HENRY COUNTY, ILLINOIS

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT

November 30, 2006

HENRY COUNTY, ILLINOIS
November 30, 2006

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT DISCUSSION AND ANALYSIS	3-13
FINANCIAL STATEMENTS	
Statement 1 - Statement of Net Assets	14
2 - Statement of Activities	15
3 - Balance Sheet - Governmental Funds	16
3 - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	17
4 - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
4 - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Proprietary Funds	
5 - Statement of Net Assets	20
6 - Statement of Revenues, Expenses, and Changes in Fund Net Assets	21
7 - Statement of Cash Flows	22-23
Agency Funds	
8 - Statement of Fiduciary Assets and Liabilities	24
Notes to Financial Statements	25-47

(Continued)

TABLE OF CONTENTS

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Governmental Funds	
Exhibit 1 - General Fund	48-54
2 - County Highway Fund	55
3 - Illinois Municipal Retirement Fund	56
4 - FICA Fund	57
5 - Tort Judge and Liability Insurance Fund	58
6 - County Health Fund	59
7 - Notes to the Required Supplementary Information - Budget Comparisons	60
8 - Required Supplementary Information on Pension Plan Funding Progress	61-62
OTHER SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds	
Exhibit 9 - Combining Balance Sheet	63-67
10 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68-72
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Exhibit 11 - Federal Aid Matching Fund	73
12 - County Joint Bridge Fund	74
13 - Motor Fuel Tax Fund	75
14 - Mentally Deficient Persons Fund	76
15 - 708 Mental Health Fund	77
16 - Veterans' Assistance Commission Fund	78

(Continued)

TABLE OF CONTENTS

	PAGE
Nonmajor Governmental Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: (Continued)	
Exhibit 17 - Extension Fund	79
18 - State's Attorney Forfeited Drug Fund	80
19 - Animal Control Fund	81
20 - Vital Records Automation Fund	82
21 - Court Security System Fund	83
22 - Probation Service Fees Fund	84
23 - Treasurer Automation Fund	85
24 - Sheriff's Drug Fund	86
25 - Law Library Fund	87
26 - Circuit Clerk Court Automation Fund	88
27 - Recorder Automation Fund	89
28 - Court Document Storage Fund	90
29 - Orion Law Enforcement Fund	91
30 - Cambridge Law Enforcement Fund	92
31 - Sheriff's Crime Lab Fund	93
32 - Capital Building Fund	94
33 - Waste Management Fund	95
34 - Solid Soil Survey Fund	96
35 - DUI Equipment Fund	97
36 - Tourism Department	98

(Continued)

TABLE OF CONTENTS

	PAGE
Nonmajor Governmental Funds (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Exhibit 37 - Elderly Services Fund	99
38 - Classroom Cell Phone Fund	100
39 - Sheriff's Auto/Truck Youth Education	101
40 - Camera Account	102
41 - Elderly Cell Phones Fund	103
42 - Neighborhood Watch Fund	104
43 - Coroner Equipment Grant	105
Agency Funds	
Exhibit 44 - Combining Statement of Changes in Assets and Liabilities	106
SINGLE AUDIT SECTION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	107-109
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	110
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	111-112
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	113-114
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	115-116
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	117
CORRECTIVE ACTION PLAN	118

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INDEPENDENT AUDITORS' REPORT

Members of the County Board
Henry County, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Henry County, Illinois, as of and for the year ended November 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 opinion.

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Henry County, Illinois as of November 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2007, on our consideration of Henry County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 13, budgetary comparison information on pages 48 through 60, and Illinois Municipal Retirement Fund information on pages 61 through 62, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Henry County, Illinois, basic financial statements. The combining and individual nonmajor fund financial statements 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 also not a required part of the basic financial statements of Henry County, Illinois. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Carpenter, Mitchell, Goddard & Company, LLC

Moline, Illinois
February 21, 2007

Henry County, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the County of Henry's financial performance provides an overview of the County's financial activities for the fiscal year ended November 30, 2006. The MD&A should be read in conjunction with the accompanying notes to those financial statements. *All amounts are expressed in actual dollars.*

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded the liabilities at the close of the FY2006 by $35,330,680 (net assets). Of this amount, $2,394,509 is restricted for specific purposes. As required by GASB 34, net assets also reflect $16,561,500 that is invested in capital assets net of related debt. With the presentation of the investment in capital assets, unrestricted net assets becomes $16,374,671.

- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of $16,858,797 currently government fund totals only; of which $14,464,288 or 85.8% represents unreserved fund balances.

- The general fund unreserved fund balance of $4,666,158 equals 55.2% of total general fund expenditures. The County's budgetary fund balance target is 25%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

The Government-wide financial statements. *The government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (excluding infrastructure prior to December 1,2002) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

The *statement of net assets* presents information on all of the County's assets and liabilities (excluding infrastructure prior to December 1, 2002), with the difference between the two reported as *net assets*. Increases or decreases in net assets contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year using full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxed and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, education, judiciary, highways and streets, health and recreation and culture.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, however governmental funds financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities.*

The County maintains the General Fund, 5 individual major governmental funds (excluding fiduciary funds), 39 special nonmajor revenue funds, and 1 nonmajor debt service fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, County Highway Fund, Illinois Municipal Retirement Fund, FICA Fund, Tort Judge and Liability Insurance Fund and County Health Fund, which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget as a management control device during the year for the General Fund and for certain Special Revenue Funds. A budgetary comparison schedule has been provided for the General Fund and other major special revenue funds to demonstrate compliance with budget.

Proprietary funds. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is used to report activities that provide services for other programs and activities- such as the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning general fund and major special revenue budgetary schedules and schedules of funding progress for defined benefit retirement plans.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Henry County, assets exceeded liabilities by $35,330,680 at the close of the most recent fiscal year.

Of the County's total assets of $47,030,340 the largest components are: 1) cash and investment of $16,838,199 or 35.8%, 2) receivables, which largely represent the deferred taxes for FY2007 of $9,043,455 or 19.2%, and 3) capital assets net of accumulated depreciation of $21,052,006 or 44.8%. The receivables are offset by deferred revenue since the FY2006 tax revenue is not recognized until FY2007 even though the levy takes place in FY2006. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the total liabilities of $11,699,660, $7,500,600 are current liabilities.

The County's net assets for fiscal year ended November 30, 2006 are summarized as follows:

	Governmental Activities	Business Type Activities	Total
Current and other assets	$23,694,449	2,283,885	25,978,334
Capital assets (net of depreciation)	$17,973,016	3,078,990	21,052,006
Total assets	$41,667,465	5,362,875	47,030,340
Current and other liabilities	$ 7,220,767	279,833	7,500,600
Long-term liabilities	$ 4,199,060	----------	4,199,060
Total liabilities	$11,419,827	279,833	11,699,660
Net assets:			
Invested in capital assets, net of related debt	$13,482,510	3,078,990	16,561,500
Restricted	$ 2,394,509	----------	2,394,509
Unrestricted	$14,370,619	2,004,052	16,374,671
Total net assets	$30,247,638	5,083,042	35,330,680

For comparative purposes, the County's net assets for fiscal year ended November 30, 2005 are summarized as follows:

	Governmental Activities	Business Type Activities	Total
Current and other assets	$22,144,201	2,254,978	24,399,179
Capital assets (net of depreciation)	$16,345,110	3,222,400	19,567,510
Total assets	$38,489,311	5,477,378	43,966,689
Current and other liabilities	$ 7,042,445	238,347	7,280,792
Long-term liabilities	$ 4,447,243	----------	4,447,243
Total liabilities	$11,489,688	238,347	11,728,035
Net assets:			
Invested in capital assets, net of related debt	$11,661,820	3,222,400	14,884,220
Restricted	$ 2,374,874	----------	2,374,874
Unrestricted	$12,962,929	2,016,631	14,979,560
Total net assets	$26,999,623	5,239,031	32,238,654

About 6.8% or $2,394,509 of the County's net assets for fiscal year ended November 30, 2006 represents *restricted net assets* which are resources that are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and granting conditions. A significant portion ($16,561,500) of the County's net assets reflects its *investment in capital assets* (e.g., land, buildings, infrastructure, machinery and equipment) net of related debt. Unrestricted assets ($16,374,671) may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental activities increased the County's net assets by $3,248,015. The key components of this increase are the following:

- An increase of General Government revenue of approximately $360,000.
- An increase of Public Safety revenue of approximately $425,000.
- An increase of County Highway revenue of approximately $320,000.
- An increase of Capital Grants of approximately $620,000.
- A decrease in governmental fund balances ($1,235,279) resulting mainly from capital expenditures.
- A reporting requirement for debt in government-wide statements. The principal debt payments of $341,073 are expenditures on the traditional funds statements but a reduction of debt (which increases net assets) on the government-wide statements.

The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds on page 19 further details changes in net assets.

Program revenues and expenses for fiscal year ended November 30, 2006 are presented net of interfund eliminations.

Henry County's Changes in Net Assets

	Governmental Activities 2006	Business-Type Activities 2006	Total
Revenues:			
Program revenues:			
Charges for services	$ 8,540,677	3,981,781	12,522,458
Operating grants and contributions	$ 2,824,784	----------	2,824,784
Capital grants and contributions	$ 621,740	----------	621,740
General revenues:			
Property taxes	$ 5,914,459	----------	5,914,459
Other taxes	$ 4,222,378	----------	4,222,378
Unrestricted investments earnings	$ 753,862	53,801	807,663
Total revenues	$22,877,900	4,035,582	26,913,482

	Governmental Activities 2006	Business-Type Activities 2006	Total
Expenses:			
General government	$ 4,421,688	----------	4,421,688
Public safety	$ 4,660,515	----------	4,660,515
Education	$ 509,035	----------	509,035
Judiciary	$ 2,253,863	----------	2,253,863
Highways and streets	$ 2,774,148	----------	2,774,148
Health	$ 4,298,176	----------	4,298,176
Recreation and culture	$ 31,051	----------	31,051
Interest on long-term debt	$ 187,118	----------	187,118
Nursing home	$----------	4,630,486	4,630,486
Other	$----------	55,376	55,376
Total expenses	$19,135,594	4,685,862	23,821,456
Increase <decrease> in net assets before transfers	$ 3,742,306	<650,280>	3,092,026
Transfers	$ <494,291>	494,291	----------
Change in net assets	$ 3,248,015	<155,989>	3,092,026
Net assets – beginning	$26,999,623	5,239,031	32,238,654
Net assets – ending	$30,247,638	5,083,042	35,330,680

For comparative purposes, program revenues and expenses for fiscal year ended November 30, 2005 are presented net of interfund eliminations.

Henry County's Changes in Net Assets

	Governmental Activities 2005	Business-Type Activities 2005	Total
Revenues:			
Program revenues:			
Charges for services	$ 7,490,620	4,214,928	11,705,548
Operating grants and contributions	$ 2,798,933	----------	2,798,933
Capital grants and contributions	$ 89,585	----------	89,585
General revenues:			
Property taxes	$ 5,669,132	----------	5,669,132
Other taxes	$ 3,968,832	----------	3,968,832
Unrestricted investments earnings	$ 527,970	28,154	556,124
Gain on sale of capital assets	$----------	8,653	8,653
Total revenues	$20,545,072	4,251,735	24,796,807
Expenses:			
General government	$ 4,036,173	----------	4,036,173
Public safety	$ 4,589,897	----------	4,589,897
Education	$ 472,962	----------	472,962
Judiciary	$ 2,059,286	----------	2,059,286
Highways and streets	$ 2,622,206	----------	2,622,206
Health	$ 4,207,909	----------	4,207,909
Recreation and culture	$ 31,904	----------	31,904
Interest on long-term debt	$ 188,813	----------	188,813
Nursing home	$----------	4,761,711	4,761,711
Other	$----------	12,092	12,092
Total expenses	$18,209,150	4,773,803	22,982,953

	Governmental Activities 2005	Business-Type Activities 2005	Total
Increase <decrease> in net assets before transfers	$ 2,335,922	<522,068>	1,813,854
Transfers	$ <504,920>	504,920	----------
Change in net assets	$ 1,831,002	<17,148>	1,813,854
Net assets – beginning	$25,168,621	5,256,179	30,424,800
Net assets – ending	$26,999,623	5,239,031	32,238,654

Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of $11,987,201 equaled 62.6% of government expenses of $19,135,594. As expected, general revenues ($10,890,699) provided the required support and coverage for expenses.
- Approximately 25% of the expenses are Public Safety ($4,660,515) while this category provided about 12% of total revenues of $22,877,900.
- General government expenses are $4,421,688 at 23%. General government provided about 9.9% of total revenues.
- The next largest category of expenses are Health expenses ($4,298,176) at 22%. Health provided about 15.6% of total revenues.
- Grant revenues and contributions comprised about 15.1% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls have been the framework of the County's strong fiscal management and accountability. The County has maintained a AAA bond rating since 1996.

Governmental funds. The general government functions are reported in the General, Special Revenue, and Debt Service Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $16,858,797, an increase of $1,397,969 in comparison with the prior year. Approximately $14,464,288 or 85.8% of the fund balance represents *unreserved fund balance,* which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $4,666,158. As a measure of the general fund's liquidity, we compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 55.2% of total fund expenditures. General budgetary targets for reserves are 25% of expenditures which compare favorably to GFOA recommended reserves for small counties.

The fund balance of the County's general fund increased by $999,442 during the current fiscal year.

The County Highway Fund has a fund balance of $3,697,970, an increase of $217,816 as compared with the prior year.

The Illinois Municipal Retirement Fund has a fund balance of $201,721, an increase of $28,744 as compared with the prior year.

The FICA Fund has a fund balance of $206,401, an increase of $61,506 as compared with the prior year.

The TORT Judge and Liability Insurance Fund has a fund balance of $969,006, an increase of $225,678 as compared with the prior year.

The County Health Fund has a fund balance of $1,638,774, a decrease of $76,478 as compared with the prior year.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Governmental Funds – Revenues Classified by Source

Revenues by Source	FY 2006	FY 2005	Increase <Decrease>	Percent Increase <Decrease>
Taxes	$ 8,992,856	8,502,566	490,290	5.8%
Fines and fees	$ 1,606,871	1,285,373	321,498	25.0%
Intergovernmental revenues	$ 4,326,047	4,023,916	302,131	7.5%
Charges for services	$ 6,663,272	5,917,612	745,660	12.6%
Investments	$ 753,862	527,970	225,892	42.8%
Miscellaneous	$ 270,534	287,635	<17,101>	<5.9%>
Total	$22,613,442	20,545,072	2,068,370	10.1%

- Investments – the almost 42.8% increase in investment revenue resulted from the overall economic climate and interest rates in particular.

The following table presents expenditures by function compared to prior year amounts.

Expenditures by Function – Governmental Funds

Expenditures by Function	FY 2006	FY2005	Increase <Decrease>	Percent of Change
General Government	$ 4,258,382	3,916,038	342,344	8.7%
Public Safety	$ 4,324,892	4,190,908	133,984	3.2%
Education	$ 509,287	465,405	43,882	9.4%
Judiciary	$ 2,178,738	1,957,257	221,481	11.3%
Highways and streets	$ 3,799,403	3,496,947	302,456	8.6%
Health	$ 4,199,226	4,053,281	145,945	3.6%
Recreation and culture	$ 31,051	31,904	<853>	<2.7%>
Capital expenditures	$ 896,458	468,393	428,065	91.4%
Debt service-principal	$ 341,073	250,780	90,293	36.0%
Debt service-interest	$ 182,672	164,603	18,069	11.0%
Total	$20,721,182	18,995,516	1,725,666	9.1%

Overall, total expenditures increased 9.1%, Capital expenditures increased 91.4%, Debt service – principal increased 36.0%, along with interest increasing by 11.0%.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for the General Fund can be summarized as follows:

- The total original revenue budget of $8,442,823 increased to actual receipts of $9,974,480 (an increase of $1,531,657).
- The total original expenditure budget of $8,158,022 increased to $8,448,159 (an increase of $290,137).
- The total original budget for net transfers out of $497,701 increased to $526,879 (an increase of $29,178) to cover actual expenditures in other funds.

During the year, actual revenues were more than budgetary revenues and actual expenditures were more than budgetary expenditures. The budgeted transfers out are for transfers to special revenue funds.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term debt. The County's bond rating is "AAA" from Standard & Poor's.

The following represents the activity of the long-term debt of the County for FY2006.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Alternate revenue bonds	$4,820,000	----------	(325,000)	4,495,000
Issuance discounts	$(56,003)	----------	8,246	(47,757)
Installment contract	$----------	128,169	(16,073)	112,096
Total	$4,763,997	128,169	(332,827)	4,559,339

(More detailed information about the County's long-term liabilities is presented in Note 8 to the financial statements.)

Capital assets. The capital assets of the County are those assets (land, buildings, improvements, infrastructure, and vehicles & equipment), which are used in the performance of the County's functions. At November 30, 2006, net capital assets of the governmental activities totaled $17,973,016. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation totaled $1,228,846.

County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
Governmental Activities:			
Land	$ 180,012	N/A	180,012
Construction in progress	$ 330,573	N/A	330,573
Buildings and improvements	$21,033,743	11,811,796	9,221,947
Vehicles and equipment	$ 7,471,020	5,458,211	2,012,809
Infrastructure	$ 6,876,721	649,046	6,227,675
Total	$35,892,069	17,919,053	17,973,016
Business-type Activities:			
Land	$ 801,000	N/A	801,000
Construction in progress	$ 130,017	N/A	130,017
Buildings	$ 4,945,024	2,982,153	1,962,871
Equipment	$ 1,152,907	967,805	185,102
Total	$ 7,028,948	3,949,958	3,078,990

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget is developed to provide efficient, effective, and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Board sets the direction of the County, allocates its resources and establishes its priorities.

In considering the County budget for FY2007, the County Board and management considered the following factors:

- Interest earnings for FY2007 are anticipated to increase slightly, as high rate investments mature and current interest rates are expected to continue to rise.

- Health care and personnel costs, which make up a significant portion of the County's operating costs, continue to rise. It is anticipated that three (3) separate labor contracts will be (re)negotiated during FY2007.

- A major courthouse roof/clock tower renovation project is being considered, with an initial estimated cost of $2.4M.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the appropriate financial office (County Clerk, County Treasurer or County Board Office) at 307 W. Center Street, Cambridge, Illinois 61238 or visit the County's web site at www.henrycty.com.

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HENRY COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Emergency Telephone System Board
ASSETS				
Cash and cash equivalents	$11,803,871	$ 1,084,328	$12,888,199	$ 381,975
Certificates of deposit	3,250,000	700,000	3,950,000	350,000
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	1,043,798	463,551	1,507,349	39,815
Property tax	5,963,583	- - -	5,963,583	- - -
Due from cities and townships	160,151	- - -	160,151	- - -
Other taxes	643,868	- - -	643,868	- - -
Loans	742,410	- - -	742,410	- - -
Accrued interest	18,257	7,837	26,094	922
Internal balances	(322)	322	- - -	- - -
Inventories	- - -	27,102	27,102	- - -
Prepaid items	- - -	745	745	- - -
Deferred charges	68,833	- - -	68,833	- - -
Capital assets:				
Land and construction in progress	510,585	931,017	1,441,602	- - -
Other capital assets, net of depreciation	17,462,431	2,147,973	19,610,404	242,556
Total assets	$41,667,465	$ 5,362,875	$47,030,340	$ 1,015,268
LIABILITIES				
Accounts payable and other current liabilities	$ 830,367	$ 279,833	$ 1,110,200	$ 5,571
Accrued interest payable	78,494	- - -	78,494	- - -
Deferred revenue	5,951,627	- - -	5,951,627	- - -
Noncurrent liabilities:				
Due within one year	360,279	- - -	360,279	- - -
Due in more than one year	4,199,060	- - -	4,199,060	- - -
Total liabilities	$11,419,827	$ 279,833	$11,699,660	$ 5,571
NET ASSETS				
Invested in capital assets, net of related debt	$13,482,510	$ 3,078,990	$16,561,500	$ 242,556
Restricted for:				
Maintenance of roadways	1,281,308	- - -	1,281,308	- - -
Loans	1,111,239	- - -	1,111,239	- - -
Debt service	1,962	- - -	1,962	- - -
Unrestricted	14,370,619	2,004,052	16,374,671	767,141
Total net assets	$30,247,638	$ 5,083,042	$35,330,680	$ 1,009,697

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

HENRY COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2006

		Program Revenues		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	$ 4,421,688	$ 1,772,182	$ 141,425	$ 357,282
Public safety	4,660,515	2,768,913	- - -	- - -
Education	509,035	32,357	420,137	- - -
Judiciary	2,253,863	583,322	382,780	- - -
Highways and streets	2,774,148	1,673,348	- - -	264,458
Health	4,298,176	1,682,436	1,880,442	- - -
Recreation and culture	31,051	28,119	- - -	- - -
Interest on long-term debt	187,118	- - -	- - -	- - -
Total governmental activities	$19,135,594	$ 8,540,677	$ 2,824,784	$ 621,740
Business-Type activities:				
Nursing home	$ 4,630,486	$ 3,928,880	$ - - -	$ - - -
Other	55,376	52,901	- - -	- - -
Total business-type activities	$ 4,685,862	$ 3,981,781	$ - - -	$ - - -
Total primary government	$23,821,456	$12,522,458	$ 2,824,784	$ 621,740
Component Unit:				
Emergency Telephone Systems Board	$ 440,140	$ 458,459	$ - - -	$ - - -

General revenues:
- Property taxes
- Replacement taxes
- Sales taxes
- State income taxes
- Other taxes
- Motor Fuel taxes
- Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

NET ASSETS, Beginning

NET ASSETS, Ending

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Emergency Telephone Systems Board
($ 2,150,799)	$ - - -	($ 2,150,799)	$ - - -
(1,891,602)	- - -	(1,891,602)	- - -
(56,541)	- - -	(56,541)	- - -
(1,287,761)	- - -	(1,287,761)	- - -
(836,342)	- - -	(836,342)	- - -
(735,298)	- - -	(735,298)	- - -
(2,932)	- - -	(2,932)	- - -
(187,118)	- - -	(187,118)	- - -
($ 7,148,393)	$ - - -	($ 7,148,393)	$ - - -
$ - - -	($ 701,606)	($ 701,606)	$ - - -
- - -	(2,475)	(2,475)	- - -
$ - - -	($ 704,081)	($ 704,081)	$ - - -
($ 7,148,393)	($ 704,081)	($ 7,852,474)	$ - - -
$ - - -	$ - - -	$ - - -	$ 18,319
$ 5,914,459	$ - - -	$ 5,914,459	$ - - -
363,038	- - -	363,038	- - -
1,435,981	- - -	1,435,981	- - -
1,239,043	- - -	1,239,043	- - -
40,335	- - -	40,335	- - -
1,143,981	- - -	1,143,981	- - -
753,862	53,801	807,663	26,765
(494,291)	494,291	- - -	- - -
$10,396,408	$ 548,092	$10,944,500	$ 26,765
$ 3,248,015	($ 155,989)	$ 3,092,026	$ 45,084
26,999,623	5,239,031	32,238,654	964,613
$30,247,638	$ 5,083,042	$35,330,680	$ 1,009,697

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

HENRY COUNTY, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
November 30, 2006

	General Fund	County Highway Fund	Illinois Municipal Retirement Fund
ASSETS			
Cash and cash equivalents	$ 3,191,407	$ 2,069,189	$ 268,221
Certificates of deposit	500,000	1,500,000	- - -
Receivables:			
Accounts	533,402	7,250	- - -
Property tax	1,706,433	601,168	738,744
Due from cities and townships	- - -	160,151	- - -
Other taxes	521,967	- - -	8,904
Loans	- - -	- - -	- - -
Accrued interest	5,222	1,783	2,321
Due from other funds	275,829	- - -	- - -
Total assets	$ 6,734,260	$ 4,339,541	$ 1,018,190
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 99,292	$ 27,127	$ - - -
Accrued expenses	265,797	14,444	- - -
Deferred property tax revenue	1,703,013	600,000	737,224
Due to other funds	- - -	- - -	79,245
Total liabilities	$ 2,068,102	$ 641,571	$ 816,469
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved reported in:			
General fund	4,666,158	- - -	- - -
Special revenue funds	- - -	3,697,970	201,721
Total fund balances	$ 4,666,158	$ 3,697,970	$ 201,721
Total liabilities and fund balances	$ 6,734,260	$ 4,339,541	$ 1,018,190

FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund	Other Governmental Funds	Total Governmental Funds
$ 261,265	$ 949,407	$ 755,837	$ 4,087,374	$11,582,700
- - -	- - -	500,000	750,000	3,250,000
- - -	- - -	457,248	45,898	1,043,798
656,432	1,143,471	180,364	936,971	5,963,583
- - -	- - -	- - -	- - -	160,151
7,916	13,789	- - -	91,292	643,868
- - -	- - -	- - -	742,410	742,410
2,031	3,511	555	2,834	18,257
- - -	- - -	- - -	- - -	275,829
$ 927,644	$ 2,110,178	$ 1,894,004	$ 6,656,779	$23,680,596
$ - - -	$ - - -	$ 12,933	$ 105,739	$ 245,091
- - -	- - -	62,297	6,714	349,252
655,102	1,141,172	180,000	935,116	5,951,627
66,141	- - -	- - -	130,443	275,829
$ 721,243	$ 1,141,172	$ 255,230	$ 1,178,012	$ 6,821,799
$ - - -	$ - - -	$ - - -	$ 1,281,308	$ 1,281,308
- - -	- - -	- - -	1,111,239	1,111,239
- - -	- - -	- - -	1,962	1,962
- - -	- - -	- - -	- - -	4,666,158
206,401	969,006	1,638,774	3,084,258	9,798,130
$ 206,401	$ 969,006	$ 1,638,774	$ 5,478,767	$16,858,797
$ 927,644	$ 2,110,178	$ 1,894,004	$ 6,656,779	$23,680,596

(Continued)

HENRY COUNTY, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET ASSETS
November 30, 2006

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

Total fund balance - governmental funds	$ 16,858,797
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,973,016
The 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 are included in governmental activities in the statement of net assets.	(15,175)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,569,000)
Net assets of governmental activities	$ 30,247,638

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

HENRY COUNTY, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2006

	General Fund	County Highway Fund	Illinois Municipal Retirement Fund
REVENUES			
Taxes:			
Property	$ 1,691,840	$ 577,747	$ 751,891
Replacement	115,949	39,629	51,041
Sales	1,435,981	- - -	- - -
State income	1,239,043	- - -	- - -
Other	40,335	- - -	- - -
Fines and fees	1,337,946	- - -	- - -
Intergovernmental	1,204,342	- - -	- - -
Charges for services	2,515,349	1,574,251	- - -
Investment income	350,347	143,505	12,902
Miscellaneous	43,348	2,896	- - -
Total revenues	$ 9,974,480	$ 2,338,028	$ 815,834
EXPENDITURES			
Current:			
General government	$ 2,380,494	$ - - -	$ 91,939
Public safety	3,366,234	- - -	404,596
Education	439,136	- - -	27,509
Judiciary	1,950,627	- - -	118,107
Highways and streets	- - -	1,884,280	47,119
Health	- - -	- - -	125,528
Recreation and culture	- - -	- - -	- - -
Capital expenditures	311,668	227,932	- - -
Debt service:			
Principal	- - -	- - -	- - -
Interest	- - -	- - -	- - -
Total expenditures	$ 8,448,159	$ 2,112,212	$ 814,798
Excess (deficiency) of revenues over expenditures	$ 1,526,321	$ 225,816	$ 1,036
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ 218,793
Transfers out	(526,879)	(8,000)	(191,085)
Total other financing sources (uses)	($ 526,879)	($ 8,000)	$ 27,708
Net change in fund balances	$ 999,442	$ 217,816	$ 28,744
FUND BALANCES - Beginning	3,666,716	3,480,154	172,977
FUND BALANCES - Ending	$ 4,666,158	$ 3,697,970	$ 201,721

FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund	Other Governmental Funds	Total Governmental Funds
$ 657,954	$ 1,137,305	$ 179,843	$ 917,879	$ 5,914,459
44,800	77,562	- - -	34,057	363,038
- - -	- - -	- - -	- - -	1,435,981
- - -	- - -	- - -	- - -	1,239,043
- - -	- - -	- - -	- - -	40,335
- - -	- - -	- - -	268,925	1,606,871
- - -	- - -	1,880,442	1,241,263	4,326,047
- - -	- - -	1,682,158	891,514	6,663,272
10,981	16,090	61,622	158,415	753,862
- - -	95,577	278	128,435	270,534
$ 713,735	$ 1,326,534	$ 3,804,343	$ 3,640,488	$22,613,442
$ 93,504	$ 959,600	$ - - -	$ 732,845	$ 4,258,382
207,633	- - -	- - -	346,429	4,324,892
25,438	- - -	- - -	17,204	509,287
110,004	- - -	- - -	- - -	2,178,738
66,690	- - -	- - -	1,801,314	3,799,403
184,257	- - -	3,481,757	407,684	4,199,226
- - -	- - -	- - -	31,051	31,051
- - -	- - -	88,978	267,880	896,458
- - -	- - -	- - -	341,073	341,073
- - -	- - -	- - -	182,672	182,672
$ 687,526	$ 959,600	$ 3,570,735	$ 4,128,152	$20,721,182
$ 26,209	$ 366,934	$ 233,608	($ 487,664)	$ 1,892,260
$ 221,108	$ - - -	$ - - -	$ 1,007,349	$ 1,447,250
(185,811)	(141,256)	(310,086)	(578,424)	(1,941,541)
$ 35,297	($ 141,256)	($ 310,086)	$ 428,925	($ 494,291)
$ 61,506	$ 225,678	($ 76,478)	($ 58,739)	$ 1,397,969
144,895	743,328	1,715,252	5,537,506	15,460,828
$ 206,401	$ 969,006	$ 1,638,774	$ 5,478,767	$16,858,797

(Continued)

HENRY COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 1,397,969
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 capital outlays exceeded depreciation in the current period.	1,235,279
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	264,458
The repayment of principal of long-term debt consumes the current financial resources of governmental funds. Principal payments have no effect on net assets. This amount is the principal payment in the current period.	341,073
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(16,320)
The internal service fund is used by management to charge the costs of insurance to individual funds. The net income of certain activities of the internal service fund is reported with governmental activities.	25,556
Change in net assets of governmental activities	$ 3,248,015

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

HENRY COUNTY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
November 30, 2006

	Business-Type Activities Enterprise Funds			
	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business-Type Activities	Governmental Activities-Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	$ 802,343	$ 281,985	$ 1,084,328	$ 221,171
Certificates of deposit	700,000	- - -	700,000	- - -
Accounts receivable (net, where applicable, of allowance for uncollectibles)	463,551	- - -	463,551	- - -
Accrued interest	7,837	- - -	7,837	- - -
Inventories	27,102	- - -	27,102	- - -
Prepaid items	745	- - -	745	- - -
Total current assets	$ 2,001,578	$ 281,985	$ 2,283,563	$ 221,171
Noncurrent assets:				
Capital assets:				
Land	$ 1,000	$ 800,000	$ 801,000	$ - - -
Construction in progress	130,017	- - -	130,017	- - -
Buildings and equipment	6,097,931	- - -	6,097,931	- - -
Less accumulated depreciation	(3,949,958)	- - -	(3,949,958)	- - -
Total capital assets (net of accumulated depreciation)	$ 2,278,990	$ 800,000	$ 3,078,990	$ - - -
Total assets	$ 4,280,568	$ 1,081,985	$ 5,362,553	$ 221,171
LIABILITIES				
Current liabilities:				
Accounts payable	$ 122,425	$ - - -	$ 122,425	$ 236,024
Accrued payroll	147,709	- - -	147,709	- - -
Other accrued liabilities	9,699	- - -	9,699	- - -
Total current liabilities	$ 279,833	$ - - -	$ 279,833	$ 236,024
NET ASSETS				
Invested in capital assets	$ 2,278,990	$ 800,000	$ 3,078,990	$ - - -
Unrestricted	1,721,745	281,985	2,003,730	(14,853)
Total net assets	$ 4,000,735	$ 1,081,985	$ 5,082,720	($ 14,853)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			322	
Net assets of business-type activities			$ 5,083,042	

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

HENRY COUNTY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
For the Year Ended November 30, 2006

	Business-Type Activities Enterprise Funds			
	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business-Type Activities	Governmental Activities-Internal Service Fund
OPERATING REVENUES				
Charges for services	$ 3,771,018	$ - - -	$ 3,771,018	$ 2,154,194
Rental income	- - -	52,901	52,901	- - -
Other	157,862	- - -	157,862	328,855
Total operating revenues	$ 3,928,880	$ 52,901	$ 3,981,781	$ 2,483,049
OPERATING EXPENSES				
General services	$ 1,168,938	$ 55,376	$ 1,224,314	$ - - -
Health care	2,815,111	- - -	2,815,111	- - -
Administration and claims	432,900	- - -	432,900	2,456,349
Depreciation	220,330	- - -	220,330	- - -
Total operating expenses	$ 4,637,279	$ 55,376	$ 4,692,655	$ 2,456,349
OPERATING INCOME (LOSS)	($ 708,399)	($ 2,475)	($ 710,874)	$ 26,700
NONOPERATING REVENUE				
Investment income	53,801	- - -	53,801	5,649
Income (loss) before transfers	($ 654,598)	($ 2,475)	($ 657,073)	$ 32,349
TRANSFERS IN	536,962	- - -	536,962	- - -
TRANSFERS OUT	(23,861)	(18,810)	(42,671)	- - -
CHANGES IN NET ASSETS	($ 141,497)	($ 21,285)	($ 162,782)	$ 32,349
TOTAL NET ASSETS - Beginning	4,142,232	1,103,270		(47,202)
TOTAL NET ASSETS - Ending	$ 4,000,735	$ 1,081,985		($ 14,853)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			6,793	
Change in net assets of business-type activities			($ 155,989)	

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

HENRY COUNTY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended November 30, 2006

	Business-Type Activities Enterprise Funds			
	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business-Type Activities	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 3,793,451	$ 76,348	$ 3,869,799	$ - - -
Receipts from interfund services provided	- - -	- - -	- - -	2,154,194
Other receipts	157,862	- - -	157,862	328,855
Payments to suppliers	(1,411,857)	(55,376)	(1,467,233)	(2,394,941)
Payments to employees	(2,437,615)	- - -	(2,437,615)	- - -
Payments for interfund services used	(290,285)	- - -	(290,285)	- - -
Net cash provided (used) by operating activities	($ 188,444)	$ 20,972	($ 167,472)	$ 88,108
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	$ 536,962	$ - - -	$ 536,962	$ - - -
Transfers to other funds	(23,861)	(18,810)	(42,671)	- - -
Net cash provided by noncapital financing activities	$ 513,101	($ 18,810)	$ 494,291	$ - - -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	($ 311,516)	$ - - -	($ 311,516)	$ - - -
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	$ 46,392	$ - - -	$ 46,392	$ 5,649
Net purchase of certificates of deposit	(197,702)	- - -	(197,702)	- - -
Net cash provided (used) by investing activities	($ 151,310)	$ - - -	($ 151,310)	$ 5,649

(Continued)

HENRY COUNTY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended November 30, 2006

	Business-Type Activities Enterprise Funds			
	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business-Type Activities	Governmental Activities - Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	($ 138,169)	$ 2,162	($ 136,007)	$ 93,757
CASH AND CASH EQUIVALENTS - Beginning	940,512	279,823	1,220,335	127,414
CASH AND CASH EQUIVALENTS - Ending	$ 802,343	$ 281,985	$ 1,084,328	$ 221,171
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	($ 708,399)	($ 2,475)	($ 710,874)	$ 26,700
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	220,330	- - -	220,330	- - -
Impairment loss	234,596	- - -	234,596	- - -
(Increase) decrease in				
Accounts receivables	22,433	23,447	45,880	- - -
Inventories	107	- - -	107	- - -
Prepaid items	1,003	- - -	1,003	- - -
Increase (decrease) in				
Accounts payable	20,512	- - -	20,512	61,408
Accrued expenses	20,974	- - -	20,974	- - -
Net cash provided (used) by operating activities	($ 188,444)	$ 20,972	($ 167,472)	$ 88,108

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

HENRY COUNTY, ILLINOIS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
November 30, 2006

	Total Agency Funds
ASSETS	
Cash and cash equivalents	$ 5,495,439
Accounts receivable	132,911
Total assets	$ 5,628,350
LIABILITIES	
Due to others	$ 5,628,350

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

NOTE 1 - NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS -

Henry County is a governmental entity located in Northwestern Illinois and has a population of approximately 51,100. Revenues are substantially generated as a result of taxes assessed and allocated to Henry County (examples would be property taxes, sales taxes, income taxes, and motor fuel taxes) and charges for services performed for constituents of the County. Henry County revenues are therefore primarily dependent on the economy within its territorial boundaries. Industry within the County is primarily agriculture, manufacturing, and retail. The County operates under an elected Council-Manager form of government. The County's major operations include maintaining a nursing home, courthouse, law enforcement, highway and bridge construction and maintenance, and general administrative services.

The accounting policies of Henry County, Illinois, conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies:

FINANCIAL REPORTING ENTITY -

For financial reporting purposes, Henry County, Illinois, is a primary government in that it is a county with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The County has developed criteria to determine whether other entities are component units of the County. Component units are legally separate organizations for which the elected officials of Henry County are financially accountable. Henry County would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, Henry County (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on Henry County, the County is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

NOTE 1 - (Continued)

Based on the foregoing criteria, the following organization is included in Henry County's annual report.

EMERGENCY TELEPHONE SYSTEM BOARD OF HENRY COUNTY -

The component unit column in the government-wide statements include the financial data of the County's component unit, the Emergency Telephone System Board. It is reported in a separate column to emphasize that it is legally separate from the County. The Henry County Board Chairman with the advice and consent of the Henry County Board appoints board members (not to exceed 11 members) to the Emergency Telephone System Board of Henry County. The members of the Emergency Telephone System Board of Henry County are then responsible for planning the 911 emergency system, receiving monies imposed under an established surcharge and authorizing disbursements. The geographic area served by the Emergency Telephone System Board of Henry County is the same as Henry County. The treasurer of Henry County maintains the funds and invests or disburses them at the direction of the Emergency Telephone System Board of Henry County.

Separate financial statements are not prepared for the Emergency Telephone System Board.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS -

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

NOTE 1 - (Continued)

governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION -

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). 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 collected within 60 days of the end of the current fiscal period, except sales taxes, which use a 90 day 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 County reports the following major governmental funds:

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

The County Highway Fund accounts for materials and services necessary to maintain the highways and streets of the County.

The Illinois Municipal Retirement Fund accounts for expenditures related to IMRF with revenue generated by taxation.

The FICA Fund accounts for expenditures related to employer's share of FICA payments with revenue generated by taxation.

The Tort Judge and Liability Insurance Fund accounts for insurance expenditures with revenue generated by taxation.

The County Health Fund accounts for services related to the County's Health Department.

NOTE 1 - (Continued)

The County reports the following major proprietary fund:

The Hillcrest Nursing Home Fund accounts for the revenue and expenses related to the operations of the County nursing home.

Additionally, the County reports the following fund types:

The Internal Service Fund accounts for coverage of insurance for County employees.

The County's Agency Funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

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

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

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.

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

NOTE 1 - (Continued)

CASH AND INVESTMENTS -

Cash and Cash Equivalents -

For purposes of cash flows, the County considered all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments -

Investments are accounted for at fair value.

INTERFUND RECEIVABLES AND PAYABLES -

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

INVENTORIES -

Inventories are valued at cost, which approximates market, using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories, if any, are recorded as expenditures when consumed rather than when purchased.

PREPAID ITEMS -

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

CAPITAL ASSETS -

Capital assets, which include property, plant, equipment, and infrastructure assets (on a prospective basis subsequent to December 1, 2002 for governmental activities), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 for capital assets and $50,000 for infrastructure (amounts not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1 - (Continued)

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

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

Type of Asset	Life in Years
Buildings	50
Building improvements	25
Infrastructure	20-40
Equipment and vehicles	3-10

PROPERTY TAXES -

Property taxes become liens on individual properties as of January 1 in the year of the tax levy. Property taxes are levied on May 1 based on the assessed value of property as listed for the previous year. Assessed values are an approximation of market value. Statutory due dates for collection of the taxes are June 1 and September 1 of the following years.

Since the 2006 tax levy is budgeted for fiscal year 2007, the revenue from this tax levy is deferred.

COMPENSATED ABSENCES -

Employees of Hillcrest Nursing Home are allowed to accrue unpaid vacation, sick pay, compensatory, and holiday time and other County employees are allowed to accrue compensatory time. These amounts payable are recorded as liabilities in the Hillcrest Nursing Home Enterprise Fund and the General Fund, respectively. A liability has not been recorded for unused vacation, sick pay, and holiday time for other County employees as this time does not accumulate and vest.

NOTE 1 - (Continued)

LONG-TERM OBLIGATIONS -

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY -

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.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS -

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $4,569,000 difference are as follows:

NOTE 2 - (Continued)

Bonds payable	$ 4,495,000
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(68,833)
Less: Issuance discount (to be amortized as interest expense)	(47,757)
Accrued interest payable	78,494
Capital lease payable	112,096
	$ 4,569,000

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES -

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,235,279 difference are as follows:

Capital expenditures	$ 2,464,125
Depreciation expense	(1,228,846)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 1,235,279

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $16,320 difference are as follows:

Accrued interest	($ 3,800)
Amortization of issuance costs	11,874
Amortization of bond discounts	8,246
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 16,320

NOTE 3 - LEGAL COMPLIANCE AND ACCOUNTABILITY

Budget and Appropriations -

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 55 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30 and is available for public inspection at least fifteen days prior to final adoption. All appropriations cease with the close of the fiscal year. The budgets are prepared for County funds on a basis consistent with U.S. generally accepted accounting principles.

Once the County budget has been adopted, no further appropriations shall be made during the year except in the event of an immediate emergency at which time the County Board, by a two-thirds vote, may make appropriations in excess of those authorized in the budget. Adjustments may be made to the budget during the year, but the form of the budget may not be changed. The ultimate level of control is the fund, but is carried down to department and line item.

NOTE 4 - DEPOSITS AND INVESTMENTS

As of November 30, 2006, the County had the following investments:

Investment Type	Fair Value
County Funds:	
Old National Trust	$ 1,962
Illinois Funds	4,269,947
Total	$4,271,909
Component Unit - Emergency Telephone System Board:	
Illinois Funds	$ 49,170

Interest rate risk. The highest interest rate available will always be the objective of the investment policy combined with safety of principal, which is left to the discretion of the Henry County Treasurer.

NOTE 4 - (Continued)

Credit risk. The investment and deposit of County monies is governed by the provisions of the Illinois Compiled Statutes. In accordance with these provisions, all County monies must be invested in one or more of the following:

a. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Illinois Compiled Statutes and as shall have complied with the requirements thereof;

b. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Savings and Loan Insurance Corporation;

c. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;

d. Short-term discount obligations of the Federal National Mortgage Association.

During the year ended November 30, 2006, the County complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

Concentration of credit risk. In accordance with its investment policy, the Henry County Treasurer will have the sole responsibility to select which financial institutions will be depositories for County funds. The Henry County Treasurer will take into consideration security, size, location, condition, service, fees, and the community relations involvement of the financial institutions when choosing a financial institution. At no time will the Henry County investments exceed 65% of the financial institution's capital and surplus.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned. It shall be the discretion of the Henry County Treasurer to determine whether or not collateral will be required of financial institutions receiving funds from the Henry County Treasurer. At all times

NOTE 4 - (Continued)

the Henry County Treasurer will require that deposits in excess of 35% of the capital and surplus of a financial institution will be collateralized. The Henry County Treasurer may request collateral for any part of deposits in financial institutions when the Henry County Treasurer determines it to be in the best interests of safeguarding the funds on deposit.

As of November 30, 2006, the carrying amount of the County's deposits with financial institutions totaled $18,061,729 with the bank balances totaling $18,969,101. The bank balances of $18,969,101 are entirely insured or collateralized with securities held by the County or its agent in the County's name. As of the same date, the Emergency Telephone System Board, a discretely presented component unit, had deposits totaling $682,805 with the same bank balance, which is entirely insured or collateralized with securities held by the County or its agent in the County's name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of November 30, 2006, there was no investment custodial risk for the County.

NOTE 5 - RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	General Fund	County Highway Fund	Illinois Municipal Retirement Fund
Accounts	$ 533,402	$ 7,250	$ - - -
Property tax	1,706,433	601,168	738,744
Due from cities and townships	- - -	160,151	- - -
Other taxes	521,967	- - -	8,904
Loans	- - -	- - -	- - -
Accrued interest	5,222	1,783	2,321
Gross receivables	$ 2,767,024	$ 770,352	$ 749,969
Less: allowance for uncollectibles	- - -	- - -	- - -
Net total receivables	$ 2,767,024	$ 770,352	$ 749,969

NOTE 5 - (Continued)

Receivables:	FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund
Accounts	$ - - -	$ - - -	$ 457,248
Property tax	656,432	1,143,471	180,364
Due from cities and townships	- - -	- - -	- - -
Other taxes	7,916	13,789	- - -
Loans	- - -	- - -	- - -
Accrued interest	2,031	3,511	555
Gross receivables	$ 666,379	$ 1,160,771	$ 638,167
Less: allowance for uncollectibles	- - -	- - -	- - -
Net total receivables	$ 666,379	$ 1,160,771	$ 638,167

Receivables:	Hillcrest Nursing Home Fund	Nonmajor and Other Funds	Total
Accounts	$ 472,551	$ 178,809	$ 1,649,260
Property tax	- - -	936,971	5,963,583
Due from cities and townships	- - -	- - -	160,151
Other taxes	- - -	91,292	643,868
Loans	- - -	742,410	742,410
Accrued interest	7,837	2,834	26,094
Gross receivables	$ 480,388	$ 1,952,316	$ 9,185,366
Less: allowance for uncollectibles	9,000	- - -	9,000
Net total receivables	$ 471,388	$ 1,952,316	$ 9,176,366

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, unavailable property tax receivable reported in the governmental funds was $5,951,627.

NOTE 6 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended November 30, 2006:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 93,986	$ 86,026	$ - - -	$ 180,012
Construction in progress	- - -	330,573	- - -	330,573
Total capital assets, not being depreciated	$ 93,986	$ 416,599	$ - - -	$ 510,585
Capital assets, being depreciated:				
Buildings	$20,936,571	$ 97,172	$ - - -	$21,033,743
Vehicles and equipment	6,870,864	927,455	327,299	7,471,020
Infrastructure	5,461,195	1,415,526	- - -	6,876,721
Total capital assets being depreciated	$33,268,630	$ 2,440,153	$ 327,299	$35,381,484
Less accumulated depreciation for:				
Buildings	$11,494,398	$ 317,398	$ - - -	$11,811,796
Vehicles and equipment	5,182,241	603,269	327,299	5,458,211
Infrastructure	340,867	308,179	- - -	649,046
Total accumulated depreciation	$17,017,506	$ 1,228,846	$ 327,299	$17,919,053
Total capital assets, being depreciated, net	$16,251,124	$ 1,211,307	$ - - -	$17,462,431
Governmental activities capital assets, net	$16,345,110	$ 1,627,906	$ - - -	$17,973,016

NOTE 6 - (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 801,000	$ - - -	$ - - -	$ 801,000
Construction in progress	- - -	130,017	- - -	130,017
Total capital assets, not being depreciated	$ 801,000	$ 130,017	$ - - -	$ 931,017
Capital assets, being depreciated:				
Buildings	$ 5,302,758	$ 147,879	$ 505,613	$ 4,945,024
Equipment	1,122,756	33,620	3,469	1,152,907
Total capital assets being depreciated	$ 6,425,514	$ 181,499	$ 509,082	$ 6,097,931
Less accumulated depreciation for:				
Buildings	$ 3,070,732	$ 183,480	$ 272,059	$ 2,982,153
Equipment	933,382	36,850	2,427	967,805
Total accumulated depreciation	$ 4,004,114	$ 220,330	$ 274,486	$ 3,949,958
Total capital assets, being depreciated, net	$ 2,421,400	($ 38,831)	$ 234,596	$ 2,147,973
Business-type activities capital assets, net	$ 3,222,400	$ 91,186	$ 234,596	$ 3,078,990

Program expenses for Hillcrest Nursing Home include an impairment loss of $234,596 due to the closing of a building.

NOTE 6 - (Continued)

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

Governmental activities:	
General government	$ 154,990
Public safety	343,387
Education	718
Judiciary	79,330
Highways and streets	545,000
Health	105,421
Total depreciation expense - governmental activities	$ 1,228,846
Business-type activities:	
Hillcrest Nursing Home Fund	$ 220,330

DISCRETELY PRESENTED COMPONENT UNIT -

Activity for the Emergency Telephone System Board for the year ended November 30, 2006, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 822,855	$ 100,423	$ - - -	$ 923,278
Less accumulated depreciation for equipment	605,950	74,772	- - -	680,722
Emergency Telephone System Board capital assets, net	$ 216,905	$ 25,651	$ - - -	$ 242,556

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of November 30, 2006, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Illinois Municipal Retirement Fund	$ 79,245
	FICA Fund	66,141
	Nonmajor Governmental Funds	130,443
		$ 275,829

NOTE 7 - (Continued)

The composition of interfund transfers as of November 30, 2006 is as follows:

	Transfer In:	
Transfer Out:	Illinois Municipal Retirement Fund	FICA Fund
General Fund	$ - - -	$ - - -
County Highway Fund	8,000	- - -
Illinois Municipal Retirement Fund	- - -	- - -
FICA Fund	- - -	- - -
Tort Judge and Liability Insurance Fund	- - -	- - -
County Health Fund	127,078	183,008
Nonmajor Governmental	59,854	38,100
Hillcrest Nursing Home Fund	23,861	- - -
Nonmajor Enterprise Fund	- - -	- - -
Total	$ 218,793	$ 221,108

	Transfer In:		
Transfer Out:	Nonmajor Govern-mental	Hillcrest Nursing Home Fund	Total
General Fund	$ 526,879	$ - - -	$ 526,879
County Highway Fund	- - -	- - -	8,000
Illinois Municipal Retirement Fund	- - -	191,085	191,085
FICA Fund	- - -	185,811	185,811
Tort Judge and Liability Insurance Fund	- - -	141,256	141,256
County Health Fund	- - -	- - -	310,086
Nonmajor Governmental	480,470	- - -	578,424
Hillcrest Nursing Home Fund	- - -	- - -	23,861
Nonmajor Enterprise Fund	- - -	18,810	18,810
Total	$ 1,007,349	$ 536,962	$ 1,984,212

NOTE 8 - LONG-TERM DEBT

Municipal Program Revenue Refunding Bonds, Series 2002 totaling $3,345,000 remain outstanding from the original issue of $4,270,000 dated June 15, 2002. It is the intent of the County to service this debt from general revenues.

Principal is due annually on December 15, and interest is due semi-annually on June 15 and December 15. The annual debt service requirements are as follows:

For the Year Ending November 30	Interest Rate	Principal	Interest	Total
2007	2.90%	$ 255,000	$ 127,638	$ 382,638
2008	3.20	265,000	119,700	384,700
2009	3.45	270,000	110,802	380,802
2010	3.70	275,000	101,058	376,058
2011	3.85	290,000	90,387	380,387
2012	4.00	300,000	78,805	378,805
2013	4.10	310,000	66,450	376,450
2014	4.20	325,000	53,270	378,270
2015	4.30	340,000	39,135	379,135
2016	4.40	350,000	24,125	374,125
2017	4.50	365,000	8,213	373,213
		$ 3,345,000	$ 819,583	$ 4,164,583

General obligation alternate revenue refunding bonds totaling $1,150,000 remain outstanding from the original issue of $1,230,000 dated November 18, 2004. It is the intent of the County to service this debt from general revenues.

Principal is due annually on December 15, and interest is due semi-annually on June 15 and December 15. The annual debt service requirements are as follows:

For the Year Ending November 30	Interest Rate	Principal	Interest	Total
2007	2.45%	$ 90,000	$ 38,822	$ 128,822
2008	2.55	95,000	36,509	131,509
2009	2.85	95,000	33,944	128,944
2010	3.15	95,000	31,094	126,094
2011	3.40	100,000	27,897	127,897
2012	3.55	100,000	24,423	124,423

NOTE 8 - (Continued)

For the Year Ending November 30	Interest Rate	Principal	Interest	Total
2013	3.70	105,000	20,705	125,705
2014	3.85	110,000	16,645	126,645
2015	3.95	115,000	12,256	127,256
2016	4.05	120,000	7,555	127,555
2017	4.10	125,000	2,562	127,562
		$ 1,150,000	$ 252,412	$ 1,402,412

The County has entered into a lease agreement as lessee for financing the acquisition of computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of the fixed assets leased under the capital lease as of November 30, 2006:

Computer equipment	$ 128,169
Less: Accumulated depreciation	19,225
Total	$ 108,944

The future minimum lease obligations and the net present value of these minimum lease payments as of November 30, 2006 were as follows:

Year Ending November 30	
2007	$ 31,200
2008	31,200
2009	31,200
2010	31,200
2011	7,800
Total minimum lease payments	$ 132,600
Less: Amount representing interest	20,504
Present value of minimum lease payments	$ 112,096

NOTE 8 - (Continued)

Long-term liability activity for the year ended November 30, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General Obligation bonds	$4,820,000	$ - - -	($ 325,000)	$4,495,000	$ 345,000
Less deferred amounts:					
For issuance discounts	(56,003)	- - -	8,246	(47,757)	(7,787)
Total bonds payable	$4,763,997	$ - - -	($ 316,754)	$4,447,243	$ 337,213
Capital lease	- - -	128,169	(16,073)	112,096	23,066
Governmental activity long-term liabilities	$4,763,997	$ 128,169	($ 332,827)	$4,559,339	$ 360,279

NOTE 9 - DEFINED BENEFIT PENSION PLANS

ILLINOIS MUNICIPAL RETIREMENT FUND -

Plan Description -

Henry County's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF) - an agent-multiple-employer public employee retirement system, provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

NOTE 9 - (Continued)

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy -

Employees participating in IMRF are required to contribute 4.50, 6.50 and 4.50 percent of their annual covered salary, for regular members, Sheriff's Law Enforcement Personnel (SLEP) members, and Bureau/Henry/Stark ROE #28 members, respectively. The member rate is established by state statute. The County is required to contribute at an actuarially determined rate. The employer rates for calendar year 2005 were 7.60, 6.50, and 4.50 percent of payroll for regular members, SLEP members, and Bureau/Henry/Stark ROE #28 members respectively. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years.

Annual Pension Cost -

For December 31, 2005, the County's annual pension cost of $546,926, $366,408, and $11,019, for regular members, SLEP members, and Bureau/Henry/Stark ROE #28 members, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expense), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

NOTE 9 - (Continued)

Trend Information -

Regular members:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	$ 546,926	100%	$ - - -
12/31/04	448,799	100%	- - -
12/31/03	203,988	100%	- - -
12/31/02	111,164	100%	- - -
12/31/01	222,539	100%	- - -
12/31/00	299,818	100%	- - -
12/31/99	512,982	100%	- - -
12/31/98	539,190	100%	- - -
12/31/97	548,664	100%	- - -
12/31/96	583,404	100%	- - -

SLEP members:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	$ 366,408	100%	$ - - -
12/31/04	375,372	100%	- - -
12/31/03	229,212	100%	- - -
12/31/02	181,982	100%	- - -
12/31/01	208,760	100%	- - -
12/31/00	177,125	100%	- - -
12/31/99	203,017	100%	- - -
12/31/98	160,699	100%	- - -
12/31/97	126,315	100%	- - -
12/31/96	122,181	100%	- - -

NOTE 9 - (Continued)

Bureau/Henry/Stark ROE #28 members:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	$ 11,019	100%	$ - - -
12/31/04	5,319	100%	- - -
12/31/03	17,584	100%	- - -
12/31/02	12,534	100%	- - -
12/31/01	8,525	100%	- - -
12/31/00	6,803	100%	- - -
12/31/99	5,861	100%	- - -
12/31/98	3,710	100%	- - -
12/31/97	542	100%	- - -
12/31/96	528	100%	- - -

NOTE 10 - RISK MANAGEMENT

The County is exposed to risk of loss related to health care claims. The County's current health care insurance covers claims over $40,000 per individual. The County is required to pay all of the qualifying health care claims under $40,000 out of resources provided by the employees and various funds.

An outside insurance company administers the health care plan and reports monthly the activity of the plan and amount needed to pay claims and establish a reserve for catastrophe losses.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. Changes in the balances of claims payable during the years ended November 30, 2005 and 2006 are as follows:

	Health Insurance	
	2004-2005	2005-2006
Unpaid claims, beginning of year	$ 147,171	$ 174,616
Incurred claims (including IBNRs)	2,128,170	2,456,348
Claim payments	(2,100,725)	(2,394,940)
Unpaid claims, end of year	$ 174,616	$ 236,024

NOTE 11 - DEFERRED COMPENSATION

During the year ended November 30, 1991, the board adopted by resolution to participate in the National Association of Counties Deferred Compensation Program. This deferred compensation plan is authorized by Internal Revenue Code Section 457 and is applicable to all County employees. The plan offers employees the opportunity to defer a portion of their salaries and the related liability for income taxes. The assets of the deferred compensation plan are held in trust for the benefit of the employees. Accordingly, the assets are not reported in these financial statements. The County has no liability for losses under the plan.

NOTE 12 - CONTINGENT LIABILITY

Litigation -

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Construction -

The County has entered into an agreement for construction as follows:

	Project Authorization	Expended to Date	Remaining Commitment
Illinois Department of Transportation	$ 233,000	$ 66,115	$ 166,885

Grants -

Amounts received or receivable from grantor 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 which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedules for the following:

- General Fund
- County Highway Fund
- Illinois Municipal Retirement Fund
- FICA Fund
- Tort Judge and Liability Insurance Fund
- County Health Fund

Notes to the Required Supplementary Information

Schedules of Funding Progress - Defined Benefit Retirement Plans

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines			
Traffic	$ 548,952	$ 548,952	$ 476,023
Criminal	480,000	480,000	645,980
Total fines	$ 1,028,952	$ 1,028,952	$ 1,122,003
Fees			
Licenses and permits - building and zoning	$ 53,350	$ 53,350	$ 215,943
Taxes			
Property - corporate	$ 1,709,371	$ 1,709,371	$ 1,691,840
Sales	180,000	180,000	172,968
Sales ¼ supplement	947,000	947,000	1,064,788
Use	165,000	165,000	198,225
State income	1,157,562	1,157,562	1,239,043
State inheritance tax	20,000	20,000	40,335
State corporate replacement taxes	120,000	120,000	115,949
Total taxes	$ 4,298,933	$ 4,298,933	$ 4,523,148
Intergovernmental Revenue			
State reimbursements	$ 333,015	$ 333,015	$ 389,358
Illinois State Board of Education Grant	274,200	274,200	331,478
Stark County ROE	11,214	11,214	11,214
Bureau County ROE	60,182	60,182	77,445
Aid to Dependent Children	4,000	4,000	4,763
Illinois Emergency Management Agency	5,425	5,425	6,172
Transportation Grant	91,332	91,332	95,541
State Aid Victim Witness Coordination	20,500	20,500	20,750
Federal Medicaid reimbursements-Juvenile	17,025	17,025	3,461
SVPCA Grant	- - -	- - -	4,160
Election Assistance Grant	260,000	260,000	260,000
Total intergovernmental revenue	$ 1,076,893	$ 1,076,893	$ 1,204,342

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES - (Continued)			
Charges for Services			
State's attorney	$ 24,000	$ 24,000	$ 25,579
County clerk and recorder	464,150	464,150	495,876
Circuit clerk	400,000	400,000	489,757
Sheriff	148,000	148,000	148,867
Sheriff reimbursements	66,200	68,200	70,356
Sheriff's business plan			
House prisoners	410,625	508,148	905,588
Other	23,892	27,790	97,147
Other	201,618	201,618	282,179
Total charges for services	$ 1,738,485	$ 1,841,906	$ 2,515,349
Investment Income			
Investment	$ 102,000	$ 102,000	$ 180,652
Collector	100,000	100,000	169,695
Total investment income	$ 202,000	$ 202,000	$ 350,347
Miscellaneous			
Sheriff sale proceeds	$ 2,000	$ 2,000	$ - - -
Other	42,210	42,210	43,348
Total miscellaneous	$ 44,210	$ 44,210	$ 43,348
Total revenues	$ 8,442,823	$ 8,546,244	$ 9,974,480

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES			
County Board			
Personal services	$ 134,585	$ 137,175	$ 139,104
Supplies	425	425	204
Other services and charges	17,850	19,175	19,409
Total county board	$ 152,860	$ 156,775	$ 158,717
County Buildings			
Personal services	$ 77,849	$ 82,733	$ 82,753
Supplies	6,000	6,000	5,619
Other services and charges	340,350	347,350	348,947
Equipment	500	500	496
Total county buildings	$ 424,699	$ 436,583	$ 437,815
County Clerk and Recorder			
Personal services	$ 231,905	$ 243,388	$ 243,702
Supplies	6,700	6,350	2,964
Other services and charges	110,315	110,665	168,696
Equipment	5,500	5,500	5,422
Total county clerk and recorder	$ 354,420	$ 365,903	$ 420,784
County Treasurer			
Personal services	$ 115,934	$ 121,119	$ 120,088
Supplies	16,600	16,100	15,479
Other services and charges	12,294	13,294	9,879
Total county treasurer	$ 144,828	$ 150,513	$ 145,446
Supervisor of Assessments			
Personal services	$ 174,824	$ 182,906	$ 183,185
Supplies	4,500	4,500	3,462
Other services and charges	36,900	36,900	39,277
Total supervisor of assessments	$ 216,224	$ 224,306	$ 225,924

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
Microfilm			
Personal services	$ 6,290	$ 6,290	$ 5,564
Supplies	250	250	129
Equipment	250	250	- - -
Total microfilm	$ 6,790	$ 6,790	$ 5,693
Regional Office Education			
Personal services	$ 290,837	$ 364,237	$ 366,644
Supplies	3,000	100	65
Other services and charges	82,100	59,000	61,061
Equipment	4,000	11,300	11,366
Total regional office education	$ 379,937	$ 434,637	$ 439,136
Information Services			
Personal services	$ 95,490	$ 91,740	$ 87,629
Supplies	11,760	12,260	11,676
Other services and charges	16,735	19,985	18,157
Equipment	2,000	2,000	1,504
Total information services	$ 125,985	$ 125,985	$ 118,966
Voter Registration/Elections			
Personal services	$ 94,974	$ 97,879	$ 99,063
Supplies	37,900	41,400	41,386
Other services and charges	144,884	141,384	132,520
Equipment	264,500	264,500	263,950
Total voter registration/elections	$ 542,258	$ 545,163	$ 536,919
General Financial Services			
Personal services	$ 4,483	$ 4,605	$ 107,255
Supplies	5,400	7,895	7,456
Other services and charges	119,740	117,104	111,692
Computer automation	94,720	100,961	95,598
Contingency	91,207	35,022	17,533
Other	91,332	91,332	95,541
Total general financial services	$ 406,882	$ 356,919	$ 435,075

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
Zoning			
Personal services	$ 77,119	$ 79,027	$ 78,498
Other services and charges	5,689	8,391	8,752
Total zoning	$ 82,808	$ 87,418	$ 87,250
Sheriff			
Personal services	$ 2,458,476	$ 2,492,676	$ 2,478,375
Supplies	306,118	263,243	261,895
Other services and charges	154,749	156,225	153,768
Contingency	2,500	748	747
Automobile and equipment	53,603	44,253	44,204
Total sheriff	$ 2,975,446	$ 2,957,145	$ 2,938,989
Circuit Court			
Personal services	$ 359,331	$ 359,331	$ 382,519
Supplies	10,000	10,000	7,720
Other services and charges	60,750	60,750	64,879
Equipment	1,000	1,000	782
Total circuit court	$ 431,081	$ 431,081	$ 455,900
Rural Revolving Loan Department			
Personal services	$ 15,980	$ 15,980	$ 12,065
Supplies	650	650	422
Other services and charges	5,250	5,250	3,635
Total rural revolving loan department	$ 21,880	$ 21,880	$ 16,122
Court Services			
Personal services	$ 591,851	$ 595,425	$ 597,852
Supplies	2,500	2,500	2,331
Other services and charges	135,410	135,410	106,530
Total court services	$ 729,761	$ 733,335	$ 706,713

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
State's Attorney			
Personal services	$ 498,994	$ 498,994	$ 482,302
Supplies	5,000	5,000	4,912
Other services and charges	38,000	38,000	32,959
Total state's attorney	$ 541,994	$ 541,994	$ 520,173
Coroner			
Personal services	$ 36,772	$ 36,772	$ 35,569
Supplies	1,082	1,082	1,078
Other services and charges	29,593	29,593	26,418
Equipment	1,000	1,000	988
Total coroner	$ 68,447	$ 68,447	$ 64,053
Jury Commission			
Personal services	$ 10,570	$ 11,329	$ 11,362
Supplies	500	582	575
Other services and charges	2,500	2,500	2,500
Total jury commission	$ 13,570	$ 14,411	$ 14,437
Emergency Services and Disaster Agency			
Personal services	$ 10,482	$ 10,482	$ 10,513
Supplies	100	100	96
Other services and charges	1,234	1,234	1,166
Equipment	1,728	1,728	1,728
Total emergency services and disaster agency	$ 13,544	$ 13,544	$ 13,503
Sheriff's Business Plan			
Personal services	$ 272,798	$ 390,558	$ 354,484
Supplies	38,819	77,199	76,840
Other services and charges	4,040	13,256	21,816
Total sheriff's business plan	$ 315,657	$ 481,013	$ 453,140

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
Public Defender			
Personal services	$ 117,029	$ 117,029	$ 150,151
Supplies	2,500	2,500	2,342
Other services and charges	89,422	89,422	100,911
Total public defender	$ 208,951	$ 208,951	$ 253,404
Total expenditures	$ 8,158,022	$ 8,362,793	$ 8,448,159
Excess of revenues over expenditures	$ 284,801	$ 183,451	$ 1,526,321
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 6,212	$ - - -	$ - - -
Transfers out	(503,913)	(541,929)	(526,879)
Total other financing sources (uses)	($ 497,701)	($ 541,929)	($ 526,879)
Net change in fund balances	($ 212,900)	($ 358,478)	$ 999,442
FUND BALANCE - Beginning			3,666,716
FUND BALANCE - Ending			$ 4,666,158

HENRY COUNTY, ILLINOIS
COUNTY HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 580,000	$ 580,000	$ 577,747
Replacement	27,000	27,000	39,629
Intergovernmental	8,000	8,000	- - -
Charges for services	975,000	975,000	1,574,251
Investment income	50,000	50,000	143,505
Miscellaneous	100,000	100,000	2,896
Total revenues	$ 1,740,000	$ 1,740,000	$ 2,338,028
EXPENDITURES			
Salaries and wages:			
Staff salaries - regular	$ 785,000	$ 785,000	$ 761,480
Part time salaries	31,000	31,000	28,122
Overtime	33,000	33,000	23,490
Insurance	60,780	60,780	74,396
Engineering supplies	8,000	8,000	7,921
Contractual service	- - -	- - -	1,005
Telephone	3,000	3,000	2,406
GIS Grant expenditures	10,000	10,000	- - -
Maintenance of roads:			
Materials and supplies	700,000	880,000	870,221
Other maintenance expense	65,000	85,000	77,316
Substance abuse testing	1,500	1,500	857
Equipment	265,000	265,000	264,998
Total expenditures	$ 1,962,280	$ 2,162,280	$ 2,112,212
Excess (deficiency) of revenues over expenditures	($ 222,280)	($ 422,280)	$ 225,816
OTHER FINANCING SOURCES (USES)			
Transfers out	(8,000)	(8,000)	(8,000)
Net change in fund balances	($ 230,280)	($ 430,280)	$ 217,816
FUND BALANCE - Beginning			3,480,154
FUND BALANCE - Ending			$ 3,697,970

HENRY COUNTY, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 753,760	$ 753,760	$ 751,891
Replacement	32,400	32,400	51,041
Investment income	3,000	3,000	12,902
Total revenues	$ 789,160	$ 789,160	$ 815,834
EXPENDITURES			
Current:			
Employer's IMRF	863,941	891,741	814,798
Excess (deficiency) of revenues over expenditures	($ 74,781)	($ 102,581)	$ 1,036
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 281,373	$ 281,373	$ 218,793
Transfers out	- - -	- - -	(191,085)
Total other financing sources (uses)	$ 281,373	$ 281,373	$ 27,708
Net change in fund balances	$ 206,592	$ 178,792	$ 28,744
FUND BALANCE - Beginning			172,977
FUND BALANCE - Ending			$ 201,721

HENRY COUNTY, ILLINOIS
FICA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 662,026	$ 662,026	$ 657,954
Replacement	28,500	28,500	44,800
Investment income	2,500	2,500	10,981
Total revenues	$ 693,026	$ 693,026	$ 713,735
EXPENDITURES			
Current:			
Employer's FICA	684,614	681,041	687,526
Excess of revenues over expenditures	$ 8,412	$ 11,985	$ 26,209
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 228,567	$ 228,567	$ 221,108
Transfers out	- - -	- - -	(185,811)
Total other financing sources (uses)	$ 228,567	$ 228,567	$ 35,297
Net change in fund balances	$ 236,979	$ 240,552	$ 61,506
FUND BALANCE - Beginning			144,895
FUND BALANCE - Ending			$ 206,401

HENRY COUNTY, ILLINOIS
TORT JUDGE AND LIABILITY INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 1,090,461	$ 1,090,461	$ 1,137,305
Replacement	50,300	50,300	77,562
Investment income	- - -	- - -	16,090
Miscellaneous	85,003	85,003	95,577
Total revenues	$ 1,225,764	$ 1,225,764	$ 1,326,534
EXPENDITURES			
Current:			
Unemployment insurance	$ 28,000	$ 47,222	$ 47,222
Workers compensation	391,786	391,786	302,615
Property/casualty insurance	367,500	348,278	199,180
Insurance deductible/claims	32,000	32,000	4,105
Health care plan	- - -	- - -	406,478
Total expenditures	$ 819,286	$ 819,286	$ 959,600
Excess of revenues over expenditures	$ 406,478	$ 406,478	$ 366,934
OTHER FINANCING SOURCES (USES)			
Transfers out	- - -	- - -	(141,256)
Net change in fund balances	$ 406,478	$ 406,478	$ 225,678
FUND BALANCE - Beginning			743,328
FUND BALANCE - Ending			$ 969,006

HENRY COUNTY, ILLINOIS
COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 180,000	$ 180,000	$ 179,843
Intergovernmental:			
Illinois Department of Health	793,033	793,033	905,003
Illinois Department of Aging	964,060	964,060	897,463
Illinois Department of Public Aid	47,500	47,500	77,976
Charges for service:			
Health department fees	926,009	926,009	940,693
Medicare	825,000	825,000	741,465
Investment income	26,000	26,000	61,622
Miscellaneous	1,000	1,000	278
Total revenues	$ 3,762,602	$ 3,762,602	$ 3,804,343
EXPENDITURES			
Current:			
Health staff salaries	$ 2,516,289	$ 2,516,289	$ 2,480,890
Life and health insurance	162,415	162,415	168,662
Commodities	233,773	233,773	293,401
Contractual service	107,400	107,400	91,449
Personal service	162,000	162,000	138,150
Travel expense	76,500	76,500	83,972
Meeting expense	39,190	39,190	25,746
Clinic expense	68,000	68,000	66,176
Insurance	52,816	52,816	49,256
Contingencies	11,250	11,250	20,590
Building utilities and maintenance	41,500	41,500	63,465
Capital expenditures	56,665	56,665	88,978
Total expenditures	$ 3,527,798	$ 3,527,798	$ 3,570,735
Excess of revenues over expenditures	$ 234,804	$ 234,804	$ 233,608
OTHER FINANCING SOURCES (USES)			
Transfers out	(336,036)	(336,036)	(310,086)
Net change in fund balances	($ 101,232)	($ 101,232)	($ 76,478)
FUND BALANCE - Beginning			1,715,252
FUND BALANCE - Ending			$ 1,638,774

HENRY COUNTY, ILLINOIS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -
BUDGET COMPARISONS
November 30, 2006

I. BUDGETARY BASIS

The budgets are prepared for County funds on a basis consistent with U.S. generally accepted accounting principles. All appropriations cease with the close of the fiscal year.

II. BUDGETARY INFORMATION

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 55 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30 and is available for public inspection at least fifteen days prior to final adoption.

Once the County budget has been adopted, no further appropriations shall be made during the year except in the event of an immediate emergency at which time the County Board, by a two-thirds vote, may make appropriations in excess of those authorized in the budget. The amounts reflected in the financial statements represent the original budget and the final amended budget. The ultimate level of control is the fund, but is carried down to department and line item.

III. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following major funds:

	Amount Over Budget
General Fund	$ 70,316
Illinois Municipal Retirement Fund	114,142
FICA Fund	192,296
Tort Judge and Liability Insurance Fund	281,570
County Health Fund	16,987

HENRY COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION PLAN FUNDING PROGRESS
November 30, 2006

IMRF - Regular members:

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)
12/31/05	$20,496,079	$19,593,573	($ 902,506)	104.61%	$7,196,396	0.00%
12/31/04	19,507,759	19,114,709	(393,050)	102.06	7,381,565	0.00
12/31/03	18,967,647	17,576,079	(1,391,568)	107.92	7,364,175	0.00
12/31/02	18,758,697	16,759,381	(1,999,316)	111.93	7,613,984	0.00
12/31/01	19,858,656	15,766,242	(4,092,414)	125.96	7,272,530	0.00
12/31/00	18,958,750	14,531,747	(4,427,003)	130.46	7,087,899	0.00
12/31/99	17,154,115	13,851,079	(3,303,036)	123.85	7,007,962	0.00
12/31/98	14,123,986	11,972,922	(2,151,064)	117.97	6,706,350	0.00
12/31/97	12,306,387	11,161,884	(1,144,503)	110.25	6,644,343	0.00
12/31/96	10,361,926	10,129,250	(232,676)	102.30	6,555,099	0.00

On a market value basis, the actuarial value of assets as of December 31, 2005 is $20,748,730. On a market basis, the funded ratio would be 105.90%.

IMRF - SLEP members:

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)
12/31/05	$ 6,845,744	$ 7,889,906	$1,044,162	86.77%	$2,546,414	41.01%
12/31/04	6,257,858	6,968,408	710,550	89.80	2,583,427	27.50
12/31/03	6,429,316	6,803,121	373,805	94.51	2,451,465	15.25
12/31/02	6,015,091	6,427,551	412,460	93.58	2,482,695	16.61
12/31/01	6,642,998	5,888,178	(754,820)	112.82	2,091,785	0.00
12/31/00	6,568,910	5,632,055	(936,855)	116.63	1,937,909	0.00
12/31/99	5,611,281	5,105,375	(505,906)	109.91	1,796,616	0.00
12/31/98	4,521,011	4,230,632	(290,379)	106.86	1,454,291	0.00
12/31/97	4,011,178	3,937,161	(74,017)	101.88	1,314,485	0.00
12/31/96	3,462,722	3,414,778	(47,944)	101.40	1,251,853	0.00

On a market value basis, the actuarial value of assets as of December 31, 2005 is $6,933,507. On a market basis, the funded ratio would be 87.88%.

(Continued)

HENRY COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION PLAN FUNDING PROGRESS
November 30, 2006

IMRF - Bureau/Henry/Stark ROE #28 members:

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)
12/31/05	$ 246,186	$ 262,316	$ 16,130	93.85%	$ 264,885	6.09%
12/31/04	215,524	218,106	2,582	98.82	285,967	0.90
12/31/03	201,281	172,772	(28,509)	116.50	250,492	0.00
12/31/02	179,215	145,836	(33,379)	122.89	266,124	0.00
12/31/01	157,560	134,858	(22,702)	116.83	216,377	0.00
12/31/00	128,935	103,153	(25,782)	124.99	108,670	0.00
12/31/99	102,205	69,832	(32,373)	146.36	107,156	0.00
12/31/98	80,002	67,814	(12,188)	117.97	107,528	0.00
12/31/97	61,992	47,092	(14,900)	131.64	88,775	0.00
12/31/96	50,340	36,798	(13,542)	136.80	41,878	0.00

On a market value basis, the actuarial value of assets as of December 31, 2005 is $248,680. On a market basis, the funded ratio would be 94.80%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 experience study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

OTHER SUPPLEMENTARY INFORMATION

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2006

		Special Revenue Funds	
	Totals	Federal Aid Matching Fund	County Joint Bridge Fund
ASSETS			
Cash and cash equivalents	$ 4,087,374	$ 184,331	$ 302,008
Certificates of deposit	750,000	- - -	250,000
Receivables:			
Accounts	45,898	- - -	- - -
Property tax	936,971	192,972	227,959
Other taxes	91,292	2,326	2,746
Loans	742,410	- - -	- - -
Accrued interest	2,834	569	700
Total assets	$ 6,656,779	$ 380,198	$ 783,413
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 105,739	$ 84,124	$ - - -
Accrued liabilities	6,714	- - -	- - -
Deferred property tax revenue	935,116	192,600	227,500
Due to other funds	130,443	- - -	- - -
Total liabilities	$ 1,178,012	$ 276,724	$ 227,500
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ 1,281,308	$ - - -	$ - - -
Loans	1,111,239	- - -	- - -
Debt service	1,962	- - -	- - -
Unreserved	3,084,258	103,474	555,913
Total fund balances	$ 5,478,767	$ 103,474	$ 555,913
Total liabilities and fund balances	$ 6,656,779	$ 380,198	$ 783,413

Special Revenue Funds				
Motor Fuel Tax Fund	Mentally Deficient Persons Fund	708 Mental Health Fund	Veterans' Assistance Commission Fund	Extension Fund
$ 703,278	$ 5,830	$ 163,529	$ 27,516	$ 3,875
500,000	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	92,176	319,076	43,365	61,423
85,109	1,111	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	269	981	131	184
$ 1,288,387	$ 99,386	$ 483,586	$ 71,012	$ 65,482
$ 7,079	$ - - -	$ - - -	$ 197	$ 4,179
- - -	- - -	- - -	- - -	- - -
- - -	92,000	318,434	43,279	61,303
- - -	- - -	- - -	- - -	- - -
$ 7,079	$ 92,000	$ 318,434	$ 43,476	$ 65,482
$ 1,281,308	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	7,386	165,152	27,536	- - -
$ 1,281,308	$ 7,386	$ 165,152	$ 27,536	$ - - -
$ 1,288,387	$ 99,386	$ 483,586	$ 71,012	$ 65,482

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2006

	Special Revenue Funds		
	State's Attorney Forfeited Drug Fund	Animal Control Fund	Vital Records Automation Fund
ASSETS			
Cash and cash equivalents	$ 58,470	$ 19,647	$ 14,780
Certificates of deposit	- - -	- - -	- - -
Receivables:			
Accounts	- - -	- - -	- - -
Property tax	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Total assets	$ 58,470	$ 19,647	$ 14,780
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ - - -	$ - - -	$ - - -
Accrued liabilities	- - -	852	100
Deferred property tax revenue	- - -	- - -	- - -
Due to other funds	- - -	- - -	- - -
Total liabilities	$ - - -	$ 852	$ 100
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved	58,470	18,795	14,680
Total fund balances	$ 58,470	$ 18,795	$ 14,680
Total liabilities and fund balances	$ 58,470	$ 19,647	$ 14,780

Special Revenue Funds					
Court Security System Fund	Probation Service Fees Fund	Treasurer Automation Fund	Sheriff's Drug Fund	Law Library Fund	Circuit Clerk Trust Fund
$ 46,286	$ 652,298	$ 34,667	$ 54,699	$ - - -	$ 4,378
- - -	- - -	- - -	- - -	- - -	- - -
7,359	11,653	- - -	- - -	2,210	11,611
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 53,645	$ 663,951	$ 34,667	$ 54,699	$ 2,210	$ 15,989
$ - - -	$ 10,103	$ - - -	$ - - -	$ - - -	$ - - -
1,024	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	124,266	- - -
$ 1,024	$ 10,103	$ - - -	$ - - -	$ 124,266	$ - - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
52,621	653,848	34,667	54,699	(122,056)	15,989
$ 52,621	$ 653,848	$ 34,667	$ 54,699	($ 122,056)	$ 15,989
$ 53,645	$ 663,951	$ 34,667	$ 54,699	$ 2,210	$ 15,989

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2006

	Special Revenue Funds			
	Circuit Clerk Court Automation Fund	Recorder Automation Fund	Court Document Storage Fund	Orion Law Enforcement Fund
ASSETS				
Cash and cash equivalents	$ 231,428	$ 109,868	$ 240,409	$ - - -
Certificates of deposit	- - -	- - -	- - -	- - -
Receivables:				
Accounts	6,580	- - -	6,485	- - -
Property tax	- - -	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -	- - -
Loans	- - -	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -	- - -
Total assets	$ 238,008	$ 109,868	$ 246,894	$ - - -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ - - -	$ 57	$ - - -	$ - - -
Accrued liabilities	431	- - -	435	1,983
Deferred property tax revenue	- - -	- - -	- - -	- - -
Due to other funds	- - -	- - -	- - -	657
Total liabilities	$ 431	$ 57	$ 435	$ 2,640
FUND BALANCES				
Reserved for:				
Maintenance of roadways	$ - - -	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -	- - -
Debt service	- - -	- - -	- - -	- - -
Unreserved	237,577	109,811	246,459	(2,640)
Total fund balances	$ 237,577	$ 109,811	$ 246,459	($ 2,640)
Total liabilities and fund balances	$ 238,008	$ 109,868	$ 246,894	$ - - -

Special Revenue Funds					
Revolving Loan Fund	Cambridge Law Enforcement Fund	Sheriff's Crime Lab Fund	Capital Building Fund	Waste Management Fund	Solid Soil Survey Fund
$ 372,186	$ - - -	$ 26,385	$ 671,156	$ 995	$ 88,834
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
742,410	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 1,114,596	$ - - -	$ 26,385	$ 671,156	$ 995	$ 88,834
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	640	- - -	- - -	- - -	1,249
- - -	- - -	- - -	- - -	- - -	- - -
3,357	163	- - -	- - -	- - -	- - -
$ 3,357	$ 803	$ - - -	$ - - -	$ - - -	$ 1,249
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
1,111,239	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	(803)	26,385	671,156	995	87,585
$ 1,111,239	($ 803)	$ 26,385	$ 671,156	$ 995	$ 87,585
$ 1,114,596	$ - - -	$ 26,385	$ 671,156	$ 995	$ 88,834

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2006

	Special Revenue Funds		
	DUI Equipment Fund	Tourism Department	Elderly Services Fund
ASSETS			
Cash and cash equivalents	$ 20,357	$ - - -	$ 6,759
Certificates of deposit	- - -	- - -	- - -
Receivables:			
Accounts	- - -	- - -	- - -
Property tax	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Total assets	$ 20,357	$ - - -	$ 6,759
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ - - -	$ - - -	$ - - -
Accrued liabilities	- - -	- - -	- - -
Deferred property tax revenue	- - -	- - -	- - -
Due to other funds	- - -	2,000	- - -
Total liabilities	$ - - -	$ 2,000	$ - - -
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved	20,357	(2,000)	6,759
Total fund balances	$ 20,357	($ 2,000)	$ 6,759
Total liabilities and fund balances	$ 20,357	$ - - -	$ 6,759

Special Revenue Funds					
Classroom Cell Phone Fund	Sheriff's Auto/Truck Youth Education	Camera Account	Elderly Cell Phones Fund	Neighborhood Watch Fund	Sheriff Drug Enforcement Fund
$ - - -	$ - - -	$ 2,967	$ - - -	$ - - -	$ 30,939
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
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- - -	- - -	- - -	- - -	- - -	- - -
$ - - -	$ - - -	$ 2,967	$ - - -	$ - - -	$ 30,939
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
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- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	2,967	- - -	- - -	30,939
$ - - -	$ - - -	$ 2,967	$ - - -	$ - - -	$ 30,939
$ - - -	$ - - -	$ 2,967	$ - - -	$ - - -	$ 30,939

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2006

	Special Revenue		
	Coroner Equipment Grant	Property/ Building Fund	Election Assistance Grant
ASSETS			
Cash and cash equivalents	$ 1,369	$ 5,000	$ 1,158
Certificates of deposit	- - -	- - -	- - -
Receivables:			
Accounts	- - -	- - -	- - -
Property tax	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Total assets	$ 1,369	$ 5,000	$ 1,158
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ - - -	$ - - -	$ - - -
Accrued liabilities	- - -	- - -	- - -
Deferred property tax revenue	- - -	- - -	- - -
Due to other funds	- - -	- - -	- - -
Total liabilities	$ - - -	$ - - -	$ - - -
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved	1,369	5,000	1,158
Total fund balances	$ 1,369	$ 5,000	$ 1,158
Total liabilities and fund balances	$ 1,369	$ 5,000	$ 1,158

Funds	
Coord Aerial Photo Program	Debt Service Fund
$ 10	$ 1,962
- - -	- - -
- - -	- - -
- - -	- - -
- - -	- - -
- - -	- - -
- - -	- - -
$ 10	$ 1,962
$ - - -	$ - - -
- - -	- - -
- - -	- - -
- - -	- - -
$ - - -	$ - - -
$ - - -	$ - - -
- - -	- - -
- - -	1,962
10	- - -
$ 10	$ 1,962
$ 10	$ 1,962

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2006

		Special Revenue Funds	
	Totals	Federal Aid Matching Fund	County Joint Bridge Fund
REVENUES			
Taxes:			
Property	$ 917,879	$ 184,114	$ 226,840
Replacement	34,057	12,622	15,459
Fines and fees	268,925	- - -	- - -
Intergovernmental	1,241,263	- - -	- - -
Charges for services	891,514	- - -	51,301
Investment income	158,415	2,233	15,698
Miscellaneous	128,435	- - -	- - -
Total revenues	$ 3,640,488	$ 198,969	$ 309,298
EXPENDITURES			
Current:			
General government	$ 732,845	$ - - -	$ - - -
Public Safety	346,429	- - -	- - -
Education	17,204	- - -	- - -
Highways and streets	1,801,314	289,081	265,351
Health	407,684	- - -	- - -
Recreation and culture	31,051	- - -	- - -
Capital expenditures	267,880	- - -	- - -
Debt service:			
Principal	341,073	- - -	- - -
Interest	182,672	- - -	- - -
Total expenditures	$ 4,128,152	$ 289,081	$ 265,351
Excess (deficiency) of revenues over expenditures	($ 487,664)	($ 90,112)	$ 43,947
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 1,007,349	$ - - -	$ - - -
Transfers out	(578,424)	- - -	- - -
Total other financing sources (uses)	$ 428,925	$ - - -	$ - - -
Net change in fund balances	($ 58,739)	($ 90,112)	$ 43,947
FUND BALANCES - Beginning	5,537,506	193,586	511,966
FUND BALANCES - Ending	$ 5,478,767	$ 103,474	$ 555,913

Special Revenue Funds				
Motor Fuel Tax Fund	Mentally Deficient Persons Fund	708 Mental Health Fund	Veterans' Assistance Commission Fund	Extension Fund
$ - - -	$ 87,099	$ 317,687	$ 42,609	$ 59,530
- - -	5,976	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
1,143,981	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
55,727	652	4,874	854	380
44,900	- - -	- - -	- - -	- - -
$ 1,244,608	$ 93,727	$ 322,561	$ 43,463	$ 59,910
$ - - -	$ - - -	$ - - -	$ 41,280	$ 59,910
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
1,246,882	- - -	- - -	- - -	- - -
- - -	87,152	320,532	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
$ 1,246,882	$ 87,152	$ 320,532	$ 41,280	$ 59,910
($ 2,274)	$ 6,575	$ 2,029	$ 2,183	$ - - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
($ 2,274)	$ 6,575	$ 2,029	$ 2,183	$ - - -
1,283,582	811	163,123	25,353	- - -
$ 1,281,308	$ 7,386	$ 165,152	$ 27,536	$ - - -

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2006

	Special Revenue Funds		
	State's Attorney Forfeited Drug Fund	Animal Control Fund	Vital Records Automation Fund
REVENUES			
Taxes:			
Property	$ - - -	$ - - -	$ - - -
Replacement	- - -	- - -	- - -
Fines and fees	- - -	74,707	- - -
Intergovernmental	- - -	- - -	- - -
Charges for services	- - -	- - -	7,541
Investment income	2,638	- - -	493
Miscellaneous	10,819	- - -	- - -
Total revenues	$ 13,457	$ 74,707	$ 8,034
EXPENDITURES			
Current:			
General government	$ - - -	$ - - -	$ 4,426
Public Safety	24,603	78,761	- - -
Education	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -
Health	- - -	- - -	- - -
Recreation and culture	- - -	- - -	- - -
Capital expenditures	- - -	- - -	- - -
Debt service:			
Principal	- - -	- - -	- - -
Interest	- - -	- - -	- - -
Total expenditures	$ 24,603	$ 78,761	$ 4,426
Excess (deficiency) of revenues over expenditures	($ 11,146)	($ 4,054)	$ 3,608
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ - - -
Transfers out	- - -	- - -	(219)
Total other financing sources (uses)	$ - - -	$ - - -	($ 219)
Net change in fund balances	($ 11,146)	($ 4,054)	$ 3,389
FUND BALANCES - Beginning	69,616	22,849	11,291
FUND BALANCES - Ending	$ 58,470	$ 18,795	$ 14,680

Special Revenue Funds					
Court Security System Fund	Probation Service Fees Fund	Treasurer Automation Fund	Sheriff's Drug Fund	Law Library Fund	Circuit Clerk Trust Fund
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	5,877	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
87,377	158,887	10,635	- - -	32,357	27,871
2,135	- - -	1,123	2,182	- - -	250
- - -	- - -	- - -	- - -	- - -	- - -
$ 89,512	$ 158,887	$ 11,758	$ 8,059	$ 32,357	$ 28,121
$ 82,090	$ 163,242	$ 1,200	$ - - -	$ - - -	$ 39,732
- - -	- - -	- - -	4,140	- - -	- - -
- - -	- - -	- - -	- - -	17,204	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	24,020	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 82,090	$ 187,262	$ 1,200	$ 4,140	$ 17,204	$ 39,732
$ 7,422	($ 28,375)	$ 10,558	$ 3,919	$ 15,153	($ 11,611)
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
(15,663)	- - -	- - -	- - -	- - -	- - -
($ 15,663)	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
($ 8,241)	($ 28,375)	$ 10,558	$ 3,919	$ 15,153	($ 11,611)
60,862	682,223	24,109	50,780	(137,209)	27,600
$ 52,621	$ 653,848	$ 34,667	$ 54,699	($ 122,056)	$ 15,989

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2006

	Special Revenue Funds			
	Circuit Clerk Court Automation Fund	Recorder Automation Fund	Court Document Storage Fund	Orion Law Enforcement Fund
REVENUES				
Taxes:				
Property	$ - - -	$ - - -	$ - - -	$ - - -
Replacement	- - -	- - -	- - -	- - -
Fines and fees	- - -	- - -	- - -	- - -
Intergovernmental	- - -	- - -	- - -	- - -
Charges for services	73,148	127,232	71,531	188,916
Investment income	9,755	4,259	9,085	- - -
Miscellaneous	- - -	- - -	- - -	963
Total revenues	$ 82,903	$ 131,491	$ 80,616	$ 189,879
EXPENDITURES				
Current:				
General government	$ 52,168	$ 91,330	$ 44,360	$ - - -
Public Safety	- - -	- - -	- - -	160,950
Education	- - -	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -	- - -
Health	- - -	- - -	- - -	- - -
Recreation and culture	- - -	- - -	- - -	- - -
Capital expenditures	62,538	9,094	- - -	- - -
Debt service:				
Principal	- - -	16,073	- - -	- - -
Interest	- - -	7,267	- - -	- - -
Total expenditures	$ 114,706	$ 123,764	$ 44,360	$ 160,950
Excess (deficiency) of revenues over expenditures	($ 31,803)	$ 7,727	$ 36,256	$ 28,929
OTHER FINANCING SOURCES (USES)				
Transfers in	$ - - -	$ - - -	$ - - -	$ - - -
Transfers out	(4,558)	- - -	(3,918)	(25,883)
Total other financing sources (uses)	($ 4,558)	$ - - -	($ 3,918)	($ 25,883)
Net change in fund balances	($ 36,361)	$ 7,727	$ 32,338	$ 3,046
FUND BALANCES - Beginning	273,938	102,084	214,121	(5,686)
FUND BALANCES - Ending	$ 237,577	$ 109,811	$ 246,459	($ 2,640)

Special Revenue Funds					
Revolving Loan Fund	Cambridge Law Enforcement Fund	Sheriff's Crime Lab Fund	Capital Building Fund	Waste Management Fund	Solid Soil Survey Fund
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	2,880	- - -	- - -	178,971
- - -	- - -	- - -	- - -	- - -	- - -
- - -	54,718	- - -	- - -	- - -	- - -
43,295	- - -	993	- - -	39	- - -
- - -	- - -	- - -	13,755	- - -	- - -
$ 43,295	$ 54,718	$ 3,873	$ 13,755	$ 39	$ 178,971
$ 21,498	$ - - -	$ - - -	$ 1,660	$ - - -	$ 127,434
- - -	45,150	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	78,030	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 21,498	$ 45,150	$ - - -	$ 79,690	$ - - -	$ 127,434
$ 21,797	$ 9,568	$ 3,873	($ 65,935)	$ 39	$ 51,537
$ - - -	$ - - -	$ - - -	$ 503,913	$ - - -	$ - - -
- - -	(9,384)	- - -	(500,405)	- - -	(15,362)
$ - - -	($ 9,384)	$ - - -	$ 3,508	$ - - -	($ 15,362)
$ 21,797	$ 184	$ 3,873	($ 62,427)	$ 39	$ 36,175
1,089,442	(987)	22,512	733,583	956	51,410
$ 1,111,239	($ 803)	$ 26,385	$ 671,156	$ 995	$ 87,585

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2006

	Special Revenue Funds		
	DUI Equipment Fund	Tourism Department	Elderly Services Fund
REVENUES			
Taxes:			
Property	$ - - -	$ - - -	$ - - -
Replacement	- - -	- - -	- - -
Fines and fees	6,490	- - -	- - -
Intergovernmental	- - -	- - -	- - -
Charges for services	- - -	- - -	- - -
Investment income	866	- - -	195
Miscellaneous	- - -	28,119	767
Total revenues	$ 7,356	$ 28,119	$ 962
EXPENDITURES			
Current:			
General government	$ - - -	$ - - -	$ 528
Public Safety	6,617	- - -	- - -
Education	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -
Health	- - -	- - -	- - -
Recreation and culture	- - -	31,051	- - -
Capital expenditures	- - -	- - -	- - -
Debt service:			
Principal	- - -	- - -	- - -
Interest	- - -	- - -	- - -
Total expenditures	$ 6,617	$ 31,051	$ 528
Excess (deficiency) of revenues over expenditures	$ 739	($ 2,932)	$ 434
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ 3,031
Transfers out	- - -	- - -	- - -
Total other financing sources (uses)	$ - - -	$ - - -	$ 3,031
Net change in fund balances	$ 739	($ 2,932)	$ 3,465
FUND BALANCES - Beginning	19,618	932	3,294
FUND BALANCES - Ending	$ 20,357	($ 2,000)	$ 6,759

Special Revenue Funds				
Classroom Cell Phone Fund	Sheriff's Auto/Truck Youth Education	Camera Account	Elderly Cell Phones Fund	Neighborhood Watch Fund
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
17	41	116	22	5
- - -	- - -	46	- - -	- - -
$ 17	$ 41	$ 162	$ 22	$ 5
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	12	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
$ - - -	$ - - -	$ - - -	$ 12	$ - - -
$ 17	$ 41	$ 162	$ 10	$ 5
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
(615)	(1,468)	- - -	(783)	(166)
($ 615)	($ 1,468)	$ - - -	($ 783)	($ 166)
($ 598)	($ 1,427)	$ 162	($ 773)	($ 161)
598	1,427	2,805	773	161
$ - - -	$ - - -	$ 2,967	$ - - -	$ - - -

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2006

	Special Revenue Funds		
	Sheriff Drug Enforcement Fund	Coroner Equipment Grant	Property/ Building Fund
REVENUES			
Taxes:			
Property	$ - - -	$ - - -	$ - - -
Replacement	- - -	- - -	- - -
Fines and fees	- - -	- - -	- - -
Intergovernmental	- - -	- - -	- - -
Charges for services	- - -	- - -	- - -
Investment income	306	8	- - -
Miscellaneous	27,705	1,361	- - -
Total revenues	$ 28,011	$ 1,369	$ - - -
EXPENDITURES			
Current:			
General government	$ - - -	$ - - -	$ - - -
Public Safety	26,196	- - -	- - -
Education	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -
Health	- - -	- - -	- - -
Recreation and culture	- - -	- - -	- - -
Capital expenditures	- - -	- - -	- - -
Debt service:			
Principal	- - -	- - -	- - -
Interest	- - -	- - -	- - -
Total expenditures	$ 26,196	$ - - -	$ - - -
Excess (deficiency) of revenues over expenditures	$ 1,815	$ 1,369	$ - - -
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ - - -
Transfers out	- - -	- - -	- - -
Total other financing sources (uses)	$ - - -	$ - - -	$ - - -
Net change in fund balances	$ 1,815	$ 1,369	$ - - -
FUND BALANCES - Beginning	29,124	- - -	5,000
FUND BALANCES - Ending	$ 30,939	$ 1,369	$ 5,000

Special Revenue Funds		
Election Assistance Grant	Coord Aerial Photo Program	Debt Service Fund
$ - - -	$ - - -	$ - - -
- - -	- - -	- - -
- - -	- - -	- - -
97,282	- - -	- - -
- - -	- - -	- - -
61	1	112
- - -	- - -	- - -
$ 97,343	$ 1	$ 112
$ 1,987	$ - - -	$ - - -
- - -	- - -	- - -
- - -	- - -	- - -
- - -	- - -	- - -
- - -	- - -	- - -
- - -	- - -	- - -
94,198	- - -	- - -
- - -	- - -	325,000
- - -	- - -	175,405
$ 96,185	$ - - -	$ 500,405
$ 1,158	$ 1	($ 500,293)
$ - - -	$ - - -	$ 500,405
- - -	- - -	- - -
$ - - -	$ - - -	$ 500,405
$ 1,158	$ 1	$ 112
- - -	9	1,850
$ 1,158	$ 10	$ 1,962

HENRY COUNTY, ILLINOIS
FEDERAL AID MATCHING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 184,550	$ 184,550	$ 184,114
Replacement	8,500	8,500	12,622
Investment income	3,000	3,000	2,233
Total revenues	$ 196,050	$ 196,050	$ 198,969
EXPENDITURES			
Current:			
Engineering	$ 20,000	$ 20,000	$ 9,604
Highway construction	360,000	360,000	279,477
Total expenditures	$ 380,000	$ 380,000	$ 289,081
Deficiency of revenues over expenditures	($ 183,950)	($ 183,950)	($ 90,112)
FUND BALANCE - Beginning			193,586
FUND BALANCE - Ending			$ 103,474

HENRY COUNTY, ILLINOIS
COUNTY JOINT BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 227,600	$ 227,600	$ 226,840
Replacement	10,500	10,500	15,459
Charges for services	75,000	75,000	51,301
Investment income	6,000	6,000	15,698
Total revenues	$ 319,100	$ 319,100	$ 309,298
EXPENDITURES			
Current:			
Bridge construction	$ 350,000	$ 350,000	$ 261,878
Engineering expense	55,000	55,000	3,473
Total expenditures	$ 405,000	$ 405,000	$ 265,351
Excess (deficiency) of revenues over expenditures	($ 85,900)	($ 85,900)	$ 43,947
FUND BALANCE - Beginning			511,966
FUND BALANCE - Ending			$ 555,913

HENRY COUNTY, ILLINOIS
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Intergovernmental	$ 1,100,000	$ 1,100,000	$ 1,143,981
Investment income	24,000	24,000	55,727
Miscellaneous	44,900	44,900	44,900
Total revenues	$ 1,168,900	$ 1,168,900	$ 1,244,608
EXPENDITURES			
Current:			
Salaries	$ 89,800	$ 89,800	$ 89,800
Insurance	29,825	29,825	30,972
IMRF reimbursement	27,650	27,650	22,955
Construction and maintenance	1,207,500	1,207,500	1,103,155
Total expenditures	$ 1,354,775	$ 1,354,775	$ 1,246,882
Deficiency of revenues over expenditures	($ 185,875)	($ 185,875)	($ 2,274)
FUND BALANCE - Beginning			1,283,582
FUND BALANCE - Ending			$ 1,281,308

HENRY COUNTY, ILLINOIS
MENTALLY DEFICIENT PERSONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 87,210	$ 87,210	$ 87,099
Replacement	4,000	4,000	5,976
Investment income	80	80	652
Total revenues	$ 91,290	$ 91,290	$ 93,727
EXPENDITURES			
Current:			
Mental health	91,360	91,360	87,152
Excess (deficiency) of revenues over expenditures	($ 70)	($ 70)	$ 6,575
FUND BALANCE - Beginning			811
FUND BALANCE - Ending			$ 7,386

HENRY COUNTY, ILLINOIS
708 MENTAL HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 318,682	$ 318,682	$ 317,687
Investment income	1,850	1,850	4,874
Total revenues	$ 320,532	$ 320,532	$ 322,561
EXPENDITURES			
Current:			
Mental health	320,532	320,532	320,532
Excess of revenues over expenditures	$ - - -	$ - - -	$ 2,029
FUND BALANCE - Beginning			163,123
FUND BALANCE - Ending			$ 165,152

HENRY COUNTY, ILLINOIS
VETERANS' ASSISTANCE COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 42,667	$ 42,667	$ 42,609
Investment income	- - -	- - -	854
Total revenues	$ 42,667	$ 42,667	$ 43,463
EXPENDITURES			
Current:			
Supplies	$ 350	$ 350	$ 231
Contractual service	16,723	16,723	16,942
Other service and charges	25,594	25,594	24,107
Total expenditures	$ 42,667	$ 42,667	$ 41,280
Excess of revenues over expenditures	$ - - -	$ - - -	$ 2,183
FUND BALANCE - Beginning			25,353
FUND BALANCE - Ending			$ 27,536

HENRY COUNTY, ILLINOIS
EXTENSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 59,230	$ 59,230	$ 59,530
Investment income	100	100	380
Total revenues	$ 59,330	$ 59,330	$ 59,910
EXPENDITURES			
Current:			
Extension	59,230	59,230	59,910
Excess of revenues over expenditures	$ 100	$ 100	$ - - -
FUND BALANCE - Beginning			- - -
FUND BALANCE - Ending			$ - - -

HENRY COUNTY, ILLINOIS
STATE'S ATTORNEY FORFEITED DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 800	$ 800	$ 2,638
Miscellaneous:			
Seizures/drugs	6,500	6,500	10,819
Total revenues	$ 7,300	$ 7,300	$ 13,457
EXPENDITURES			
Current - education:			
Office supplies	$ 2,000	$ 2,000	$ 2,587
Other service and charges	4,000	4,000	7,581
Equipment	1,000	1,000	14,435
Total expenditures	$ 7,000	$ 7,000	$ 24,603
Excess (deficiency) of revenues over expenditures	$ 300	$ 300	($ 11,146)
FUND BALANCE - Beginning			69,616
FUND BALANCE - Ending			$ 58,470

HENRY COUNTY, ILLINOIS
ANIMAL CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines and fees	$ 68,500	$ 68,500	$ 74,707
EXPENDITURES			
Current - public safety:			
Officer salary	$ 37,556	$ 37,556	$ 37,711
Staff salaries	15,850	16,578	18,052
Life and health insurance	7,550	7,550	7,544
Office supplies	5,000	6,008	6,008
Uniforms	900	900	882
Contractual service	150	150	150
Travel and meeting	3,000	4,426	4,562
Education and training	500	500	200
Fuel and power	1,800	1,800	907
Telephone	2,000	2,000	1,381
Postage	2,500	625	635
Dues	500	500	165
Maintenance	500	500	122
Laboratory expense	200	200	142
Dead animal claims	750	363	- - -
Animal disposal	1,200	300	300
Other service and charges	100	100	- - -
Total expenditures	$ 80,056	$ 80,056	$ 78,761
Deficiency of revenues over expenditures	($ 11,556)	($ 11,556)	($ 4,054)
FUND BALANCE - Beginning			22,849
FUND BALANCE - Ending			$ 18,795

HENRY COUNTY, ILLINOIS
VITAL RECORDS AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 6,750	$ 6,750	$ 7,541
Investment income	150	150	493
Total revenues	$ 6,900	$ 6,900	$ 8,034
EXPENDITURES			
Current - general government:			
Part time salaries	$ 3,000	$ 3,000	$ 2,894
Office supplies	500	500	- - -
Contractual service	3,500	3,500	- - -
Maintenance	500	500	- - -
Death certificate surcharge	- - -	- - -	532
Equipment	1,000	1,000	1,000
Total expenditures	$ 8,500	$ 8,500	$ 4,426
Excess (deficiency) of revenues over expenditures	($ 1,600)	($ 1,600)	$ 3,608
OTHER FINANCING SOURCES (USES)			
Transfers out	(230)	(230)	(219)
Net change in fund balances	($ 1,830)	($ 1,830)	$ 3,389
FUND BALANCE - Beginning			11,291
FUND BALANCE - Ending			$ 14,680

HENRY COUNTY, ILLINOIS
COURT SECURITY SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 80,000	$ 80,000	$ 87,377
Investment income	1,150	1,150	2,135
Total revenues	$ 81,150	$ 81,150	$ 89,512
EXPENDITURES			
Current - general government:			
Staff salaries	$ 58,322	$ 58,322	$ 58,554
Part time salaries	7,500	7,500	7,041
Overtime	12,879	12,879	7,943
Life and health insurance	7,550	7,550	7,556
Uniforms	1,200	1,200	839
Education and training	2,000	2,000	- - -
Equipment	1,000	1,000	157
Total expenditures	$ 90,451	$ 90,451	$ 82,090
Excess (deficiency) of revenues over expenditures	($ 9,301)	($ 9,301)	$ 7,422
OTHER FINANCING SOURCES (USES)			
Transfers out	(16,850)	(16,850)	(15,663)
Net change in fund balances	($ 26,151)	($ 26,151)	($ 8,241)
FUND BALANCE - Beginning			60,862
FUND BALANCE - Ending			$ 52,621

HENRY COUNTY, ILLINOIS
PROBATION SERVICE FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Substance abuse testing	$ 20,000	$ 20,000	$ 18,708
Probation service fees	130,000	130,000	135,030
Electronic monitoring	7,000	7,000	4,670
Reimbursements	2,270	2,270	479
Total revenues	$ 159,270	$ 159,270	$ 158,887
EXPENDITURES			
Current - general government:			
Document preservation	$ 75,000	$ 75,000	$ 10,500
Fuel expense	3,000	3,000	2,751
Education and training	15,000	15,000	2,938
Video education	500	500	- - -
Public relation/education	4,000	4,000	3,581
Other programs	6,000	6,000	5,684
Postage	2,500	2,470	1,207
Dues	440	470	470
Service contracts	15,000	15,000	5,000
Maintenance	4,000	4,000	3,231
Juvenile psychological	3,000	3,000	595
Substance abuse testing	20,000	20,000	10,361
Sex offender evaluations	2,000	2,000	225
DNA collection fee	5,000	5,000	420
Equipment	35,500	35,500	36,813
Reimbursements	71,458	67,884	66,117
Delinquency diversion program	10,000	10,000	10,000
Computer automation	55,000	55,000	27,369
Total expenditures	$ 327,398	$ 323,824	$ 187,262
Deficiency of revenues over expenditures	($ 168,128)	($ 164,554)	($ 28,375)
FUND BALANCE - Beginning			682,223
FUND BALANCE - Ending			$ 653,848

HENRY COUNTY, ILLINOIS
TREASURER AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Automation fees	$ 8,000	$ 8,000	$ 10,635
Investment income	300	300	1,123
Total revenues	$ 8,300	$ 8,300	$ 11,758
EXPENDITURES			
Current - general government:			
Part time salaries	$ 2,988	$ 2,988	$ - - -
Computer automation	3,500	3,500	- - -
Contingencies	1,500	1,500	1,200
Total expenditures	$ 7,988	$ 7,988	$ 1,200
Excess of revenues over expenditures	$ 312	$ 312	$ 10,558
FUND BALANCE - Beginning			24,109
FUND BALANCE - Ending			$ 34,667

HENRY COUNTY, ILLINOIS
SHERIFF'S DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines and fees:			
Street value fines	$ 7,000	$ 7,000	$ 5,877
Investment income	800	800	2,182
Total revenues	$ 7,800	$ 7,800	$ 8,059
EXPENDITURES			
Current - public safety:			
Contingencies	5,000	5,000	4,140
Excess of revenues over expenditures	$ 2,800	$ 2,800	$ 3,919
FUND BALANCE - Beginning			50,780
FUND BALANCE - Ending			$ 54,699

HENRY COUNTY, ILLINOIS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Jail reimbursement	$ 5,580	$ 5,580	$ 5,580
Law library fees	24,000	24,000	26,777
Total revenues	$ 29,580	$ 29,580	$ 32,357
EXPENDITURES			
Current - education:			
Law books and subscriptions	$ 5,000	$ 5,000	$ 4,811
Computer automation	10,660	10,660	12,393
Total expenditures	$ 15,660	$ 15,660	$ 17,204
Excess of revenues over expenditures	$ 13,920	$ 13,920	$ 15,153
FUND BALANCE - Beginning			(137,209)
FUND BALANCE - Ending			($ 122,056)

HENRY COUNTY, ILLINOIS
CIRCUIT CLERK COURT AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Automation fees	$ 60,000	$ 60,000	$ 73,148
Investment income	3,700	3,700	9,755
Total revenues	$ 63,700	$ 63,700	$ 82,903
EXPENDITURES			
Current - general government:			
Staff salaries	$ 25,709	$ 25,709	$ 28,718
Life and health insurance	3,775	3,775	3,772
Office supplies	10,000	10,000	5,418
Travel and meeting	1,000	1,000	378
Telephone	1,620	1,620	1,044
Maintenance	10,000	10,000	6,548
Equipment	25,000	87,538	68,828
Total expenditures	$ 77,104	$ 139,642	$ 114,706
Deficiency of revenues over expenditures	($ 13,404)	($ 75,942)	($ 31,803)
OTHER FINANCING SOURCES (USES)			
Transfers out	(4,106)	(4,106)	(4,558)
Net change in fund balances	($ 17,510)	($ 80,048)	($ 36,361)
FUND BALANCE - Beginning			273,938
FUND BALANCE - Ending			$ 237,577

HENRY COUNTY, ILLINOIS
RECORDER AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Automation fees	$ 36,750	$ 36,750	$ 50,426
Rural housing fund	- - -	- - -	76,806
Investment income	500	500	4,259
Total revenues	$ 37,250	$ 37,250	$ 131,491
EXPENDITURES			
Current - general government:			
Office supplies	$ 1,200	$ 1,760	$ 1,754
Contractual service	34,140	34,140	5,068
Maintenance	5,500	4,940	3,746
Rural housing surcharge payment	- - -	- - -	77,562
Equipment	1,000	12,294	12,294
Debt service:			
Principal	- - -	- - -	16,073
Interest	- - -	- - -	7,267
Total expenditures	$ 41,840	$ 53,134	$ 123,764
Excess (deficiency) of revenues over expenditures	($ 4,590)	($ 15,884)	$ 7,727
FUND BALANCE - Beginning			102,084
FUND BALANCE - Ending			$ 109,811

HENRY COUNTY, ILLINOIS
COURT DOCUMENT STORAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Court document storage fee	$ 60,000	$ 60,000	$ 71,531
Investment income	2,500	2,500	9,085
Total revenues	$ 62,500	$ 62,500	$ 80,616
EXPENDITURES			
Current - general government:			
Staff salaries	$ 20,467	$ 20,467	$ 22,726
Part time salaries	10,000	10,000	4,150
Life and health insurance	3,775	3,775	3,772
Office supplies	5,000	5,000	4,820
Travel and meeting	1,000	1,000	933
Service contracts	15,000	15,000	3,236
Equipment	25,000	25,000	4,723
Total expenditures	$ 80,242	$ 80,242	$ 44,360
Excess (deficiency) of revenues over expenditures	($ 17,742)	($ 17,742)	$ 36,256
OTHER FINANCING SOURCES (USES)			
Transfers out	(4,034)	(4,034)	(3,918)
Net change in fund balances	($ 21,776)	($ 21,776)	$ 32,338
FUND BALANCE - Beginning			214,121
FUND BALANCE - Ending			$ 246,459

HENRY COUNTY, ILLINOIS
ORION LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 199,955	$ 199,955	$ 188,916
Miscellaneous	- - -	- - -	963
Total revenues	$ 199,955	$ 199,955	$ 189,879
EXPENDITURES			
Current - public safety:			
Staff salaries	$ 119,990	$ 119,990	$ 111,200
Part time salaries	5,000	5,000	2,504
Overtime	2,783	2,783	2,568
Straight time	1,669	1,669	- - -
Life and health insurance	13,361	13,361	14,625
Unemployment insurance	800	800	664
Re-insurance reimbursement	- - -	- - -	2,047
Workers compensation	7,000	7,000	4,904
Office supplies	500	500	638
Uniforms	1,800	1,800	974
Education and training	2,000	2,000	1,152
Telephone	2,000	2,000	1,645
Service contracts	2,048	2,048	396
Maintenance	8,000	8,000	14,638
Administrative fees	800	800	800
Insurance	2,100	2,100	2,100
Equipment	1,000	1,000	95
Contingencies	250	250	- - -
Total expenditures	$ 171,101	$ 171,101	$ 160,950
Excess of revenues over expenditures	$ 28,854	$ 28,854	$ 28,929
OTHER FINANCING SOURCES (USES)			
Transfers out	(28,854)	(28,854)	(25,883)
Net change in fund balances	$ - - -	$ - - -	$ 3,046
FUND BALANCE - Beginning			(5,686)
FUND BALANCE - Ending			($ 2,640)

HENRY COUNTY, ILLINOIS
CAMBRIDGE LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 57,534	$ 57,534	$ 54,718
EXPENDITURES			
Current - public safety:			
Staff salaries	$ 38,794	$ 38,794	$ 38,943
Overtime	3,339	3,339	1,412
Straight time	1,113	1,113	1,023
Life and health insurance	4,401	4,401	3,772
Total expenditures	$ 47,647	$ 47,647	$ 45,150
Excess of revenues over expenditures	$ 9,887	$ 9,887	$ 9,568
OTHER FINANCING SOURCES (USES)			
Transfers out	(9,887)	(9,887)	(9,384)
Net change in fund balances	$ - - -	$ - - -	$ 184
FUND BALANCE - Beginning			(987)
FUND BALANCE - Ending			($ 803)

HENRY COUNTY, ILLINOIS
SHERIFF'S CRIME LAB FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines and fees	$ 6,200	$ 6,200	$ 2,880
Investment income	365	365	993
Total revenues	$ 6,565	$ 6,565	$ 3,873
EXPENDITURES			
Current - public safety:			
Equipment	5,000	5,000	- - -
Excess of revenues over expenditures	$ 1,565	$ 1,565	$ 3,873
FUND BALANCE - Beginning			22,512
FUND BALANCE - Ending			$ 26,385

HENRY COUNTY, ILLINOIS
CAPITAL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Miscellaneous	$ 12,347	$ 12,347	$ 13,755
EXPENDITURES			
Capital improvement	- - -	79,286	79,690
Excess (deficiency) of revenues over expenditures	$ 12,347	($ 66,939)	($ 65,935)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 503,913	$ 503,913	$ 503,913
Transfers out	(507,688)	(507,688)	(500,405)
Total other financing sources (uses)	($ 3,775)	($ 3,775)	$ 3,508
Net change in fund balances	$ 8,572	($ 70,714)	($ 62,427)
FUND BALANCE - Beginning			733,583
FUND BALANCE - Ending			$ 671,156

HENRY COUNTY, ILLINOIS
WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 12	$ 12	$ 39
EXPENDITURES			
Current - general government:			
Contingencies	- - -	- - -	- - -
Excess of revenues over expenditures	$ 12	$ 12	$ 39
FUND BALANCE - Beginning			956
FUND BALANCE - Ending			$ 995

HENRY COUNTY, ILLINOIS
SOLID SOIL SURVEY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fees	$ 169,500	$ 169,500	$ 178,971
EXPENDITURES			
Current - general government:			
Staff salaries	$ 83,900	$ 85,100	$ 85,079
Part time salaries	26,387	22,172	17,274
Life and health insurance	9,630	9,630	8,833
Office supplies	1,000	1,000	322
Contractual service	- - -	4,080	4,080
Education and training	5,000	5,000	389
Maintenance	1,000	1,000	- - -
Computer system support	11,100	11,235	11,234
Computer automation	2,000	2,000	223
Total expenditures	$ 140,017	$ 141,217	$ 127,434
Excess of revenues over expenditures	$ 29,483	$ 28,283	$ 51,537
OTHER FINANCING SOURCES (USES)			
Transfers out	(17,685)	(17,685)	(15,362)
Net change in fund balances	$ 11,798	$ 10,598	$ 36,175
FUND BALANCE - Beginning			51,410
FUND BALANCE - Ending			$ 87,585

HENRY COUNTY, ILLINOIS
DUI EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fees	$ 5,000	$ 5,000	$ 6,490
Investment income	330	330	866
Total revenues	$ 5,330	$ 5,330	$ 7,356
EXPENDITURES			
Current - public safety:			
Equipment	4,000	4,000	6,617
Excess of revenues over expenditures	$ 1,330	$ 1,330	$ 739
FUND BALANCE - Beginning			19,618
FUND BALANCE - Ending			$ 20,357

HENRY COUNTY, ILLINOIS
TOURISM DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Miscellaneous:			
Tourism reimbursement	$ 33,175	$ 33,175	$ 28,119
EXPENDITURES			
Current - recreation and culture:			
Salaries	$ 24,960	$ 24,960	$ 23,983
Life and health insurance	3,775	3,775	3,192
FICA	1,910	1,910	1,857
IMRF	2,080	2,080	2,019
Administrative fees	450	450	- - -
Total expenditures	$ 33,175	$ 33,175	$ 31,051
Deficiency of revenues over expenditures	$ - - -	$ - - -	($ 2,932)
FUND BALANCE - Beginning			932
FUND BALANCE - Ending			($ 2,000)

HENRY COUNTY, ILLINOIS
ELDERLY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 46	$ 46	$ 195
Miscellaneous	- - -	- - -	767
Total revenues	$ 46	$ 46	$ 962
EXPENDITURES			
Office supplies	$ 100	$ 100	$ 528
Excess (deficiency) of revenues over expenditures	($ 54)	($ 54)	$ 434
OTHER FINANCING SOURCES			
Transfers in	- - -	- - -	3,031
Net change in fund balances	($ 54)	($ 54)	$ 3,465
FUND BALANCE - Beginning			3,294
FUND BALANCE - Ending			$ 6,759

HENRY COUNTY, ILLINOIS
CLASSROOM CELL PHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 10	$ 10	$ 17
EXPENDITURES			
Office supplies	550	550	- - -
Excess (deficiency) of revenues over expenditures	($ 540)	($ 540)	$ 17
OTHER FINANCING SOURCES (USES)			
Transfers out	- - -	- - -	(615)
Net change in fund balances	($ 540)	($ 540)	($ 598)
FUND BALANCE - Beginning			598
FUND BALANCE - Ending			$ - - -

HENRY COUNTY, ILLINOIS
SHERIFF'S AUTO/TRUCK YOUTH EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 26	$ 26	$ 41
OTHER FINANCING SOURCES (USES)			
Transfers out	- - -	- - -	(1,468)
Net change in fund balances	$ 26	$ 26	($ 1,427)
FUND BALANCE - Beginning			1,427
FUND BALANCE - Ending			$ - - -

HENRY COUNTY, ILLINOIS
CAMERA ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 50	$ 50	$ 116
Miscellaneous	- - -	- - -	46
Total revenues	$ 50	$ 50	$ 162
EXPENDITURES			
Office supplies	$ 1,000	$ 1,000	$ - - -
Publication notices	50	50	- - -
Total expenditures	$ 1,050	$ 1,050	$ - - -
Excess (deficiency) of revenues over expenditures	($ 1,000)	($ 1,000)	$ 162
FUND BALANCE - Beginning			2,805
FUND BALANCE - Ending			$ 2,967

HENRY COUNTY, ILLINOIS
ELDERLY CELL PHONES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 14	$ 14	$ 22
EXPENDITURES			
Office supplies	20	20	12
Excess (deficiency) of revenues over expenditures	($ 6)	($ 6)	$ 10
OTHER FINANCING SOURCES (USES)			
Transfers out	- - -	- - -	(783)
Net change in fund balances	($ 6)	($ 6)	($ 773)
FUND BALANCE - Beginning			773
FUND BALANCE - Ending			$ - - -

HENRY COUNTY, ILLINOIS
NEIGHBORHOOD WATCH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 2	$ 2	$ 5
EXPENDITURES			
Office supplies	16	16	- - -
Excess (deficiency) of revenue over expenditures	($ 14)	($ 14)	$ 5
OTHER FINANCING SOURCES (USES)			
Transfers out	- - -	- - -	(166)
Net change in fund balances	($ 14)	($ 14)	($ 161)
FUND BALANCE - Beginning			161
FUND BALANCE - Ending			$ - - -

HENRY COUNTY, ILLINOIS
CORONER EQUIPMENT GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2006

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ - - -	$ - - -	$ 8
Miscellaneous	- - -	- - -	1,361
Total revenues	$ - - -	$ - - -	$ 1,369
EXPENDITURES			
Equipment	1,200	1,200	- - -
Excess (deficiency) of revenues over expenditures	($ 1,200)	($ 1,200)	$ 1,369
FUND BALANCE - Beginning			- - -
FUND BALANCE - Ending			$ 1,369

HENRY COUNTY, ILLINOIS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
For the Year Ended November 30, 2006

	Balances December 1, 2005	Additions	Deductions	Balances November 30, 2006
ASSETS				
Cash and cash equivalents:				
County Collector's Fund	$ 365,051	$51,601,910	$48,277,567	$ 3,689,394
Drainage District Funds	504,994	315,268	333,318	486,944
Inheritance Tax Fund	42,795	646,245	681,553	7,487
Trust Fund to Heirs	- - -	9,725	- - -	9,725
State's Attorney's Office Trust Fund	27,618	137,960	121,160	44,418
Delinquent Tax Program	1,211	834	565	1,480
County Clerk	133,133	985,407	998,723	119,817
Circuit Clerk	682,734	3,794,301	3,865,371	611,664
Prisoner Commissary	46,967	207,402	219,483	34,886
Sheriff's Special Account	10	64,830	64,830	10
Township Bridges	211,932	218,806	219,612	211,126
Township Motor Fuel Tax	359,193	1,505,882	1,586,587	278,488
Total cash and cash equivalents	$ 2,375,638	$59,488,570	$56,368,769	$ 5,495,439
Accounts receivable:				
Township Motor Fuel Tax	135,888	132,911	135,888	132,911
Total assets	$ 2,511,526	$59,621,481	$56,504,657	$ 5,628,350
LIABILITIES				
Due to others:				
County Collector's Fund	$ 365,051	$51,601,910	$48,277,567	$ 3,689,394
Drainage District Funds	504,994	315,268	333,318	486,944
Inheritance Tax Fund	42,795	646,245	681,553	7,487
Trust Fund to Heirs	- - -	9,725	- - -	9,725
State's Attorney's Office Trust Fund	27,618	137,960	121,160	44,418
Delinquent Tax Program	1,211	834	565	1,480
County Clerk	133,133	985,407	998,723	119,817
Circuit Clerk	682,734	3,794,301	3,865,371	611,664
Prisoner Commissary	46,967	207,402	219,483	34,886
Sheriff's Special Account	10	64,830	64,830	10
Township Bridges	211,932	218,806	219,612	211,126
Township Motor Fuel Tax	495,081	1,638,793	1,722,475	411,399
Total funds due to others	$ 2,511,526	$59,621,481	$56,504,657	$ 5,628,350

HENRY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Passed-through Illinois Department of Human Services			
Women-Infants-Children	10.557	82700440A	$ 146,300
Women-Infants-Children - vouchers	10.557	82700440A	286,636
Passed-through Illinois Department of Public Health			
Summer Food Inspection	10.559	0634825019000100	100
Total U.S. Department of Agriculture			$ 433,036
U.S. Department of Transportation			
Passed-through Illinois Department of Transportation			
Public Transportation for Non-Urbanized Areas - Section 18	20.509	RPT-01-008	$ 95,541
Total U.S. Department of Transportation			$ 95,541
U.S. Environmental Protection Agency			
Passed-through Illinois Department of Public Health			
Performance Partnership Grants	66.605	063482501200	$ 1,587
U.S. Elections Assistance Commission			
Passed-through Illinois State Board of Elections			
Help America Vote Act	90.401		$ 357,282

(Continued)

HENRY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
Passed-through Illinois Department of Public Health			
Immunization	93.268	001187	$ 88,734
Bioterrorism Preparedness	93.283	0634827019000200	75,813
		0634823049000200	1,500
Passed-through Illinois Department of Human Services			
Title X	93.217	82592440C	45,500
Temporary Assistance for Needy Families	93.558	82001490C	104,122
Title XX	93.667	824084400	33,900
Maternal & Child Health	93.994	828724400	4,500
Passed-through Western Illinois Area Agency on Aging			
Respite Care III-B	93.052	R-20020805507003	8,299
Passed-through Rock Island County Health Department			
IBCCP	93.919	4.2002	
		4.2003	33,699
Total U.S. Department of Health and Human Services			$ 396,067

(Continued)

HENRY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Department of Homeland Security			
Passed-through Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.042	EMA 130	$ 6,172
Total Federal Financial Services			$ 1,289,685

HENRY COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2006

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Henry County, Illinois and is presented on the accrual basis of accounting. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Henry County, Illinois provided federal awards to subrecipients as follows:

Program Title	Federal CFDA #	Amount Provided
Public Transportation for Non-Urbanized Areas - Section 18	20.509	$ 95,541

NOTE 3 - WIC VOUCHERS

Non-monetary assistance is reported in the schedule at the fair market value of food vouchers disbursed.

NOTE 4 - INSURANCE AND LOAN GUARANTEES

Henry County, Illinois had no insurance in effect, relating to federal funds, for the year ending November 30, 2006.

Henry County, Illinois had no loans or loan guarantees, relating to federal funds, outstanding at November 30, 2006.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the County Board
Henry County, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Illinois, as of and for the year ended November 30, 2006, which collectively comprise Henry County's basic financial statements and have issued our report thereon dated February 21, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Henry County, Illinois' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Henry County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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*.

This report is intended solely for the information and use of the audit committee, County board, County officials, 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.

Carpenter, Mitchell, Goddard & Company, LLC

Moline, Illinois
February 21, 2007

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the County Board
Henry County, Illinois

Compliance

We have audited the compliance of Henry County, Illinois with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2006. Henry County's major federal programs are identified in the summary of auditors' 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 Henry County's management. Our responsibility is to express an opinion on Henry County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 Henry County's 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 Henry County's compliance with those requirements.

In our opinion, Henry County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2006.

Internal Control Over Compliance

The management of Henry County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws,

regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Henry County's internal control over compliance with 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the members of the Henry County Board, management, and all the applicable federal and state agencies and is not intended to be, and should not be, used by anyone other that these specified parties.

Carpentier, Mitchell, Goddard & Company, LLC

Moline, Illinois
February 21, 2007

HENRY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2006

I. Summary of Independent Auditors' Results

A. Type of Report Issued on the Financial Statements

The Independent Auditors' Report on the financial statements of Henry County, Illinois as of and for the year ended November 30, 2006, was an unqualified opinion.

B. Reportable Conditions in Internal Control Disclosed by the Audit of the Financial Statements

The audit disclosed no reportable conditions in internal control relating to the financial statements of Henry County, Illinois as of and for the year ended November 30, 2006.

C. Noncompliance Material to the Financial Statements

The audit disclosed no instances of noncompliance which are material to the financial statements of Henry County, Illinois as of and for the year ended November 30, 2006.

D. Reportable Conditions in Internal Control Over Major Programs

The audit of compliance of Henry County, Illinois for the year ended November 30, 2006 disclosed no matters involving the internal control over major programs that are considered to be material weaknesses.

E. Type of Report Issued on Compliance for Major Programs

The Independent Auditors' Report on compliance with requirements applicable to each major federal program for the year ended November 30, 2006, was an unqualified opinion.

F. Findings Relating to the Major Programs

As indicated in Section II below, the audit disclosed no findings relating to the major programs.

(Continued)

HENRY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2006

G. Major Programs

CFDA Number	Name of Federal Program	Amount Expended
90.401	Help America Vote Act	$ 357,282

H. Threshold for Distinguishing Between Type A or Type B Programs

The threshold for distinguishing between Type A or Type B programs was $300,000 for the year ended November 30, 2006.

I. Low-Risk Auditee Qualification

Henry County, Illinois did qualify as a low-risk auditee under applicable provisions of OMB Circular No. A-133, for the year ended November 30, 2006.

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with U.S. Generally Accepted Government Auditing Standards

A. Reportable Conditions in Internal Control

The audit disclosed no reportable conditions in internal control relating to the financial statements of Henry County, Illinois as of and for the year ended November 30, 2006.

B. Compliance Findings

The audit disclosed no instances of noncompliance which are material to the basic financial statements.

III. Findings and Questioned Costs for Federal Awards

None

HENRY COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended November 30, 2006

There were no prior year audit findings relative to federal awards.

HENRY COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN
For the Year Ended November 30, 2006

Not applicable.