

**IROQUOIS COUNTY, ILLINOIS**  
**FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**  
**November 30, 2012**



**CliftonLarsonAllen**

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## Independent Auditors' 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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2013 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 3 - 7 and 46 - 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois County, Illinois' basic financial statements. The combining and individual nonmajor fund 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. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements 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.

*CliftonLarsonAllen LLP*

Champaign, Illinois  
August 30, 2013

## 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, 2012.

### 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 \$64,419,368 (*net assets*). Net assets invested in capital assets (net of depreciation and related debt) accounts for eighty-four percent of this amount (\$54,160,012). Of the total, \$1,555,927 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental net assets decreased by \$871,409 from operations. The business-type net assets decreased by \$143,063.
- Overall governmental activities revenues including transfers were \$13,998,714 which was \$871,409 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### 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, 2012 and 2011 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 16,746,167	\$ 15,641,657	\$ 344,826	\$ 435,674	\$ 17,090,993	\$ 16,077,331
Capital assets	<u>54,160,012</u>	<u>54,838,222</u>	<u>294,485</u>	<u>333,036</u>	<u>54,454,497</u>	<u>55,171,258</u>
Total assets	<u>70,906,179</u>	<u>70,479,879</u>	<u>639,311</u>	<u>768,710</u>	<u>71,545,490</u>	<u>71,248,589</u>
Current liabilities	5,804,885	4,568,733	19,442	5,778	5,824,327	4,574,511
Non-current liabilities	<u>681,926</u>	<u>620,369</u>	-	-	<u>681,926</u>	<u>620,369</u>
Total liabilities	<u>6,486,811</u>	<u>5,189,102</u>	<u>19,442</u>	<u>5,778</u>	<u>6,506,253</u>	<u>5,194,880</u>
Net assets:						
Invested in capital assets	54,160,012	54,838,222	294,485	333,036	54,454,497	55,171,258
Restricted	8,703,429	9,171,015	-	-	8,703,429	9,171,015
Unrestricted	<u>1,555,927</u>	<u>1,281,540</u>	<u>325,384</u>	<u>429,896</u>	<u>1,881,311</u>	<u>1,711,436</u>
Total net assets	<u>\$ 64,419,368</u>	<u>\$ 65,290,777</u>	<u>\$ 619,869</u>	<u>\$ 762,932</u>	<u>\$ 65,039,237</u>	<u>\$ 66,053,709</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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,410,909	\$ 2,982,200	\$ 523,606	\$ 487,825	\$ 2,934,515	\$ 3,470,025
Grants and contributions	2,560,745	1,382,764	-	-	2,560,745	1,382,764
General revenues:						
Property taxes	3,800,811	4,805,561	-	-	3,800,811	4,805,561
Other taxes/intergovernmental	4,139,707	3,813,959	-	-	4,139,707	3,813,959
Other general revenues	<u>771,538</u>	<u>742,374</u>	<u>1,118</u>	<u>156,333</u>	<u>772,656</u>	<u>898,707</u>
Total revenues	<u>13,683,710</u>	<u>13,726,858</u>	<u>524,724</u>	<u>644,158</u>	<u>14,208,434</u>	<u>14,371,016</u>
<b>Program expenses</b>						
General government	3,331,594	3,510,726	-	-	3,331,594	3,510,726
Health and sanitation	2,713,850	2,756,278	-	-	2,713,850	2,756,278
Public safety	3,789,591	3,705,546	-	-	3,789,591	3,705,546
Transportation	4,987,911	4,527,858	-	-	4,987,911	4,527,858
Culture and recreation	23,797	22,956	-	-	23,797	22,956
Interest on long-term debt	1,940	-	-	-	1,940	-
Public assistance	21,440	22,522	-	-	21,440	22,522
Emergency services	-	-	350,060	266,936	350,060	266,936
Farm	-	-	<u>2,723</u>	<u>1,416</u>	<u>2,723</u>	<u>1,416</u>
Total expenses	<u>14,870,123</u>	<u>14,545,886</u>	<u>352,783</u>	<u>268,352</u>	<u>15,222,906</u>	<u>14,814,238</u>
Excess (deficiency) before transfers	(1,186,413)	(819,028)	171,941	375,806	(1,014,472)	(443,222)
Transfers	<u>315,004</u>	<u>348,701</u>	<u>(315,004)</u>	<u>(348,701)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ (871,409)</u>	<u>\$ (470,327)</u>	<u>\$ (143,063)</u>	<u>\$ 27,105</u>	<u>\$ (1,014,472)</u>	<u>\$ (443,222)</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 \$494,737, and charges for services, licenses, permits and fees which were over budget by \$44,351. The actual total revenue was over budgeted revenues by \$557,840. Actual expenditures in public safety exceeded budgeted amounts by \$79,134 while total expenditures were \$43,958 over budget. The General Fund result before other financing sources (uses) was an excess of revenues over expenditures of \$513,882 (includes County Information Systems Fund).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

On November 30, 2012 and 2011, the County had \$105,002,399 and \$102,721,180 invested in capital assets including highway, infrastructure, farm land, equipment, buildings and roads. See Note 6 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 18,600	\$ 18,600	\$ 153,037	\$ 153,037	\$ 171,637	\$ 171,637
Buildings and improvements	8,051,107	8,051,107	-	-	8,051,107	8,051,107
Equipment	1,153,450	1,044,396	1,556,713	1,538,455	2,710,163	2,582,851
Transportation network	92,668,481	90,580,854	-	-	92,668,481	90,580,854
Vehicles	1,401,011	1,334,731	-	-	1,401,011	1,334,731
<b>Totals</b>	<u>\$103,292,649</u>	<u>\$101,029,688</u>	<u>\$ 1,709,750</u>	<u>\$ 1,691,492</u>	<u>\$105,002,399</u>	<u>\$102,721,180</u>

#### Debt

Non-current liabilities reported on the entity-wide statement of net assets represent accumulated compensation due to employees, note payable – Health Department, and net pension obligation. See Note 7 for more detailed information about the County's general long-term debt.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In 2012 the County was again able to go the entire year without borrowing from the bank. In addition, the County was able to end the year with an additional \$96,929 in General Fund cash compared with November 30, 2011, and not only erased the health insurance fund deficit from prior years, but ended the year with \$180,989 in the fund, a three month reserve. 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 continue to be generous and the Board appreciates this. As we look to FY2013, the County will continue to focus on financial stability as well as invest in infrastructure projects which were deferred during the last several years of financial stress.

### 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 DIRECTOR ANITA SPECKMAN at 1001 EAST GRANT STREET, WATSEKA, ILLINOIS 60970.**

**IROQUOIS COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
November 30, 2012

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 9,001,465	\$ 127,665	\$ 9,129,130
Investments	1,517,817	150,340	1,668,157
Accrued interest	1,001	-	1,001
Receivables, net:			
Accounts	77,790	66,821	144,611
Taxes	4,475,968	-	4,475,968
Other	2,788	-	2,788
Due from other governmental agencies	1,515,231	-	1,515,231
Loans	126,613	-	126,613
Prepaid expenses	27,494	-	27,494
Capital assets not being depreciated:			
Land	18,600	153,037	171,637
Vehicle	17,500	-	17,500
Capital assets depreciated:			
Vehicles	1,383,511	-	1,383,511
Buildings and improvements	8,051,107	-	8,051,107
Equipment	1,153,450	1,556,713	2,710,163
Transportation network	92,668,481	-	92,668,481
Less accumulated depreciation	(49,132,637)	(1,415,265)	(50,547,902)
<b>TOTAL ASSETS</b>	<b>\$ 70,906,179</b>	<b>\$ 639,311</b>	<b>\$ 71,545,490</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 858,181	\$ 19,442	\$ 877,623
Deferred revenue	4,941,875	-	4,941,875
Current portion of long-term debt	4,829	-	4,829
Noncurrent liabilities:			
Due in more than one year	681,926	-	681,926
<b>Total liabilities</b>	<b>6,486,811</b>	<b>19,442</b>	<b>6,506,253</b>
<b>NET ASSETS</b>			
Invested in capital assets	54,160,012	294,485	54,454,497
Restricted for:			
Retirement	1,721,858	-	1,721,858
General and administrative	258,706	-	258,706
Health and sanitation	1,345,378	-	1,345,378
Public safety	467,563	-	467,563
Transportation and highway	3,797,582	-	3,797,582
Culture and recreation	12	-	12
Public assistance	597,589	-	597,589
Capital projects	514,741	-	514,741
Unrestricted	1,555,927	325,384	1,881,311
<b>Total net assets</b>	<b>64,419,368</b>	<b>619,869</b>	<b>65,039,237</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 70,906,179</b>	<b>\$ 639,311</b>	<b>\$ 71,545,490</b>

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

**IROQUOIS COUNTY, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
Year Ended November 30, 2012

	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
<b>PROGRAMS</b>							
<b>Governmental Activities:</b>							
General government	\$ (3,331,594)	\$ 1,279,701	\$ -	\$ -	\$ (2,051,893)	\$ -	\$ (2,051,893)
Health and sanitation	(2,713,850)	634,502	1,112,660	-	(966,688)	-	(966,688)
Justice and public safety	(3,789,591)	322,368	23,484	6,141	(3,437,598)	-	(3,437,598)
Transportation and highway	(4,987,911)	174,338	-	1,418,460	(3,395,113)	-	(3,395,113)
Culture and recreation	(23,797)	-	-	-	(23,797)	-	(23,797)
Public assistance	(21,440)	-	-	-	(21,440)	-	(21,440)
Interest on long-term debt	(1,940)	-	-	-	(1,940)	-	(1,940)
Total governmental activities	<u>(14,870,123)</u>	<u>2,410,909</u>	<u>1,136,144</u>	<u>1,424,601</u>	<u>(9,898,469)</u>	<u>-</u>	<u>(9,898,469)</u>
<b>Business-Type Activities:</b>							
911 Emergency Service Board	(350,060)	417,775	-	-	-	67,715	67,715
County farm	(2,723)	105,831	-	-	-	103,108	103,108
Total business-type activities	<u>(352,783)</u>	<u>523,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,823</u>	<u>170,823</u>
<b>TOTAL</b>	<u>\$ (15,222,906)</u>	<u>\$ 2,934,515</u>	<u>\$ 1,136,144</u>	<u>\$ 1,424,601</u>	<u>(9,898,469)</u>	<u>170,823</u>	<u>(9,727,646)</u>

General revenues:			
Property taxes	\$ 3,800,811	\$ -	\$ 3,800,811
Income taxes	935,773	-	935,773
Sales taxes	979,843	-	979,843
Replacement taxes	191,935	-	191,935
Intergovernmental revenues	2,032,156	-	2,032,156
Interest	33,167	1,118	34,285
Miscellaneous	749,092	-	749,092
Loss on disposal of capital assets	(10,721)	-	(10,721)
Transfers	<u>315,004</u>	<u>(315,004)</u>	<u>-</u>
Total general revenues and transfers	<u>9,027,060</u>	<u>(313,886)</u>	<u>8,713,174</u>
Change in net assets	(871,409)	(143,063)	(1,014,472)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>65,290,777</u>	<u>762,932</u>	<u>66,053,709</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 64,419,368</u>	<u>\$ 619,869</u>	<u>\$ 65,039,237</u>

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

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

	<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>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 925,343	\$ 706,731	\$ 1,825,359	\$ 975,993	\$ 484,377	\$ 3,375,035	\$ 8,292,838
Investments	-	1,015,454	-	-	346,681	155,682	1,517,817
Accrued interest	-	-	-	-	1,001	-	1,001
Receivables (net of estimated uncollectible amounts)							
Accounts	-	-	-	-	77,790	-	77,790
Property taxes	1,192,725	-	1,900,708	441,750	-	475,285	4,010,468
Other	2,788	-	-	-	-	-	2,788
Intergovernmental	545,227	45,036	-	-	924,968	-	1,515,231
Loans	-	-	-	-	-	126,613	126,613
Prepaid expenses	-	-	-	-	27,494	-	27,494
Due from other funds	9,765	-	8,492	-	-	-	18,257
<b>TOTAL ASSETS</b>	<u>\$ 2,675,848</u>	<u>\$ 1,767,221</u>	<u>\$ 3,734,559</u>	<u>\$ 1,417,743</u>	<u>\$ 1,862,311</u>	<u>\$ 4,132,615</u>	<u>\$ 15,590,297</u>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 123,327	\$ 67,540	\$ 111,993	\$ 18,589	\$ 25,439	\$ 501,881	\$ 848,769
Due to other funds	-	-	-	22,593	-	667	23,260
Deferred revenue	1,497,725	-	1,900,708	441,750	464,000	475,285	4,779,468
Total liabilities	<u>1,621,052</u>	<u>67,540</u>	<u>2,012,701</u>	<u>482,932</u>	<u>489,439</u>	<u>977,833</u>	<u>5,651,497</u>
<b>FUND BALANCE</b>							
<b>Nonspendable</b>	-	-	-	-	27,494	-	27,494
<b>Restricted:</b>							
Retirement	-	-	1,721,858	-	-	-	1,721,858
General and administrative	-	-	-	-	-	258,706	258,706
Health and sanitation	-	-	-	-	1,345,378	-	1,345,378
Justice and public safety	-	-	-	-	-	467,563	467,563
Transportation and highway	-	1,699,681	-	934,811	-	1,163,090	3,797,582
Culture and recreation	-	-	-	-	-	12	12
Public assistance	-	-	-	-	-	597,589	597,589
Capital projects	-	-	-	-	-	254,064	254,064
<b>Committed:</b>							
Capital projects	-	-	-	-	-	260,677	260,677
<b>Assigned:</b>							
General and administrative	-	-	-	-	-	21,702	21,702
Public safety	-	-	-	-	-	132,713	132,713
<b>Unassigned</b>	1,054,796	-	-	-	-	(1,334)	1,053,462
Total fund balance	<u>1,054,796</u>	<u>1,699,681</u>	<u>1,721,858</u>	<u>934,811</u>	<u>1,372,872</u>	<u>3,154,782</u>	<u>9,938,800</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 2,675,848</u>	<u>\$ 1,767,221</u>	<u>\$ 3,734,559</u>	<u>\$ 1,417,743</u>	<u>\$ 1,862,311</u>	<u>\$ 4,132,615</u>	<u>\$ 15,590,297</u>

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, 2012**

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

Fund balances-total governmental funds	\$	9,938,800
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		54,160,012
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.		305,000
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.		702,311
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>(686,755)</u>
<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>64,419,368</u></b>

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, 2012**

	<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>
<b>REVENUES</b>							
Property taxes	\$ 1,192,589	\$ -	\$ 937,099	\$ 441,694	\$ 474,395	\$ 473,896	\$ 3,519,673
Charges for services	657,607	-	-	174,338	634,502	-	1,466,447
Licenses, permits and fees	144,693	-	-	-	-	-	144,693
Fines, fees and forfeits	454,484	-	-	-	-	345,285	799,769
Intergovernmental	2,520,310	856,108	-	180,790	1,112,660	539,124	5,208,992
Interest	2,632	9,664	3,817	2,021	3,577	10,372	32,083
Miscellaneous	32,461	-	-	42,423	384,256	260,482	719,622
<b>Total revenues</b>	<b>5,004,776</b>	<b>865,772</b>	<b>940,916</b>	<b>841,266</b>	<b>2,609,390</b>	<b>1,629,159</b>	<b>11,891,279</b>
<b>EXPENDITURES</b>							
General government	1,226,680	-	1,168,234	-	-	94,467	2,489,381
Health and sanitation	-	-	-	-	2,675,431	7,874	2,683,305
Justice and public safety	3,203,792	-	-	-	-	495,448	3,699,240
Transportation and highway	-	1,275,318	-	65,127	-	829,174	2,169,619
Culture and recreation	-	-	-	-	-	22,333	22,333
Public assistance	-	-	-	-	-	21,440	21,440
Capital outlay	47,262	-	-	824,859	4,506	38,522	915,149
Other	610,685	-	-	-	-	-	610,685
Debt service:							
Principal	-	-	-	-	62,059	-	62,059
Interest	-	-	-	-	1,940	-	1,940
<b>Total expenditures</b>	<b>5,088,419</b>	<b>1,275,318</b>	<b>1,168,234</b>	<b>889,986</b>	<b>2,743,936</b>	<b>1,509,258</b>	<b>12,675,151</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(83,643)</b>	<b>(409,546)</b>	<b>(227,318)</b>	<b>(48,720)</b>	<b>(134,546)</b>	<b>119,901</b>	<b>(783,872)</b>

	<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>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt proceeds	\$ -	\$ -	\$ -	\$ -	\$ 95,430	\$ -	\$ 95,430
Operating transfers in	204,691	-	39,560	5,858	-	288,805	538,914
Operating transfers out	(131,666)	(5,858)	-	(10,000)	-	(84,536)	(232,060)
Total other financing sources (uses)	<u>73,025</u>	<u>(5,858)</u>	<u>39,560</u>	<u>(4,142)</u>	<u>95,430</u>	<u>204,269</u>	<u>402,284</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(10,618)	(415,404)	(187,758)	(52,862)	(39,116)	324,170	(381,588)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<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>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,054,796</u>	<u>\$ 1,699,681</u>	<u>\$ 1,721,858</u>	<u>\$ 934,811</u>	<u>\$ 1,372,872</u>	<u>\$ 3,154,782</u>	<u>\$ 9,938,800</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, 2012**

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

Net change in fund balances - total governmental funds	\$	(381,588)
<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>		
		73,000
<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	\$ 2,287,758	
Loss on disposal of assets	(10,721)	
Depreciation expense	<u>(2,955,247)</u>	(678,210)
<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>		
Proceeds from note payable	(95,430)	
Principal repayments	62,059	
Increase in compensated absences	(45,577)	
Decrease in net pension obligation	<u>12,562</u>	(66,386)
<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>181,775</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>(871,409)</u></b>

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

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

	<u>Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 127,665	\$ 708,627
Investments	150,340	-
Receivables, net		
Accounts	66,821	-
Property taxes	-	465,500
Due from other funds	-	5,003
	<hr/>	<hr/>
Total current assets	344,826	1,179,130
	<hr/>	<hr/>
<b>NONCURRENT ASSETS</b>		
Land	153,037	-
Equipment	1,556,713	-
Less accumulated depreciation	(1,415,265)	-
	<hr/>	<hr/>
Total noncurrent assets	294,485	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 639,311</u>	<u>\$ 1,179,130</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 19,442	\$ 9,412
Deferred revenue	-	467,407
	<hr/>	<hr/>
Total liabilities	19,442	476,819
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Invested in capital assets	294,485	-
Unrestricted	325,384	702,311
	<hr/>	<hr/>
Total net assets	619,869	702,311
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 639,311</u>	<u>\$ 1,179,130</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, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ -	\$ 871,384
Fees	417,775	-
Rental income	105,831	-
Miscellaneous	-	29,470
	<hr/>	<hr/>
Total operating revenues	523,606	900,854
<b>OPERATING EXPENSES</b>		
General and administrative	-	1,009,451
Public safety	327,202	-
Capital outlay	22,858	-
Farm	2,723	-
	<hr/>	<hr/>
Total operating expenses	352,783	1,009,451
Operating income (loss)	<hr/>	<hr/>
	170,823	(108,597)
<b>NON-OPERATING REVENUES</b>		
Taxes	-	281,138
Interest	1,118	1,084
	<hr/>	<hr/>
Total non-operating revenues	1,118	282,222
Net income before transfers	<hr/>	<hr/>
	171,941	173,625
<b>OPERATING TRANSFERS</b>		
Operating transfers in	-	8,150
Operating transfers out	(315,004)	-
	<hr/>	<hr/>
Total operating transfers	(315,004)	8,150
<b>CHANGE IN NET ASSETS</b>	(143,063)	181,775
<b>NET ASSETS, BEGINNING OF YEAR</b>	<hr/>	<hr/>
	762,932	520,536
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 619,869</u>	<u>\$ 702,311</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, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers/interfund users	\$ 421,121	\$ 902,761
Cash received for rent	105,831	-
Cash paid to suppliers and for claims	(170,096)	(1,000,263)
Cash paid to employees	(103,194)	-
Internal activity - payments from other funds	-	(56,959)
	<u>253,662</u>	<u>(154,461)</u>
Net cash provided by (used in) operating activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property tax receipts	-	281,138
Cash transfers from (to) other funds	(315,004)	8,150
	<u>(315,004)</u>	<u>289,288</u>
Net cash provided by (used in) noncapital financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of assets	(18,258)	-
Interest payments received	1,308	1,084
	<u>(16,950)</u>	<u>1,084</u>
Net cash provided by (used in) investing activities		
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(78,292)</b>	<b>135,911</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>205,957</b>	<b>572,716</b>
<b>CASH, END OF YEAR</b>	<b>\$ 127,665</b>	<b>\$ 708,627</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 170,823	\$ (108,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	56,809	-
Effects of changes in operating assets and liabilities:		
Receivables	3,346	(197,600)
Prepaid expense	9,020	-
Accounts payable and accrued expenses	13,664	9,188
Due from other funds	-	(56,959)
Deferred revenue	-	199,507
	<u>253,662</u>	<u>(154,461)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 253,662</b>	<b>\$ (154,461)</b>

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

**IROQUOIS COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**November 30, 2012**

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Cash	\$ 3,661,876	\$ 2,392,954	\$ 6,054,830
Investments	6,251,518	189,829	6,441,347
Property taxes receivable	-	1,093,735	1,093,735
Inventory	-	12,739	12,739
Due from other governments	<u>182,023</u>	<u>-</u>	<u>182,023</u>
 Total assets	 <u>10,095,417</u>	 <u>3,689,257</u>	 <u>13,784,674</u>
 Accounts payable	 48,167	 -	 48,167
Deferred property taxes	-	1,093,735	1,093,735
Amounts held in trust and available for distribution to others	 <u>-</u>	 <u>2,595,522</u>	 <u>2,595,522</u>
 Total liabilities	 <u>48,167</u>	 <u>3,689,257</u>	 <u>3,737,424</u>
 <b>NET ASSETS</b>			
<b>RESTRICTED FOR OTHER PURPOSES</b>	<u>\$ 10,047,250</u>	<u>\$ -</u>	<u>\$ 10,047,250</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, 2012**

	<u>Private Purpose Trust Fund</u>
<b>ADDITIONS:</b>	
Intergovernmental	\$ 3,920,986
Interest	<u>18,849</u>
Total additions	<u>3,939,835</u>
 <b>DEDUCTIONS:</b>	
Transportation	<u>3,658,347</u>
<b>CHANGE IN NET ASSETS</b>	281,488
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>9,765,762</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 10,047,250</u></u>

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

**IROQUOIS COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2012**

**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 are 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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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 life cycle of the capital asset. No impairment losses were recognized in the year ended November 30, 2012.

**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, 2012**

**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**

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

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

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

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

**Assigned** – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or 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.

**IROQUOIS COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2012**

**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, 2012**

**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 \$23,293,464, and the bank balances totaled \$23,006,818. Included in the carrying amount of the County's bank deposits and the bank balances are certificates of deposits totaling \$8,109,504, respectively. The County's bank deposits were fully insured or collateralized as of November 30, 2012.

**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 2013.

**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, 2012**

**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, 2012 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b>General Fund</b>	\$ 9,765	\$ -
<b>Retirement Fund</b>	8,492	-
<b>County Highway Fund</b>	-	22,593
<b>Non-Major Fund</b>		
Arrestees Medical Costs	-	667
<b>Internal Service Fund</b>		
Unemployment Compensation	4,628	-
Group Insurance	375	-
<b>TOTAL</b>	<u>\$ 23,260</u>	<u>\$ 23,260</u>

**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**NOTE 4 - INTERFUND ACTIVITY (CONTINUED)**

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

Interfund transfers for the year ended November 30, 2012 consisted of the following:

<b>Transfers to General Fund from:</b>	
Non-major governmental funds	<u>\$ 44,691</u>
<b>Transfers to General Fund from:</b>	
Non-major enterprise funds	<u>\$ 150,000</u>
<b>Transfers to Non-major Governmental Funds from:</b>	
General fund	<u>\$ 131,666</u>
<b>Transfers to General Fund from:</b>	
County Highway	<u>\$ 10,000</u>
<b>Transfers to County Highway – Major Governmental Fund from:</b>	
County Motor Fuel Tax – Major governmental fund	<u>\$ 5,858</u>
<b>Transfers to Retirement Fund from:</b>	
Non-major governmental funds	<u>\$ 19,428</u>
<b>Transfers to Retirement Fund from:</b>	
Non-major enterprise funds	<u>\$ 20,132</u>
<b>Transfers to Non-major Governmental Funds from:</b>	
Non-major governmental funds	<u>\$ 13,500</u>
<b>Transfers to Non-major Governmental Funds from:</b>	
Non-major enterprise funds	<u>\$ 143,639</u>
<b>Transfers to Internal Service Funds from:</b>	
Non-major enterprise funds	\$ 1,233
Non-major governmental funds	<u>6,917</u>
Total	<u>\$ 8,150</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, 2012**

**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:

	<b>Balance November 30, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance November 30, 2012</b>
Katherine Blunk	\$ 74,276	\$ -	\$ -	\$ 74,276
The Gathering	<u>62,675</u>	<u>-</u>	<u>10,338</u>	<u>52,337</u>
<b>Total</b>	<u>\$ 136,951</u>	<u>\$ -</u>	<u>\$ 10,338</u>	<u>\$ 126,613</u>

The description of the loans and the annual expected proceeds as of November 30, 2012, is as follows:

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

<b><u>Year Ending November 30</u></b>	<b>Katherine Blunk</b>		<b>The Gathering</b>		<b>Total Principal</b>	<b>Total Interest</b>
	<b><u>November 30, 2013</u></b>	<b><u>November 30, 2013</u></b>	<b><u>April 1, 2016</u></b>	<b><u>April 1, 2016</u></b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>		
2013	\$ 74,276	\$ 9,096	\$ 8,738	\$ 2,062	\$ 83,014	\$ 11,158
2014	-	-	9,094	1,706	9,094	1,706
2015	-	-	9,420	1,380	9,420	1,380
2016	<u>-</u>	<u>-</u>	<u>25,085</u>	<u>547</u>	<u>25,085</u>	<u>547</u>
<b>Total</b>	<u>\$ 74,276</u>	<u>\$ 9,096</u>	<u>\$ 52,337</u>	<u>\$ 5,695</u>	<u>\$ 126,613</u>	<u>\$ 14,791</u>

**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ending November 30, 2012, was as follows:

**Primary government:  
Governmental activities**

	<b>Balance November 30, <u>2011</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance November 30, <u>2012</u></b>
Transportation network	\$ 90,580,854	\$ 2,096,924	\$ (9,297)	\$ 92,668,481
Buildings and improvements	8,051,107	-	-	8,051,107
Equipment	1,044,396	124,554	(15,500)	1,153,450
Vehicles	<u>1,317,231</u>	<u>66,280</u>	<u>-</u>	<u>1,383,511</u>
Capital assets depreciated	100,993,588	2,287,758	(24,797)	103,256,549
Less accumulated depreciation	(46,191,466)	(2,955,247)	14,076	(49,132,637)
Vehicle	17,500	-	-	17,500
Land	<u>18,600</u>	<u>-</u>	<u>-</u>	<u>18,600</u>
<b>Total</b>	<b><u>\$ 54,838,222</u></b>	<b><u>\$ (667,489)</u></b>	<b><u>\$ (10,721)</u></b>	<b><u>\$ 54,160,012</u></b>

**Business-Type activities:  
911 Emergency Service Board**

	<b>Balance November 30, <u>2011</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance November 30, <u>2012</u></b>
Equipment	\$ 1,538,455	\$ 18,258	\$ -	\$ 1,556,713
Less accumulated depreciation	<u>(1,358,456)</u>	<u>(56,809)</u>	<u>-</u>	<u>(1,415,265)</u>
<b>Total</b>	<b><u>\$ 179,999</u></b>	<b><u>\$ (38,551)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 141,448</u></b>

**County Farm**

Land	<u>\$ 153,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,037</u>
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Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 89,747
Public safety	156,631
Transportation and highway	2,683,257
Culture and recreation	1,464
Health and sanitation	<u>24,148</u>

**Total depreciation – governmental activities** **\$2,955,247**

Business-type activities:

911 Emergency Service Board	<u>\$ 56,809</u>
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**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**NOTE 7 - GENERAL LONG-TERM DEBT**

As of November 30, 2012, the Ford-Iroquois Public Health Department had a note payable to Sumner National Bank of Sheldon. The note requires monthly payments of principal and interest beginning December 15, 2011, through March 1, 2019, secured by a certificate of deposit held at the bank. The interest rate is 3.75%.

Principal maturities on the note payable are as follows:

<u>Year Ending</u>	<u>Principal</u>
2013	\$ 4,829
2014	5,013
2015	5,205
2016	5,401
2017	5,609
2018-2019	<u>7,314</u>
<b>Total</b>	<b><u>\$ 33,371</u></b>

Changes in long-term debt for the year ended November 30, 2012 are as follows:

	<u>Balance November 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>	<u>Due In One Year</u>
Compensated absences	\$ 444,763	\$ 455,428	\$ 409,851	\$ 490,340	\$ -
Note payable – Health Department	-	95,430	62,059	33,371	4,829
Net pension obligation	<u>175,606</u>	<u>78,386</u>	<u>90,948</u>	<u>163,044</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 620,369</u></b>	<b><u>\$ 629,244</u></b>	<b><u>\$ 562,858</u></b>	<b><u>\$ 686,755</u></b>	<b><u>\$ 4,829</u></b>

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

See Note 9 for additional information on the net pension obligation.

**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**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	September 30, 2011 to September 30, 2013 (automatic renewals thereafter)
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 \$105,831 for the year ended November 30, 2012. The rent is recorded in the County Farm Propriety Fund.

**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**NOTE 9 - PENSION PLANS**

The most recent information available is for the year ended December 31, 2011.

**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](http://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 annual required contribution rate for calendar year 2011 was 10.97 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.* The required contribution for calendar year 2011 was \$344,345.

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/11	\$ 344,345	100%	\$ -
12/31/10	356,184	95%	62,469
12/31/09	259,805	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 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's regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

**IROQUOIS COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2012**

**NOTE 9 - PENSION PLANS (CONTINUED)**

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

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 79.77 percent funded. The actuarial accrued liability for benefits was \$8,911,023 and the actuarial value of assets was \$7,108,310, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,802,713. The covered payroll (annual payroll of active employees covered by the plan) was \$3,138,973 and the ratio of the UAAL to the covered payroll was 57 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](http://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 annual required contribution rate for calendar year 2011 was 18.59 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.* The required contribution for calendar year 2011 was \$135,513.

**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**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**

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
12/31/11	\$ 135,513	100%	\$ -
12/31/10	168,536	100%	-
12/31/09	150,156	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 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, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 53.16 percent funded. The actuarial accrued liability for benefits was \$2,813,997 and the actuarial value of assets was \$1,495,786, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,318,211. The covered payroll (annual payroll of active employees covered by the plan) was \$728,955 and the ratio of the UAAL to the covered payroll was 181 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, 2012**

**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](http://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 2011 was 0.00 percent of annual covered payroll. The County's annual required contribution rate for calendar year 2011 was 151.43 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, 2011, the County's actual contributions for pension cost were \$-0-. Its required contribution for calendar year 2011 was \$-0-.

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

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
12/31/11	\$ -	0%	\$ -
12/31/10	122,071	110%	-
12/31/09	122,071	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 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, 2009 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, 2012**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**DEFINED BENEFIT PENSION PLAN - ELECTED COUNTY OFFICIALS (Continued)**

*Funded Status and Funding Progress.* As of December 31, 2011, 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 \$(2,227,910), resulting in an underfunded actuarial accrued liability (UAAL) of \$2,227,910. The covered payroll (annual payroll of active employees covered by the plan) was \$-0- and the ratio of the UAAL to the covered payroll was 0 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](http://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 2011 was 9.31 percent of annual covered payroll. The Health Department's annual required contribution rate for calendar year 2011 was 14.84 percent. 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, 2011, the County's actual contributions for pension costs were \$132,908. Its required contribution for calendar year 2011 was \$211,853.

**IROQUOIS COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2012**

**NOTE 9 - PENSION PLANS (CONTINUED)**

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

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
12/31/11	\$ 211,853	63%	\$ 78,386
12/31/10	184,907	88%	22,189
12/31/09	67,640	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 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, 2009 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, 2011, the most recent actuarial valuation date, the regular plan was 66.73 percent funded. The actuarial accrued liability for benefits was \$3,102,035 and the actuarial value of assets was \$2,070,040, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,031,995. The covered payroll (annual payroll of active employees covered by the plan) was \$1,427,582 and the ratio of the UAAL to the covered payroll was 72 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, 2012**

**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, 2012: General, Unemployment Compensation, County Farm, Public Safety, Arrestee's Medical Costs, Drug Abuse, Court Security, Coroner Automation, County Clerk Automation, Electronic Voting System, Grant Fund, Trust, Sale in Error, Tax Redemption, County Redemptions, Township Bridge, Township Motor Fuel, and Historical Documents.

**Deficit Fund Balance**

The following individual fund had deficit net assets as of November 30, 2012:

Arrestees Medical Costs Fund – Nonmajor Special Revenue Fund      \$1,334

**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, 2012**

**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 \$4,865,000 as of the Hospital's fiscal year ended September 30, 2011.

**NOTE 15 - SUBSEQUENT EVENTS**

Events or transactions occurring after November 30, 2012, but prior to August 30, 2013 that provided additional evidence about conditions that existed at November 30, 2012, have been recognized in the financial statements for the year ended November 30, 2012. Events or transactions that provided evidence about conditions that did not exist at November 30, 2012 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended November 30, 2012.

**NOTE 16 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)  
STATEMENTS**

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

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

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

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

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

**IROQUOIS COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**November 30, 2012**

**NOTE 16 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)  
STATEMENTS (CONTINUED)**

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

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

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

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

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

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

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

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

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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget  Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,150,000	\$ 1,150,000	\$ 1,192,589	\$ 42,589
Intergovernmental	2,068,162	2,068,162	2,520,310	452,148
Licenses, permits and fees	117,050	117,050	144,693	27,643
Charges for services	640,899	640,899	657,607	16,708
Interest	6,500	6,500	2,632	(3,868)
Fines, fees and forfeits	444,350	444,350	454,484	10,134
Miscellaneous	19,975	19,975	32,461	12,486
	<u>4,446,936</u>	<u>4,446,936</u>	<u>5,004,776</u>	<u>557,840</u>
<b>EXPENDITURES</b>				
General and Administrative:				
County Board	95,810	95,810	94,165	1,645
Board of Review	13,100	13,100	8,854	4,246
County Treasurer	104,681	115,481	116,109	(628)
Data Processing	151,710	211,210	214,888	(3,678)
Elections	186,127	186,127	181,215	4,912
Zoning and Planning	104,050	104,050	93,989	10,061
Superintendent of Schools	83,057	83,057	83,057	-
County Clerk	152,415	152,415	153,699	(1,284)
Other Public and County Services	400	400	434	(34)
Other County Offices	11,533	11,533	13,945	(2,412)
Assessment Offices	217,690	217,690	216,168	1,522
Postage for County Offices	52,000	52,000	50,157	1,843
	<u>1,172,573</u>	<u>1,242,873</u>	<u>1,226,680</u>	<u>16,193</u>
Justice and Public Safety:				
Sheriff	1,408,300	1,428,300	1,504,515	(76,215)
Coroner	71,598	87,962	88,822	(860)
Animal Control	63,940	72,440	67,258	5,182
Emergency Services Disaster Agency	25,000	25,000	14,935	10,065
Circuit Clerk	133,000	233,000	218,344	14,656
Public Defender	75,000	75,000	75,577	(577)
Courts and Administration of Justice	116,373	121,373	117,299	4,074
States Attorney	315,713	315,713	314,719	994
Courthouse and Jail	348,357	376,826	400,369	(23,543)
Probation Office	342,177	342,177	353,324	(11,147)
Jurors	35,200	46,867	48,630	(1,763)
	<u>2,934,658</u>	<u>3,124,658</u>	<u>3,203,792</u>	<u>(79,134)</u>
Other	<u>675,930</u>	<u>627,930</u>	<u>610,685</u>	<u>17,245</u>
Capital outlay	<u>25,000</u>	<u>49,000</u>	<u>47,262</u>	<u>1,738</u>
Total expenditures	<u>4,808,161</u>	<u>5,044,461</u>	<u>5,088,419</u>	<u>(43,958)</u>
Excess (deficiency) of revenues over expenditures	<u>(361,225)</u>	<u>(597,525)</u>	<u>(83,643)</u>	<u>513,882</u>

**IROQUOIS COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended November 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 493,752	\$ 493,752	\$ 204,691	\$ (289,061)
Operating transfers out	<u>(131,666)</u>	<u>(131,666)</u>	<u>(131,666)</u>	<u>-</u>
Total other financing sources (uses)	<u>362,086</u>	<u>362,086</u>	<u>73,025</u>	<u>(289,061)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 861</u>	<u>\$ (235,439)</u>	(10,618)	<u>\$ 224,821</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,065,414</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,054,796</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 650,000	\$ 650,000	\$ 856,108	\$ 206,108
Interest	<u>50,000</u>	<u>50,000</u>	<u>9,664</u>	<u>(40,336)</u>
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>865,772</u>	<u>165,772</u>
<b>EXPENDITURES</b>				
Transportation	<u>1,553,775</u>	<u>1,553,775</u>	<u>1,275,318</u>	<u>278,457</u>
Excess (deficiency) of revenues over expenditures	(853,775)	(853,775)	(409,546)	444,229
<b>OTHER FINANCING USES</b>				
Operating transfers out	<u>(21,000)</u>	<u>(21,000)</u>	<u>(5,858)</u>	<u>15,142</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (874,775)</u>	<u>\$ (874,775)</u>	(415,404)	<u>\$ 459,371</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>2,115,085</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,699,681</u>	

**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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,650,000	\$ 1,650,000	\$ 937,099	\$ (712,901)
Interest	<u>2,000</u>	<u>2,000</u>	<u>3,817</u>	<u>1,817</u>
Total revenues	<u>1,652,000</u>	<u>1,652,000</u>	<u>940,916</u>	<u>(711,084)</u>
<b>EXPENDITURES</b>				
General Government:				
Retirement contributions	<u>1,098,800</u>	<u>1,258,800</u>	<u>1,168,234</u>	<u>90,566</u>
Excess (deficiency) of revenues over expenditures	553,200	393,200	(227,318)	(620,518)
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	<u>85,000</u>	<u>85,000</u>	<u>39,560</u>	<u>(45,440)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ 638,200</u>	<u>\$ 478,200</u>	(187,758)	<u>\$ (665,958)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,909,616</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,721,858</u>	

**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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Property taxes	\$ 420,000	\$ 420,000	\$ 441,694	\$ 21,694
Charges for services	172,000	172,000	174,338	2,338
Intergovernmental	160,000	160,000	180,790	20,790
Interest income	2,000	2,000	2,021	21
Miscellaneous	<u>29,000</u>	<u>29,000</u>	<u>42,423</u>	<u>13,423</u>
Total revenues	<u>783,000</u>	<u>783,000</u>	<u>841,266</u>	<u>58,266</u>
<b>EXPENDITURES</b>				
Transportation and highway	<u>1,001,000</u>	<u>1,001,000</u>	<u>889,986</u>	<u>111,014</u>
Excess (deficiency) of revenues over expenditures	<u>(218,000)</u>	<u>(218,000)</u>	<u>(48,720)</u>	<u>169,280</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	5,858	5,858
Operating transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(4,142)</u>	<u>5,858</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (228,000)</u>	<u>\$ (228,000)</u>	<u>(52,862)</u>	<u>\$ 175,138</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>987,673</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 934,811</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Property taxes	\$ 464,599	\$ 464,599	\$ 474,395	\$ 9,796
Charges for services	720,000	678,000	634,502	(43,498)
Intergovernmental	1,174,000	1,177,750	1,112,660	(65,090)
Interest	7,000	1,600	3,577	1,977
Miscellaneous	<u>392,036</u>	<u>408,046</u>	<u>384,256</u>	<u>(23,790)</u>
Total revenues	<u>2,757,635</u>	<u>2,729,995</u>	<u>2,609,390</u>	<u>(120,605)</u>
<b>EXPENDITURES</b>				
Health and sanitation	2,876,236	2,754,585	2,739,430	15,155
Capital outlay	<u>48,000</u>	<u>102,000</u>	<u>4,506</u>	<u>97,494</u>
Total expenditures	<u>2,924,236</u>	<u>2,856,585</u>	<u>2,743,936</u>	<u>112,649</u>
Deficiency of revenues over expenditures	(166,601)	(126,590)	(134,546)	(7,956)
<b>OTHER FINANCING SOURCES</b>				
Debt proceeds	<u>-</u>	<u>-</u>	<u>95,430</u>	<u>95,430</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ (166,601)</u>	<u>\$ (126,590)</u>	(39,116)	<u>\$ 87,474</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,411,988</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,372,872</u>	

**IROQUOIS COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS  
Year Ended November 30, 2012**

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ 7,108,310	\$ 8,911,023	\$ 1,802,713	79.77%	\$ 3,138,973	57.43%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$6,718,633. On a market value basis, the funded ratio would be 75.40%.

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ 1,495,786	\$ 2,813,997	\$ 1,318,211	53.16%	\$ 728,955	180.84%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,325,380. On a market basis, the funded ratio would be 47.10%.

**IROQUOIS COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS  
Year Ended November 30, 2012**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
ELECTED COUNTY OFFICIALS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ (2,227,910)	\$ -	\$ 2,227,910	0.00%	\$ -	0.00%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$(2,296,572). On a market basis, the funded ratio would be 0.00%.

**ILLINOIS MUNICIPAL RETIREMENT FUND  
PUBLIC HEALTH DEPARTMENT**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ 2,070,040	\$ 3,102,035	\$ 1,031,995	66.73%	\$ 1,427,582	72.29%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,872,188. On a market basis, the funded ratio would be 60.35%.

**IROQUOIS COUNTY, ILLINOIS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**November 30, 2012**

**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, 2012: General, Unemployment Compensation, County Farm, Public Safety, Arrestee's Medical Costs, Drug Abuse, Court Security, Coroner Automation, County Clerk Automation, Electronic Voting System, Grant Fund, Trust, Sale in Error, Tax Redemption, County Redemptions, Township Bridge, Township Motor Fuel, and Historical Documents.

**OTHER SUPPLEMENTARY INFORMATION**

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

	<b>General Account</b>	<b>County Information Systems</b>	<b>Total General Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 911,427	\$ 13,916	\$ 925,343
Receivables (net of estimated uncollectible amounts)			
Property taxes	1,192,725	-	1,192,725
Other	2,788	-	2,788
Intergovernmental	545,227	-	545,227
Due from other funds	9,765	-	9,765
<b>TOTAL ASSETS</b>	<b>\$ 2,661,932</b>	<b>\$ 13,916</b>	<b>\$ 2,675,848</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 123,327	\$ -	\$ 123,327
Deferred revenue	1,497,725	-	1,497,725
Total liabilities	1,621,052	-	1,621,052
<b>FUND BALANCE</b>			
Unassigned	1,040,880	13,916	1,054,796
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,661,932</b>	<b>\$ 13,916</b>	<b>\$ 2,675,848</b>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**Year Ended November 30, 2012**

	<u>General Account</u>	<u>County Information Systems</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Property taxes	\$ 1,192,589	\$ -	\$ 1,192,589
Charges for services	657,607	-	657,607
Licenses, permits and fees	144,693	-	144,693
Fines, fees and forfeits	454,484	-	454,484
Intergovernmental	2,520,310	-	2,520,310
Interest	2,601	31	2,632
Miscellaneous	31,637	824	32,461
	<u>5,003,921</u>	<u>855</u>	<u>5,004,776</u>
<b>EXPENDITURES</b>			
General government	1,226,680	-	1,226,680
Justice and public safety	3,203,792	-	3,203,792
Other	610,685	-	610,685
Capital outlay	47,262	-	47,262
	<u>5,088,419</u>	<u>-</u>	<u>5,088,419</u>
Excess (deficiency) of revenues over expenditures	<u>(84,498)</u>	<u>855</u>	<u>(83,643)</u>

	<u>General Account</u>	<u>County Information Systems</u>	<u>Total General Fund</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 204,691	\$ -	\$ 204,691
Operating transfers out	<u>(131,666)</u>	<u>-</u>	<u>(131,666)</u>
Total other financing sources	<u>73,025</u>	<u>-</u>	<u>73,025</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(11,473)	855	(10,618)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,052,353</u>	<u>13,061</u>	<u>1,065,414</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 1,040,880</u></u>	<u><u>\$ 13,916</u></u>	<u><u>\$ 1,054,796</u></u>

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

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 and cash equivalents	\$ 12	\$ 66,637	\$ 734,241	\$ 125,429	\$ 769,582	\$ 3,909
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	8,835	-	220,875	-	220,875	-
Loans	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 8,847</u>	<u>\$ 66,637</u>	<u>\$ 955,116</u>	<u>\$ 125,429</u>	<u>\$ 990,457</u>	<u>\$ 3,909</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 102,240	\$ 48,088	\$ 315,834	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	<u>8,835</u>	<u>-</u>	<u>220,875</u>	<u>-</u>	<u>220,875</u>	<u>-</u>
Total liabilities	<u>8,835</u>	<u>-</u>	<u>323,115</u>	<u>48,088</u>	<u>536,709</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
<b>Restricted:</b>						
General and administrative	-	66,637	-	-	-	3,909
Justice and public safety	-	-	-	-	-	-
Transportation and highway	-	-	632,001	77,341	453,748	-
Culture and recreation	12	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<b>Committed:</b>						
Capital projects	-	-	-	-	-	-
<b>Assigned:</b>						
General and administrative	-	-	-	-	-	-
Justice and public safety	-	-	-	-	-	-
<b>Unrestricted</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>12</u>	<u>66,637</u>	<u>632,001</u>	<u>77,341</u>	<u>453,748</u>	<u>3,909</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 8,847</u>	<u>\$ 66,637</u>	<u>\$ 955,116</u>	<u>\$ 125,429</u>	<u>\$ 990,457</u>	<u>\$ 3,909</u>

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

	<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 and cash equivalents	\$ 143,113	\$ 139,062	\$ 10,854	\$ 126,140	\$ 31,137	\$ 15,476
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Loans	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 143,113</u>	<u>\$ 139,062</u>	<u>\$ 10,854</u>	<u>\$ 126,140</u>	<u>\$ 31,137</u>	<u>\$ 15,476</u>
<b>LIABILITIES</b>						
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>
<b>FUND BALANCE (DEFICIT)</b>						
<b>Restricted:</b>						
General and administrative	-	-	10,854	125,640	31,137	-
Justice and public safety	143,113	139,062	-	-	-	15,476
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<b>Committed:</b>						
Capital projects	-	-	-	-	-	-
<b>Assigned:</b>						
General and administrative	-	-	-	-	-	-
Justice and public safety	-	-	-	-	-	-
<b>Unrestricted</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>143,113</u>	<u>139,062</u>	<u>10,854</u>	<u>125,640</u>	<u>31,137</u>	<u>15,476</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 143,113</u>	<u>\$ 139,062</u>	<u>\$ 10,854</u>	<u>\$ 126,140</u>	<u>\$ 31,137</u>	<u>\$ 15,476</u>

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

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 and cash equivalents	\$ 59,740	\$ 30,748	\$ 21,702	\$ 15,737	\$ 24,578	\$ 103,001
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	24,700	-
Loans	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 59,740</u>	<u>\$ 30,748</u>	<u>\$ 21,702</u>	<u>\$ 15,737</u>	<u>\$ 49,278</u>	<u>\$ 103,001</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 3,664	\$ 165	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	548	-	-	-	5,299
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	24,700	-
Total liabilities	<u>3,664</u>	<u>713</u>	<u>-</u>	<u>-</u>	<u>24,700</u>	<u>5,299</u>
<b>FUND BALANCE (DEFICIT)</b>						
<b>Restricted:</b>						
General and administrative	-	-	-	-	-	-
Justice and public safety	56,076	30,035	-	15,737	-	-
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	24,578	-
Capital projects	-	-	-	-	-	-
<b>Committed:</b>						
Capital projects	-	-	-	-	-	-
<b>Assigned:</b>						
General and administrative	-	-	21,702	-	-	-
Justice and public safety	-	-	-	-	-	97,702
<b>Unrestricted</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>56,076</u>	<u>30,035</u>	<u>21,702</u>	<u>15,737</u>	<u>24,578</u>	<u>97,702</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 59,740</u>	<u>\$ 30,748</u>	<u>\$ 21,702</u>	<u>\$ 15,737</u>	<u>\$ 49,278</u>	<u>\$ 103,001</u>

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

	<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>
Cash and cash equivalents	\$ 6,319	\$ 20,529	\$ 21,086	\$ 446,398	\$ 13,116	\$ 11,141
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Loans	-	-	-	126,613	-	-
<b>TOTAL ASSETS</b>	<u>\$ 6,319</u>	<u>\$ 20,529</u>	<u>\$ 21,086</u>	<u>\$ 573,011</u>	<u>\$ 13,116</u>	<u>\$ 11,141</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 10,408	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>10,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
<b>Restricted:</b>						
General and administrative	-	20,529	-	-	-	-
Justice and public safety	6,319	-	10,678	-	-	-
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	573,011	-	-
Capital projects	-	-	-	-	-	-
<b>Committed:</b>						
Capital projects	-	-	-	-	-	-
<b>Assigned:</b>						
General and administrative	-	-	-	-	-	-
Justice and public safety	-	-	-	-	13,116	11,141
<b>Unrestricted</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>6,319</u>	<u>20,529</u>	<u>10,678</u>	<u>573,011</u>	<u>13,116</u>	<u>11,141</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 6,319</u>	<u>\$ 20,529</u>	<u>\$ 21,086</u>	<u>\$ 573,011</u>	<u>\$ 13,116</u>	<u>\$ 11,141</u>

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

Special Revenue

	<u>Police Vehicle</u>	<u>Arrestees Medical Costs</u>	<u>Unclaimed Bonds</u>	<u>Coroner Automation</u>	<u>Trust Fund</u>	<u>Sheriff's E-Citation</u>
Cash and cash equivalents	\$ 10,754	\$ -	\$ 19,536	\$ 8,426	\$ 5,605	\$ 74
Investments	-	-	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Loans	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 10,754</u>	<u>\$ -</u>	<u>\$ 19,536</u>	<u>\$ 8,426</u>	<u>\$ 5,605</u>	<u>\$ 74</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 667	\$ 14,364	\$ 104	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	667	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,334</u>	<u>14,364</u>	<u>104</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
<b>Restricted:</b>						
General and administrative	-	-	-	-	-	-
Justice and public safety	-	-	5,172	8,322	5,605	74
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
<b>Committed:</b>						
Capital projects	-	-	-	-	-	-
<b>Assigned:</b>						
General and administrative	-	-	-	-	-	-
Justice and public safety	10,754	-	-	-	-	-
<b>Unrestricted</b>	<u>-</u>	<u>(1,334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>10,754</u>	<u>(1,334)</u>	<u>5,172</u>	<u>8,322</u>	<u>5,605</u>	<u>74</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ 10,754</u>	<u>\$ -</u>	<u>\$ 19,536</u>	<u>\$ 8,426</u>	<u>\$ 5,605</u>	<u>\$ 74</u>

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

	Special Revenue			Capital Projects		
	<u>Probation Operations</u>	<u>States Attorney Automation</u>	<u>GIS Fund</u>	<u>Solid Waste Disposal</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and cash equivalents	\$ 766	\$ 244	\$ 30,884	\$ 98,382	\$ 260,677	\$ 3,375,035
Investments	-	-	-	155,682	-	155,682
Receivables:						
Property taxes	-	-	-	-	-	475,285
Loans	-	-	-	-	-	126,613
<b>TOTAL ASSETS</b>	<b>\$ 766</b>	<b>\$ 244</b>	<b>\$ 30,884</b>	<b>\$ 254,064</b>	<b>\$ 260,677</b>	<b>\$ 4,132,615</b>
 <b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,034
Accrued expenses	-	-	-	-	-	5,847
Due to other funds	-	-	-	-	-	667
Deferred revenue	-	-	-	-	-	475,285
 Total liabilities	 -	 -	 -	 -	 -	 977,833
 <b>FUND BALANCE (DEFICIT)</b>						
<b>Restricted:</b>						
General and administrative	-	-	-	-	-	258,706
Justice and public safety	766	244	30,884	-	-	467,563
Transportation and highway	-	-	-	-	-	1,163,090
Culture and recreation	-	-	-	-	-	12
Public assistance	-	-	-	-	-	597,589
Capital projects	-	-	-	254,064	-	254,064
<b>Committed:</b>						
Capital projects	-	-	-	-	260,677	260,677
<b>Assigned:</b>						
General and administrative	-	-	-	-	-	21,702
Justice and public safety	-	-	-	-	-	132,713
<b>Unrestricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,334)</b>
 Total fund balance (deficit)	 766	 244	 30,884	 254,064	 260,677	 3,154,782
 <b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	 <b>\$ 766</b>	 <b>\$ 244</b>	 <b>\$ 30,884</b>	 <b>\$ 254,064</b>	 <b>\$ 260,677</b>	 <b>\$ 4,132,615</b>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (DEFICIT)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended November 30, 2012**

	<b>Special Revenue</b>					
	<u>Historical Documents</u>	<u>Indemnity</u>	<u>County Bridge</u>	<u>Township Bridge</u>	<u>Matching Tax</u>	<u>Tax Redemption</u>
<b>REVENUES</b>						
Property taxes	\$ 8,833	\$ -	\$ 220,849	\$ -	\$ 220,849	\$ -
Fines, fees and forfeits	-	12,060	-	-	-	-
Intergovernmental	-	-	-	500,468	-	-
Interest	3	149	1,584	105	1,937	6
Miscellaneous	-	-	-	-	-	269
Total revenues	<u>8,836</u>	<u>12,209</u>	<u>222,433</u>	<u>500,573</u>	<u>222,786</u>	<u>275</u>
<b>EXPENDITURES</b>						
General and administrative	-	-	-	-	-	3,084
Health and sanitation	-	-	-	-	-	-
Justice and public safety	-	-	-	-	-	-
Transportation and highway	-	-	141,759	440,957	246,458	-
Culture and recreation	22,333	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>22,333</u>	<u>-</u>	<u>141,759</u>	<u>440,957</u>	<u>246,458</u>	<u>3,084</u>
Excess (deficiency) of revenues over expenditures	<u>(13,497)</u>	<u>12,209</u>	<u>80,674</u>	<u>59,616</u>	<u>(23,672)</u>	<u>(2,809)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	13,500	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3	12,209	80,674	59,616	(23,672)	(2,809)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>9</u>	<u>54,428</u>	<u>551,327</u>	<u>17,725</u>	<u>477,420</u>	<u>6,718</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 12</u>	<u>\$ 66,637</u>	<u>\$ 632,001</u>	<u>\$ 77,341</u>	<u>\$ 453,748</u>	<u>\$ 3,909</u>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (DEFICIT)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended November 30, 2012**

	<b>Special Revenue</b>					
	<b>Court Document Storage</b>	<b>Circuit Clerk Automation</b>	<b>County Clerk Automation</b>	<b>County Recorder Automation</b>	<b>County Treasurer Automation</b>	<b>Law Library</b>
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	49,115	49,733	3,318	63,648	10,857	14,330
Intergovernmental	-	-	1,160	-	-	-
Interest	284	302	57	229	50	23
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>49,399</u>	<u>50,035</u>	<u>4,535</u>	<u>63,877</u>	<u>10,907</u>	<u>14,353</u>
<b>EXPENDITURES</b>						
General and administrative	-	-	8,659	11,198	1,210	-
Health and sanitation	-	-	-	-	-	-
Justice and public safety	11,955	37,165	-	-	-	-
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>11,955</u>	<u>37,165</u>	<u>8,659</u>	<u>11,198</u>	<u>1,210</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>37,444</u>	<u>12,870</u>	<u>(4,124)</u>	<u>52,679</u>	<u>9,697</u>	<u>14,353</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(13,500)	-	-	-	-	-
Total other financing sources (uses)	<u>(13,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	23,944	12,870	(4,124)	52,679	9,697	14,353
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>119,169</u>	<u>126,192</u>	<u>14,978</u>	<u>72,961</u>	<u>21,440</u>	<u>1,123</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 143,113</u>	<u>\$ 139,062</u>	<u>\$ 10,854</u>	<u>\$ 125,640</u>	<u>\$ 31,137</u>	<u>\$ 15,476</u>

IROQUOIS COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE (DEFICIT)  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended November 30, 2012

	<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>
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,365	\$ -
Fines, fees and forfeits	33,221	36,474	-	551	-	-
Intergovernmental	351	-	-	-	-	-
Interest	237	82	54	33	20	297
Miscellaneous	-	-	21,120	-	-	202,216
	<u>-</u>	<u>-</u>	<u>21,120</u>	<u>-</u>	<u>-</u>	<u>202,216</u>
Total revenues	<u>33,809</u>	<u>36,556</u>	<u>21,174</u>	<u>584</u>	<u>23,385</u>	<u>202,513</u>
<b>EXPENDITURES</b>						
General and administrative	-	-	51,594	-	-	-
Health and sanitation	-	-	-	-	-	-
Justice and public safety	10,512	36,559	-	2,132	-	357,065
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	21,440	-
Capital outlay	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,512</u>	<u>36,559</u>	<u>51,594</u>	<u>2,132</u>	<u>21,440</u>	<u>357,065</u>
Excess (deficiency) of revenues over expenditures	<u>23,297</u>	<u>(3)</u>	<u>(30,420)</u>	<u>(1,548)</u>	<u>1,945</u>	<u>(154,552)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	275,305
Operating transfers out	(44,691)	-	-	-	-	(26,345)
	<u>(44,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,960</u>
Total other financing sources (uses)	<u>(44,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,960</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(21,394)</u>	<u>(3)</u>	<u>(30,420)</u>	<u>(1,548)</u>	<u>1,945</u>	<u>94,408</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>77,470</u>	<u>30,038</u>	<u>52,122</u>	<u>17,285</u>	<u>22,633</u>	<u>3,294</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 56,076</u>	<u>\$ 30,035</u>	<u>\$ 21,702</u>	<u>\$ 15,737</u>	<u>\$ 24,578</u>	<u>\$ 97,702</u>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (DEFICIT)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended November 30, 2012**

	<b>Special Revenue</b>					
	<b>States Attorney Forfeiture</b>	<b>Electronic Voting System</b>	<b>Grant Fund</b>	<b>Revolving CDAP Loans</b>	<b>Teen Court</b>	<b>Public Safety</b>
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	-	-	-	-	-	12,202
Intergovernmental	-	-	29,625	-	7,520	-
Interest	-	-	22	3,376	22	27
Miscellaneous	<u>92</u>	<u>18,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>92</u>	<u>18,766</u>	<u>29,647</u>	<u>3,376</u>	<u>7,542</u>	<u>12,229</u>
<b>EXPENDITURES</b>						
General and administrative	-	18,722	-	-	-	-
Health and sanitation	-	-	7,874	-	-	-
Justice and public safety	-	-	12,107	-	-	11,591
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>18,722</u>	<u>19,981</u>	<u>-</u>	<u>-</u>	<u>11,591</u>
Excess (deficiency) of revenues over expenditures	<u>92</u>	<u>44</u>	<u>9,666</u>	<u>3,376</u>	<u>7,542</u>	<u>638</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	92	44	9,666	3,376	7,542	638
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>6,227</u>	<u>20,485</u>	<u>1,012</u>	<u>569,635</u>	<u>5,574</u>	<u>10,503</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 6,319</u>	<u>\$ 20,529</u>	<u>\$ 10,678</u>	<u>\$ 573,011</u>	<u>\$ 13,116</u>	<u>\$ 11,141</u>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (DEFICIT)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended November 30, 2012**

	<u>Special Revenue</u>					
	<u>Police Vehicle</u>	<u>Arrestees Medical Costs</u>	<u>Unclaimed Bonds</u>	<u>Coroner's Automation</u>	<u>Trust Fund</u>	<u>Sheriff's E-Citation</u>
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	13,830	8,789	-	5,213	-	74
Intergovernmental	-	-	-	-	-	-
Interest	30	2	41	15	19	-
Miscellaneous	<u>9,500</u>	<u>-</u>	<u>1,915</u>	<u>50</u>	<u>6,554</u>	<u>-</u>
Total revenues	<u>23,360</u>	<u>8,791</u>	<u>1,956</u>	<u>5,278</u>	<u>6,573</u>	<u>74</u>
<b>EXPENDITURES</b>						
General and administrative	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-
Justice and public safety	-	13,438	-	1,956	968	-
Transportation and highway	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-
Capital outlay	<u>21,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>21,759</u>	<u>13,438</u>	<u>-</u>	<u>1,956</u>	<u>968</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,601</u>	<u>(4,647)</u>	<u>1,956</u>	<u>3,322</u>	<u>5,605</u>	<u>74</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,601	(4,647)	1,956	3,322	5,605	74
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>9,153</u>	<u>3,313</u>	<u>3,216</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 10,754</u>	<u>\$ (1,334)</u>	<u>\$ 5,172</u>	<u>\$ 8,322</u>	<u>\$ 5,605</u>	<u>\$ 74</u>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE (DEFICIT)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended November 30, 2012**

	Special Revenue			Capital Projects		Total
	Probation Operations	States Attorney Automation	GIS Fund	Solid Waste Disposal	Capital Projects	
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,896
Fines, fees and forfeits	766	244	30,860	-	-	345,285
Intergovernmental	-	-	-	-	-	539,124
Interest	-	-	24	709	633	10,372
Miscellaneous	-	-	-	-	-	260,482
	766	244	30,884	709	633	1,629,159
<b>EXPENDITURES</b>						
General and administrative	-	-	-	-	-	94,467
Health and sanitation	-	-	-	-	-	7,874
Justice and public safety	-	-	-	-	-	495,448
Transportation and highway	-	-	-	-	-	829,174
Culture and recreation	-	-	-	-	-	22,333
Public assistance	-	-	-	-	-	21,440
Capital outlay	-	-	-	-	16,763	38,522
	-	-	-	-	16,763	1,509,258
Excess (deficiency) of revenues over expenditures	766	244	30,884	709	(16,130)	119,901
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	288,805
Operating transfers out	-	-	-	-	-	(84,536)
	-	-	-	-	-	204,269
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	766	244	30,884	709	(16,130)	324,170
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	253,355	276,807	2,830,612
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ 766	\$ 244	\$ 30,884	\$ 254,064	\$ 260,677	\$ 3,154,782

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**November 30, 2012**

	<b>Nonmajor Enterprise Funds</b>		
	<b>911 Emergency Service Board</b>	<b>County Farm</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 43,019	\$ 84,646	\$ 127,665
Investments	150,340	-	150,340
Receivables, net			
Accounts	66,821	-	66,821
	<u>260,180</u>	<u>84,646</u>	<u>344,826</u>
Total current assets			
<b>NONCURRENT ASSETS</b>			
Land	-	153,037	153,037
Equipment	1,556,713	-	1,556,713
Less accumulated depreciation	(1,415,265)	-	(1,415,265)
	<u>141,448</u>	<u>153,037</u>	<u>294,485</u>
Total noncurrent assets			
<b>TOTAL ASSETS</b>	<u>\$ 401,628</u>	<u>\$ 237,683</u>	<u>\$ 639,311</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 18,929	\$ 513	\$ 19,442
<b>NET ASSETS</b>			
Invested in capital assets	141,448	153,037	294,485
Unrestricted	241,251	84,133	325,384
	<u>382,699</u>	<u>237,170</u>	<u>619,869</u>
Total net assets			
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 401,628</u>	<u>\$ 237,683</u>	<u>\$ 639,311</u>

**IROQUOIS COUNTY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 Year Ended November 30, 2012**

	<b>Nonmajor Enterprise Funds</b>		
	<b>911 Emergency Service Board</b>	<b>County Farm</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Fees	\$ 417,775	\$ -	\$ 417,775
Rental income	-	105,831	105,831
Total operating revenues	<u>417,775</u>	<u>105,831</u>	<u>523,606</u>
<b>OPERATING EXPENSES</b>			
Justice and public safety	327,202	-	327,202
Capital outlay	22,858	-	22,858
Farm	-	2,723	2,723
Total operating expenses	<u>350,060</u>	<u>2,723</u>	<u>352,783</u>
Operating income	<u>67,715</u>	<u>103,108</u>	<u>170,823</u>
<b>NON-OPERATING REVENUES</b>			
Interest	<u>974</u>	<u>144</u>	<u>1,118</u>
Net income before transfers	<u>68,689</u>	<u>103,252</u>	<u>171,941</u>
<b>OPERATING TRANSFERS</b>			
Operating transfers out	<u>(165,004)</u>	<u>(150,000)</u>	<u>(315,004)</u>
<b>CHANGE IN NET ASSETS</b>	(96,315)	(46,748)	(143,063)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>479,014</u>	<u>283,918</u>	<u>762,932</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 382,699</u>	<u>\$ 237,170</u>	<u>\$ 619,869</u>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUND TYPES**  
**Year Ended November 30, 2012**

	<b>Nonmajor Enterprise Funds</b>		
	<b>911 Emergency Service Board</b>	<b>County Farm</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 421,121	\$ -	\$ 421,121
Cash received for rent	-	105,831	105,831
Cash paid to suppliers and for claims	(167,886)	(2,210)	(170,096)
Cash paid to employees	(103,194)	-	(103,194)
	<u>150,041</u>	<u>103,621</u>	<u>253,662</u>
Net cash provided by operating activities			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash transfers to other funds	(165,004)	(150,000)	(315,004)
	<u>(165,004)</u>	<u>(150,000)</u>	<u>(315,004)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of assets	(18,258)	-	(18,258)
Interest payments received	1,164	144	1,308
	<u>1,164</u>	<u>144</u>	<u>1,308</u>
Net cash provided by (used in) investing activities	(17,094)	144	(16,950)
	<u>(17,094)</u>	<u>144</u>	<u>(16,950)</u>
<b>NET DECREASE IN CASH</b>	(32,057)	(46,235)	(78,292)
<b>CASH, BEGINNING OF YEAR</b>	75,076	130,881	205,957
	<u>75,076</u>	<u>130,881</u>	<u>205,957</u>
<b>CASH, END OF YEAR</b>	\$ 43,019	\$ 84,646	\$ 127,665
	<u>\$ 43,019</u>	<u>\$ 84,646</u>	<u>\$ 127,665</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 67,715	\$ 103,108	\$ 170,823
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	56,809	-	56,809
Effects of changes in operating assets and liabilities:			
Accounts receivables	3,346	-	3,346
Prepaid items	9,020	-	9,020
Accounts payable	13,151	513	13,664
	<u>13,151</u>	<u>513</u>	<u>13,664</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 150,041	\$ 103,621	\$ 253,662
	<u>\$ 150,041</u>	<u>\$ 103,621</u>	<u>\$ 253,662</u>

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

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Workmen's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
<b>CURRENT ASSETS</b>					
Cash	\$ 191,435	\$ 24,870	\$ 311,633	\$ 180,689	\$ 708,627
Due from other funds	-	4,628	-	375	5,003
Taxes receivable, net	<u>152,000</u>	<u>237,500</u>	<u>76,000</u>	<u>-</u>	<u>465,500</u>
<b>TOTAL ASSETS</b>	<u>\$ 343,435</u>	<u>\$ 266,998</u>	<u>\$ 387,633</u>	<u>\$ 181,064</u>	<u>\$ 1,179,130</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,206	\$ 1,663	\$ -	\$ 5,543	\$ 9,412
Deferred revenue	<u>152,000</u>	<u>237,500</u>	<u>76,000</u>	<u>1,907</u>	<u>467,407</u>
Total liabilities	<u>154,206</u>	<u>239,163</u>	<u>76,000</u>	<u>7,450</u>	<u>476,819</u>
<b>NET ASSETS</b>					
Unrestricted	<u>189,229</u>	<u>27,835</u>	<u>311,633</u>	<u>173,614</u>	<u>702,311</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 343,435</u>	<u>\$ 266,998</u>	<u>\$ 387,633</u>	<u>\$ 181,064</u>	<u>\$ 1,179,130</u>

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

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Workmen's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	\$ -	\$ -	\$ 871,384	\$ 871,384
Miscellaneous	<u>1,694</u>	<u>-</u>	<u>27,776</u>	<u>-</u>	<u>29,470</u>
Total operating revenues	<u>1,694</u>	<u>-</u>	<u>27,776</u>	<u>871,384</u>	<u>900,854</u>
<b>OPERATING EXPENSES</b>					
General and administrative	<u>173,105</u>	<u>83,696</u>	<u>107,002</u>	<u>645,648</u>	<u>1,009,451</u>
Net income (loss) from operating activities	<u>(171,411)</u>	<u>(83,696)</u>	<u>(79,226)</u>	<u>225,736</u>	<u>(108,597)</u>
<b>NON-OPERATING REVENUES</b>					
Taxes	127,603	55,830	97,705	-	281,138
Interest	<u>366</u>	<u>34</u>	<u>626</u>	<u>58</u>	<u>1,084</u>
Total non-operating revenues	<u>127,969</u>	<u>55,864</u>	<u>98,331</u>	<u>58</u>	<u>282,222</u>
Income (loss) before operating transfers	<u>(43,442)</u>	<u>(27,832)</u>	<u>19,105</u>	<u>225,794</u>	<u>173,625</u>
<b>OPERATING TRANSFERS</b>					
Operating transfers in	<u>-</u>	<u>8,150</u>	<u>-</u>	<u>-</u>	<u>8,150</u>
<b>CHANGES IN NET ASSETS</b>					
	(43,442)	(19,682)	19,105	225,794	181,775
<b>TOTAL NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<u>232,671</u>	<u>47,517</u>	<u>292,528</u>	<u>(52,180)</u>	<u>520,536</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 189,229</u>	<u>\$ 27,835</u>	<u>\$ 311,633</u>	<u>\$ 173,614</u>	<u>\$ 702,311</u>

**IROQUOIS COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended November 30, 2012**

	<b>Liability Insurance</b>	<b>Unemployment Compensation</b>	<b>Worker's Compensation</b>	<b>Group Insurance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from interfund users	\$ 1,694	\$ -	\$ 27,776	\$ 873,291	\$ 902,761
Cash paid to suppliers and for claims	(170,899)	(82,033)	(107,002)	(640,329)	(1,000,263)
Internal activity - payments to other funds	-	(4,628)	-	(52,331)	(56,959)
	(169,205)	(86,661)	(79,226)	180,631	(154,461)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Property tax receipts	127,603	55,830	97,705	-	281,138
Cash transfers from other funds	-	8,150	-	-	8,150
	127,603	63,980	97,705	-	289,288
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest payments received	366	34	626	58	1,084
<b>NET INCREASE (DECREASE) IN CASH</b>	(41,236)	(22,647)	19,105	180,689	135,911
<b>CASH, BEGINNING OF YEAR</b>	232,671	47,517	292,528	-	572,716
<b>CASH, END OF YEAR</b>	\$ 191,435	\$ 24,870	\$ 311,633	\$ 180,689	\$ 708,627
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (171,411)	\$ (83,696)	\$ (79,226)	\$ 225,736	\$ (108,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Effects of changes in operating assets and liabilities:					
Receivables	(30,400)	(184,300)	17,100	-	(197,600)
Accounts payable	2,206	1,663	-	5,319	9,188
Due from other funds	-	(4,628)	-	(52,331)	(56,959)
Deferred revenue	30,400	184,300	(17,100)	1,907	199,507
	(169,205)	(86,661)	(79,226)	180,631	(154,461)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	\$ (169,205)	\$ (86,661)	\$ (79,226)	\$ 180,631	\$ (154,461)

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

**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	\$ 116,208	\$ 4,938	\$ 172,405	\$ 75,096	\$ 2,215	\$ 48,985
Investments	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Inventory	-	-	-	12,739	-	-
<b>TOTAL ASSETS</b>	<u>\$ 116,208</u>	<u>\$ 4,938</u>	<u>\$ 172,405</u>	<u>\$ 87,835</u>	<u>\$ 2,215</u>	<u>\$ 48,985</u>

**LIABILITIES**

Deferred property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts held in trust and available for distribution to others	<u>116,208</u>	<u>4,938</u>	<u>172,405</u>	<u>87,835</u>	<u>2,215</u>	<u>48,985</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 116,208</u>	<u>\$ 4,938</u>	<u>\$ 172,405</u>	<u>\$ 87,835</u>	<u>\$ 2,215</u>	<u>\$ 48,985</u>

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

**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	\$ 311,722	\$ 2,544	\$ 4,004	\$ 5,516	\$ 1,617,677	\$ 3,526
Investments	-	-	-	-	189,829	-
Property taxes receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 311,722</u>	<u>\$ 2,544</u>	<u>\$ 4,004</u>	<u>\$ 5,516</u>	<u>\$ 1,807,506</u>	<u>\$ 3,526</u>

**LIABILITIES**

Deferred property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts held in trust and available for distribution to others	<u>311,722</u>	<u>2,544</u>	<u>4,004</u>	<u>5,516</u>	<u>1,807,506</u>	<u>3,526</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 311,722</u>	<u>\$ 2,544</u>	<u>\$ 4,004</u>	<u>\$ 5,516</u>	<u>\$ 1,807,506</u>	<u>\$ 3,526</u>

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

**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	\$ 1,517	\$ 11,142	\$ -	\$ 15,459	\$ -	\$ 2,392,954
Investments	-	-	-	-	-	189,829
Property taxes receivable	555,750	-	441,750	-	96,235	1,093,735
Inventory	-	-	-	-	-	12,739
<b>TOTAL ASSETS</b>	<u>\$ 557,267</u>	<u>\$ 11,142</u>	<u>\$ 441,750</u>	<u>\$ 15,459</u>	<u>\$ 96,235</u>	<u>\$ 3,689,257</u>

**LIABILITIES**

Deferred property taxes	\$ 555,750	\$ -	\$ 441,750	\$ -	\$ 96,235	\$ 1,093,735
Amounts held in trust and available for distribution to others	<u>1,517</u>	<u>11,142</u>	<u>-</u>	<u>15,459</u>	<u>-</u>	<u>2,595,522</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 557,267</u>	<u>\$ 11,142</u>	<u>\$ 441,750</u>	<u>\$ 15,459</u>	<u>\$ 96,235</u>	<u>\$ 3,689,257</u>

**STATISTICAL INFORMATION**  
(Unaudited)

**IROQUOIS COUNTY, ILLINOIS**  
**ASSESSED VALUATION AND TAX EXTENSIONS**  
**Tax Levies 2011, 2010, and 2009**  
**(Unaudited)**

	<u>2011</u> <u>Extended in 2012</u>		<u>2010</u> <u>Extended in 2011</u>		<u>2009</u> <u>Extended in 2010</u>	
<b>ASSESSED VALUATION</b>	\$	<u>451,151,558</u>	\$	<u>452,496,162</u>	\$	<u>442,032,396</u>
<b>TAXES EXTENDED</b>						
County (see below)	\$	4,784,355	11.70%	\$	5,761,686	13.87%
Townships and road districts		4,241,828	10.37%		4,187,378	10.08%
Cities and villages		3,610,775	8.83%		3,637,726	8.76%
District schools		21,877,534	53.48%		21,688,313	52.22%
High school and community college		3,797,727	9.28%		3,717,170	8.95%
Sanitary districts		14,222	0.03%		15,001	0.04%
Fire protection districts		1,641,798	4.01%		1,597,206	3.85%
Cemeteries		21,153	0.05%		21,108	0.05%
Libraries, parks, etc.		917,266	2.24%		908,296	2.19%
<b>TOTALS</b>	<b>\$</b>	<b><u>40,906,658</u></b>	<b>100.00%</b>	<b>\$</b>	<b><u>41,533,884</u></b>	<b>100.00%</b>

	<u>Rate</u> <u>Per \$100</u>		<u>Rate</u> <u>Per \$100</u>		<u>Rate</u> <u>Per \$100</u>	
	<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>	<u>Valuation</u>
General County	\$	1,196,332	0.27000	\$	1,131,491	0.26857
County IMRF		630,024	0.14219		1,142,908	0.27128
County Highway		443,086	0.10000		419,069	0.09947
Social Security		310,027	0.06997		514,325	0.12208
County Health		316,009	0.07132		213,642	0.05071
Bridge Fund		221,543	0.05000		209,556	0.04974
Veterans Assistance		23,439	0.00529		23,846	0.00566
Mental Health Board #708		585,007	0.13203		628,625	0.14921
Matching Tax		221,543	0.05000		209,556	0.04974
Liability Insurance		130,046	0.02935		219,077	0.05200
Unemployment Insurance		56,006	0.01264		38,128	0.00905
Workmen's Compensation		98,011	0.02212		238,120	0.05652
Co-op Extension		101,334	0.02287		104,778	0.02487
377 Board		443,086	0.10000		419,069	0.09947
Historical Documents		8,862	0.00200		8,384	0.00199
<b>TOTALS</b>	<b>\$</b>	<b><u>4,784,355</u></b>	<b><u>1.07978</u></b>	<b>\$</b>	<b><u>5,761,686</u></b>	<b><u>1.29759</u></b>
					<b>\$</b>	<b><u>5,520,573</u></b>
						<b><u>1.31036</u></b>

## **SINGLE AUDIT REPORTS**

**Independent Auditors' 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, 2012, and have issued our report thereon dated August 30, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of 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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies 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 and responses to be material weaknesses in internal control over financial reporting (Findings 2012-1 and 2012-2).

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less than severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs and responses to be significant deficiencies (Findings 2012-3 and 2012-4).

### **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 cursive script that reads "Clifton Larson Allen LLP".

Champaign, Illinois  
August 30, 2013

**Independent Auditors' 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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2012. Iroquois County, Illinois' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of 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 its major federal program for the year ended November 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs of Finding 2012-7.

## 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 2012-1 and 2012-2 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 attention of those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2012-5, 2012-6 and 2012-7 to be significant deficiencies.

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  
August 30, 2013

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

<u>Federal Grantor/ Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>			
Flow-through from Illinois Department of Human Services:			
Supplemental Nutrition Program for Women, Infants, and Children (WIC) Admin	10.557	11GQ01199 FCSRE00856	\$ 66,271 94,911
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>538,228</u>
<b>Total Department of Agriculture</b>			<u><u>\$ 699,410</u></u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Flow-through from Illinois Department of Public Health:			
State Public Water System Supervision	66.432	None	<u>\$ 1,700</u>
Flow-through from Illinois Emergency Management Agency: Indoor Radon	66.032	None	<u>4,538</u>
<b>Total Environmental Protection Agency</b>			<u><u>\$ 6,238</u></u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Flow-through from Illinois Department of Public Health:			
Illinois Immunization Grants - Noncash	93.268	H23/CCH504464	\$ 87,000
Dental Sealant	93.994	3480148	124
Diabetes	93.283	13287013	36,814
Public Health Emergency Preparedness	93.069	7181029	<u>50,929</u>
			<u>174,867</u>
Flow-through from Illinois Department of Human Services:			
MCHS Block Grant	93.994	11GQ01391 FCSRE01071	15,460 11,042
Title XX Block Grant	93.667	11GQ01118 FCSRE0183	8,867 <u>10,400</u>
			<u>45,769</u>

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

<b>Federal Grantor/ Pass Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>			
Flow-through from Livingston County: Illinois Breast and Cervical Cancer	93.283	None	\$ <u>21,645</u>
Flow-through from East Central Illinois Area Agency On Aging:			
Title III-B	93.044	None	28,081
Title III-E	93.052	None	33,829
Title VII	93.041	None	3,050
Medicare Enrollment Assistance Program-AAA	93.071	None	291
Medicare Enrollment Assistance Program-ADRC	93.071	None	<u>227</u>
			<u>65,478</u>
Flow-through Illinois Department of Healthcare and Family Services:			
Medical Assistance Program	93.778	None	37,236
Title XVIII Medicare	93.778	None	13,847
Children's Health Insurance Program	93.767	None	2,226
Child Support Enforcement	93.563	None	<u>6,708</u>
			<u>60,017</u>
Flow-through Illinois State Board of Elections: VAID III	93.617	None	<u>2,106</u>
Flow-through from Prevent Child Abuse Illinois:			
ACA – Home Visiting Program	93.505	None	<u>203</u>
<b>Total Department of Health and Human Services</b>			<b>\$ <u>370,085</u></b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Flow-through from Illinois Department of Transportation:			
Child Passenger Safety Seat	20.613	B10-6060-098	<u>\$ 1,954</u>

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

<b><u>Federal Grantor/ Pass Through Grantor/Program Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Pass-through Grantor's Number</u></b>	<b><u>Federal Expenditures</u></b>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>			
Passed through Illinois State Board of Elections: HAVA	90.401	None	\$ <u>16,616</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Illinois Law Enforcement Alarm System:			
State Homeland Security Program	97.067	10ILEASEOC	\$ 681
Emergency Management Performance	97.042	None	<u>15,395</u>
<b>Total U.S. Department of Homeland Security</b>			<b>\$ <u>16,076</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>1,110,379</u></b>

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

	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>	<u>Cluster Total, If Applicable</u>
<b>SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER</b>				
	93.268	\$ 87,000	\$ -	
	97.042	15,395	-	
	93.994	26,626	-	
	93.069	50,929	-	
	66.432	1,700	-	
	93.667	19,267	-	
	20.613	1,954	-	
	66.032	4,538	-	
	10.557	699,410	-	
	93.617	2,106	-	
	93.044	28,081	-	
	93.052	33,829	-	
	93.041	3,050	-	
	93.778	51,083	-	
	93.767	2,226	-	
	93.563	6,708	-	
	93.283	58,459	-	
	93.071	518	-	
	93.505	203	-	
	90.401	16,616	-	
	97.067	<u>681</u>	<u>-</u>	
<b>TOTAL</b>		<u><u>\$1,110,379</u></u>	<u><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, 2012**

**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, 2011 to November 30, 2012, was \$87,000. 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, 2011 to September 30, 2012 was \$538,228. 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, 2012**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified  
 Internal control over financial reporting:  
   • Material weaknesses identified? x Yes      \_\_\_ No  
   • Significant deficiencies identified that are not considered  
     to be material weaknesses? x Yes      \_\_\_ None 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>
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, 2012**

**Section II - Financial Statement Findings**

**FINDING NO. 2012-1 - FINANCIAL STATEMENT PREPARATION AND AUDIT  
ADJUSTMENTS**

*Criteria or Specific Requirement:* The internal controls over the financial reporting process is 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 to accurate modified accrual basis figures. 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 Finance Director did not have the time capacity to correct all account balances prior to the audit commencing, nor to prepare the financial statements.

*Recommendation:* The County should obtain additional training to be able to assist in the development of the necessary financial reporting package. In addition, additional review of interim financial information and timely corrections will reduce the number of adjustments at year end.

*Views of Responsible Officials and Planned Corrective Action:* The County made substantial progress during fiscal year 2012 and several accruals were booked in the Finance Department during the fiscal year. However, due to an extended employee illness leave, the Finance Director was unable to make all desired process changes. The County will continue to work with the new Finance Director to ensure adequate reporting.

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

**Section II - Financial Statement Findings (CONTINUED)**

**FINDING NO. 2012-2 - 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.

*Condition:* We noted the following items during the audit process:

1. Lack of adequate segregation of duties over processing and recording financial transactions
2. Bank reconciliations were not always completed on a timely basis
3. Audit adjustments were required to correct balances at year end
4. Payments are being made to certain individuals as independent contractors that may be considered employees under IRS regulations
5. Payments were made to certain individuals for services in the form of gift cards
6. Checks were issued in the name of the Administrator to replenish the imprest account.

*Context:* These items occurred throughout the fiscal year.

*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 need considered by the Board. Management's or the Board's close supervision and review of accounting information, including signature or initials to document approval, is the best means of preventing and detecting errors and irregularities. In addition, IRS regulations over payments to individuals for services need reviewed to determine that all individuals are being paid in accordance with the applicable rules. Finally, we recommend changing the practice of issuing checks to the Administrator to replenish the imprest account.

*Views of Responsible Officials and Planned Corrective Action:*

1. Administrator has always signed checks, as well as County Treasurer. This has changed with new BOH Treasurer. BOH Treasurer now signs payroll and payable checks. The processes that are gone through are very thorough to assure segregation of duties. Due to a small office staff in administration we make certain best practices are followed.
2. Bank reconciliations are done. A 60 day window will be followed. Administrator has reviewed and signed off on bank statements.

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

**Section II - Financial Statement Findings (CONTINUED)**

**FINDING NO. 2012-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT (Continued)**

*Views of Responsible Officials and Planned Corrective Action: (Continued)*

3. Historically, FIPHD has had adjustments made to accounts. CPA has been here 2-3 times a year to get accounts ready for County audit. Auditors have asked this be done before their visit in December/January of each year.
4. Service providing individuals have been reviewed to determine if independent contractors or employees, and any necessary changes were made in how they were paid effective June 2013.
5. Certain individuals (Fitness Center for CSHG) are being paid a check for hours worked effective June 2013. These individuals will receive a 1099 at the end of the year.
6. Imprest account reimbursements are being written payable to FIPHD Imprest Account effective March 2013.

*Person Responsible:* Financial Coordinator

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

**Section II - Financial Statement Findings (CONTINUED)**

**FINDING NO. 2012-3 - 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 or other qualified, designated employee 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:* In fiscal year 2013, the required statutory reporting of these transactions to the County Board Chairman was implemented. In addition, the County will work with the new Finance Director to implement additional internal control procedures.

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

**Section II - Financial Statement Findings (CONTINUED)**

**FINDING NO. 2012-4 - DUTIES WITHIN FINANCE 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 accounting duties and management review processes are aspects of an internal control environment.

*Condition:* There is an inadequate control over the recording of payroll transactions, grant revenues, and related grant expenses.

*Context:* During the process of obtaining an understanding of internal control in planning the audit, assessing control risk and assessing fraud risks we noted the following deficiencies in internal controls:

- Lack of segregation of duties was noted over the payroll process for a period of 3 months.
- Grant revenues and related expenses were not monitored by a second party during the fiscal year to ensure compliance with grant requirements and not all grants were properly recorded in the Grant Fund.
- Historical Documents Fund checks issued were not being provided to the Board for review with the monthly check report.
- Joint Dispatch cash account was overstated due to payroll transactions not being recorded properly.

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

*Cause:* The Finance Department had limited personnel over reviewing all accounting transactions, especially at certain times during the fiscal year.

*Recommendation:* We recommend that the Finance Director review the roles of personnel in place in the Finance Department and implement the appropriate internal controls, as staffing allows.

*Views of Responsible Officials and Planned Corrective Action:* The lack of segregation of duties in the payroll process occurred during the time period an employee was out on extended illness leave. Upon hiring the new Finance Director and return of the department to full staffing in May 2012, payroll processes were segregated within the department. The Finance Director continues to work on process and internal control improvements within the team.

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

**Section III - Federal Award Findings and Questioned Costs**

**FINDING NO. 2012-1 - FINANCIAL STATEMENT PREPARATION AND ADJUSTMENTS**

See Section II - Financial Statement Findings

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

All other programs

Questioned Costs: None

**FINDING 2011-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT**

See Section II - Financial Statement Findings

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

All others except:

Department of Homeland Security 97.042 - Emergency Management Performance

Department of Health and Human Services - 93.617 - VAID III

U.S. Election Assistance Commission - 90.401 - HAVA

Department of Homeland Security - 97.067 - State Homeland Security Program

Department of Health and Human Services - 93.563 - Child Support Enforcement

Questioned Costs: None

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

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

**FINDING NO. 2012-5 - PROPER CONTROL OVER ELIGIBILITY - 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 compliance with eligibility requirements. The Department's internal controls over eligibility states the Client Certification Form should be signed by the applicant/guardian, the nurse, and a case manager.

*Condition:* During the course of the audit, we noted two instances where the form was not properly signed by the nurse.

*Context:* Of the sixty participants tested, we noted two instances in which the proper signatures were not obtained.

*Effect:* Failure to properly complete the Client Certification Form results in lack of documentation of proof of eligibility.

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

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

*Views of Responsible Officials and Planned Corrective Action:* Charts are now being audited on a quarterly basis to detect compliance with signatures.

*Person Responsible:* MCH Coordinator

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

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

**FINDING NO. 2012-6 - PROPER CONTROL OVER VOUCHERS - 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 compliance with WIC voucher requirements. The Department's internal controls over the vouchers is to have the participant initial one side of the voucher and sign the other side of the voucher.

*Condition:* During the course of the audit, we noted one instance where the voucher was not initialed or signed by the participant.

*Context:* Of the forty participants tested, we noted one instance in which the participant did not initial or sign the voucher.

*Effect:* Failure to properly initial and sign the voucher results in lack of documentation of participant acceptance of voucher.

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

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

*Views of Responsible Officials and Planned Corrective Action:* WIC Clerk's are now checking vouchers and stubs to make sure the appropriate guidelines are followed before client receives food vouchers.

*Person Responsible:* MCH Coordinator

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

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

**FINDING NO. 2012-7 - PROPER CONTROL OVER REPORTING - 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 compliance with reporting requirements. The monthly report filings, Summary Expenditure Documentation Forms, should be filed within 15 days after month-end.

*Condition:* During the course of the audit, we noted one instance where a report was not filed within 15 days after month-end.

*Context:* Of the four reports tested, we noted one instance where the report was not filed timely.

*Effect:* Failure to complete timely reporting results in noncompliance with grant requirements.

*Cause:* Due to staffing issues during that timeframe the reporting personnel could not meet the reporting deadline.

*Recommendation:* We recommend the Health Department monitor controls to ensure reports are submitted timely.

*Views of Responsible Officials and Planned Corrective Action:* Billing is to be completed by 15<sup>th</sup> of each month. Due to staffing issues during that timeframe one billing did not meet deadline. Billing has been done in a timely manner and will continue. However, if a billing is missed, allowances are accepted to get the billing in within the fiscal year.

*Person Responsible:* MCH Coordinator

**IROQUOIS COUNTY, ILLINOIS**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS**  
**Year Ended November 30, 2012**

**YEAR ENDED NOVEMBER 30, 2011**

**FINDING NO. 11-01 - 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. 11-02 - 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 partially exists. Improvements to control processes were made during the year which corrected several of the issues.

**FINDING NO. 11-03 - 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.

**FINDING NO. 11-04 - FINANCIAL MONITORING OF FUNDS**

*Condition:* 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.

This condition was corrected.

**FINDING NO. 11-05 - PROPER CONTROLS OVER PAYROLL - HEALTH DEPARTMENT**

*Condition:* There was 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.

No instances such as this were noted in the sample tested during the current audit.