

IROQUOIS COUNTY, ILLINOIS
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
November 30, 2010

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Independent Auditor's Report

Iroquois County Board
Watseka, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois (County) as of and for the year ended November 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and schedules of funding progress on pages 3 through 7 and 45 through 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois County, Illinois' basic financial statements. The combining financial statements, on pages 54 through 69 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The statistical information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Champaign, Illinois
April 2, 2011

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, 2010.

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 at the close of the most recent fiscal year by \$66,562,831 (*net assets*). Net assets invested in capital assets (net of depreciation and related debt) account for over eighty-five percent of this amount (\$57,106,236). Of the total, \$2,790,786 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental net assets increased by \$4,559,751 from operations. The business-type net assets decreased by \$12,186.
- Overall revenues were \$22,762,722 which was \$4,547,565 higher than expenses.

REPORTING ON THE COUNTY AS A WHOLE

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COUNTY'S MOST SIGNIFICANT FUNDS

FUND FINANCIAL STATEMENTS

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

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

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

COUNTY'S FIDUCIARY RESPONSIBILITIES

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

COUNTY AS A WHOLE

Tables presenting the net assets and the changes in net assets for the years ended November 30, 2010 and 2009 follow.

**TABLE 1
NET ASSETS**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 15,234,658	\$ 14,607,490	\$ 371,167	\$ 487,564	\$ 15,605,825	\$ 15,095,054
Capital assets	<u>56,717,654</u>	<u>52,268,152</u>	<u>388,582</u>	<u>260,449</u>	<u>57,106,236</u>	<u>52,528,601</u>
Total assets	<u>71,952,312</u>	<u>66,875,642</u>	<u>759,749</u>	<u>748,013</u>	<u>72,712,061</u>	<u>67,623,655</u>
Current liabilities	5,674,063	5,302,524	23,922	-	5,697,985	5,302,524
Non-current liabilities	<u>451,245</u>	<u>305,865</u>	<u>-</u>	<u>-</u>	<u>451,245</u>	<u>305,865</u>
Total liabilities	<u>6,125,308</u>	<u>5,608,389</u>	<u>23,922</u>	<u>-</u>	<u>6,149,230</u>	<u>5,608,389</u>
Net assets:						
Invested in capital assets	56,717,654	52,268,152	388,582	260,449	57,106,236	52,528,601
Restricted	6,665,809	6,899,984	-	-	6,665,809	6,899,984
Unrestricted	<u>2,443,541</u>	<u>2,099,117</u>	<u>347,245</u>	<u>487,564</u>	<u>2,790,786</u>	<u>2,586,681</u>
Total net assets	<u>\$ 65,827,004</u>	<u>\$ 61,267,253</u>	<u>\$ 735,827</u>	<u>\$ 748,013</u>	<u>\$ 66,562,831</u>	<u>\$ 62,015,266</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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program revenues:						
Charges for services	\$ 2,614,147	\$ 2,610,354	\$ 513,775	\$ 473,797	\$ 3,127,922	\$ 3,084,151
Grants and contributions	4,443,682	1,993,852	-	-	4,443,682	1,993,852
General revenues:						
Property taxes	3,993,213	3,700,717	-	-	3,993,213	3,700,717
Other taxes	4,113,719	3,802,728	-	-	4,113,719	3,802,728
Other general revenues	<u>7,077,154</u>	<u>1,184,277</u>	<u>7,032</u>	<u>17,893</u>	<u>7,084,186</u>	<u>1,202,170</u>
Total revenues	<u>22,241,915</u>	<u>13,291,928</u>	<u>520,807</u>	<u>491,690</u>	<u>22,762,722</u>	<u>13,783,618</u>
Program expenses						
General government	2,327,120	2,641,658	-	-	2,327,120	2,641,658
Health and sanitation	5,886,135	3,706,951	-	-	5,886,135	3,706,951
Public safety	4,377,922	4,800,190	-	-	4,377,922	4,800,190
Transportation	5,234,450	4,763,006	-	-	5,234,450	4,763,006
Culture and recreation	24,828	24,639	-	-	24,828	24,639
Public assistance	18,921	20,821	-	-	18,921	20,821
Emergency services	-	-	332,541	355,755	332,541	355,755
Farm	<u>-</u>	<u>-</u>	<u>13,240</u>	<u>1,596</u>	<u>13,240</u>	<u>1,596</u>
Total expenses	<u>17,869,376</u>	<u>15,957,265</u>	<u>345,781</u>	<u>357,351</u>	<u>18,215,157</u>	<u>16,314,616</u>
Excess (deficiency) before transfers	4,372,539	(2,665,337)	175,026	134,339	4,547,565	(2,530,998)
Transfers	<u>187,212</u>	<u>249,349</u>	<u>(187,212)</u>	<u>(249,349)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ 4,559,751</u>	<u>\$ (2,415,988)</u>	<u>\$ (12,186)</u>	<u>\$ (115,010)</u>	<u>\$ 4,547,565</u>	<u>\$ (2,530,998)</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.

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

The County reports the following majority proprietary fund:

911 Emergency Service Board Fund – This fund accounts for the operations of the 911 Emergency Service Board.

GENERAL FUND BUDGETARY HIGHLIGHTS

The revenue side of the budget relied heavily on property taxes and intergovernmental revenues, which were over budget by \$90,645, and charges for services which were under budget by \$77,029. The actual total revenue was over budgeted revenues by \$411,261. Actual expenditures in public safety exceeded budgeted amounts by \$115,623 while total expenditures were \$180,833 under budget with the result being an excess of revenues over expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

On November 30, 2010 and 2009, the County had \$101,875,861 and \$94,391,257 invested in capital assets including highway, infrastructure, farm land, equipment, buildings and roads. See Note 8 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 18,600	\$ 18,600	\$ 153,037	\$ 153,037	\$ 171,637	\$ 171,637
Buildings and improvements	7,865,017	7,865,017	-	-	7,865,017	7,865,017
Equipment	922,706	845,056	1,538,455	1,366,867	2,461,161	2,211,923
Transportation network	90,100,189	82,844,151	-	-	90,100,189	82,844,151
Vehicles	<u>1,277,857</u>	<u>1,298,529</u>	<u>-</u>	<u>-</u>	<u>1,277,857</u>	<u>1,298,529</u>
Totals	<u>\$100,184,369</u>	<u>\$ 92,871,353</u>	<u>\$ 1,691,492</u>	<u>\$ 1,519,904</u>	<u>\$101,875,861</u>	<u>\$ 94,391,257</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

This past year the County continued to struggle with increasing expenses and decreasing revenues. The State of Illinois has not been timely with reimbursement payments for the States Attorney, Public Defender, Probation and Supervisor of Assessment positions. Budget cuts were again made with union employees each taking at least 10 furlough days. Non-union employees were asked to pay \$200 per month toward their health insurance costs. The County also had to borrow approximately \$1,000,000 from a local bank, and the loan was paid off after the second tax distribution. A public safety tax was put on the ballot for the February primary election in 2010 and on the November 2010 ballot. Since this tax did not pass on either ballot, it resulted in several layoffs to the sheriff's department. Certain departments have been forced to use Automation funds to subsidize their budgets for 2010. At the end of the fiscal year the overall financial position was slightly improved.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 7,005,633	\$ 105,664	\$ 7,111,297
Investments	2,235,742	171,120	2,406,862
Accrued interest	2,783	-	2,783
Receivables, net:			
Accounts	89,950	76,343	166,293
Taxes	4,147,890	-	4,147,890
Other	789	-	789
Due from other governmental agencies	1,579,993	-	1,579,993
Loans	148,106	-	148,106
Prepaid expenses	23,772	18,040	41,812
Capital assets not being depreciated:			
Land	18,600	153,037	171,637
Vehicle	17,500	-	17,500
Capital assets depreciated:			
Vehicles	1,260,357	-	1,260,357
Buildings and improvements	7,865,017	-	7,865,017
Equipment	922,706	1,538,455	2,461,161
Transportation network	90,100,189	-	90,100,189
Less accumulated depreciation	<u>(43,466,715)</u>	<u>(1,302,910)</u>	<u>(44,769,625)</u>
 Total assets	 <u>\$ 71,952,312</u>	 <u>\$ 759,749</u>	 <u>\$ 72,712,061</u>
LIABILITIES			
Accounts payable and accrued expenses	1,145,613	23,922	1,169,535
Deferred revenue	4,528,450	-	4,528,450
Noncurrent liabilities:			
Due in more than one year	<u>451,245</u>	<u>-</u>	<u>451,245</u>
 Total liabilities	 <u>6,125,308</u>	 <u>23,922</u>	 <u>6,149,230</u>
 NET ASSETS			
Invested in capital assets	56,717,654	388,582	57,106,236
Restricted for:			
Motor fuel tax	2,673,579	-	2,673,579
Grants	5,994	-	5,994
Matching tax	437,995	-	437,995
Retirement	1,108,891	-	1,108,891
Health	1,544,827	-	1,544,827
Capital projects	352,479	-	352,479
Highway projects	542,044	-	542,044
Unrestricted	<u>2,443,541</u>	<u>347,245</u>	<u>2,790,786</u>
 Total net assets	 <u>65,827,004</u>	 <u>735,827</u>	 <u>66,562,831</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 71,952,312</u>	 <u>\$ 759,749</u>	 <u>\$ 72,712,061</u>

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended November 30, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
PROGRAMS							
Governmental activities:							
General government	\$ (2,327,120)	\$ 1,555,440	\$ -	\$ -	\$ (771,680)	\$ -	\$ (771,680)
Health and sanitation	(5,886,135)	596,414	4,345,573	-	(944,148)	-	(944,148)
Public safety	(4,377,922)	278,470	98,109	-	(4,001,343)	-	(4,001,343)
Transportation	(5,234,450)	183,823	-	6,159,815	1,109,188	-	1,109,188
Culture and recreation	(24,828)	-	-	-	(24,828)	-	(24,828)
Public assistance	(18,921)	-	-	-	(18,921)	-	(18,921)
Total governmental activities	<u>(17,869,376)</u>	<u>2,614,147</u>	<u>4,443,682</u>	<u>6,159,815</u>	<u>(4,651,732)</u>	<u>-</u>	<u>(4,651,732)</u>
Business-Type activities:							
911 Emergency Service Board	(332,541)	407,944	-	-	-	75,403	75,403
County farm	<u>(13,240)</u>	<u>105,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,591</u>	<u>92,591</u>
Total business-type activities	<u>(345,781)</u>	<u>513,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,994</u>	<u>167,994</u>
TOTAL	<u>\$ (18,215,157)</u>	<u>\$ 3,127,922</u>	<u>\$ 4,443,682</u>	<u>\$ 6,159,815</u>	<u>(4,651,732)</u>	<u>167,994</u>	<u>(4,483,738)</u>

General revenues:			
Property taxes	\$ 3,993,213	\$ -	\$ 3,993,213
Income taxes	217,410	-	217,410
Sales taxes	1,053,254	-	1,053,254
Replacement taxes	813,606	-	813,606
Intergovernmental revenues	2,029,449	-	2,029,449
Interest	99,925	7,032	106,957
Miscellaneous	843,229	-	843,229
Loss on disposal of capital assets	(25,815)	-	(25,815)
Transfers	187,212	(187,212)	-
	<u>9,211,483</u>	<u>(180,180)</u>	<u>9,031,303</u>
Total general revenues and transfers			
	9,211,483	(180,180)	9,031,303
Change in net assets	4,559,751	(12,186)	4,547,565
NET ASSETS - BEGINNING	<u>61,267,253</u>	<u>748,013</u>	<u>62,015,266</u>
NET ASSETS - END OF YEAR	<u>\$ 65,827,004</u>	<u>\$ 735,827</u>	<u>\$ 66,562,831</u>

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

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

	<u>General Fund</u>	<u>County Motor Fuel Tax</u>	<u>Retirement</u>	<u>Ford-Iroquois Public Health Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 140,441	\$ 1,151,708	\$ 1,128,294	\$ 692,957	\$ 3,596,071	\$ 6,709,471
Investments	-	1,469,575	-	339,168	426,999	2,235,742
Accrued interest	-	-	-	2,783	-	2,783
Prepaid expenses	-	-	-	23,772	-	23,772
Receivables (net of applicable for estimated uncollectible amounts)						
Accounts	-	-	-	89,950	-	89,950
Property taxes	1,154,250	-	1,567,500	-	884,640	3,606,390
Other	789	-	-	-	-	789
Intergovernmental	727,647	52,296	-	800,050	-	1,579,993
Loans	-	-	-	-	148,106	148,106
Due from other funds	-	-	-	-	228,047	228,047
TOTAL ASSETS	<u>\$ 2,023,127</u>	<u>\$ 2,673,579</u>	<u>\$ 2,695,794</u>	<u>\$ 1,948,680</u>	<u>\$ 5,283,863</u>	<u>\$ 14,625,043</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 130,282	\$ 42,260	\$ 19,403	\$ 23,293	\$ 856,907	\$ 1,072,145
Deferred revenue	1,436,750	-	1,567,500	380,560	884,640	4,269,450
Total liabilities	<u>1,567,032</u>	<u>42,260</u>	<u>1,586,903</u>	<u>403,853</u>	<u>1,741,547</u>	<u>5,341,595</u>
FUND BALANCE						
Reserved for prepaid items	-	-	-	23,772	-	23,772
Reserved for loans	-	-	-	-	148,106	148,106
Unreserved, reported in						
General Fund	456,095	-	-	-	-	456,095
Special Revenue Funds	-	2,631,319	1,108,891	1,521,055	3,041,731	8,302,996
Capital Projects Funds	-	-	-	-	352,479	352,479
Total fund balance	<u>456,095</u>	<u>2,631,319</u>	<u>1,108,891</u>	<u>1,544,827</u>	<u>3,542,316</u>	<u>9,283,448</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,023,127</u>	<u>\$ 2,673,579</u>	<u>\$ 2,695,794</u>	<u>\$ 1,948,680</u>	<u>\$ 5,283,863</u>	<u>\$ 14,625,043</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, 2010

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

Fund balances-total governmental funds	\$ 9,283,448
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	56,717,654
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.	282,500
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.	(5,353)
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>(451,245)</u>
Net assets of governmental activities	<u>\$ 65,827,004</u>

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

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

	General Fund	County Motor Fuel Tax	Retirement	Ford-Iroquois Public Health Department	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,128,625	\$ -	\$ 1,653,019	\$ 343,375	\$ 868,194	\$ 3,993,213
Charges for services	684,796	-	-	596,414	183,823	1,465,033
Licenses, permits and fees	285,611	-	-	-	-	285,611
Fines, fees and forfeits	562,888	-	-	-	300,615	863,503
Intergovernmental	2,524,222	848,658	-	4,345,573	765,157	8,483,610
Interest	9,270	46,133	704	17,483	26,335	99,925
Miscellaneous	89,026	-	-	507,881	246,322	843,229
Total revenues	<u>5,284,438</u>	<u>894,791</u>	<u>1,653,723</u>	<u>5,810,726</u>	<u>2,390,446</u>	<u>16,034,124</u>
EXPENDITURES						
General government	1,223,262	-	912,295	-	99,732	2,235,289
Health and sanitation	-	-	-	5,735,969	155,478	5,891,447
Public safety	3,644,085	-	-	-	571,425	4,215,510
Transportation	-	1,524,349	-	-	2,277,835	3,802,184
Culture and recreation	-	-	-	-	23,364	23,364
Public assistance	-	-	-	-	18,921	18,921
Capital outlay	-	-	-	20,159	63,580	83,739
Other	92,912	-	-	-	-	92,912
Total expenditures	<u>4,960,259</u>	<u>1,524,349</u>	<u>912,295</u>	<u>5,756,128</u>	<u>3,210,335</u>	<u>16,363,366</u>
Excess (deficiency) of revenues over expenditures	<u>324,179</u>	<u>(629,558)</u>	<u>741,428</u>	<u>54,598</u>	<u>(819,889)</u>	<u>(329,242)</u>

	<u>General Fund</u>	<u>County Motor Fuel Tax</u>	<u>Retirement</u>	<u>Ford-Iroquois Public Health Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	\$ 304,978	\$ -	\$ 66,345	\$ -	\$ 314,309	\$ 685,632
Operating transfers out	<u>(143,666)</u>	<u>(23,949)</u>	<u>-</u>	<u>-</u>	<u>(331,700)</u>	<u>(499,315)</u>
Total other financing sources (uses)	<u>161,312</u>	<u>(23,949)</u>	<u>66,345</u>	<u>-</u>	<u>(17,391)</u>	<u>186,317</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	485,491	(653,507)	807,773	54,598	(837,280)	(142,925)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(29,396)</u>	<u>3,284,826</u>	<u>301,118</u>	<u>1,490,229</u>	<u>4,379,596</u>	<u>9,426,373</u>
FUND BALANCE, END OF YEAR	<u>\$ 456,095</u>	<u>\$ 2,631,319</u>	<u>\$ 1,108,891</u>	<u>\$ 1,544,827</u>	<u>\$ 3,542,316</u>	<u>\$ 9,283,448</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, 2010

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

Net change in fund balances - total governmental funds	\$ (142,925)
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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.	73,791
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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.

Capital outlay	\$ 7,363,688	
Depreciation expense	(2,888,371)	
Loss on disposal	(25,815)	4,449,502

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.

Increase in compensated absences	(145,380)
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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	324,763
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Change in net assets of governmental activities	<u>\$ 4,559,751</u>
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The accompanying notes are an integral part of the financial statements.

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

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	911 Emergency Service Board	County Farm	Total	
CURRENT ASSETS				
Cash	\$ 47,776	\$ 57,888	\$ 105,664	\$ 296,162
Investments	171,120	-	171,120	-
Receivables, net				
Accounts	76,343	-	76,343	-
Property taxes	-	-	-	541,500
Prepaid expense	18,040	-	18,040	-
Total current assets	313,279	57,888	371,167	837,662
NONCURRENT ASSETS				
Land	-	153,037	153,037	-
Equipment	1,538,455	-	1,538,455	-
Less accumulated depreciation	(1,302,910)	-	(1,302,910)	-
Total noncurrent assets	235,545	153,037	388,582	-
TOTAL ASSETS	\$ 548,824	\$ 210,925	\$ 759,749	\$ 837,662
LIABILITIES				
Accounts payable and accrued expenses	\$ 23,922	\$ -	\$ 23,922	\$ 73,468
Due to other funds	-	-	-	228,047
Deferred revenue	-	-	-	541,500
Total liabilities	23,922	-	23,922	843,015
NET ASSETS				
Invested in capital assets	235,545	153,037	388,582	-
Unrestricted net assets	289,357	57,888	347,245	(5,353)
Total net assets	524,902	210,925	735,827	(5,353)
TOTAL LIABILITIES AND NET ASSETS	\$ 548,824	\$ 210,925	\$ 759,749	\$ 837,662

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, 2010

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	911 Emergency Service Board	County Farm	Total	
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ 1,004,061
Fees	407,944	-	407,944	-
Rental income	-	105,831	105,831	-
Miscellaneous	-	-	-	23,938
Total operating revenues	407,944	105,831	513,775	1,027,999
OPERATING EXPENSES				
General and administrative	-	-	-	1,198,514
Public safety	326,948	-	326,948	-
Capital outlay	5,593	-	5,593	-
Farm	-	13,240	13,240	-
Total operating expenses	332,541	13,240	345,781	1,198,514
Operating income (loss)	75,403	92,591	167,994	(170,515)
NON-OPERATING REVENUES				
Taxes	-	-	-	494,062
Interest income	6,847	185	7,032	321
Total non-operating revenues	6,847	185	7,032	494,383
Net income before transfers	82,250	92,776	175,026	323,868
OPERATING TRANSFERS				
Operating transfers in	-	-	-	895
Operating transfers out	(147,212)	(40,000)	(187,212)	-
Total operating transfers	(147,212)	(40,000)	(187,212)	895
CHANGE IN NET ASSETS	(64,962)	52,776	(12,186)	324,763
NET ASSETS (DEFICIT), BEGINNING OF YEAR	589,864	158,149	748,013	(330,116)
NET ASSETS (DEFICIT), END OF YEAR	\$ 524,902	\$ 210,925	\$ 735,827	\$ (5,353)

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

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IROQUOIS COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
Year Ended November 30, 2010

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	911 Emergency	County	Total	Internal Service
	Service Board	Farm		Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 409,733	\$ -	\$ 409,733	\$ 1,027,999
Cash received for rent	-	105,831	105,831	-
Cash paid to suppliers and for claims	(148,982)	(13,240)	(162,222)	(1,125,196)
Cash paid to employees	(107,162)	-	(107,162)	-
Internal activity - payments from other funds	-	-	-	59,212
Net cash provided by (used in) operating activities	153,589	92,591	246,180	(37,985)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property tax receipts	-	-	-	494,062
Cash overdrafts	-	-	-	(188,030)
Cash transfers from (to) other funds	(147,212)	(40,000)	(187,212)	895
Net cash provided by (used in) noncapital financing activities	(147,212)	(40,000)	(187,212)	306,927
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments related to the acquisition of capital assets	(171,588)	-	(171,588)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturity of investments	140,882	-	140,882	-
Interest payments received	6,847	185	7,032	321
Net cash provided by investing activities	147,729	185	147,914	321
NET INCREASE (DECREASE) IN CASH	(17,482)	52,776	35,294	269,263
CASH, BEGINNING OF YEAR	65,258	5,112	70,370	26,899
CASH, END OF YEAR	\$ 47,776	\$ 57,888	\$ 105,664	\$ 296,162

	Business-Type Activities Enterprise Funds			Governmental Activities
	911 Emergency Service Board	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 75,403	\$ 92,591	\$ 167,994	\$ (170,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	43,455	-	43,455	-
Effects of changes in operating assets and liabilities:				
Accounts receivables	1,789	-	1,789	(26,700)
Due from others	-	-	-	59,212
Prepaid items	9,020	-	9,020	-
Accounts payable	23,922	-	23,922	73,318
Deferred revenue	-	-	-	26,700
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 153,589</u>	<u>\$ 92,591</u>	<u>\$ 246,180</u>	<u>\$ (37,985)</u>

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

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2010

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Cash	\$ 2,676,672	\$ 2,414,855	\$ 5,091,527
Investments	5,376,087	202,855	5,578,942
Property taxes receivable	-	1,055,735	1,055,735
Inventory	-	8,587	8,587
Due from other governments	<u>1,508,632</u>	<u>-</u>	<u>1,508,632</u>
TOTAL ASSETS	<u>9,561,391</u>	<u>3,682,032</u>	<u>13,243,423</u>
Accounts payable	-	-	-
Deferred property taxes	-	1,055,735	1,055,735
Amounts held in trust and available for distribution to others	<u>-</u>	<u>2,626,297</u>	<u>2,626,297</u>
TOTAL LIABILITIES	<u>-</u>	<u>3,682,032</u>	<u>3,682,032</u>
NET ASSETS			
Restricted for other purposes	<u>\$ 9,561,391</u>	<u>\$ -</u>	<u>\$ 9,561,391</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, 2010

	<u>Private Purpose Trust Fund</u>
ADDITIONS:	
Intergovernmental	\$ 5,185,860
Interest	<u>133,446</u>
TOTAL ADDITIONS	<u>5,319,306</u>
DEDUCTIONS:	
Transportation	<u>2,905,750</u>
TOTAL DEDUCTIONS	<u>2,905,750</u>
Change in net assets	2,413,556
NET ASSETS, BEGINNING OF YEAR	<u>7,147,835</u>
NET ASSETS, END OF YEAR	<u><u>\$ 9,561,391</u></u>

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

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Principles Used To Determine the Scope of the Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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, 2010

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.

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 reports the following major proprietary fund:

911 Emergency Service Board Fund - This fund accounts for the operations of the 911 Emergency Service Board

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, 2010

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.

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.

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.

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

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.

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.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 at \$10,000 threshold for capitalizing fixed assets.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

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

Impairment of Long-Lived Assets

In accordance with government accounting standards, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries," management evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal live cycle of the capital asset. No impairment losses were recognized in the year ended November 30, 2010.

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.

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 Equity/ Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

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.

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, 2010

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 \$20,188,628, and the bank balances totaled \$20,369,618. Included in the carrying amount of the County's bank deposits and the bank balances are certificates of deposits totaling \$7,985,804, respectively. The County's bank deposits were fully insured or collateralized as of November 30, 2010.

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 CD investment maturities include \$950,000 with maturity dates in 2014 and the remainder mature in 2011.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.
- 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.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 4 - INTERFUND ACTIVITY

Individual fund interfund receivable and payable (due to/due from other funds) at November 30, 2010 were as follows:

Fund	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Special Revenue Fund	\$ 228,047	\$ -
Internal Service	-	228,047
TOTAL	<u>\$ 228,047</u>	<u>\$ 228,047</u>

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

Interfund transfers for the year ended November 30, 2010 consisted of the following:

Transfers to General Fund from:	
Non-major governmental funds	<u>\$ 264,978</u>
Transfers to Non-major Governmental Funds from:	
General Fund	<u>\$ 143,666</u>
Transfers to Major Governmental Funds from:	
Non-major governmental funds	<u>\$ 50,990</u>
Transfers to Major Governmental Funds from:	
Major enterprise funds	<u>\$ 15,355</u>
Transfers to Internal Service Funds from:	
Non-major governmental funds	<u>\$ 732</u>
Transfers to Non-major Governmental Funds from:	
Non-major governmental funds	<u>\$ 15,000</u>
Transfers to Internal Service Funds from:	
Major enterprise funds	<u>\$ 163</u>
Transfers to Non-major Governmental Funds from:	
Major enterprise funds	<u>\$ 131,694</u>
Transfers to Non-major Governmental Funds from:	
Major governmental funds	<u>\$ 23,949</u>
Transfers to General Fund from:	
Non-major enterprise funds	<u>\$ 40,000</u>

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 4 - INTERFUND ACTIVITY (CONTINUED)

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.

NOTE 5 - LOANS RECEIVABLE

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

Changes in loans receivable are summarized as follows:

	Balance November 30, 2009	Additions	Deductions	Balance November 30, 2010
Watseka Triangle-Geiger				
Truck Parts	\$ 11,820	\$ -	\$ 9,014	\$ 2,806
Grand Prairie	87,475	-	87,475	-
Katherine Blunk	80,329	-	6,053	74,276
The Gathering	79,940	-	8,916	71,024
TOTAL	<u><u>\$ 259,564</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 111,458</u></u>	<u><u>\$ 148,106</u></u>

The description of the loans and the annual expected proceeds as of November 30, 2010, is as follows:

	Watseka Triangle – GTP	Grand Prairie	Katherine Blunk	The Gathering
Borrower:	Triangle – GTP	Grand Prairie	Blunk	Gathering
<u>Date of Loan:</u>	<u>March 1, 1991</u>	<u>June 2, 1999</u>	<u>October 30, 2006</u>	<u>May 1, 2009</u>
Original principal balance	\$108,000	\$200,000	\$105,000	\$85,000
Interest rate	5%	5%	5%	4%
Monthly installment	\$854.06	\$1,581.59	\$1,484.06	\$900.00

	Watseka Triangle - GTP February 1, 2011		Katherine Blunk November 30, 2013	
Year Ending Nov. 30	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,806	\$ 794	\$ 31,430	\$ 7,447
2012	-	-	16,540	1,269
2013	-	-	26,306	380
2014	-	-	-	-
2015	-	-	-	-
2016 - 2020	-	-	-	-
Total	<u><u>\$ 2,806</u></u>	<u><u>\$ 794</u></u>	<u><u>\$ 74,276</u></u>	<u><u>\$ 9,096</u></u>

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 5 - LOANS RECEIVABLE (CONTINUED)

Year Ending Nov. 30	The Gathering April 1, 2016		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 8,067	\$ 2,732	\$ 42,303	\$ 10,973
2012	8,396	2,404	24,936	3,673
2013	8,738	2,062	35,044	2,442
2014	9,094	1,706	9,094	1,706
2015	9,420	1,380	9,420	1,380
2016 - 2020	<u>27,309</u>	<u>463</u>	<u>27,309</u>	<u>463</u>
Total	<u>\$ 71,024</u>	<u>\$ 10,747</u>	<u>\$ 148,106</u>	<u>\$ 20,637</u>

NOTE 6 - GENERAL SHORT-TERM DEBT

The County maintains two \$500,000 lines of available credit. Both bear interest on the balances drawn at 4.5% and were due November 30, 2010. Both lines of credit were unsecured.

During the fiscal year, the County borrowed \$2,463,889 on the lines of credit in order to pay current bills. The lines of credit were paid off in August upon receipt of property tax revenue. Interest of \$7,167 was paid during 2010.

NOTE 7 - GENERAL LONG-TERM DEBT

During fiscal year ended November 30, 2010, the County's general long-term debt consists of compensated absences at year-end. Changes in long-term debt for the year ended November 30, 2010 are as follows:

	Balance November 30 <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30 <u>2010</u>
Compensated absences	<u>\$ 305,865</u>	<u>\$ 216,143</u>	<u>\$ 70,763</u>	<u>\$ 451,245</u>

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

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ending November 30, 2010, was as follows:

Primary government:
Governmental activities

	Balance November 30 <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance November 30 <u>2010</u>
Transportation network	\$ 82,844,151	\$ 7,286,038	\$ (30,000)	\$ 90,100,189
Buildings and improvements	7,865,017	-	-	7,865,017
Equipment	845,056	77,650	-	922,706
Vehicles	<u>1,281,029</u>	<u>-</u>	<u>(20,672)</u>	<u>1,260,357</u>
Capital assets depreciated	92,835,253	7,363,688	(50,672)	100,148,269
Less accumulated depreciation	(40,603,201)	(2,888,371)	24,857	(43,466,715)
Vehicle	17,500	-	-	17,500
Land	<u>18,600</u>	<u>-</u>	<u>-</u>	<u>18,600</u>
Total	<u><u>\$ 52,268,152</u></u>	<u><u>\$ 4,475,317</u></u>	<u><u>\$ (25,815)</u></u>	<u><u>\$ 56,717,654</u></u>

Business-Type activities:
911 Emergency Service Board

	Balance November 30 <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance November 30 <u>2010</u>
Equipment	\$ 1,366,867	\$ 171,588	\$ -	\$ 1,538,455
Less accumulated depreciation	<u>(1,259,455)</u>	<u>(43,455)</u>	<u>-</u>	<u>(1,302,910)</u>
Total	<u><u>\$ 107,412</u></u>	<u><u>\$ 128,133</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 235,545</u></u>

County Farm

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

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

Governmental activities:

General government	\$ 76,880
Public safety	162,412
Transportation	2,622,639
Culture and recreation	1,464
Health and sanitation	<u>24,976</u>

Total depreciation – governmental activities \$2,888,371

**IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010**

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Business-type activities:

911 Emergency Service Board	\$ 43,455
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Total depreciation – business-type activities	<u>\$ 43,455</u>
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NOTE 9 - LEASES

Building leases

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

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

Farm lease

The County owns farmland that is leased for cash. The current lease is effective for March 1, 2010 to February 28, 2013. Terms of the lease are \$263 cash rent per acre for a total rent over the three-year term of \$317,494. The County received rent of \$105,831 for the year ended November 30, 2010. The rent is recorded in the County Farm Propriety Fund.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 10 - PENSION PLANS

The most recent information available is for the year ended December 31, 2009.

Defined Benefit Pension Plan - Other Qualified Iroquois County Employees

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

Funding Policy. As set by statute, the County regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2009 was 7.66 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For the fiscal year ending December 31, 2009, the County's annual pension cost of \$259,805 for the Regular plan was equal to the County's required and actual contributions.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 259,805	100%	\$ -
12/31/08	269,631	100%	-
12/31/07	270,091	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 15% corridor between the actuarial and market value of assets. The County regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 10 - PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan - Other Qualified Iroquois County Employees (Continued)

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 79.82 percent funded. The actuarial accrued liability for benefits was \$7,660,104 and the actuarial value of assets was \$6,114,503, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,545,601. The covered payroll (annual payroll of active employees covered by the plan) was \$3,391,706 and the ratio of the UAAL to the covered payroll was 46 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

Defined Benefit Pension Plan - Sheriff's Law Enforcement Personnel

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

Funding Policy. As set by statute, the County Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2009 was 15.33 percent of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the County's annual pension cost of \$150,156 for the Sheriff's Law Enforcement Personnel plan was equal to the County's required and actual contributions.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 10 - PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan - Sheriff's Law Enforcement Personnel (Continued)

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 150,156	100%	\$ -
12/31/08	163,217	100%	-
12/31/07	121,112	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 15% corridor between the actuarial and market value of assets. The County Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 73.89 percent funded. The actuarial accrued liability for benefits was \$3,766,869 and the actuarial value of assets was \$2,783,375, resulting in an underfunded actuarial accrued liability (UAAL) of \$983,494. The covered payroll (annual payroll of active employees covered by the plan) was \$979,488 and the ratio of the UAAL to the covered payroll was 100 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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, 2010

NOTE 10 - PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan - Elected County Officials

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

Funding Policy. As set by statute, the County Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2009 was 103.98% of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the County's annual pension cost of \$122,071 for the Elected County Official plan was equal to the County's required and actual contributions.

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 122,071	100%	\$ -
12/31/08	195,969	100%	-
12/31/07	151,435	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, 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 15% corridor between the actuarial and market value of assets. The County Elected County Official plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 10 - PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan - Elected County Officials (Continued)

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Elected County Official plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$581,095 and the actuarial value of assets was \$(1,282,068), resulting in an underfunded actuarial accrued liability (UAAL) of \$1,863,163. The covered payroll (annual payroll of active employees covered by the plan) was \$117,399 and the ratio of the UAAL to the covered payroll was 1587 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

Defined Benefit Pension Plan - Ford-Iroquois Public Health Department

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

Funding Policy. As set by statute, the Health Department's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Health Department's contribution rate for calendar year 2009 was 4.60 percent of annual covered payroll. The Health Department also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the Health Department's annual pension cost of \$67,640 for the regular plan was equal to the Health Department's required and actual contributions.

IROQUOIS COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2010

NOTE 10 - PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan - Ford-Iroquois Public Health Department (Continued)

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 67,640	100%	\$ -
12/31/08	81,511	100%	-
12/31/07	121,177	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 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 15% corridor between the actuarial and market value of assets. The regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 78.93 percent funded. The actuarial accrued liability for benefits was \$3,639,276 and the actuarial value of assets was \$2,872,566, resulting in an underfunded actuarial accrued liability (UAAL) of \$766,710. The covered payroll (annual payroll of active employees covered by the plan) was \$1,470,446 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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, 2010

NOTE 11 - 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 12 - 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, 2010: Arrestee's Medical Costs, Coroner Automation, Electronic Voting System, Township Bridge, Matching Tax, County Motor Fuel Tax, Joint Dispatch, County Farm, County Recorder Automation, County Extension, Historical Documents, Solid Waste, County Redemption, Court Security, Grant Fund, Tax Redemption, 911 Emergency Service Board, and Sale in Error.

Deficit Fund Balance

The following individual fund had deficit net assets as of November 30, 2010:

Group Insurance Fund, Internal Service Fund	\$ 301,515
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NOTE 13 - 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 14 - 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, 2010

NOTE 15 - HEALTH CARE REVENUE BONDS

The County issued \$7,000,000 of health care facilities revenue bonds dated July 1, 2003, under the Industrial Building Revenue Bond Act of the State of Illinois. The bonds were issued in order to provide funds to loan to Iroquois Memorial Hospital and Resident Home (Institution) for financing a building project. The bonds and interest thereon are limited obligations of the County and are payable solely out of the loan proceeds, revenues and receipts received by the County from the Institution. Bonds outstanding are approximately \$5,200,000 as of the Hospital's fiscal year ended September 30, 2009.

NOTE 16 - NEW GOVERNMENT ACCOUNTING STANDARD

In February 2009, the Governmental Accounting Standards Board issued a new accounting statement for *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The County will be required to adopt the new accounting standard in its November 30, 2011 financial statements. The County has not determined the effect, if any, the adoption of the new accounting standard will have on the County's net assets.

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

REQUIRED SUPPLEMENTAL INFORMATION

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT) -
BUDGET AND ACUTAL
GENERAL FUND
Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,128,625	\$ 28,625
Intergovernmental	2,462,202	2,462,202	2,524,222	62,020
Licenses, permits and fees	150,300	150,300	285,611	135,311
Charges for services	761,825	761,825	684,796	(77,029)
Interest	24,000	24,000	9,270	(14,730)
Fines, fees and forfeits	373,850	373,850	562,888	189,038
Miscellaneous	1,000	1,000	89,026	88,026
Total revenues	<u>4,873,177</u>	<u>4,873,177</u>	<u>5,284,438</u>	<u>411,261</u>
EXPENDITURES				
General and Administrative:				
County Board	108,210	108,210	96,740	11,470
Board of Review	13,000	13,000	13,000	-
County Treasurer	125,000	125,000	124,780	220
Data Processing	147,200	147,200	142,039	5,161
Elections	195,000	195,000	174,691	20,309
Zonning and Planning	121,900	121,900	112,388	9,512
Superintendent of Schools	83,223	83,223	83,223	-
County Clerk	191,415	191,415	184,854	6,561
Other Public and County Services	10,465	10,465	10,393	72
Other County Offices	-	-	7,167	(7,167)
Assessment Offices	229,386	229,386	222,958	6,428
Postage for County Offices	40,000	40,000	51,029	(11,029)
Total General and Administrative	<u>1,264,799</u>	<u>1,264,799</u>	<u>1,223,262</u>	<u>41,537</u>
Public Safety:				
Sheriff	1,520,500	1,520,500	1,611,977	(91,477)
Coroner	67,998	67,998	86,856	(18,858)
Animal Control	76,934	76,934	71,566	5,368
Emergency Services Disaster Agency	25,000	25,000	22,490	2,510
Circuit Clerk	273,000	273,000	273,000	-
Public Defender	75,000	75,000	75,000	-
Courts and Administration of Justice	117,372	117,372	146,018	(28,646)
States Attorney	412,658	412,658	417,111	(4,453)
Courthouse and Jail	445,000	445,000	416,263	28,737
Probation Office	385,000	385,000	373,918	11,082
911 Emergency Service Board	95,000	95,000	100,121	(5,121)
Jurors	35,000	35,000	49,765	(14,765)
Total Public Safety	<u>3,528,462</u>	<u>3,528,462</u>	<u>3,644,085</u>	<u>(115,623)</u>
Other	322,831	322,831	92,912	229,919
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>5,141,092</u>	<u>5,141,092</u>	<u>4,960,259</u>	<u>180,833</u>
Excess (deficiency) of revenues over expenditures	<u>(267,915)</u>	<u>(267,915)</u>	<u>324,179</u>	<u>592,094</u>

IROQUOIS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT) -
BUDGET AND ACUTAL
GENERAL FUND
Year Ended November 30, 2010

OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 310,200	\$ 310,200	\$ 304,978	\$ (5,222)
Operating transfers out	<u>-</u>	<u>-</u>	<u>(143,666)</u>	<u>143,666</u>
Total other financing sources (uses)	<u>310,200</u>	<u>310,200</u>	<u>161,312</u>	<u>138,444</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 42,285</u>	<u>\$ 42,285</u>	485,491	<u>\$ 730,538</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(29,396)</u>	
FUND BALANCE, END OF YEAR			<u>\$ 456,095</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 650,000	\$ 650,000	\$ 848,658	\$ 198,658
Interest	<u>85,000</u>	<u>85,000</u>	<u>46,133</u>	<u>(38,867)</u>
Total revenues	<u>735,000</u>	<u>735,000</u>	<u>894,791</u>	<u>159,791</u>
EXPENDITURES				
Transportation	<u>700,000</u>	<u>700,000</u>	<u>1,524,349</u>	<u>(824,349)</u>
Excess (deficiency) of revenues over expenditures	35,000	35,000	(629,558)	(664,558)
OTHER FINANCING USES				
Operating transfers out	<u>(18,000)</u>	<u>(18,000)</u>	<u>(23,949)</u>	<u>(5,949)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ 17,000</u>	<u>\$ 17,000</u>	(653,507)	<u>\$ (670,507)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>3,284,826</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,631,319</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 1,450,000	\$ 1,450,000	\$ 1,653,019	\$ 203,019
Interest	<u>-</u>	<u>-</u>	<u>704</u>	<u>704</u>
Total revenues	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,653,723</u>	<u>203,723</u>
EXPENDITURES				
General Government:				
Retirement contributions	<u>1,140,000</u>	<u>1,140,000</u>	<u>912,295</u>	<u>227,705</u>
Excess of revenues over expenditures	310,000	310,000	741,428	431,428
OTHER FINANCING SOURCES				
Operating transfers in	<u>73,000</u>	<u>73,000</u>	<u>66,345</u>	<u>(6,655)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 383,000</u>	<u>\$ 383,000</u>	807,773	<u>\$ 424,773</u>
FUND BALANCE, BEGINNING OF YEAR			<u>301,118</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,108,891</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 325,611	\$ 310,150	\$ 343,375	\$ 33,225
Charges for services	800,000	580,750	596,414	15,664
Intergovernmental	2,046,500	4,559,874	4,345,573	(214,301)
Interest	20,000	6,500	17,483	10,983
Miscellaneous	<u>466,935</u>	<u>371,972</u>	<u>507,881</u>	<u>135,909</u>
Total revenues	<u>3,659,046</u>	<u>5,829,246</u>	<u>5,810,726</u>	<u>(18,520)</u>
EXPENDITURES				
Health and sanitation	3,661,369	5,796,345	5,735,969	60,376
Capital outlay	<u>25,500</u>	<u>19,500</u>	<u>20,159</u>	<u>(659)</u>
Total expenditures	<u>3,686,869</u>	<u>5,815,845</u>	<u>5,756,128</u>	<u>59,717</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (27,823)</u>	<u>\$ 13,401</u>	54,598	<u>\$ 41,197</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,490,229</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,544,827</u>	

**IROQUOIS COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2010**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 6,114,503	\$ 7,660,104	\$ 1,545,601	79.82%	\$ 3,391,706	45.57%
12/31/08	5,509,825	7,221,573	1,711,748	76.30%	3,284,178	52.12%
12/31/07	8,148,100	7,802,618	(345,482)	104.43%	3,104,498	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$5,878,071. On a market value basis, the funded ratio would be 76.74%.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 2,783,375	\$ 3,766,869	\$ 983,494	73.89%	\$ 979,488	100.41%
12/31/08	2,540,441	3,922,283	1,381,842	64.77%	949,490	145.54%
12/31/07	3,667,530	4,142,236	474,706	88.54%	859,558	55.23%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$2,688,736. On a market basis, the funded ratio would be 71.38%.

**IROQUOIS COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
Year Ended November 30, 2010**

**ILLINOIS MUNICIPAL RETIREMENT FUND
ELECTED COUNTY OFFICIALS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ (1,282,068)	\$ 581,095	\$ 1,863,163	0.00%	\$ 117,399	1587.03%
12/31/08	(482,430)	1,388,897	1,871,327	0.00%	177,292	1055.51%
12/31/07	(217,297)	2,282,938	2,500,235	0.00%	172,163	1452.25%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$(1,329,277). On a market basis, the funded ratio would be 0.00%.

**ILLINOIS MUNICIPAL RETIREMENT FUND
PUBLIC HEALTH DEPARTMENT**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 2,872,566	\$ 3,639,276	\$ 766,710	78.93%	\$ 1,470,446	52.14%
12/31/08	3,042,446	3,516,582	474,136	86.52%	1,442,667	32.87%
12/31/07	4,141,027	3,865,040	(275,987)	107.14%	1,417,279	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$2,756,686. On a market basis, the funded ratio would be 75.75%.

IROQUOIS COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
November 30, 2010

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.

OTHER SUPPLEMENTAL INFORMATION

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

	<u>Special Revenue</u>						
	<u>Historical Documents</u>	<u>Indemnity</u>	<u>County Highway</u>	<u>County Bridge</u>	<u>Township Bridge</u>	<u>Matching Tax</u>	<u>Solid Waste Disposal</u>
Cash	\$ 7,707	\$ 42,515	557,475	\$ 786,387	\$ 293,950	\$ 532,440	\$ 97,339
Investments	-	-	-	-	-	272,941	154,058
Receivables:						-	
Property taxes	7,410	-	427,500	213,750	-	213,750	-
Loans	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 15,117</u>	<u>\$ 42,515</u>	<u>\$ 984,975</u>	<u>\$ 1,000,137</u>	<u>\$ 293,950</u>	<u>\$ 1,019,131</u>	<u>\$ 251,397</u>
LIABILITIES							
Accounts payable	7,500	\$ -	\$ 15,431	\$ 204,304	\$ 220,201	\$ 367,386	\$ -
Accrued expenses	-	-	-	-	-	-	-
Deferred revenue	<u>7,410</u>	<u>-</u>	<u>427,500</u>	<u>213,750</u>	<u>-</u>	<u>213,750</u>	<u>-</u>
Total liabilities	<u>14,910</u>	<u>-</u>	<u>442,931</u>	<u>418,054</u>	<u>220,201</u>	<u>581,136</u>	<u>-</u>
FUND BALANCE	<u>207</u>	<u>42,515</u>	<u>542,044</u>	<u>582,083</u>	<u>73,749</u>	<u>437,995</u>	<u>251,397</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 15,117</u>	<u>\$ 42,515</u>	<u>\$ 984,975</u>	<u>\$ 1,000,137</u>	<u>\$ 293,950</u>	<u>\$ 1,019,131</u>	<u>\$ 251,397</u>

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

	Special Revenue						
	<u>Recycling Center</u>	<u>Tax Redemption</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>
Cash	\$ 568	\$ 3,206	\$ 140,659	\$ 106,052	\$ 20,272	\$ 43,319	\$ 26,321
Investments	-	-	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 568</u>	<u>\$ 3,206</u>	<u>\$ 140,659</u>	<u>\$ 106,052</u>	<u>\$ 20,272</u>	<u>\$ 43,319</u>	<u>\$ 26,321</u>
 LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,592	\$ -	\$ 985
Accrued expenses	-	-	3,772	3,414	-	-	920
Deferred revenue	-	-	-	-	-	-	-
 Total liabilities	<u>-</u>	<u>-</u>	<u>3,772</u>	<u>3,414</u>	<u>1,592</u>	<u>-</u>	<u>1,905</u>
 FUND BALANCE	<u>568</u>	<u>3,206</u>	<u>136,887</u>	<u>102,638</u>	<u>18,680</u>	<u>43,319</u>	<u>24,416</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 568</u>	<u>\$ 3,206</u>	<u>\$ 140,659</u>	<u>\$ 106,052</u>	<u>\$ 20,272</u>	<u>\$ 43,319</u>	<u>\$ 26,321</u>

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

	<u>Special Revenue</u>						
	<u>Law Library</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>
Cash	\$ -	\$ 66,955	\$ 32,664	\$ 125,421	\$ 19,137	\$ 21,819	\$ 18,767
Investments	-	-	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	22,230	-
Loans	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 66,955</u>	<u>\$ 32,664</u>	<u>\$ 125,421</u>	<u>\$ 19,137</u>	<u>\$ 44,049</u>	<u>\$ 18,767</u>
 LIABILITIES							
Accounts payable	\$ -	\$ 114	538	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	1,314	-	-	-	14,052
Deferred revenue	-	-	-	-	-	22,230	-
 Total liabilities	<u>-</u>	<u>114</u>	<u>1,852</u>	<u>-</u>	<u>-</u>	<u>22,230</u>	<u>14,052</u>
 FUND BALANCE	<u>-</u>	<u>66,841</u>	<u>30,812</u>	<u>125,421</u>	<u>19,137</u>	<u>21,819</u>	<u>4,715</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 66,955</u>	<u>\$ 32,664</u>	<u>\$ 125,421</u>	<u>\$ 19,137</u>	<u>\$ 44,049</u>	<u>\$ 18,767</u>

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

	Special Revenue						
	<u>States Attorney Forfeiture</u>	<u>Electronic Voting System</u>	<u>Grant Fund</u>	<u>Revolving CDAP Loans</u>	<u>Teen Court</u>	<u>Public Safety</u>	<u>Police Vehicle</u>
Cash	\$ 3,141	\$ 14,226	\$ 5,994	\$ 421,984	\$ 6,731	\$ 9,358	\$ 14,107
Investments	-	-	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Loans	-	-	-	148,106	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,141</u>	<u>\$ 14,226</u>	<u>\$ 5,994</u>	<u>\$ 570,090</u>	<u>\$ 6,731</u>	<u>\$ 9,358</u>	<u>\$ 14,107</u>
 LIABILITIES							
Accounts payable	\$ -	\$ 274	\$ -	\$ -	\$ -	\$ 669	\$ -
Accrued expenses	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	274	-	-	-	669	-
 FUND BALANCE	<u>3,141</u>	<u>13,952</u>	<u>5,994</u>	<u>570,090</u>	<u>6,731</u>	<u>8,689</u>	<u>14,107</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,141</u>	<u>\$ 14,226</u>	<u>\$ 5,994</u>	<u>\$ 570,090</u>	<u>\$ 6,731</u>	<u>\$ 9,358</u>	<u>\$ 14,107</u>

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

	<u>Special Revenue</u>					
	<u>Arrestees Medical Costs</u>	<u>County Information Systems</u>	<u>Unclaimed Bonds</u>	<u>Coroner Automation</u>	<u>Capital Projects</u>	<u>Total</u>
Cash	\$ 5,200	\$ 32,138	\$ 14,376	\$ 1,411	\$ 124,432	\$ 3,596,071
Investments	-	-	-	-	-	426,999
Receivables:						
Property taxes	-	-	-	-	-	884,640
Loans	-	-	-	-	-	148,106
Due from other funds	-	-	-	-	228,047	228,047
TOTAL ASSETS	<u>\$ 5,200</u>	<u>\$ 32,138</u>	<u>\$ 14,376</u>	<u>\$ 1,411</u>	<u>\$ 352,479</u>	<u>\$ 5,283,863</u>
 LIABILITIES						
Accounts payable	\$ 77	\$ -	\$ 14,364	\$ -	\$ -	\$ 833,435
Accrued expenses	-	-	-	-	-	23,472
Deferred revenue	-	-	-	-	-	884,640
Total liabilities	<u>77</u>	<u>-</u>	<u>14,364</u>	<u>-</u>	<u>-</u>	<u>1,741,547</u>
 FUND BALANCE	<u>5,123</u>	<u>32,138</u>	<u>12</u>	<u>1,411</u>	<u>352,479</u>	<u>3,542,316</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,200</u>	<u>\$ 32,138</u>	<u>\$ 14,376</u>	<u>\$ 1,411</u>	<u>\$ 352,479</u>	<u>\$ 5,283,863</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue						
	<u>Historical Documents</u>	<u>Indemnity</u>	<u>County Highway</u>	<u>County Bridge</u>	<u>Township Bridge</u>	<u>Matching Tax</u>	<u>Solid Waste Disposal</u>
REVENUES							
Property taxes	\$ 8,364	\$ -	\$ 418,001	\$ 209,023	\$ -	\$ 209,023	\$ -
Fines, fees and forfeits	-	11,060	-	-	-	-	-
Intergovernmental	-	-	233,072	-	422,506	-	-
Charges for services	-	-	183,823	-	-	-	-
Interest	3	225	1,282	3,042	1,041	4,336	4,744
Miscellaneous	-	-	11,108	-	-	-	54,658
Total revenues	<u>8,367</u>	<u>11,285</u>	<u>847,286</u>	<u>212,065</u>	<u>423,547</u>	<u>213,359</u>	<u>59,402</u>
EXPENDITURES							
General and administrative	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	81,363
Public safety	-	-	-	-	-	-	-
Transportation	-	-	543,369	365,155	477,348	891,963	-
Culture and recreation	23,364	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-
Capital outlay	-	-	63,580	-	-	-	-
Total expenditures	<u>23,364</u>	<u>-</u>	<u>606,949</u>	<u>365,155</u>	<u>477,348</u>	<u>891,963</u>	<u>81,363</u>
Excess (deficiency) of revenues over expenditures	<u>(14,997)</u>	<u>11,285</u>	<u>240,337</u>	<u>(153,090)</u>	<u>(53,801)</u>	<u>(678,604)</u>	<u>(21,961)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	15,000	-	23,949	-	-	-	-
Operating transfers out	-	-	(8,000)	-	-	-	-
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>	<u>15,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>3</u>	<u>11,285</u>	<u>256,286</u>	<u>(153,090)</u>	<u>(53,801)</u>	<u>(678,604)</u>	<u>(21,961)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>204</u>	<u>31,230</u>	<u>285,758</u>	<u>735,173</u>	<u>127,550</u>	<u>1,116,599</u>	<u>273,358</u>
FUND BALANCE, END OF YEAR	<u>\$ 207</u>	<u>\$ 42,515</u>	<u>\$ 542,044</u>	<u>\$ 582,083</u>	<u>\$ 73,749</u>	<u>\$ 437,995</u>	<u>\$ 251,397</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue						
	<u>Recycling Center</u>	<u>Tax Redemption</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>
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	-	-	60,239	60,826	4,027	34,303	11,085
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	1	9	247	135	26	64	29
Miscellaneous	-	2,478	-	-	-	-	-
Total revenues	1	2,487	60,486	60,961	4,053	34,367	11,114
EXPENDITURES							
General and administrative	-	3,258	-	-	3,274	46,028	12,604
Health and sanitation	-	-	-	-	-	-	-
Public safety	-	-	27,971	14,987	-	-	-
Transportation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	3,258	27,971	14,987	3,274	46,028	12,604
Excess (deficiency) of revenues over expenditures	1	(771)	32,515	45,974	779	(11,661)	(1,490)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	(167,000)	(25,000)	(4,000)	(32,000)	-
Total other financing sources (uses)	-	-	(167,000)	(25,000)	(4,000)	(32,000)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1	(771)	(134,485)	20,974	(3,221)	(43,661)	(1,490)
FUND BALANCE, BEGINNING OF YEAR	567	3,977	271,372	81,664	21,901	86,980	25,906
FUND BALANCE, END OF YEAR	\$ 568	\$ 3,206	\$ 136,887	\$ 102,638	\$ 18,680	\$ 43,319	\$ 24,416

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue						
	<u>Law Library</u>	<u>Probation Services</u>	<u>Court Security</u>	<u>Sale in Error</u>	<u>Drug Abuse</u>	<u>Veterans Assistance Commission</u>	<u>Joint Dispatch</u>
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	23,783	\$ -
Fines, fees and forfeits	11,833	38,578	43,465	-	2,776	-	-
Intergovernmental	-	1,018	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	10	83	39	867	23	28	44
Miscellaneous	-	-	-	23,340	-	-	143,668
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,340</u>	<u>-</u>	<u>-</u>	<u>143,668</u>
Total revenues	<u>11,843</u>	<u>39,679</u>	<u>43,504</u>	<u>24,207</u>	<u>2,799</u>	<u>23,811</u>	<u>143,712</u>
EXPENDITURES							
General and administrative	-	-	-	22,478	-	-	-
Health and sanitation	-	-	-	-	-	-	-
Public safety	-	10,835	46,976	-	-	-	382,917
Transportation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	18,921	-
Capital outlay	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>10,835</u>	<u>46,976</u>	<u>22,478</u>	<u>-</u>	<u>18,921</u>	<u>382,917</u>
Excess (deficiency) of revenues over expenditures	<u>11,843</u>	<u>28,844</u>	<u>(3,472)</u>	<u>1,729</u>	<u>2,799</u>	<u>4,890</u>	<u>(239,205)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	275,360
Operating transfers out	(14,778)	(15,200)	-	(10,000)	-	-	(51,722)
	<u>(14,778)</u>	<u>(15,200)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(51,722)</u>
Total other financing sources (uses)	<u>(14,778)</u>	<u>(15,200)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>223,638</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,935)	13,644	(3,472)	(8,271)	2,799	4,890	(15,567)
FUND BALANCE, BEGINNING OF YEAR	<u>2,935</u>	<u>53,197</u>	<u>34,284</u>	<u>133,692</u>	<u>16,338</u>	<u>16,929</u>	<u>20,282</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 66,841</u>	<u>\$ 30,812</u>	<u>\$ 125,421</u>	<u>\$ 19,137</u>	<u>\$ 21,819</u>	<u>\$ 4,715</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	Special Revenue						
	<u>States Attorney Forfeiture</u>	<u>Electronic Voting System</u>	<u>Grant Fund</u>	<u>Revolving CDAP Loans</u>	<u>Teen Court</u>	<u>Public Safety</u>	<u>Police Vehicle</u>
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, fees and forfeits	-	-	-	-	-	9,220	6,610
Intergovernmental	-	-	98,109	-	10,452	-	-
Charges for services	-	-	-	-	-	-	-
Interest	-	-	-	9,493	5	10	15
Miscellaneous	<u>2,212</u>	<u>7,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,212</u>	<u>7,448</u>	<u>98,109</u>	<u>9,493</u>	<u>10,457</u>	<u>9,230</u>	<u>6,625</u>
EXPENDITURES							
General and administrative	-	12,090	-	-	-	-	-
Health and sanitation	-	-	70,352	-	-	-	-
Public safety	2,078	-	51,826	-	5,127	5,458	-
Transportation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,078</u>	<u>12,090</u>	<u>122,178</u>	<u>-</u>	<u>5,127</u>	<u>5,458</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>134</u>	<u>(4,642)</u>	<u>(24,069)</u>	<u>9,493</u>	<u>5,330</u>	<u>3,772</u>	<u>6,625</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>134</u>	<u>(4,642)</u>	<u>(24,069)</u>	<u>5,493</u>	<u>5,330</u>	<u>3,772</u>	<u>6,625</u>
FUND BALANCE, BEGINNING OF YEAR	<u>3,007</u>	<u>18,594</u>	<u>30,063</u>	<u>564,597</u>	<u>1,401</u>	<u>4,917</u>	<u>7,482</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,141</u>	<u>\$ 13,952</u>	<u>\$ 5,994</u>	<u>\$ 570,090</u>	<u>\$ 6,731</u>	<u>\$ 8,689</u>	<u>\$ 14,107</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended November 30, 2010

	<u>Special Revenue</u>					
	<u>Arrestees Medical Costs</u>	<u>County Information Systems</u>	<u>Unclaimed Bonds</u>	<u>Coroner's Automation</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 868,194
Fines, fees and forfeits	6,593	-	-	-	-	300,615
Intergovernmental	-	-	-	-	-	765,157
Charges for services	-	-	-	-	-	183,823
Interest	4	50	12	1	467	26,335
Miscellaneous	-	-	-	1,410	-	246,322
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,410</u>	<u>-</u>	<u>246,322</u>
Total revenues	<u>6,597</u>	<u>50</u>	<u>12</u>	<u>1,411</u>	<u>467</u>	<u>2,390,446</u>
EXPENDITURES						
General and administrative	-	-	-	-	-	99,732
Health and sanitation	3,763	-	-	-	-	155,478
Public safety	-	23,250	-	-	-	571,425
Transportation	-	-	-	-	-	2,277,835
Culture and recreation	-	-	-	-	-	23,364
Public assistance	-	-	-	-	-	18,921
Capital outlay	-	-	-	-	-	63,580
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,580</u>
Total expenditures	<u>3,763</u>	<u>23,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,210,335</u>
Excess (deficiency) of revenues over expenditures	<u>2,834</u>	<u>(23,200)</u>	<u>12</u>	<u>1,411</u>	<u>467</u>	<u>(819,889)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	314,309
Operating transfers out	-	-	-	-	-	(331,700)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,391)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,391)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>2,834</u>	<u>(23,200)</u>	<u>12</u>	<u>1,411</u>	<u>467</u>	<u>(837,280)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>2,289</u>	<u>55,338</u>	<u>-</u>	<u>-</u>	<u>352,012</u>	<u>4,379,596</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,123</u>	<u>\$ 32,138</u>	<u>\$ 12</u>	<u>\$ 1,411</u>	<u>\$ 352,479</u>	<u>\$ 3,542,316</u>

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

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Workmen's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
CURRENT ASSETS					
Cash	\$ 77,928	\$ 83,617	\$ 134,617	\$ -	\$ 296,162
Taxes receivable, net	<u>294,500</u>	<u>9,500</u>	<u>237,500</u>	<u>-</u>	<u>541,500</u>
TOTAL ASSETS	<u>\$ 372,428</u>	<u>\$ 93,117</u>	<u>\$ 372,117</u>	<u>\$ -</u>	<u>\$ 837,662</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	73,468	73,468
Due to other funds	-	-	-	228,047	228,047
Deferred revenue	<u>294,500</u>	<u>9,500</u>	<u>237,500</u>	<u>-</u>	<u>541,500</u>
Total liabilities	<u>294,500</u>	<u>9,500</u>	<u>237,500</u>	<u>301,515</u>	<u>843,015</u>
NET ASSETS					
Unrestricted net assets	<u>77,928</u>	<u>83,617</u>	<u>134,617</u>	<u>(301,515)</u>	<u>(5,353)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 372,428</u>	<u>\$ 93,117</u>	<u>\$ 372,117</u>	<u>\$ -</u>	<u>\$ 837,662</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
November 30, 2010

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Workmen's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 1,004,061	\$ 1,004,061
Miscellaneous	<u>391</u>	<u>-</u>	<u>23,547</u>	<u>-</u>	<u>23,938</u>
Total operating revenues	<u>391</u>	<u>-</u>	<u>23,547</u>	<u>1,004,061</u>	<u>1,027,999</u>
OPERATING EXPENSES					
General and administrative	<u>153,406</u>	<u>14,599</u>	<u>140,877</u>	<u>889,632</u>	<u>1,198,514</u>
Net income (loss) from operating activities	(153,015)	(14,599)	(117,330)	114,429	(170,515)
NON-OPERATING REVENUES					
Taxes	218,521	38,028	237,513	-	494,062
Interest income	<u>36</u>	<u>81</u>	<u>71</u>	<u>133</u>	<u>321</u>
Total non-operating revenues	<u>218,557</u>	<u>38,109</u>	<u>237,584</u>	<u>133</u>	<u>494,383</u>
Income before operating transfers	<u>65,542</u>	<u>23,510</u>	<u>120,254</u>	<u>114,562</u>	<u>323,868</u>
OPERATING TRANSFERS					
Operating transfers in	<u>-</u>	<u>895</u>	<u>-</u>	<u>-</u>	<u>895</u>
CHANGES IN NET ASSETS	65,542	24,405	120,254	114,562	324,763
TOTAL NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>12,386</u>	<u>59,212</u>	<u>14,363</u>	<u>(416,077)</u>	<u>(330,116)</u>
TOTAL NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 77,928</u>	<u>\$ 83,617</u>	<u>\$ 134,617</u>	<u>\$ (301,515)</u>	<u>\$ (5,353)</u>

IROQUOIS COUNTY, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
November 30, 2010

	<u>Liability Insurance</u>	<u>Unemployment Compensation</u>	<u>Worker's Compensation</u>	<u>Group Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 391	\$ -	\$ 23,547	\$ 1,004,061	\$ 1,027,999
Cash paid to suppliers and for claims	(153,556)	(14,599)	(140,877)	(816,164)	(1,125,196)
Internal activity - payments from other funds	-	59,212	-	-	59,212
Net cash provided by (used in) operating activities	(153,165)	44,613	(117,330)	187,897	(37,985)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property tax receipts	218,521	38,028	237,513	-	494,062
Cash overdrafts	-	-	-	(188,030)	(188,030)
Cash transfers from (to) other funds	-	895	-	-	895
Net cash provided by (used in) noncapital financing activities	218,521	38,923	237,513	(188,030)	306,927
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest payments received	36	81	71	133	321
NET INCREASE IN CASH	65,392	83,617	120,254	-	269,263
CASH, BEGINNING OF YEAR	12,536	-	14,363.00	-	26,899
CASH, END OF YEAR	<u>\$ 77,928</u>	<u>\$ 83,617</u>	<u>\$ 134,617</u>	<u>\$ -</u>	<u>\$ 296,162</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (153,015)	\$ (14,599)	\$ (117,330)	\$ 114,429	\$ (170,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Effects of changes in operating assets and liabilities:					
Receivables	(66,800)	30,100	10,000	-	(26,700)
Due from others	-	59,212	-	-	59,212
Other current liabilities	(150)	-	-	73,468	73,318
Deferred revenue	66,800	(30,100)	(10,000)	-	26,700
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (153,165)</u>	<u>\$ 44,613</u>	<u>\$ (117,330)</u>	<u>\$ 187,897</u>	<u>\$ (37,985)</u>

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

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	\$ 59,777	\$ 3,853	\$ 160,379	\$ 92,952	\$ 1,859	\$ 53,480
Investments	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Inventory	-	-	-	8,587	-	-
TOTAL ASSETS	<u>\$ 59,777</u>	<u>\$ 3,853</u>	<u>\$ 160,379</u>	<u>\$ 101,539</u>	<u>\$ 1,859</u>	<u>\$ 53,480</u>

LIABILITIES

Deferred property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts held in trust and available for distribution to others	<u>59,777</u>	<u>3,853</u>	<u>160,379</u>	<u>101,539</u>	<u>1,859</u>	<u>53,480</u>
TOTAL LIABILITIES	<u>\$ 59,777</u>	<u>\$ 3,853</u>	<u>\$ 160,379</u>	<u>\$ 101,539</u>	<u>\$ 1,859</u>	<u>\$ 53,480</u>

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

ASSETS

	Circuit Clerk Fund	Restitution Fund	Sheriff Commissary Fund	Inheritance Fund	Drainage District Fund	Marriage Fund
Cash	\$ 531,361	\$ 12,299	\$ 5,900	\$ 5,104	\$ 1,300,116	\$ 4,387
Investments	-	-	-	-	202,855	-
Property taxes receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 531,361</u>	<u>\$ 12,299</u>	<u>\$ 5,900</u>	<u>\$ 5,104</u>	<u>\$ 1,502,971</u>	<u>\$ 4,387</u>

LIABILITIES

Deferred property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts held in trust and available for distribution to others	<u>531,361</u>	<u>12,299</u>	<u>5,900</u>	<u>5,104</u>	<u>1,502,971</u>	<u>4,387</u>
TOTAL LIABILITIES	<u>\$ 531,361</u>	<u>\$ 12,299</u>	<u>\$ 5,900</u>	<u>\$ 5,104</u>	<u>\$ 1,502,971</u>	<u>\$ 4,387</u>

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

ASSETS

	County Mental Health Fund	County Public Health Fund	377 Board Fund	Beaverville Township Fund	County Extension Fund	Total
Cash	\$ 156,932	\$ 11,084	\$ -	\$ 15,372	\$ -	\$ 2,414,855
Investments	-	-	-	-	-	202,855
Property taxes receivable	427,500	-	532,000	-	96,235	1,055,735
Inventory	-	-	-	-	-	8,587
TOTAL ASSETS	<u>\$ 584,432</u>	<u>\$ 11,084</u>	<u>\$ 532,000</u>	<u>\$ 15,372</u>	<u>\$ 96,235</u>	<u>\$ 3,682,032</u>

LIABILITIES

Deferred property taxes	\$ 427,500	\$ -	\$ 532,000	\$ -	\$ 96,235	\$ 1,055,735
Amounts held in trust and available for distribution to others	<u>156,932</u>	<u>11,084</u>	<u>-</u>	<u>15,372</u>	<u>-</u>	<u>2,626,297</u>
TOTAL LIABILITIES	<u>\$ 584,432</u>	<u>\$ 11,084</u>	<u>\$ 532,000</u>	<u>\$ 15,372</u>	<u>\$ 96,235</u>	<u>\$ 3,682,032</u>

STATISTICAL INFORMATION

IROQUOIS COUNTY, ILLINOIS

ASSESSED VALUATION AND TAX EXTENSIONS

Tax Levies 2009, 2008, and 2007

(Unaudited)

	2009			2008			2007		
	<u>Extended in 2010</u>			<u>Extended in 2009</u>			<u>Extended in 2008</u>		
ASSESSED VALUATION	\$	442,032,396		\$	430,737,237		\$	405,170,620	
TAXES EXTENDED									
County (see below)	\$	5,520,573	13.62%	\$	5,526,581	13.94%	\$	4,697,380	12.71%
Townships and road districts		4,020,401	9.92%		3,906,404	9.85%		3,618,387	9.79%
Cities and villages		4,420,224	10.90%		4,339,936	10.94%		3,990,972	10.79%
District schools		20,628,729	50.89%		20,202,038	50.95%		19,354,451	52.36%
High school and community college		3,513,769	8.67%		3,348,569	8.44%		3,118,146	8.44%
Sanitary districts		15,002	0.04%		15,001	0.04%		14,430	0.04%
Fire protection districts		1,514,654	3.74%		1,459,154	3.68%		1,363,037	3.69%
Cemeteries		20,514	0.05%		19,965	0.05%		18,766	0.05%
Libraries, parks, etc.		<u>882,759</u>	<u>2.18%</u>		<u>836,243</u>	<u>2.11%</u>		<u>787,867</u>	<u>2.13%</u>
TOTALS	\$	<u>40,536,625</u>	<u>100.00%</u>	\$	<u>39,653,891</u>	<u>100.00%</u>	\$	<u>36,963,436</u>	<u>100.00%</u>

		Rate Per \$100		Rate Per \$100		Rate Per \$100
	<u>Extension</u>	<u>Valuation</u>		<u>Extension</u>	<u>Valuation</u>	<u>Extension</u>
General County	\$ 1,131,491	0.26857	\$ 1,162,775	0.27000	\$ 1,043,267	0.27000
County IMRF	1,142,908	0.27128	946,111	0.21969	800,049	0.20710
County Highway	419,069	0.09947	430,657	0.10000	386,311	0.10000
Social Security	514,325	0.12208	567,692	0.13182	450,052	0.11650
County Health	213,642	0.05071	235,785	0.05475	198,564	0.05140
Bridge Fund	209,556	0.04974	215,329	0.05000	193,155	0.05000
Veterans Assistance	23,846	0.00566	26,313	0.00611	13,521	0.00350
Mental Health Board #708	628,625	0.14921	645,986	0.15000	579,466	0.15000
Matching Tax	209,556	0.04974	215,329	0.05000	193,155	0.05000
Liability Insurance	219,077	0.05200	201,849	0.04687	159,933	0.04140
Unemployment Insurance	38,128	0.00905	52,583	0.01221	32,836	0.00850
Workmen's Compensation	238,120	0.05652	262,830	0.06103	180,021	0.04660
Co-op Extension	104,778	0.02487	124,072	0.02881	73,013	0.01890
377 Board	419,069	0.09947	430,657	0.10000	386,311	0.10000
Historical Documents	8,384	0.00199	8,613	0.00200	7,726	0.00200
TOTALS	\$ 5,520,573	1.31036	\$ 5,526,581	1.28329	\$ 4,697,380	1.21590

SINGLE AUDIT REPORTS

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

Iroquois County Board
Iroquois County, Illinois
Watseka, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois as of and for the year ended November 30, 2010, and have issued our report thereon dated April 2, 2011. 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

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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses in internal control over financial reporting (Findings 2010-1, 2010-2, and 2010-3).

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies (Findings 2010-4 and 2010-5).

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*.

We noted certain matters that we reported to management of Iroquois County, Illinois in a separate letter dated April 2, 2011.

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.

Clifton Gunderson LLP

Champaign, Illinois
April 2, 2011

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

Iroquois County Board
Iroquois County
Watseka, Illinois

Compliance

We have audited the compliance of Iroquois County, Illinois with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2010. Iroquois County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Iroquois County, Illinois' management. Our responsibility is to express an opinion on Iroquois County, Illinois' compliance based on our audit.

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

In our opinion, Iroquois County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2010.

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 entity'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 that might be significant deficiencies or material weaknesses as defined below. 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 2010-1, 2010-2, and 2010-3 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2010-6 and 2010-7 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.

Clifton Henderson LLP

Champaign, Illinois
April 2, 2011

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010

Federal Grantor/ Pass Through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE			
Flow-through from Illinois Department of Human Services:			
Supplemental Nutrition Program for Women, Infants, and Children (WIC) Admin	10.557	11GL196000 11GM196000	\$ 72,403 47,333
Supplemental Nutrition Program for Women, Infants, and Children - Noncash	10.557	None	<u>415,767</u>
Total Department of Agriculture			<u><u>\$ 535,503</u></u>
ENVIRONMENTAL PROTECTION AGENCY			
Flow-through from Illinois Department of Public Health:			
Potable Water Supply	66.605	None	\$ 1,625
Flow-through from Illinois Emergency Management Agency:			
Indoor Radon	66.032	None	\$ 2,500
Disaster Relief – Hazard Mitigation	97.039	None	65,144
ESDA	97.042	None	<u>11,732</u>
			<u><u>\$ 79,376</u></u>
Total Environmental Protection Agency			<u><u>\$ 81,001</u></u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Flow-through from Illinois Department of Public Health:			
Illinois Immunization Grants - Noncash	93.268	H23/CCH504464	\$ 146,520
ARRA Immunization	93.712	5180337	20,500
Dental Sealant	93.994	3480148	600
Public Health Emergency Preparedness	93.069	7181029	62,030
Public Health Emergency Response Phase I & II	93.069	7181151	11,060
Public Health Emergency Response Phase III	93.069	7181246	<u>34,282</u>
			<u><u>\$ 274,992</u></u>
Flow-through from Illinois Department of Human Services:			
MCHS Block Grant	93.994	11GL196000 11GM196000	\$ 15,500 11,250
Illinois Disaster Assistance	93.667	DR00000001	3,278,978
Title XX Block Grant	93.667	11GL196000	16,800
Divisional Human Capital Development	93.558	81XMFD0021	641
Temporary Assistance for Needy Families	93.558	11GL196000 11GM196000	59,709 59,313
			<u><u>\$ 3,442,191</u></u>

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010

Federal Grantor/ Pass Through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)			
Flow-through from Livingston County: Illinois Breast and Cervical Cancer	93.283	None	\$ 13,062
Flow-through from East Central Illinois Area Agency On Aging:			
Title III-B	93.044	None	\$ 26,152
Title III-E	93.052	None	37,441
Title VII	93.041	None	3,940
			<u>\$ 67,533</u>
Flow-through Illinois Department of Healthcare and Family Services:			
Medical Assistance Program - ARRA	93.778	None	\$ 2,834
Medical Assistance Program	93.778	None	21,020
Children's Health Insurance Program	93.767	None	1,598
Title XVIII Medicare	93.778	None	35,012
Child Support Enforcement	93.563	None	6,616
			<u>\$ 67,080</u>
Flow-through Illinois State Board of Elections			
HAVA	39.011	None	\$ 3,820
VAID III	93.617	None	2,002
			<u>\$ 5,822</u>
Total Department of Health and Human Services			<u><u>\$ 3,872,680</u></u>
U.S. DEPARTMENT OF TRANSPORTATION			
Flow-through from Illinois Department of Transportation:			
Child Passenger Safety Seat	20.613	B10-6060-098	\$ 5,398
Total U.S. Department of Transportation			<u><u>\$ 5,398</u></u>
DEPARTMENT OF JUSTICE			
Flow-through Illinois Department of Justice:			
SCAAP	16.606	None	\$ 12,661
Bulletproof Vests	16.607	None	2,190
ARRA - JAG Program	16.803	None	38,298
Total Department of Justice			<u><u>\$ 53,149</u></u>

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010**

Federal Grantor/ Pass Through <u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. ELECTION ASSISTANCE COMMISSION			
Passed through Illinois State Board of Elections:			
HAVA	90.401	None	\$ <u>7,526</u>
Total U.S. Election Assistance Commission			\$ <u><u>7,526</u></u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ <u><u>4,553,257</u></u>

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended November 30, 2010

	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>	<u>Cluster Total, If Applicable</u>
SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER				
	93.268	\$ 146,520	\$ -	
	93.712	20,500	-	
	93.994	27,350	-	
	93.069	107,372	-	
	66.605	1,625	-	
	93.667	3,295,778	-	
	20.613	5,398	-	
	66.032	2,500	-	
	10.557	535,503	-	
	93.617	2,002	-	
	93.558	119,663	-	
	93.044	26,152	-	
	93.052	37,441	-	
	93.041	3,940	-	
	93.778	58,866	-	
	93.767	1,598	-	
	93.563	6,616	-	
	93.283	13,062	-	
	39.011	3,820	-	
	16.606	12,661	-	
	16.607	2,190	-	
	16.803	38,298	-	
	90.401	7,526	-	
	97.039	65,144	-	
	97.042	11,732	-	
		<u>\$ 4,553,257</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, 2010

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

The Iroquois County Health Department participates in an Immunization Program. During fiscal year 2010 these commodities were valued at \$146,520 (CFDA 93.268). This is included in the accompanying schedule under Department of Health and Human Services.

The Iroquois County Health Department issues food instruments to participants in the WIC Program that are used to purchase food. These food instruments were valued at \$415,767 (CFDA 10.557) based on the Illinois Department of Human Services fiscal year ended June 30, 2010. This amount is included in the accompanying schedule under Department of Agriculture.

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, 2010**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? x Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? x Yes None reported

Noncompliance material to financial statements noted?

 Yes x No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? x Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? x Yes None reported

Type of auditor's report issued on compliance for major programs:

unqualified opinion

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

x Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
------------------------------	--

93.667	Illinois Disaster Assistance
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, 2010**

Section II - Financial Statement Findings

**FINDING NO. 2010-1 - FINANCIAL STATEMENT PREPARATION AND AUDIT
ADJUSTMENTS**

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

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

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

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

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

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

Views of Responsible Officials and Planned Corrective Action: The Iroquois County Board will seek to replace the outgoing Director of Data Processing with an individual who has a 4-year accounting degree, placing the emphasis on the importance of accurate and acceptable accounting procedures.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

Section II - Financial Statement Findings (Continued)

FINDING NO. 2010-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

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

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

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

- There is no formal review of the bank reconciliations after completion
- There is a lack of segregation of duties over payroll transactions
- Liability accounts are not properly monitored or reviewed by accounting personnel
- Review processes are often not documented
- The trial balance is not adequately reviewed and adjusted
- Checks are signed by unauthorized check signers on behalf of authorized signers
- Check images are not received for all bank accounts
- Collateral pledged to cover balances over FDIC is not monitored

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

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

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

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

Section II - Financial Statement Findings (Continued)

FINDING NO. 2010-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT (CONTINUED)

Views of Responsible Officials and Planned Corrective Action: The views and planned actions from the Ford-Iroquois Public Health Department governing board as a result of this audit are as follows:

- Bank reconciliations will be signed by the reviewer and the administrator as verification of reconciliation
- The health department currently has two (2) employees that are authorized signers for our accounts. The health department administrator is the only individual that signs any checks written including payroll checks. Under no circumstances does anyone but the health department administrator sign the payroll checks. All payroll checks are signed by two people, the health department administrator and the Iroquois County Treasurer thereby ensuring a proper segregation for accounting principals/procedures to better insure internal financial controls. The health department administrator signs the payroll processing documents including taxes submitted prior to the paychecks being "run".
- Revenue and expense accounts are verified for accuracy as situations arise. Liability accounts will be monitored on a quarterly basis by the administrator running a G/L report looking at the specific liability line items to verify any inaccuracies or other noted discrepancies. The G/L report will need to be signed by the administrator to authorize any changes to the liability accounts.
- Review processes will become more transparent by offering the administrator's signature verifying review of the preparer's work on liability accounts, bank reconciliations, and trial balances on a quarterly basis.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

Section II - Financial Statement Findings (Continued)

FINDING NO. 2010-3 - INFORMATION TECHNOLOGY

Criteria or Specific Requirement: Information technology is an essential part of the operations of the accounting department. County personnel heavily rely upon the Information Technology controls and applications to have correct functioning of the accounting system.

Condition: We noted several conditions related to IT systems:

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

Context: The financial system is very old and unsupported. Numerous programming changes have had to be made internally.

Effect: The lack of reliability and controls over the accounting and related IT systems could lead to errors or irregularities in the processing and recording of financial transactions.

Cause: The County has not significantly upgraded its Information Technology system since the 1980s.

Recommendation: The County Board should consider updating its Information Technology system and reviewing all related security settings.

Views of Responsible Officials and Planned Corrective Action: The Iroquois Board has approved and is researching the purchase of new accounting software which will eliminate most general ledger issues. The servers are kept behind locked doors with only the IT Director having access. The IT Director keeps track of incoming and outgoing personnel and verifies with department heads necessary security access.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010

Section II - Financial Statement Findings (Continued)

FINDING NO. 2010-4 - DECENTRALIZED OFFICES

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

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

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

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

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

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

Views of Responsible Officials and Planned Corrective Action: The County's management is aware of the need for more internal controls in each individual office and will work with the department head/elected official in the County Clerk/Recorder and Sheriff's offices to ensure their awareness of the importance of proper internal controls over check stock and signature stamps and the need for adequate recording and accounting of transactions, agreements, contracts, etc.

IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010

Section II - Financial Statement Findings (Continued)

FINDING NO. 2010-5 - NEGATIVE CASH AND FUND BALANCE

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

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

Effect: This fund had to borrow money from other funds to meet their obligations. The borrowing was from a pooled bank account and represents an authorized loan between funds.

Cause: Monitoring of cash and fund balances has been inadequate.

Recommendation: The County Board, or designated personnel, needs to review budget to actual comparisons for both revenue and expenditures in each fund on a frequent basis to ensure monies are adequate to meet the obligations of the fund. As revenues decline, expenditures have to be reduced. Significant cuts need made in expenditures or revenues sources increased in order to meet the obligations of this fund and to build a reserve in this fund. Cash balances also need reviewed frequently, and loans between funds approved in advance, as needed.

Views of Responsible Officials and Planned Corrective Action: Iroquois County will seek to provide funding for the Group Insurance Fund this fiscal year, or FY2012 at the latest, to bring it out of deficit. The Data Processing Director will continue to keep the Finance Committee aware of fund balances through monthly reporting, highlighting any funds with a negative balance or nearing negative balance.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

Section III - Federal Award Findings and Questioned Costs

FINDING NO. 2010-1 - FINANCIAL STATEMENT PREPARATION AND ADJUSTMENTS

See Section II - Financial Statement Findings

Federal Agency/Program: Department of Health and Human Services - 93.667 – Illinois
Disaster Assistance

Department of Agriculture - 10.557 - Supplemental
Nutritional Program for Women, Infants, and Children

All other programs

Questioned Costs: None

FINDING 2010-2 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

See Section II - Financial Statement Findings

Federal Agency/Program: Department of Health and Human Services - 93.667 – Illinois
Disaster Assistance

Department of Agriculture - 10.557 - Supplemental
Nutritional Program for Women, Infants, and Children

All others except:

Environmental Protection Agency - 97.042 - ESDA

Environmental Protection Agency - 97.039 - Disaster Relief

Department of Justice - 16.606 - SCAAP

Department of Justice - 16.607 - Bulletproof Vests

Department of Justice - 16.803 - Edward Byrne Memorial Justice
Assistance Grant Program

U.S. Election Assistance Commission - 90.401 - HAVA

Department of Health and Human Services - 39.011 - HAVA

Department of Health and Human Services - 93.617 - VAID III

Department of Health and Human Services - 93.563 Child
Support Enforcement

Questioned Costs: None

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

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

FINDING 2010-3 - INFORMATION TECHNOLOGY

See Section II - Financial Statement Findings

Federal Agency/Program: Environmental Protection Agency - 97.042 - ESDA
 Environmental Protection Agency - 97.039 - Disaster Relief
 Department of Justice - 16.606 - SCAAP
 Department of Justice - 16.607 - Bulletproof Vests
 Department of Justice - 16.803 - Edward Byrne Memorial Justice
 Assistance Grant Program
 U.S. Election Assistance Commission - 90.401 - HAVA
 Department of Health and Human Services - 39.011 - HAVA
 Department of Health and Human Services - 93.617 - VAID III
 Department of Health and Human Services - 93.563 - Child
 Support Enforcement
Questioned Costs: None

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

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

FINDING NO. 2010-6 - PROPER CONTROL OVER ELIGIBILITY

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

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 client'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 one instance where the form was not properly signed by the applicant/guardian and one instance where the form was not properly signed by the 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 could result in applicants being accepted into the program who are not eligible to receive benefits.

Cause: The exception was an oversight by the WIC program personnel and other review 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: The eligibility forms are randomly reviewed through an intake analysis review that is performed by the State of Illinois Department of Human Services operational standards. During random reviews not all discrepancies will be caught.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2010**

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

FINDING NO. 2010-7 - PROPER CONTROL OVER REPORTING

Federal Agency/Program: U.S. Department of Agriculture - 10.557 - Supplemental
Nutritional Program for Women, Infants, and Children

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 quarterly report filings, Summary Expenditure Documentation Forms, should be reviewed by an individual other than the one who prepares the report. This review should be completed prior to the quarterly report being filed.

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

Context: Of the two quarterly reports tested, we noted instances of improper controls over both.

Effect: Failure to properly review the quarterly reports prior to being filed could result in inaccurate reports being submitted or late reports being filed.

Cause: The quarterly reports are not being reviewed prior to filing. Instead the financial information is being monitored after the filing is completed.

Recommendation: We recommend the Health Department put into place a policy where the quarterly reports are reviewed by another individual other than the one who completed the report, prior to the filing. This review should be signed or initialed and dated.

Views of Responsible Officials and Planned Corrective Action: It is current practice to review the documents as they are being simultaneously e-mailed to the state agencies. The Ford-Iroquois Health Department will proactively review the documents prior to them being e-mailed into the state agencies.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2010**

YEAR ENDED NOVEMBER 30, 2009

**FINDING NO. 09-01 - FINANCIAL STATEMENT PREPARATION AND AUDIT
ADJUSTMENTS**

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

Condition still exists.

FINDING NO. 09-02 - APPROVAL OF INVOICES BY COUNTY BOARD

Condition: During our internal control testing of cash disbursements, invoices were found to be paid before they were approved by the Board.

Cash disbursements tested in the current year noted proper authorization by the County Board.

FINDING NO. 09-03 - FORD-IROQUOIS PUBLIC HEALTH DEPARTMENT

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

Condition still exists.

FINDING NO. 09-04 - INFORMATION TECHNOLOGY

Condition: We noted several conditions related to IT systems:

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

Condition still exists, except for user rights not being properly controlled, which has been corrected.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended November 30, 2010**

FINDING NO. 09-05 - 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. 09-06 - UNAUTHORIZED LOANS

Condition: The General Fund and the Group Insurance Fund had significant negative cash balances within a pooled cash account at November 30, 2009.

Condition still exists for the Group Insurance Fund, however the General Fund's cash position has been improved.

FINDING NO. 09-07 - FINANCIAL MONITORING

Condition: The General Fund incurred a large net loss of \$500,000 in fiscal year 2009, which also led to a deficit fund balance of \$30,000 at year end. The Group Insurance Fund also has a deficit fund balance of \$416,000.

The General Fund ended with a positive fund balance in fiscal year 2010. However, the Group Insurance Fund still maintained a deficit fund balance of \$301,000.