sale in Error, Tax Redemption, County Redemptions, County Motor Fuel Tax, 911 Emergency Service Board, and Historical Documents.

Deficit Fund Balance

The following individual fund had deficit net assets as of November 30, 2011:

Group Insurance Fund – Internal Service Fund	\$ 52,180
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NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The insurance funds account for and finance the County's risks. Premiums are paid into the insurance funds by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The County purchases commercial insurance for these risks.

There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 13 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

NOTE 14 - HEALTH CARE REVENUE BONDS

The County issued \$7,000,000 of health care facilities revenue bonds dated July 1, 2003, under the Industrial Building Revenue Bond Act of the State of Illinois. The bonds were issued in order to provide funds to loan to Iroquois Memorial Hospital and Resident Home (Institution) for financing a building project. The bonds and interest thereon are limited obligations of the County and are payable solely out of the loan proceeds, revenues and receipts received by the County from the Institution. Bonds outstanding are approximately \$5,160,000 as of the Hospital's fiscal year ended September 30, 2010.

NOTE 15 - RESTATEMENT OF FUND BALANCE

The County adopted an accounting standard to conform with generally accepted accounting principles. As reflected in Note 1, the statement adopted requiring restatement was Governmental Accounting Standards Board (GASB) Statement 54. With the implementation of the new GASB pronouncement, the Solid Waste Disposal Fund and Recycling Center Fund were reclassified to Capital Projects Funds. The County Information Systems Fund was combined with the General Fund for financial reporting purposes.

In addition, in fiscal year 2010, the County failed to record accrued wages for certain employees in the General Fund. An adjustment was made to restate the General Fund fund balance as of December 1, 2010 to correct this error in the reporting of accrued wages. The adjustment resulted in an increase in salary expense and a decrease in fund balance for the year ended November 30, 2010.

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Fund Balance, December 1, 2010, as previously reported	\$ 456,095	\$ 8,474,874	\$ 352,479
Adjustment to reflect implementation of GASB Pronouncement	32,138	(284,103)	251,965
Adjustment to correct reporting of accrued wages	<u>(65,900)</u>	<u>-</u>	<u>-</u>
Fund Balance, December 1, 2010, as restated	<u>\$ 422,333</u>	<u>\$ 8,190,771</u>	<u>\$ 604,444</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,195,592	\$ 95,592
Intergovernmental	1,987,052	1,987,052	2,496,244	509,192
Licenses, permits and fees	142,050	142,050	565,356	423,306
Charges for services	679,299	679,299	715,834	36,535
Interest	10,500	10,500	1,883	(8,617)
Fines, fees and forfeits	445,350	445,350	496,346	50,996
Miscellaneous	19,975	19,975	34,410	14,435
	<u>4,384,226</u>	<u>4,384,226</u>	<u>5,505,665</u>	<u>1,121,439</u>
EXPENDITURES				
General and Administrative:				
County Board	97,310	97,310	96,054	1,256
Board of Review	12,950	12,950	13,643	(693)
County Treasurer	104,000	104,000	105,176	(1,176)
Data Processing	127,250	127,250	127,958	(708)
Elections	135,800	135,800	126,636	9,164
Zoning and Planning	104,100	104,100	91,824	12,276
Superintendent of Schools	76,199	76,199	76,199	-
County Clerk	151,715	151,715	151,180	535
Other Public and County Services	10,400	400	412	(12)
Other County Offices	35,000	35,000	17,399	17,601
Assessment Offices	193,086	193,086	187,880	5,206
Postage for County Offices	52,500	52,500	60,790	(8,290)
	<u>1,100,310</u>	<u>1,090,310</u>	<u>1,055,151</u>	<u>35,159</u>
Justice and Public Safety:				
Sheriff	1,379,000	1,423,044	1,432,914	(9,870)
Coroner	70,598	70,598	68,194	2,404
Animal Control	69,314	69,314	64,389	4,925
Emergency Services Disaster Agency	25,000	25,000	33,524	(8,524)
Circuit Clerk	205,200	205,200	211,984	(6,784)
Public Defender	75,000	75,000	74,942	58
Courts and Administration of Justice	116,372	116,372	131,207	(14,835)
States Attorney	295,300	251,256	268,418	(17,162)
Courthouse and Jail	331,960	331,960	381,334	(49,374)
Probation Office	337,614	337,614	329,145	8,469
Jurors	35,200	35,200	39,174	(3,974)
	<u>2,940,558</u>	<u>2,940,558</u>	<u>3,035,225</u>	<u>(94,667)</u>
Other	<u>484,900</u>	<u>454,900</u>	<u>923,317</u>	<u>(468,417)</u>
Capital outlay	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,550,768</u>	<u>4,485,768</u>	<u>5,013,693</u>	<u>(527,925)</u>
Excess (deficiency) of revenues over expenditures	<u>(166,542)</u>	<u>(101,542)</u>	<u>491,972</u>	<u>593,514</u>

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 355,752	\$ 355,752	\$ 294,775	\$ (60,977)
Operating transfers out	<u>(136,633)</u>	<u>(136,633)</u>	<u>(143,666)</u>	<u>(7,033)</u>
Total other financing sources (uses)	<u>219,119</u>	<u>219,119</u>	<u>151,109</u>	<u>(68,010)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 52,577</u>	<u>\$ 117,577</u>	643,081	<u>\$ 525,504</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>422,333</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,065,414</u>	

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - COUNTY MOTOR FUEL TAX
Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 650,000	\$ 650,000	\$ 828,234	\$ 178,234
Interest	65,000	65,000	20,902	(44,098)
Total revenues	715,000	715,000	849,136	134,136
EXPENDITURES				
Transportation	987,271	987,271	1,348,420	(361,149)
Excess (deficiency) of revenues over expenditures	(272,271)	(272,271)	(499,284)	(227,013)
OTHER FINANCING USES				
Operating transfers out	(18,000)	(18,000)	(16,950)	1,050
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (290,271)	\$ (290,271)	(516,234)	\$ (225,963)
FUND BALANCE, BEGINNING OF YEAR			2,631,319	
FUND BALANCE, END OF YEAR			\$ 2,115,085	

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - RETIREMENT
Year Ended November 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 1,650,000	\$ 1,650,000	\$ 1,643,914	\$ (6,086)
Interest	-	-	3,333	3,333
Total revenues	1,650,000	1,650,000	1,647,247	(2,753)
EXPENDITURES				
General Government:				
Retirement contributions	1,028,800	1,028,800	920,946	107,854
Excess (deficiency) of revenues over expenditures	621,200	621,200	726,301	105,101
OTHER FINANCING SOURCES				
Operating transfers in	75,500	75,500	74,424	(1,076)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 696,700	\$ 696,700	800,725	\$ 104,025
FUND BALANCE, BEGINNING OF YEAR			1,108,891	
FUND BALANCE, END OF YEAR			\$ 1,909,616	

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - COUNTY HIGHWAY
Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 390,000	\$ 390,000	\$ 442,389	\$ 52,389
Charges for services	168,000	168,000	234,255	66,255
Intergovernmental	114,000	114,000	411,300	297,300
Interest income	-	-	2,276	2,276
Miscellaneous	<u>19,100</u>	<u>19,100</u>	<u>32,601</u>	<u>13,501</u>
Total revenues	<u>691,100</u>	<u>691,100</u>	<u>1,122,821</u>	<u>431,721</u>
EXPENDITURES				
Transportation	<u>657,400</u>	<u>657,400</u>	<u>686,142</u>	<u>(28,742)</u>
Excess (deficiency) of revenues over expenditures	<u>33,700</u>	<u>33,700</u>	<u>436,679</u>	<u>402,979</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	16,950	16,950
Operating transfers out	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,950</u>	<u>8,950</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 33,700</u>	<u>\$ 33,700</u>	<u>445,629</u>	<u>\$ 411,929</u>
FUND BALANCE, BEGINNING OF YEAR			<u>542,044</u>	
FUND BALANCE, END OF YEAR			<u>\$ 987,673</u>	

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR FUND - SPECIAL REVENUE FUND - FORD - IROQUOIS PUBLIC HEALTH DEPARTMENT
Year Ended November 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 464,672	\$ 458,489	\$ 482,199	\$ 23,710
Charges for services	780,000	562,000	615,278	53,278
Intergovernmental	1,082,958	1,235,320	1,095,151	(140,169)
Interest	7,700	7,000	7,974	974
Miscellaneous	<u>397,471</u>	<u>351,376</u>	<u>375,947</u>	<u>24,571</u>
Total revenues	<u>2,732,801</u>	<u>2,614,185</u>	<u>2,576,549</u>	<u>(37,636)</u>
EXPENDITURES				
Health and sanitation	2,840,131	2,648,221	2,624,229	23,992
Capital outlay	<u>21,000</u>	<u>48,000</u>	<u>85,159</u>	<u>(37,159)</u>
Total expenditures	<u>2,861,131</u>	<u>2,696,221</u>	<u>2,709,388</u>	<u>(13,167)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (128,330)</u>	<u>\$ (82,036)</u>	(132,839)	<u>\$ (50,803)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,544,827</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,411,988</u>	

**IROQUOIS COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2011**

**ILLINOIS MUNICIPAL RETIREMENT FUND
QUALIFIED IROQUOIS COUNTY EMPLOYEES**

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	\$ 6,574,214	\$ 8,236,892	\$ 1,662,678	79.81%	\$ 3,127,164	53.17%
12/31/09	6,114,503	7,660,104	1,545,601	79.82%	3,391,706	45.57%
12/31/08	5,509,825	7,221,573	1,711,748	76.30%	3,284,178	52.12%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$7,111,042. On a market value basis, the funded ratio would be 86.33%.

**ILLINOIS MUNICIPAL RETIREMENT FUND
SHERIFF'S LAW ENFORCEMENT PERSONNEL**

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	\$ 1,102,609	\$ 2,484,188	\$ 1,381,579	44.39%	\$ 801,791	172.31%
12/31/09	2,783,375	3,766,869	983,494	73.89%	979,488	100.41%
12/31/08	2,540,441	3,922,283	1,381,842	64.77%	949,490	145.54%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$1,331,065. On a market basis, the funded ratio would be 53.58%.

**IROQUOIS COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2011**

**ILLINOIS MUNICIPAL RETIREMENT FUND
ELECTED COUNTY OFFICIALS**

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	\$ (2,163,513)	\$ -	\$ 2,163,513	0.00%	\$ 117,399	1842.87%
12/31/09	(1,282,068)	581,095	1,863,163	0.00%	117,399	1587.03%
12/31/08	(482,430)	1,388,897	1,871,327	0.00%	177,292	1055.51%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$(2,064,117). On a market basis, the funded ratio would be 0.00%.

**ILLINOIS MUNICIPAL RETIREMENT FUND
PUBLIC HEALTH DEPARTMENT**

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	\$ 1,715,168	\$ 2,914,565	\$ 1,199,397	58.85%	\$ 1,430,062	83.87%
12/31/09	2,872,566	3,639,276	766,710	78.93%	1,470,446	52.14%
12/31/08	3,042,446	3,516,582	474,136	86.52%	1,442,667	32.87%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$1,982,198. On a market basis, the funded ratio would be 68.01%.

IROQUOIS COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2011

Basis of Accounting – The County’s budget is prepared on the modified accrual basis for all budgeted funds as presented in the Required Supplemental Information.

Expenditures over Budget

The following individual funds had an excess of actual expenditures over legally enacted budgeted amounts for the year ended November 30, 2011: General, County Highway, Ford-Iroquois Public Health Department, Unemployment Compensation, Public Safety, Arrestee’s Medical Costs, Drug Abuse, Court Security, Coroner Automation, Court Document Storage, Electronic Voting System, Grant, Sale in Error, Tax Redemption, County Redemptions, County Motor Fuel Tax, 911 Emergency Service Board, and Historical Documents.

OTHER SUPPLEMENTARY INFORMATION

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

	<u>General Account</u>	<u>County Information Systems</u>	<u>Total General Fund</u>
ASSETS			
Cash and cash equivalents	\$ 815,353	\$ 13,061	\$ 828,414
Receivables (net of applicable for estimated uncollectible amounts)			
Property taxes	1,167,075	-	1,167,075
Other	2,235	-	2,235
Intergovernmental	626,321	-	626,321
Due from other funds	<u>51,956</u>	<u>-</u>	<u>51,956</u>
TOTAL ASSETS	<u>\$ 2,662,940</u>	<u>\$ 13,061</u>	<u>\$ 2,676,001</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 211,512	\$ -	\$ 211,512
Deferred revenue	<u>1,399,075</u>	<u>-</u>	<u>1,399,075</u>
Total liabilities	<u>1,610,587</u>	<u>-</u>	<u>1,610,587</u>
FUND BALANCE			
Unassigned	<u>1,052,353</u>	<u>13,061</u>	<u>1,065,414</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,662,940</u>	<u>\$ 13,061</u>	<u>\$ 2,676,001</u>

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended November 30, 2011

	<u>General Account</u>	<u>County Information Systems</u>	<u>Total General Fund</u>
REVENUES			
Property taxes	\$ 1,195,592	\$ -	\$ 1,195,592
Charges for services	715,834	-	715,834
Licenses, permits and fees	565,356	-	565,356
Fines, fees and forfeits	496,346	-	496,346
Intergovernmental	2,496,244	-	2,496,244
Interest	1,798	85	1,883
Miscellaneous	34,305	105	34,410
	<u>5,505,475</u>	<u>190</u>	<u>5,505,665</u>
EXPENDITURES			
General government	1,055,151	-	1,055,151
Justice and public safety	3,035,225	-	3,035,225
Other	818,050	105,267	923,317
	<u>4,908,426</u>	<u>105,267</u>	<u>5,013,693</u>
Excess (deficiency) of revenues over expenditures	<u>597,049</u>	<u>(105,077)</u>	<u>491,972</u>

	<u>General Account</u>	<u>County Information Systems</u>	<u>Total General Fund</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 208,775	\$ 86,000	\$ 294,775
Operating transfers out	<u>(143,666)</u>	<u>-</u>	<u>(143,666)</u>
Total other financing sources (uses)	<u>65,109</u>	<u>86,000</u>	<u>151,109</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	662,158	(19,077)	643,081
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>390,195</u>	<u>32,138</u>	<u>422,333</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,052,353</u></u>	<u><u>\$ 13,061</u></u>	<u><u>\$ 1,065,414</u></u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

Special Revenue

	<u>Historical Documents</u>	<u>Indemnity</u>	<u>County Bridge</u>	<u>Township Bridge</u>	<u>Matching Tax</u>	<u>Tax Redemption</u>
Cash	\$ 6,759	\$ 54,428	\$ 720,290	\$ 94,051	\$ 362,820	\$ 6,718
Investments	-	-	-	-	278,501	-
Receivables:						
Property taxes	8,645	-	216,125	-	216,125	-
Other	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 15,404</u>	<u>\$ 54,428</u>	<u>\$ 936,415</u>	<u>\$ 94,051</u>	<u>\$ 857,446</u>	<u>\$ 6,718</u>
LIABILITIES						
Accounts payable	\$ 6,750	\$ -	\$ 168,963	\$ 76,326	\$ 163,901	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	8,645	-	216,125	-	216,125	-
Total liabilities	<u>15,395</u>	<u>-</u>	<u>385,088</u>	<u>76,326</u>	<u>380,026</u>	<u>-</u>
FUND BALANCE						
Restricted:						
General and administrative	-	54,428	-	-	-	6,718
Justice and public safety	-	-	-	-	-	-
Transportation and highway	-	-	551,327	17,725	477,420	-
Culture and recreation	9	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed:						
Capital projects	-	-	-	-	-	-
Assigned:						
General and administrative	-	-	-	-	-	-
Justice and public safety	-	-	-	-	-	-
Total fund balance	<u>9</u>	<u>54,428</u>	<u>551,327</u>	<u>17,725</u>	<u>477,420</u>	<u>6,718</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 15,404</u>	<u>\$ 54,428</u>	<u>\$ 936,415</u>	<u>\$ 94,051</u>	<u>\$ 857,446</u>	<u>\$ 6,718</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>					
	<u>Court Document Storage</u>	<u>Circuit Clerk Automation</u>	<u>County Clerk Automation</u>	<u>County Recorder Automation</u>	<u>County Treasurer Automation</u>	<u>Law Library</u>
Cash	\$ 119,169	\$ 126,192	\$ 14,978	\$ 73,461	\$ 21,440	\$ 1,123
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Other	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 119,169</u>	<u>\$ 126,192</u>	<u>\$ 14,978</u>	<u>\$ 73,461</u>	<u>\$ 21,440</u>	<u>\$ 1,123</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>
FUND BALANCE						
Restricted:						
General and administrative	-	-	14,978	72,961	21,440	-
Justice and public safety	119,169	126,192	-	-	-	1,123
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed:						
Capital projects	-	-	-	-	-	-
Assigned:						
General and administrative	-	-	-	-	-	-
Justice and public safety	-	-	-	-	-	-
Total fund balance	<u>119,169</u>	<u>126,192</u>	<u>14,978</u>	<u>72,961</u>	<u>21,440</u>	<u>1,123</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 119,169</u>	<u>\$ 126,192</u>	<u>\$ 14,978</u>	<u>\$ 73,461</u>	<u>\$ 21,440</u>	<u>\$ 1,123</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

Special Revenue

	<u>Probation Services</u>	<u>Court Security</u>	<u>Sale in Error</u>	<u>Drug Abuse</u>	<u>Veterans Assistance Commission</u>	<u>Joint Dispatch</u>
Cash	\$ 78,074	\$ 32,000	\$ 52,122	\$ 17,285	\$ 22,633	\$ 21,232
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	22,230	-
Other	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 78,074</u>	<u>\$ 32,000</u>	<u>\$ 52,122</u>	<u>\$ 17,285</u>	<u>\$ 44,863</u>	<u>\$ 21,232</u>
LIABILITIES						
Accounts payable	\$ 604	\$ 538	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	1,424	-	-	-	17,938
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	22,230	-
Total liabilities	<u>604</u>	<u>1,962</u>	<u>-</u>	<u>-</u>	<u>22,230</u>	<u>17,938</u>
FUND BALANCE						
Restricted:						
General and administrative	-	-	-	-	-	-
Justice and public safety	77,470	30,038	-	17,285	-	-
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	22,633	-
Capital projects	-	-	-	-	-	-
Committed:						
Capital projects	-	-	-	-	-	-
Assigned:						
General and administrative	-	-	52,122	-	-	-
Justice and public safety	-	-	-	-	-	3,294
Total fund balance	<u>77,470</u>	<u>30,038</u>	<u>52,122</u>	<u>17,285</u>	<u>22,633</u>	<u>3,294</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 78,074</u>	<u>\$ 32,000</u>	<u>\$ 52,122</u>	<u>\$ 17,285</u>	<u>\$ 44,863</u>	<u>\$ 21,232</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>						
	<u>States Attorney Forfeiture</u>	<u>Electronic Voting System</u>	<u>Grant Fund</u>	<u>Revolving CDAP Loans</u>	<u>Teen Court</u>	<u>Public Safety</u>	<u>Police Vehicle</u>
Cash	\$ 6,227	\$ 20,485	\$ 1,013	\$ 432,684	\$ 5,574	\$ 10,503	\$ 9,153
Investments	-	-	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Other	-	-	68,806	-	-	-	-
Loans	-	-	-	136,951	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 6,227</u>	<u>\$ 20,485</u>	<u>\$ 69,819</u>	<u>\$ 569,635</u>	<u>\$ 5,574</u>	<u>\$ 10,503</u>	<u>\$ 9,153</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	68,807	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>68,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE							
Restricted:							
General and administrative	-	20,485	-	-	-	-	-
Justice and public safety	6,227	-	1,012	-	-	-	-
Transportation and highway	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public assistance	-	-	-	569,635	-	-	-
Capital projects	-	-	-	-	-	-	-
Committed:							
Capital projects	-	-	-	-	-	-	-
Assigned:							
General and administrative	-	-	-	-	-	-	-
Justice and public safety	-	-	-	-	5,574	10,503	9,153
Total fund balance	<u>6,227</u>	<u>20,485</u>	<u>1,012</u>	<u>569,635</u>	<u>5,574</u>	<u>10,503</u>	<u>9,153</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,227</u>	<u>\$ 20,485</u>	<u>\$ 69,819</u>	<u>\$ 569,635</u>	<u>\$ 5,574</u>	<u>\$ 10,503</u>	<u>\$ 9,153</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011**

	<u>Special Revenue</u>			<u>Capital Projects</u>			
	<u>Arrestees Medical Costs</u>	<u>Unclaimed Bonds</u>	<u>Coroner Automation</u>	<u>Solid Waste Disposal</u>	<u>Recycling Center</u>	<u>Capital Projects</u>	<u>Total</u>
Cash	\$ 4,105	\$ 17,580	\$ 5,577	\$ 29,411	\$ -	\$ 287,659	\$ 2,654,746
Investments	-	-	-	155,137	-	-	433,638
Receivables:							
Property taxes	-	-	-	-	-	-	463,125
Other	-	-	-	-	-	-	68,806
Loans	-	-	-	-	-	-	136,951
Due from other funds	-	-	-	68,807	-	-	68,807
TOTAL ASSETS	<u>\$ 4,105</u>	<u>\$ 17,580</u>	<u>\$ 5,577</u>	<u>\$ 253,355</u>	<u>\$ -</u>	<u>\$ 287,659</u>	<u>\$ 3,826,073</u>
LIABILITIES							
Accounts payable	\$ 792	\$ 14,364	\$ 577	\$ -	\$ -	\$ 10,852	\$ 444,167
Accrued expenses	-	-	-	-	-	-	19,362
Due to other funds	-	-	-	-	-	-	68,807
Deferred revenue	-	-	-	-	-	-	463,125
Total liabilities	<u>792</u>	<u>14,364</u>	<u>577</u>	<u>-</u>	<u>-</u>	<u>10,852</u>	<u>995,461</u>
FUND BALANCE							
Restricted:							
General and administrative	-	-	-	-	-	-	191,010
Justice and public safety	-	3,216	5,000	-	-	-	386,732
Transportation and highway	-	-	-	-	-	-	1,046,472
Culture and recreation	-	-	-	-	-	-	9
Public assistance	-	-	-	-	-	-	592,268
Capital projects	-	-	-	253,355	-	-	253,355
Committed:							
Capital projects	-	-	-	-	-	276,807	276,807
Assigned:							
General and administrative	-	-	-	-	-	-	52,122
Justice and public safety	3,313	-	-	-	-	-	31,837
Total fund balance	<u>3,313</u>	<u>3,216</u>	<u>5,000</u>	<u>253,355</u>	<u>-</u>	<u>276,807</u>	<u>2,830,612</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,105</u>	<u>\$ 17,580</u>	<u>\$ 5,577</u>	<u>\$ 253,355</u>	<u>\$ -</u>	<u>\$ 287,659</u>	<u>\$ 3,826,073</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	Special Revenue					
	Historical Documents	Indemnity	County Bridge	Township Bridge	Matching Tax	Tax Redemption
REVENUES						
Property taxes	\$ 7,784	\$ -	\$ 221,194	\$ -	\$ 221,194	\$ -
Fines, fees and forfeits	-	11,780	-	-	-	-
Intergovernmental	-	-	19,087	99,880	-	-
Interest	10	133	2,161	228	6,935	7
Miscellaneous	-	-	-	-	-	5,794
Total revenues	7,794	11,913	242,442	100,108	228,129	5,801
EXPENDITURES						
General and administrative	-	-	-	-	-	2,289
Health and sanitation	-	-	-	-	-	-
Justice and public safety	-	-	-	-	-	-
Transportation	-	-	273,198	156,132	188,704	-
Culture and recreation	21,492	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	21,492	-	273,198	156,132	188,704	2,289
Excess (deficiency) of revenues over expenditures	(13,698)	11,913	(30,756)	(56,024)	39,425	3,512
OTHER FINANCING SOURCES (USES)						
Operating transfers in	13,500	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	13,500	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(198)	11,913	(30,756)	(56,024)	39,425	3,512
FUND BALANCE, BEGINNING OF YEAR, RESTATED	207	42,515	582,083	73,749	437,995	3,206
FUND BALANCE, END OF YEAR	\$ 9	\$ 54,428	\$ 551,327	\$ 17,725	\$ 477,420	\$ 6,718

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	Special Revenue					
	Court Document Storage	Circuit Clerk Automation	County Clerk Automation	County Recorder Automation	County Treasurer Automation	Law Library
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	57,619	58,434	4,158	57,188	10,796	11,108
Intergovernmental	-	-	-	-	-	-
Interest	438	372	49	195	67	15
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>58,057</u>	<u>58,806</u>	<u>4,207</u>	<u>57,383</u>	<u>10,863</u>	<u>11,123</u>
EXPENDITURES						
General and administrative	-	-	2,909	12,741	13,839	-
Health and sanitation	-	-	-	-	-	-
Justice and public safety	37,275	10,252	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>37,275</u>	<u>10,252</u>	<u>2,909</u>	<u>12,741</u>	<u>13,839</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>20,782</u>	<u>48,554</u>	<u>1,298</u>	<u>44,642</u>	<u>(2,976)</u>	<u>11,123</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(38,500)	(25,000)	(5,000)	(15,000)	-	(10,000)
Total other financing sources (uses)	<u>(38,500)</u>	<u>(25,000)</u>	<u>(5,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>(10,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(17,718)	23,554	(3,702)	29,642	(2,976)	1,123
FUND BALANCE, BEGINNING OF YEAR, RESTATED	<u>136,887</u>	<u>102,638</u>	<u>18,680</u>	<u>43,319</u>	<u>24,416</u>	<u>-</u>
FUND BALANCE , END OF YEAR	<u>\$ 119,169</u>	<u>\$ 126,192</u>	<u>\$ 14,978</u>	<u>\$ 72,961</u>	<u>\$ 21,440</u>	<u>\$ 1,123</u>

IROQUOIS COUNTY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (DEFICIT)
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended November 30, 2011

	<u>Special Revenue</u>					
	<u>Probation Services</u>	<u>Court Security</u>	<u>Sale in Error</u>	<u>Drug Abuse</u>	<u>Veterans Assistance Commission</u>	<u>Joint Dispatch</u>
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,312	\$ -
Fines, fees and forfeits	33,467	40,453	-	24,773	-	-
Intergovernmental	657	-	-	-	-	-
Interest	242	92	177	65	24	94
Miscellaneous	-	-	25,320	-	-	143,666
	<u>34,366</u>	<u>40,545</u>	<u>25,497</u>	<u>24,838</u>	<u>23,336</u>	<u>143,760</u>
Total revenues						
EXPENDITURES						
General and administrative	-	-	98,796	-	-	-
Health and sanitation	-	-	-	-	-	-
Justice and public safety	7,462	41,319	-	26,690	-	372,545
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	22,522	-
Capital outlay	-	-	-	-	-	-
	<u>7,462</u>	<u>41,319</u>	<u>98,796</u>	<u>26,690</u>	<u>22,522</u>	<u>372,545</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>26,904</u>	<u>(774)</u>	<u>(73,299)</u>	<u>(1,852)</u>	<u>814</u>	<u>(228,785)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	287,333
Operating transfers out	(16,275)	-	-	-	-	(59,969)
	<u>(16,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,364</u>
Total other financing sources (uses)						
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	10,629	(774)	(73,299)	(1,852)	814	(1,421)
FUND BALANCE, BEGINNING OF YEAR, RESTATED	<u>66,841</u>	<u>30,812</u>	<u>125,421</u>	<u>19,137</u>	<u>21,819</u>	<u>4,715</u>
FUND BALANCE , END OF YEAR	<u>\$ 77,470</u>	<u>\$ 30,038</u>	<u>\$ 52,122</u>	<u>\$ 17,285</u>	<u>\$ 22,633</u>	<u>\$ 3,294</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	Special Revenue						
	States Attorney Forfeiture	Electronic Voting System	Grant Fund	Revolving CDAP Loans	Teen Court	Public Safety	Police Vehicle
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	-	-	-	-	-	11,328	27,716
Intergovernmental	-	-	287,613	-	9,057	-	-
Interest	-	-	122	4,045	19	27	26
Miscellaneous	3,086	28,640	-	-	-	-	-
Total revenues	3,086	28,640	287,735	4,045	9,076	11,355	27,742
EXPENDITURES							
General and administrative	-	22,107	-	-	-	-	-
Health and sanitation	-	-	151,001	-	-	-	-
Justice and public safety	-	-	141,716	-	10,233	9,541	-
Transportation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	32,696
Total expenditures	-	22,107	292,717	-	10,233	9,541	32,696
Excess (deficiency) of revenues over expenditures	3,086	6,533	(4,982)	4,045	(1,157)	1,814	(4,954)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	(4,500)	-	-	-
Total other financing sources (uses)	-	-	-	(4,500)	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,086	6,533	(4,982)	(455)	(1,157)	1,814	(4,954)
FUND BALANCE, BEGINNING OF YEAR, RESTATED	3,141	13,952	5,994	570,090	6,731	8,689	14,107
FUND BALANCE , END OF YEAR	\$ 6,227	\$ 20,485	\$ 1,012	\$ 569,635	\$ 5,574	\$ 10,503	\$ 9,153

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2011

	Special Revenue			Capital Projects			Total
	Arrestees Medical Costs	Unclaimed Bonds	Coroner's Automation	Solid Waste Disposal	Recycling Center	Capital Projects	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,484
Fines, fees and forfeits	6,311	-	-	-	-	-	355,131
Intergovernmental	-	-	-	-	-	-	416,294
Interest	14	53	12	1,320	-	1,010	17,952
Miscellaneous	-	3,151	3,577	84	-	-	213,318
	<u>-</u>	<u>3,151</u>	<u>3,577</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>213,318</u>
Total revenues	<u>6,325</u>	<u>3,204</u>	<u>3,589</u>	<u>1,404</u>	<u>-</u>	<u>1,010</u>	<u>1,476,179</u>
EXPENDITURES							
General and administrative	-	-	-	-	-	-	152,681
Health and sanitation	-	-	-	-	-	-	151,001
Justice and public safety	8,135	-	-	-	-	-	665,168
Transportation	-	-	-	-	-	-	618,034
Culture and recreation	-	-	-	-	-	-	21,492
Public assistance	-	-	-	-	-	-	22,522
Capital outlay	-	-	-	13	1	76,682	109,392
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>1</u>	<u>76,682</u>	<u>109,392</u>
Total expenditures	<u>8,135</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>1</u>	<u>76,682</u>	<u>1,740,290</u>
Excess (deficiency) of revenues over expenditures	<u>(1,810)</u>	<u>3,204</u>	<u>3,589</u>	<u>1,391</u>	<u>(1)</u>	<u>(75,672)</u>	<u>(264,111)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	567	-	-	301,400
Operating transfers out	-	-	-	-	(567)	-	(174,811)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(567)</u>	<u>-</u>	<u>(174,811)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>567</u>	<u>(567)</u>	<u>-</u>	<u>126,589</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,810)</u>	<u>3,204</u>	<u>3,589</u>	<u>1,958</u>	<u>(568)</u>	<u>(75,672)</u>	<u>(137,522)</u>
FUND BALANCE, BEGINNING OF YEAR, RESTATED	<u>5,123</u>	<u>12</u>	<u>1,411</u>	<u>251,397</u>	<u>568</u>	<u>352,479</u>	<u>2,968,134</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,313</u>	<u>\$ 3,216</u>	<u>\$ 5,000</u>	<u>\$ 253,355</u>	<u>\$ -</u>	<u>\$ 276,807</u>	<u>\$ 2,830,612</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
November 30, 2011

	Non-Major Enterprise Funds		
	911 Emergency Service Board	County Farm	Total
CURRENT ASSETS			
Cash	\$ 75,076	\$ 130,881	\$ 205,957
Investments	150,530	-	150,530
Receivables, net			
Accounts	70,167	-	70,167
Prepaid expense	9,020	-	9,020
	<u>304,793</u>	<u>130,881</u>	<u>435,674</u>
Total current assets			
NONCURRENT ASSETS			
Land	-	153,037	153,037
Equipment	1,538,455	-	1,538,455
Less accumulated depreciation	(1,358,456)	-	(1,358,456)
	<u>179,999</u>	<u>153,037</u>	<u>333,036</u>
Total noncurrent assets			
TOTAL ASSETS	<u>\$ 484,792</u>	<u>\$ 283,918</u>	<u>\$ 768,710</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 5,778	\$ -	\$ 5,778
NET ASSETS			
Invested in capital assets	179,999	153,037	333,036
Unrestricted	299,015	130,881	429,896
	<u>479,014</u>	<u>283,918</u>	<u>762,932</u>
Total net assets			
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 484,792</u>	<u>\$ 283,918</u>	<u>\$ 768,710</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
Year Ended November 30, 2011

	Non-Major Enterprise Funds		
	911 Emergency Service Board	County Farm	Total
OPERATING REVENUES			
Fees	\$ 381,993	\$ -	\$ 381,993
Rental income	-	105,832	105,832
Total operating revenues	<u>381,993</u>	<u>105,832</u>	<u>487,825</u>
OPERATING EXPENSES			
Justice and public safety	249,283	-	249,283
Capital outlay	17,653	-	17,653
Farm	-	1,416	1,416
Total operating expenses	<u>266,936</u>	<u>1,416</u>	<u>268,352</u>
Operating income (loss)	<u>115,057</u>	<u>104,416</u>	<u>219,473</u>
NON-OPERATING REVENUES			
Sale of assets	-	154,000	154,000
Interest income	1,756	577	2,333
Total non-operating revenues	<u>1,756</u>	<u>154,577</u>	<u>156,333</u>
Net income before transfers	<u>116,813</u>	<u>258,993</u>	<u>375,806</u>
OPERATING TRANSFERS			
Operating transfers out	<u>(162,701)</u>	<u>(186,000)</u>	<u>(348,701)</u>
CHANGE IN NET ASSETS	(45,888)	72,993	27,105
NET ASSETS, BEGINNING OF YEAR	<u>524,902</u>	<u>210,925</u>	<u>735,827</u>
NET ASSETS, END OF YEAR	<u>\$ 479,014</u>	<u>\$ 283,918</u>	<u>\$ 762,932</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUND TYPES
Year Ended November 30, 2011

	Business-Type Activities		
	Enterprise Funds		
	911 Emergency Service Board	County Farm	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 388,169	\$ -	\$ 388,169
Cash received for rent	-	105,832	105,832
Cash paid to suppliers and for claims	(147,568)	(1,416)	(148,984)
Cash paid to employees	(72,946)	-	(72,946)
	<u>167,655</u>	<u>104,416</u>	<u>272,071</u>
Net cash provided by (used in) operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash transfers from (to) other funds	(162,701)	(186,000)	(348,701)
	<u>(162,701)</u>	<u>(186,000)</u>	<u>(348,701)</u>
Net cash provided by (used in) noncapital financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturity of investments	20,000	-	20,000
Proceeds from sale of assets	-	154,000	154,000
Interest payments received	2,346	577	2,923
	<u>22,346</u>	<u>154,577</u>	<u>176,923</u>
Net cash provided by (used in) investing activities			
NET INCREASE (DECREASE) IN CASH	27,300	72,993	100,293
CASH, BEGINNING OF YEAR	47,776	57,888	105,664
CASH, END OF YEAR	<u>\$ 75,076</u>	<u>\$ 130,881</u>	<u>\$ 205,957</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 115,057	\$ 104,416	\$ 219,473
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	55,546	-	55,546
Effects of changes in operating assets and liabilities:			
Accounts receivables	6,176	-	6,176
Prepaid items	9,020	-	9,020
Accounts payable	(18,144)	-	(18,144)
	<u>167,655</u>	<u>104,416</u>	<u>272,071</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 167,655</u>	<u>\$ 104,416</u>	<u>\$ 272,071</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2011**

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Workmen's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
CURRENT ASSETS					
Cash	\$ 232,671	\$ 47,517	\$ 292,528	\$ -	\$ 572,716
Taxes receivable, net	<u>121,600</u>	<u>53,200</u>	<u>93,100</u>	<u>-</u>	<u>267,900</u>
TOTAL ASSETS	<u>\$ 354,271</u>	<u>\$ 100,717</u>	<u>\$ 385,628</u>	<u>\$ -</u>	<u>\$ 840,616</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 224	\$ 224
Due to other funds	-	-	-	51,956	51,956
Deferred revenue	<u>121,600</u>	<u>53,200</u>	<u>93,100</u>	<u>-</u>	<u>267,900</u>
Total liabilities	<u>121,600</u>	<u>53,200</u>	<u>93,100</u>	<u>52,180</u>	<u>320,080</u>
NET ASSETS					
Unrestricted	<u>232,671</u>	<u>47,517</u>	<u>292,528</u>	<u>(52,180)</u>	<u>520,536</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 354,271</u>	<u>\$ 100,717</u>	<u>\$ 385,628</u>	<u>\$ -</u>	<u>\$ 840,616</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended November 30, 2011**

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Workmen's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 1,076,804	\$ 1,076,804
Miscellaneous	<u>1,762</u>	<u>-</u>	<u>29,172</u>	<u>-</u>	<u>30,934</u>
Total operating revenues	<u>1,762</u>	<u>-</u>	<u>29,172</u>	<u>1,076,804</u>	<u>1,107,738</u>
OPERATING EXPENSES					
General and administrative	<u>156,106</u>	<u>50,854</u>	<u>120,783</u>	<u>827,512</u>	<u>1,155,255</u>
Net income (loss) from operating activities	<u>(154,344)</u>	<u>(50,854)</u>	<u>(91,611)</u>	<u>249,292</u>	<u>(47,517)</u>
NON-OPERATING REVENUES					
Taxes	308,873	10,000	249,110	-	567,983
Interest income	<u>214</u>	<u>175</u>	<u>412</u>	<u>43</u>	<u>844</u>
Total non-operating revenues	<u>309,087</u>	<u>10,175</u>	<u>249,522</u>	<u>43</u>	<u>568,827</u>
Income (loss) before operating transfers	<u>154,743</u>	<u>(40,679)</u>	<u>157,911</u>	<u>249,335</u>	<u>521,310</u>
OPERATING TRANSFERS					
Operating transfers in	<u>-</u>	<u>4,579</u>	<u>-</u>	<u>-</u>	<u>4,579</u>
CHANGES IN NET ASSETS	154,743	(36,100)	157,911	249,335	525,889
TOTAL NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>77,928</u>	<u>83,617</u>	<u>134,617</u>	<u>(301,515)</u>	<u>(5,353)</u>
TOTAL NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 232,671</u>	<u>\$ 47,517</u>	<u>\$ 292,528</u>	<u>\$ (52,180)</u>	<u>\$ 520,536</u>

**IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended November 30, 2011**

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Worker's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from interfund users	\$ 1,762	\$ -	\$ 29,172	\$ 1,076,804	\$ 1,107,738
Cash paid to suppliers and for claims	(156,106)	(50,854)	(120,783)	(900,756)	(1,228,499)
Internal activity - payments to other funds	-	-	-	(176,091)	(176,091)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	<u>(154,344)</u>	<u>(50,854)</u>	<u>(91,611)</u>	<u>(43)</u>	<u>(296,852)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property tax receipts	308,873	10,000	249,110	-	567,983
Cash transfers from (to) other funds	-	4,579	-	-	4,579
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used in) noncapital financing activities	<u>308,873</u>	<u>14,579</u>	<u>249,110</u>	<u>-</u>	<u>572,562</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest payments received	214	175	412	43	844
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCREASE (DECREASE) IN CASH	154,743	(36,100)	157,911	-	276,554
CASH, BEGINNING OF YEAR	77,928	83,617	134,617	-	296,162
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH, END OF YEAR	\$ 232,671	\$ 47,517	\$ 292,528	\$ -	\$ 572,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (154,344)	\$ (50,854)	\$ (91,611)	\$ 249,292	\$ (47,517)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Effects of changes in operating assets and liabilities:					
Receivables	172,900	(43,700)	154,400	-	283,600
Accounts payable	-	-	-	(73,244)	(73,244)
Due to other funds	-	-	-	(176,091)	(176,091)
Deferred revenue	(172,900)	43,700	(154,400)	-	(283,600)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (154,344)	\$ (50,854)	\$ (91,611)	\$ (43)	\$ (296,852)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2011

ASSETS

	<u>County Collection Fund</u>	<u>County Sheriff Fund</u>	<u>County Clerk Fund</u>	<u>County Recorder Fund</u>	<u>Mobile Home Privilege Tax Fund</u>	<u>Forfeitures Redeemed Fund</u>
Cash	\$ 667,199	\$ 4,638	\$ 166,106	\$ 92,702	\$ 1,645	\$ 48,913
Investments	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Inventory	-	-	-	8,415	-	-
TOTAL ASSETS	<u>\$ 667,199</u>	<u>\$ 4,638</u>	<u>\$ 166,106</u>	<u>\$ 101,117</u>	<u>\$ 1,645</u>	<u>\$ 48,913</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred property taxes	-	-	-	-	-	-
Amounts held in trust and available for distribution to others	<u>667,199</u>	<u>4,638</u>	<u>166,106</u>	<u>101,117</u>	<u>1,645</u>	<u>48,913</u>
TOTAL LIABILITIES	<u>\$ 667,199</u>	<u>\$ 4,638</u>	<u>\$ 166,106</u>	<u>\$ 101,117</u>	<u>\$ 1,645</u>	<u>\$ 48,913</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2011

ASSETS

	<u>Circuit Clerk Fund</u>	<u>Restitution Fund</u>	<u>Sheriff Commissary Fund</u>	<u>Inheritance Fund</u>	<u>Drainage District Fund</u>	<u>Marriage Fund</u>
Cash	\$ 592,498	\$ 2,547	\$ 5,398	\$ 54,647	\$ 1,396,061	\$ 3,932
Investments	-	-	-	-	178,842	-
Property taxes receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 592,498</u>	<u>\$ 2,547</u>	<u>\$ 5,398</u>	<u>\$ 54,647</u>	<u>\$ 1,574,903</u>	<u>\$ 3,932</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ 49,509	\$ -	\$ -
Deferred property taxes	-	-	-	-	-	-
Amounts held in trust and available for distribution to others	<u>592,498</u>	<u>2,547</u>	<u>5,398</u>	<u>5,138</u>	<u>1,574,903</u>	<u>3,932</u>
TOTAL LIABILITIES	<u>\$ 592,498</u>	<u>\$ 2,547</u>	<u>\$ 5,398</u>	<u>\$ 54,647</u>	<u>\$ 1,574,903</u>	<u>\$ 3,932</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
November 30, 2011

ASSETS

	<u>County Mental Health Fund</u>	<u>County Public Health Fund</u>	<u>377 Board Fund</u>	<u>Beaverville Township Fund</u>	<u>County Extension Fund</u>	<u>Total</u>
Cash	\$ 2,233	\$ 11,117	\$ -	\$ 15,424	\$ -	\$ 3,065,060
Investments	-	-	-	-	-	178,842
Property taxes receivable	555,750	-	432,250	-	96,235	1,084,235
Inventory	-	-	-	-	-	8,415
TOTAL ASSETS	<u>\$ 557,983</u>	<u>\$ 11,117</u>	<u>\$ 432,250</u>	<u>\$ 15,424</u>	<u>\$ 96,235</u>	<u>\$ 4,336,552</u>

LIABILITIES

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,509
Deferred property taxes	555,750	-	432,250	-	96,235	1,084,235
Amounts held in trust and available for distribution to others	<u>2,233</u>	<u>11,117</u>	<u>-</u>	<u>15,424</u>	<u>-</u>	<u>3,202,808</u>
TOTAL LIABILITIES	<u>\$ 557,983</u>	<u>\$ 11,117</u>	<u>\$ 432,250</u>	<u>\$ 15,424</u>	<u>\$ 96,235</u>	<u>\$ 4,336,552</u>

STATISTICAL INFORMATION
(Unaudited)

IROQUOIS COUNTY, ILLINOIS
ASSESSED VALUATION AND TAX EXTENSIONS
Tax Levies 2010, 2009, and 2008
(Unaudited)

	2010		2009		2008	
	<u>Extended in 2011</u>		<u>Extended in 2010</u>		<u>Extended in 2009</u>	
ASSESSED VALUATION	\$	<u>452,496,162</u>	\$	<u>442,032,396</u>	\$	<u>430,737,237</u>
TAXES EXTENDED						
County (see below)	\$	5,761,686	13.87%	\$	5,520,573	13.29%
Townships and road districts		4,187,378	10.08%		4,020,401	9.92%
Cities and villages		3,637,726	8.76%		4,420,224	10.90%
District schools		21,688,313	52.22%		20,628,729	50.89%
High school and community college		3,717,170	8.95%		3,513,769	8.67%
Sanitary districts		15,001	0.04%		15,002	0.04%
Fire protection districts		1,597,206	3.85%		1,514,654	3.74%
Cemeteries		21,108	0.05%		20,514	0.05%
Libraries, parks, etc.		908,296	2.19%		882,759	2.18%
TOTALS	\$	<u>41,533,884</u>	100.00%	\$	<u>40,536,625</u>	99.67%
					\$	<u>39,653,891</u>
						99.70%

	<u>Extension</u>	Rate Per \$100 Valuation	<u>Extension</u>	Rate Per \$100 Valuation	<u>Extension</u>	Rate Per \$100 Valuation
General County	\$ 1,198,880	0.27000	\$ 1,131,491	0.26857	\$ 1,162,775	0.27000
County IMRF	1,140,002	0.25674	1,142,908	0.27128	946,111	0.21969
County Highway	444,030	0.10000	419,069	0.09947	430,657	0.10000
Social Security	510,013	0.11486	514,325	0.12208	567,692	0.13182
County Health	316,016	0.07117	213,642	0.05071	235,785	0.05475
Bridge Fund	222,015	0.05000	209,556	0.04974	215,329	0.05000
Veterans Assistance	23,400	0.00527	23,846	0.00566	26,313	0.00611
Mental Health Board #708	560,010	0.12612	628,625	0.14921	645,986	0.15000
Matching Tax	222,015	0.05000	209,556	0.04974	215,329	0.05000
Liability Insurance	312,064	0.07028	219,077	0.05200	201,849	0.04687
Unemployment Insurance	10,035	0.00226	38,128	0.00905	52,583	0.01221
Workmen's Compensation	250,033	0.05631	238,120	0.05652	262,830	0.06103
Co-op Extension	101,328	0.02282	104,778	0.02487	124,072	0.02881
377 Board	444,030	0.10000	419,069	0.09947	430,657	0.10000
Historical Documents	7,815	0.00176	8,384	0.00199	8,613	0.00200
TOTALS	\$	<u>5,761,686</u>	\$	<u>5,520,573</u>	\$	<u>5,526,581</u>
		<u>1.29759</u>		<u>1.31036</u>		<u>1.28329</u>

SINGLE AUDIT REPORTS

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

Iroquois County Board
Iroquois County, Illinois
Watseka, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois (County) as of and for the year ended November 30, 2011, and have issued our report thereon dated May 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses in internal control over financial reporting (Findings 2011-1 and 2011-2).

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies (Findings 2011-3 and 2011-4).

Compliance and Other Matters

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

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

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

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

Champaign, Illinois
May 22, 2012

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

Iroquois County Board
Iroquois County, Illinois
Watseka, Illinois

Compliance

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

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

In our opinion, Iroquois County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2011.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2011-1 and 2011-2 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2011-5 to be a significant deficiency.

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

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

CliftonLarsonAllen LLP

Champaign, Illinois
May 22, 2012

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2011

<u>Federal Grantor/ Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE			
Flow-through from Illinois Department of Human Services:			
Supplemental Nutrition Program for Women, Infants, and Children (WIC) Admin	10.557	11GM196000 11GQ01199	\$ 66,267 47,329
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>494,273</u>
Total Department of Agriculture			<u><u>\$ 607,869</u></u>
ENVIRONMENTAL PROTECTION AGENCY			
Flow-through from Illinois Department of Public Health:			
Potable Water Supply	66.605	None	<u>\$ 1,750</u>
Flow-through from Illinois Emergency Management Agency:			
Indoor Radon	66.032	None	2,370
Disaster Relief – Hazard Mitigation	97.039	None	<u>9,354</u>
			<u>11,724</u>
Total Environmental Protection Agency			<u><u>\$ 13,474</u></u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Flow-through from Illinois Department of Public Health:			
Illinois Immunization Grants - Noncash	93.268	H23/CCH504464	\$ 104,366
Dental Sealant	93.994	3480148	1,323
Diabetes	93.283	13287013	3,813
Center for Disease Control & Prevention	93.283	None	5,100
Public Health Emergency Preparedness	93.069	7181029	58,666
Public Health Emergency Response Phase III	93.069	7181246	<u>48,669</u>
			<u>221,937</u>
Flow-through from Illinois Department of Human Services:			
MCHS Block Grant	93.994	11GM196000 11GQ01391	15,750 11,040
Title XX Block Grant	93.667	11GM196000 11GQ01118	14,895 4,433
Temporary Assistance for Needy Families	93.558	11GM196000 11GQ00196	76,485 <u>50,722</u>
			<u>173,325</u>

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2011

Federal Grantor/ Pass Through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)			
Flow-through from Livingston County: Illinois Breast and Cervical Cancer	93.283	None	\$ <u>23,569</u>
Flow-through from East Central Illinois Area Agency On Aging:			
Title III-B	93.044	None	17,521
Title III-E	93.052	None	35,693
Title VII	93.041	None	3,648
Medicare Improvements for Patients & Providers	93.518	None	1,734
Medicare Enrollment Assistance Program	93.071	None	<u>508</u>
			<u>59,104</u>
Flow-through Illinois Department of Healthcare and Family Services:			
Medical Assistance Program - ARRA	93.778	None	2,279
Medical Assistance Program	93.778	None	27,401
Title XVIII Medicare	93.778	None	19,607
Children's Health Insurance Program	93.767	None	1,273
Child Support Enforcement	93.563	None	<u>9,518</u>
			<u>60,078</u>
Flow-through Illinois State Board of Elections: VAID III	93.617	None	<u>21,425</u>
Flow-through from Prevent Child Abuse Illinois:			
Temporary Assistance for Needy Families	93.558	None	2,197
ACA – Home Visiting Program	93.505	None	<u>127</u>
			<u>2,324</u>
Total Department of Health and Human Services			\$ <u>561,762</u>
DEPARTMENT OF TRANSPORTATION			
Flow-through from Illinois Department of Transportation:			
Child Passenger Safety Seat	20.613	B10-6060-098	<u>\$ 4,801</u>
DEPARTMENT OF JUSTICE			
Flow-through Illinois Department of Justice: SCAAP	16.606	None	<u>\$ 4,103</u>

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

<u>Federal Grantor/ Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. ELECTION ASSISTANCE COMMISSION			
Passed through Illinois State Board of Elections: HAVA	90.401	None	\$ <u>175</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Illinois Law Enforcement Alarm System:			
State Homeland Security Program	97.067	10ILEASEOC	\$ 10,118
Emergency Management Performance	97.042	None	<u>68,807</u>
			<u>78,925</u>
Passed through Illinois Emergency Management Agency:			
Emergency Management Prepared Program	97.042	None	12,146
Public Safety Interoperable Communications	11.555	None	<u>3,509</u>
			<u>15,655</u>
Total U.S. Department of Homeland Security			\$ <u>94,580</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1,286,764</u>

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2011

	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>	<u>Cluster Total, If Applicable</u>
SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER				
	93.268	\$ 104,366	\$ -	
	97.042	80,953	-	
	93.994	28,113	-	
	93.069	107,335	-	
	66.605	1,750	-	
	93.667	19,328	-	
	20.613	4,801	-	
	66.032	2,370	-	
	10.557	607,869	-	
	93.617	21,425	-	
	93.558	129,404	-	
	93.044	17,521	-	
	93.052	35,693	-	
	93.041	3,648	-	
	93.778	49,287	-	
	93.767	1,273	-	
	93.563	9,518	-	
	93.283	32,482	-	
	93.518	1,734	-	
	93.071	508	-	
	11.555	3,509	-	
	16.606	4,103	-	
	93.505	127	-	
	90.401	175	-	
	97.039	9,354	-	
	97.067	<u>10,118</u>	<u>-</u>	
TOTAL		<u>\$1,286,764</u>	<u>\$ -</u>	

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

IROQUOIS COUNTY, ILLINOIS
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
November 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

Non-monetary Assistance

Non-monetary assistance is reported in the schedule at the fair market value of the non-monetary assistance received and disbursed.

The Iroquois County Health Department participates in an Immunization Program and receives vaccinations. The federal portion of the vaccinations received and distributed during the period December 1, 2010 to November 30, 2011, was \$104,366. This is included in the accompanying schedule under Department of Health and Human Services, CFDA 93.268.

The Iroquois County Health Department issues food instruments to eligible participants in the WIC Program that are used to purchase food at retail stores. The State of Illinois processes and tracks the food instruments redeemed. The federal portion of food instruments distributed by the County and redeemed during the period July 1, 2010 to June 30, 2011 was \$494,273. This amount is included in the accompanying schedule under Department of Agriculture, CFDA 10.557. Information is not available from the State to report this information on the County's fiscal year.

Pass-through

The County does not pass-through any of its grants to subrecipients.

This information is an integral part of the accompanying schedule.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:
 • Material weaknesses identified? x Yes ___ No
 • Significant deficiencies identified that are not considered to be material weaknesses? x Yes ___ None reported
 Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Internal control over major programs:
 • Material weaknesses identified? x Yes ___ No
 • Significant deficiencies identified that are not considered to be material weaknesses? x Yes ___ None reported
 Type of auditor's report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? x Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.069	Public Health Emergency Response III
93.069	Public Health Emergency Preparedness
10.557	Supplemental Nutrition Program for Women, Infants and Children (WIC)

Dollar threshold used to distinguish between type A and type B programs: \$300,000
 Auditee qualified as low-risk auditee? ___ Yes x No

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

Section II - Financial Statement Findings

**FINDING NO. 2011-1 - FINANCIAL STATEMENT PREPARATION AND AUDIT
ADJUSTMENTS**

Criteria or Specific Requirement: The financial statements and adjustments to the modified accrual basis of accounting are the responsibility of management.

Condition: The County engages CliftonLarsonAllen LLP to assist in preparing its financial statements and accompanying disclosures including any necessary adjustments to the general ledger for the modified accrual basis. However, as independent auditors, CliftonLarsonAllen LLP cannot be considered part of the County's internal control system.

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

Effect: While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

Cause: The County's personnel do not have the necessary resources to prepare the County's financial statements and related disclosures along with the modified accrual basis adjustments.

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

Views of Responsible Officials and Planned Corrective Action: In March 2012 the County hired a CPA in a new full-time position. This will give the County Board an ear on the ground and a qualified financial person on premise every day to help with questions that may come up.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011

Section II - Financial Statement Findings (CONTINUED)

FINDING NO. 2011-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

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

Condition: There is an inadequate control over the functions of processing and recording financial transactions of the Ford-Iroquois Public Health Department due to an inadequate segregation of duties stemming from limited personnel. In addition, reconciliation and review processes need strengthened.

Context: During the process of obtaining an understanding of internal control in planning the audit and while conducting testing on the internal control process and on year-end balances, the following areas displayed weaknesses:

- Bank reconciliations were not always completed on a timely basis
- Significant cash activity was not recorded on the general ledger
- There is no formal review of the bank reconciliations after completion
- There is a lack of segregation of duties over payroll transactions
- Liability accounts are not properly reviewed and corrected by accounting personnel
- We noted a significant overpayment to a vendor
- Review processes are often not documented
- The trial balance was out of balance
- Checks are signed by unauthorized check signers on behalf of authorized signers

Effect: Various weaknesses in internal control when combined together create a risk of errors or irregularities occurring and not being detected on a timely basis.

Cause: There are limited personnel with accounting experience and capacity.

Recommendation: Additional assistance with accounting functions and reviews needs considered by the Board. We recommend documenting all review procedures. In addition, management's close supervision and review of accounting information, including sign-off to show approval, is the best means of preventing and detecting errors and irregularities.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011

Section II - Financial Statement Findings (CONTINUED)

FINDING NO. 2011-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT (Continued)

Views of Responsible Officials and Planned Corrective Action: The views and planned actions to be implemented in fiscal year 2012 from the Ford-Iroquois Public Health Department governing board as a result of this audit is as follows:

- Bank reconciliations will be signed by the reviewer and the administrator as verification of reconciliation. The checking account is reconciled by the Health Department as well as the Iroquois County Treasurer to ensure financial controls. The agency CPA will meet on a quarterly basis to review bank statements.
- The Health Department currently has two (2) employees that are authorized signers for our accounts. The Health Department administrator is the only individual that signs the payroll checks. In case of an unforeseen emergency on the administrator's part, the support services coordinator will be given the verbal/written authority to sign payroll or accounts payable checks in his absence. All accounts payable checks are signed by two people – the Health Department administrator and the Iroquois County Treasurer, thereby ensuring a proper segregation for accounting principals/procedures to better ensure internal financial controls. The Health Department administrator will review and sign the payroll processing documents including taxes submitted prior to the paychecks being processed.
- Revenue and expense accounts are verified for accuracy as situations arise. Liability accounts will be monitored on a quarterly basis by the administrator by running a G/L report looking at the specific liability line items to verify inaccuracies or other noted discrepancies. The agency CPA will meet with the support services coordinator on a quarterly basis reviewing the G/L report. There was a change over in the health insurance liability account causing complicating entries. Entries were completed with the help of the agency CPA. This also caused the trial balance to be out of balance, which has been corrected. Also in changing health insurance carriers a miscommunication of payment resulted in an overpayment to the carrier. This has been corrected. The health insurance payment is automatically being withdrawn by EFT on a monthly basis.
- Review processes will become more transparent by offering the administrator's signature verifying review of the preparer's work on liability accounts, bank reconciliations and trial balances on a quarterly basis.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2011

Section II - Financial Statement Findings (CONTINUED)

FINDING NO. 2011-3 - DECENTRALIZED OFFICES

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

Condition: There is an inadequate control over the functions of processing and recording the financial transactions of the County Clerk, Recorder, and Sheriff's offices due to an inadequate segregation of duties stemming from limited personnel. In addition, adequate review processes are not in place and better control over check stock and signature stamps is needed.

Context: During the process of obtaining an understanding of internal control in planning the audit, assessing control risk and assessing fraud risks, a lack of segregation of duties was noted in the County Clerk, Recorder, and Sheriff's offices. In addition, we noted there was a lack of control over the blank check stock and signature stamps and a lack of detailed review of reconciliations in the County Clerk and Recorder's offices.

Effect: A lack of segregation of duties, lack of appropriate review functions, and lack of controls over check stock and signature stamps are deficiencies in internal control that could lead to errors or irregularities in the processing and recording of financial transactions.

Cause: The County Clerk, Recorder, and Sheriff's offices have limited personnel over accounting transactions.

Recommendation: If it is not economically feasible to hire extra personnel, management's and the County Board's close supervision and review of accounting information is the best means of preventing and detecting errors and irregularities. In addition, there are review procedures that can be implemented to mitigate these risks. Check stock and signature stamps should only be accessible to and used by the authorized signer.

Views of Responsible Officials and Planned Corrective Action: As a County Board, we understand that there are considerations that must be made in a County of less than 30,000 people. The Board will continue to monitor this. In March 2012, a CPA was hired in a full-time position and will help with these matters.

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

Section II - Financial Statement Findings (CONTINUED)

FINDING NO. 2011-4 - FINANCIAL MONITORING OF FUNDS

Criteria or Specific Requirement: A critical component of an internal control system is close review of financial information, including cash position, cash flow, fund balance, and expenditure limits.

Condition and Context: The Group Insurance Fund has a deficit cash balance of \$51,956 and a deficit fund balance of \$52,180 at fiscal year end. In addition, several major funds' expenditures exceeded their budgets.

Effect: The deficit cash balance within the Group Insurance Fund results in borrowing from another fund in the pooled bank account (General Fund) and represents an unauthorized loan between funds. In addition, certain expenditures exceeded their legal limits.

Cause: The deficit position of the Group Insurance Fund has improved significantly. A change in accounting systems mid-year made it more difficult to monitor financial position as reports were not always available on a timely basis.

Recommendation: Financial reports should be made available to the Board and committees for review even when additional changes may be expected (any unreconciled variance should just be explained). The County Board, or designated personnel, needs to review budget to actual comparisons for both revenue and expenditures in each fund on a frequent basis to ensure monies are adequate to meet the obligations of the fund. If unexpected but necessary expenditures arise, budgets should be amended to account for the change. Cash balances also need reviewed frequently, and loans between funds approved in advance, as needed.

Views of Responsible Officials and Planned Corrective Action: The County Board fully intends to get the Group Insurance Fund in the black in fiscal year 2012. It had been neglected during previous levies and fell behind. This has been corrected now and the levy more closely represents the budget.

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

Section III - Federal Award Findings and Questioned Costs

FINDING NO. 2011-1 - FINANCIAL STATEMENT PREPARATION AND ADJUSTMENTS

See Section II - Financial Statement Findings

Federal Agency/Program: Department of Health and Human Services - 93.069 – Public Health Emergency Preparedness; Pass-through Illinois Department of Public Health

Department of Health and Human Services – 93.069 – Public Health Emergency Response III; Pass-through Illinois Department of Public Health

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

All other programs

Questioned Costs: None

FINDING 2011-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

See Section II - Financial Statement Findings

Federal Agency/Program: Department of Health and Human Services - 93.069 – Public Health Emergency Preparedness; Pass-through Illinois Department of Public Health

Department of Health and Human Services – 93.069 – Public Health Emergency Response III; Pass-through Illinois Department of Public Health

Department of Agriculture - 10.557 - Supplemental Nutritional Program for Women, Infants, and Children; Pass-through Illinois Department of Human Services

All others except:

Environmental Protection Agency - 97.039 - Disaster Relief

Department of Justice - 16.606 - SCAAP

Department of Homeland Security – 97.042 – Emergency Management Performance

Department of Homeland Security – 97.042 – Emergency Management Prepared Program

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

Section III - Federal Award Findings and Questioned Costs (CONTINUED)

FINDING 2011-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT (Continued)

Department of Homeland Security – 11.555 – Public Safety
Interoperable Communications

U.S. Election Assistance Commission - 90.401 - HAVA

Department of Homeland Security – 97.067 – State Homeland
Security Program

Department of Health and Human Services - 93.617 - VAID III

Department of Health and Human Services - 93.563 Child
Support Enforcement

Questioned Costs: None

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

Section III - Federal Award Findings and Questioned Costs (Continued)

FINDING NO. 2011-5 - PROPER CONTROLS OVER PAYROLL - HEALTH DEPARTMENT

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

Questioned Costs: None

Criteria or Specific Requirement: The Ford-Iroquois Public Health Department is required to have proper controls in place to ensure all employees are paid properly for their time worked.

Condition: During the course of the audit, we noted one instance where an employee that correctly coded their time worked on the WIC program was not actually paid for that time worked. The employee's hours were entered in the cost reporting system. Those are then manually entered into the payroll system and this employee's hours were inadvertently missed when being keyed into the payroll system.

Context: Of the sixty participants tested, we noted one instance in which an employee was not paid for their time worked.

Effect: Employee earned compensation and it was not received.

Cause: The exception was due to an oversight in the payroll data entry process.

Recommendation: We recommend that the report of hours and pay by program in the cost reporting system is compared in total to the payroll register to ensure all information is entered in both systems. In addition, the Health Department should consider how this information could automatically (rather than manually) be interfaced between systems.

Views of Responsible Officials and Planned Corrective Action: The software we use is integrated with an antiquated system from the late 1980's. The hours were entered into the costing program, report was run. However, the employee's hours were inadvertently missed in the payroll system through MSI. A printout will be run as a double check to ensure that all employees are paid for hours worked during that pay period.

The Health Department has recently been in contact with Julie Steinman who is familiar with the outdated software programming and is researching what would work best to integrate with the MSI system. The Health Department should have an answer by the end of FY12 year end, therefore, budgeting for the expense in FY13.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2011

YEAR ENDED NOVEMBER 30, 2010

**FINDING NO. 10-01 - FINANCIAL STATEMENT PREPARATION AND AUDIT
ADJUSTMENTS**

Condition: The County engages CliftonLarsonAllen to assist in preparing its financial statements and accompanying disclosures including any necessary adjustments. However, as independent auditors, CliftonLarsonAllen cannot be considered part of the County's internal control system.

Condition still exists.

FINDING NO. 10-02 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

Condition: There is an inadequate control over the functions of processing and recording financial transactions of the Ford-Iroquois Public Health Department due to an inadequate segregation of duties stemming from limited personnel. In addition, review processes are not adequately documented.

Condition still exists.

FINDING NO. 10-03 - INFORMATION TECHNOLOGY

Condition: We noted several conditions related to IT systems:

- The County is currently using an old accounting system
- User rights are not properly controlled
- Trial balances did not always balance or match the general ledger
- Servers were not kept in secure locations
- Security parameters were not adequate

The County purchased and implemented a new accounting system during the year, which resulted in the conditions being substantially corrected.

FINDING NO. 10-04 - DECENTRALIZED OFFICES

Condition: There is an inadequate control over the functions of processing and recording the financial transactions of the County Clerk, Recorder, and Sheriff's offices due to an inadequate segregation of duties stemming from limited personnel. In addition, adequate review processes are not in place and better control over check stock and signature stamps is needed.

Condition still exists.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2011

FINDING NO. 10-05 - NEGATIVE CASH AND FUND BALANCE

Condition: The Group Insurance Fund has a deficit cash balance of \$228,000 and a deficit fund balance of \$301,000 at fiscal year end.

Condition still exists.

FINDING NO. 10-06 - PROPER CONTROL OVER ELIGIBILITY (WOMEN, INFANTS, AND CHILDREN PROGRAM)

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

No instances of missing signatures were noted in the sample tested during the current audit.

FINDING NO. 10-07 - PROPER CONTROL OVER REPORTING (WOMEN, INFANTS, AND CHILDREN PROGRAM)

Condition: During the course of the audit, we noted the review process of the quarterly report was taking place after the report was filed.

No instances of quarterly reports being filed prior to the review process were noted in the sample tested during the current audit.