HENRY COUNTY, ILLINOIS

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT

November 30, 2007

HENRY COUNTY, ILLINOIS
November 30, 2007

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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, 2007, 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, 2007, and the respective changes in financial position, and, where applicable, cash flows 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 June 6, 2008, 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 grant agreements and other matters. 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
June 6, 2008

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, 2007. 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 FY2007 by $92,512,366 (net assets). Of this amount, $2,421,571 is restricted for specific purposes. As required by GASB 34, net assets also reflect $72,439,799 that is invested in capital assets net of related debt. With the presentation of the investment in capital assets, unrestricted net assets becomes $17,650,996.

- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of $18,013,108 currently government fund totals only; of which $15,591,537 or 86.6% represents unreserved fund balances.

- The general fund unreserved fund balance of $4,873,597 equals 55.9% 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 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, 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), 37 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 $92,512,366 at the close of the most recent fiscal year.

Of the County's total assets of $104,144,493 the largest components are: 1) cash and investment of $17,762,716 or 17.1%, 2) receivables, which largely represent the deferred taxes for FY2008 of $9,714,424 or 9.3%, and 3) capital assets net of accumulated depreciation of $76,581,241 or 73.5%. The receivables are offset by deferred revenue since the FY2007 tax revenue is not recognized until FY2008 even though the levy takes place in FY2007. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the total liabilities of $11,632,127, $7,810,780 are current liabilities.

The County's net assets for fiscal year ended November 30, 2007 are summarized as follows:

	Governmental Activities	Business Type Activities	Total
Current and other assets	$25,231,380	2,331,872	27,563,252
Capital assets (net of depreciation)	$73,232,338	3,348,903	76,581,241
Total assets	$98,463,718	5,680,775	104,144,493
Current and other liabilities	$ 7,599,042	211,738	7,810,780
Long-term liabilities	$ 3,821,347	----------	3,821,347
Total liabilities	$11,420,389	211,738	11,632,127
Net assets:			
Invested in capital assets, net of related debt	$69,090,896	3,348,903	72,439,799
Restricted	$ 2,421,571	----------	2,421,571
Unrestricted	$15,530,862	2,120,134	17,650,996
Total net assets	$87,043,329	5,469,037	92,512,366

For comparative purposes, 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

About 2.6% or $2,421,571 of the County's net assets for fiscal year ended November 30, 2007 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 ($72,439,799) 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 net assets ($17,650,996) may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental activities increased the County's net assets by $555,489. The key components of this increase are the following:

- Increases in ongoing revenues have kept up with increases in ongoing expenses.
- An increase of Operation Grants and Contributions of approximately $495,000.
- An increase of Capital Grants of approximately $46,000.

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, 2007 are presented net of interfund eliminations.

Henry County's Changes in Net Assets

	Governmental Activities 2007	Business-Type Activities 2007	Total
Revenues:			
Program revenues:			
Charges for services	$ 8,337,597	4,250,920	12,588,517
Operating grants and contributions	$ 3,320,368	----------	3,320,368
Capital grants and contributions	$ 667,542	----------	667,542
General revenues:			
Property taxes	$ 5,929,466	----------	5,929,466
Other taxes	$ 4,427,120	----------	4,427,120
Unrestricted investments earnings	$ 796,802	61,488	858,290
Gain on sale of capital assets	$ 23,795	3,856	27,651
Total revenues	$23,502,690	4,316,264	27,818,954

	Governmental Activities 2007	Business-Type Activities 2007	Total
Expenses:			
General government	$ 4,360,334	----------	4,360,334
Public safety	$ 4,992,974	----------	4,992,974
Education	$ 674,909	----------	674,909
Judiciary	$ 2,343,422	----------	2,343,422
Highways and streets	$ 5,533,975	----------	5,533,975
Health	$ 4,382,604	----------	4,382,604
Interest on long-term debt	$ 177,981	----------	177,981
Nursing home	$----------	4,394,817	4,394,817
Other	$----------	16,454	16,454
Total expenses	$22,466,199	4,411,271	26,877,470
Increase <decrease> in net assets before transfers	$ 1,036,491	< 95,007>	941,484
Transfers	$ <481,002>	481,002	----------
Change in net assets	$ 555,489	385,995	941,484
Net assets – beginning (restated)	$86,487,840	5,083,042	91,570,882
Net assets – ending	$87,043,329	5,469,037	92,512,366

For comparative purposes, 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

	Governmental Activities 2006	Business-Type Activities 2006	Total
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
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

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

- Program revenues of $12,325,507 equaled 54.9% of government expenses of $22,466,199. As expected, general revenues ($11,177,183) provided the required support and coverage for expenses.
- Approximately 25% of expenses are Highways and Streets ($5,533,975) while this category provided about 11% of total revenues of $23,502,690.
- Approximately 22% of the expenses are Public Safety ($4,992,974) while this category provided about 11% of total revenues.

- The next largest category of expenses are Health expenses ($4,382,604) at 20%. Health provided about 16.2% of total revenues.

- General government expenses are $4,360,334 at 19%. General government provided about 7.2% of total revenues.

- Grant revenues and contributions comprised about 17.0% 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 $18,013,108, an increase of $1,154,311 in comparison with the prior year. Approximately $15,591,537 or 86.6% 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 $4,873,597. As a measure of the general fund's liquidity, we compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 55.9% 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 $207,439 during the current fiscal year.

The County Highway Fund has a fund balance of $3,867,226, an increase of $169,256 as compared with the prior year.

The Illinois Municipal Retirement Fund has a fund balance of $176,222, a decrease of $25,499 as compared with the prior year.

The FICA Fund has a fund balance of $219,041, an increase of $12,640 as compared with the prior year.

The TORT Judge and Liability Insurance Fund has a fund balance of $1,198,899, an increase of $229,893 as compared with the prior year.

The County Health Fund has a fund balance of $1,755,676, an increase of $116,902 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	FY2007	FY 2006	Increase <Decrease>	Percent Increase <Decrease>
Taxes	$ 9,193,600	8,992,856	200,744	2.2%
Fines and fees	$ 1,263,241	1,606,871	<343,630>	<21.4%>
Intergovernmental revenues	$ 4,483,354	4,326,047	157,307	3.6%
Charges for services	$ 6,943,753	6,663,272	280,481	4.2%
Investments	$ 796,802	753,862	42,940	5.7%
Miscellaneous	$ 130,603	270,534	<139,931>	<51.7%>
Total	$22,811,353	22,613,442	197,911	0.9%

Overall, total revenues increased 0.9%.

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

Expenditures by Function – Governmental Funds

Expenditures by Function	FY 2007	FY 2006	Increase <Decrease>	Percent of Change
General Government	$ 4,155,729	4,258,382	<102,653>	<2.4%>
Public Safety	$ 4,662,720	4,324,892	337,828	7.8%
Education	$ 676,176	509,287	166,889	32.8%
Judiciary	$ 2,272,598	2,178,738	93,860	4.3%
Highways and streets	$ 4,110,040	3,799,403	310,637	8.2%
Health	$ 4,300,210	4,199,226	100,984	2.4%
Recreation and culture	$ - - - - - - -	31,051	<31,051>	<100.0%>
Capital expenditures	$ 479,702	896,458	<416,756>	<46.5%>
Debt service-principal	$ 368,066	341,073	26,993	7.9%
Debt service-interest	$ 174,594	182,672	<8,078>	<4.4%>
Total	$21,199,835	20,721,182	478,653	2.3%

Overall, total expenditures increased 2.3%, Education expenditures increased 32.8%, along with Capital expenditures decreasing by 46.5%.

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 $9,257,178 increased to actual receipts of $9,537,255 (an increase of $280,077).
- The total original expenditure budget of $8,733,718 decreased to $8,711,433 (a decrease of $22,285).
- The total original budget for net transfers out of $499,367 increased to $642,178 (an increase of $142,811) to transfer funds to the Capital Building Fund.

During the year, actual revenues were more than budgetary revenues and actual expenditures were less 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 FY2007.

Governmental Activities:	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**
Alternate revenue bonds	$4,495,000	----------	(345,000)	4,150,000
Issuance discounts	$(47,757)	----------	7,787	(39,970)
Installment contract	$ 112,096	----------	(23,066)	89,030
Total	$4,559,339	----------	(360,279)	4,199,060

(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, 2007, net capital assets of the governmental activities totaled $73,232,338. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation totaled $3,365,381.

County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
Governmental Activities:			
Land	$ 399,987	N/A	399,987
Buildings and improvements	$21,038,503	12,131,787	8,906,716
Vehicles and equipment	$ 7,190,795	5,324,701	1,866,094
Infrastructure	$66,809,800	4,750,259	62,059,541
Total	$95,439,085	22,206,747	73,232,338
Business-type Activities:			
Land	$ 801,000	N/A	801,000
Buildings	$ 5,459,617	3,123,082	2,336,535
Equipment	$ 1,203,588	992,220	211,368
Total	$ 7,464,205	4,115,302	3,348,903

The annual depreciation totaled $233,985 for Business-type activities.

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 FY2008, the County Board and management considered the following factors:

- Health care and personnel costs, which make up a significant portion of the County's operating costs, continue to rise.
- 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.

HENRY COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Emergency Telephone System Board
ASSETS				
Cash and cash equivalents	$11,973,076	$ 739,640	$ 12,712,716	$ 323,204
Certificates of deposit	4,250,000	800,000	5,050,000	350,000
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	1,044,375	739,188	1,783,563	78,620
Property tax	6,334,200	- - -	6,334,200	- - -
Due from cities and townships	112,186	- - -	112,186	- - -
Other taxes	815,099	- - -	815,099	- - -
Loans	652,749	- - -	652,749	- - -
Accrued interest	- - -	16,627	16,627	961
Internal balances	(7,923)	7,923	- - -	- - -
Inventories	- - -	28,179	28,179	- - -
Prepaid items	- - -	315	315	- - -
Deferred charges	57,618	- - -	57,618	- - -
Capital assets:				
Land	399,987	801,000	1,200,987	- - -
Other capital assets, net of depreciation	72,832,351	2,547,903	75,380,254	280,542
Total assets	$98,463,718	$ 5,680,775	$104,144,493	$ 1,033,327
LIABILITIES				
Accounts payable and other current liabilities	$ 813,035	$ 211,738	$ 1,024,773	$ 7,255
Accrued interest payable	74,094	- - -	74,094	- - -
Deferred revenue	6,334,200	- - -	6,334,200	- - -
Noncurrent liabilities:				
Due within one year	377,713	- - -	377,713	- - -
Due in more than one year	3,821,347	- - -	3,821,347	- - -
Total liabilities	$11,420,389	$ 211,738	$ 11,632,127	$ 7,255
NET ASSETS				
Invested in capital assets, net of related debt	$69,090,896	$ 3,348,903	$ 72,439,799	$ 280,542
Restricted for:				
Maintenance of roadways	1,181,153	- - -	1,181,153	- - -
Loans	1,130,112	- - -	1,130,112	- - -
Drug enforcement	108,109	- - -	108,109	- - -
Debt service	2,197	- - -	2,197	- - -
Unrestricted	15,530,862	2,120,134	17,650,996	745,530
Total net assets	$87,043,329	$ 5,469,037	$ 92,512,366	$ 1,026,072

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

HENRY COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 4,360,334	$ 1,544,954	$ 153,928	$ - - -
Public safety	4,992,974	2,449,023	131,769	- - -
Education	674,909	32,447	555,332	- - -
Judiciary	2,343,422	608,738	424,364	- - -
Highways and streets	5,533,975	1,901,816	53,628	667,542
Health	4,382,604	1,800,619	2,001,347	- - -
Interest on long-term debt	177,981	- - -	- - -	- - -
Total governmental activities	$22,466,199	$ 8,337,597	$ 3,320,368	$ 667,542
Business-Type activities:				
Nursing home	$ 4,394,817	$ 4,190,234	$ - - -	$ - - -
Other	16,454	60,686	- - -	- - -
Total business-type activities	$ 4,411,271	$ 4,250,920	$ - - -	$ - - -
Total primary government	$26,877,470	$12,588,517	$ 3,320,368	$ 667,542
Component Unit:				
Emergency Telephone Systems Board	$ 517,461	$ 500,918	$ - - -	$ - - -
General revenues:				
Property taxes				
Tax increment				
Replacement taxes				
Sales taxes				
State income taxes				
Other taxes				
Motor Fuel taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
NET ASSETS, Beginning (restated)				
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
($ 2,661,452)	$ - - -	($ 2,661,452)	$ - - -
(2,412,182)	- - -	(2,412,182)	- - -
(87,130)	- - -	(87,130)	- - -
(1,310,320)	- - -	(1,310,320)	- - -
(2,910,989)	- - -	(2,910,989)	- - -
(580,638)	- - -	(580,638)	- - -
(177,981)	- - -	(177,981)	- - -
($10,140,692)	$ - - -	($10,140,692)	$ - - -
$ - - -	($ 204,583)	($ 204,583)	$ - - -
- - -	44,232	44,232	- - -
$ - - -	($ 160,351)	($ 160,351)	$ - - -
($10,140,692)	($ 160,351)	($10,301,043)	$ - - -
$ - - -	$ - - -	$ - - -	($ 16,543)
$ 5,929,466	$ - - -	$ 5,929,466	$ - - -
8,692	- - -	8,692	- - -
441,833	- - -	441,833	- - -
1,470,722	- - -	1,470,722	- - -
1,339,432	- - -	1,339,432	- - -
3,455	- - -	3,455	- - -
1,162,986	- - -	1,162,986	- - -
796,802	61,488	858,290	32,918
23,795	3,856	27,651	- - -
(481,002)	481,002	- - -	- - -
$10,696,181	$ 546,346	$11,242,527	$ 32,918
$ 555,489	$ 385,995	$ 941,484	$ 16,375
86,487,840	5,083,042	91,570,882	1,009,697
$87,043,329	$ 5,469,037	$92,512,366	$ 1,026,072

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

HENRY COUNTY, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
November 30, 2007

	General Fund	County Highway Fund	Illinois Municipal Retirement Fund
ASSETS			
Cash and cash equivalents	$ 2,280,612	$ 2,278,088	$ 242,355
Certificates of deposit	1,500,000	1,500,000	- - -
Receivables:			
Accounts	486,841	30,119	- - -
Property tax	1,825,720	630,000	864,785
Due from cities and townships	- - -	112,186	- - -
Other taxes	693,733	- - -	13,112
Loans	- - -	- - -	- - -
Due from other funds	256,643	- - -	- - -
Total assets	$ 7,043,549	$ 4,550,393	$ 1,120,252
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 59,358	$ 36,830	$ - - -
Accrued expenses	284,874	16,337	- - -
Deferred property tax revenue	1,825,720	630,000	864,785
Due to other funds	- - -	- - -	79,245
Total liabilities	$ 2,169,952	$ 683,167	$ 944,030
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -
Drug enforcement	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved reported in:			
General fund	4,873,597	- - -	- - -
Special revenue funds	- - -	3,867,226	176,222
Total fund balances	$ 4,873,597	$ 3,867,226	$ 176,222
Total liabilities and fund balances	$ 7,043,549	$ 4,550,393	$ 1,120,252

FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund	Other Governmental Funds	Total Governmental Funds
$ 274,558	$ 1,181,476	$ 870,109	$ 4,608,600	$11,735,798
- - -	- - -	500,000	750,000	4,250,000
- - -	- - -	481,989	45,426	1,044,375
700,679	1,149,037	180,000	983,979	6,334,200
- - -	- - -	- - -	- - -	112,186
10,624	17,423	- - -	80,207	815,099
- - -	- - -	- - -	652,749	652,749
- - -	- - -	- - -	- - -	256,643
$ 985,861	$ 2,347,936	$ 2,032,098	$ 7,120,961	$25,201,050
$ - - -	$ - - -	$ 25,991	$ 94,707	$ 216,886
- - -	- - -	70,431	8,571	380,213
700,679	1,149,037	180,000	983,979	6,334,200
66,141	- - -	- - -	111,257	256,643
$ 766,820	$ 1,149,037	$ 276,422	$ 1,198,514	$ 7,187,942
$ - - -	$ - - -	$ - - -	$ 1,181,153	$ 1,181,153
- - -	- - -	- - -	1,130,112	1,130,112
- - -	- - -	- - -	108,109	108,109
- - -	- - -	- - -	2,197	2,197
- - -	- - -	- - -	- - -	4,873,597
219,041	1,198,899	1,755,676	3,500,876	10,717,940
$ 219,041	$ 1,198,899	$ 1,755,676	$ 5,922,447	$18,013,108
$ 985,861	$ 2,347,936	$ 2,032,098	$ 7,120,961	$25,201,050

(Continued)

HENRY COUNTY, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET ASSETS
November 30, 2007

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

Total fund balance - governmental funds	$ 18,013,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	73,232,338
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.	13,419
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,215,536)
Net assets of governmental activities	$ 87,043,329

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, 2007

	General Fund	County Highway Fund	Illinois Municipal Retirement Fund
REVENUES			
Taxes:			
Property	$ 1,696,158	$ 597,783	$ 734,445
Tax increment	2,176	788	810
Replacement	140,749	49,392	62,046
Sales	1,470,722	- - -	- - -
State income	1,339,432	- - -	- - -
Other	3,455	- - -	- - -
Fines and fees	997,320	- - -	- - -
Intergovernmental	1,133,624	53,628	- - -
Charges for services	2,408,124	1,840,994	- - -
Investment income	345,495	167,620	14,387
Miscellaneous	- - -	12,593	- - -
Total revenues	$ 9,537,255	$ 2,722,798	$ 811,688
EXPENDITURES			
Current:			
General government	$ 2,291,015	$ - - -	$ 89,482
Public safety	3,652,121	- - -	426,749
Education	589,569	- - -	36,171
Judiciary	2,045,139	- - -	114,552
Highways and streets	- - -	2,287,493	40,466
Health	- - -	- - -	130,945
Capital expenditures	133,589	258,049	- - -
Debt service:			
Principal	- - -	- - -	- - -
Interest	- - -	- - -	- - -
Total expenditures	$ 8,711,433	$ 2,545,542	$ 838,365
Excess (deficiency) of revenues over expenditures	$ 825,822	$ 177,256	($ 26,677)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 37,092	$ - - -	$ 197,918
Transfers out	(679,270)	(8,000)	(196,740)
Sale of capital assets	23,795	- - -	- - -
Total other financing sources (uses)	($ 618,383)	($ 8,000)	$ 1,178
Net change in fund balances	$ 207,439	$ 169,256	($ 25,499)
FUND BALANCES - Beginning	4,666,158	3,697,970	201,721
FUND BALANCES - Ending	$ 4,873,597	$ 3,867,226	$ 176,222

FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund	Other Governmental Funds	Total Governmental Funds
$ 652,979	$ 1,136,473	$ 179,466	$ 932,162	$ 5,929,466
903	1,488	247	2,280	8,692
54,125	93,203	- - -	42,318	441,833
- - -	- - -	- - -	- - -	1,470,722
- - -	- - -	- - -	- - -	1,339,432
- - -	- - -	- - -	- - -	3,455
- - -	- - -	- - -	265,921	1,263,241
- - -	- - -	2,001,347	1,294,755	4,483,354
- - -	- - -	1,797,868	896,767	6,943,753
13,288	26,424	61,017	168,571	796,802
- - -	44,238	2,751	71,021	130,603
$ 721,295	$ 1,301,826	$ 4,042,696	$ 3,673,795	$22,811,353
$ 92,771	$ 934,023	$ - - -	$ 748,438	$ 4,155,729
221,500	- - -	- - -	362,350	4,662,720
31,643	- - -	- - -	18,793	676,176
112,907	- - -	- - -	- - -	2,272,598
69,039	- - -	- - -	1,713,042	4,110,040
191,296	- - -	3,556,583	421,386	4,300,210
- - -	6,050	53,527	28,487	479,702
- - -	- - -	- - -	368,066	368,066
- - -	- - -	- - -	174,594	174,594
$ 719,156	$ 940,073	$ 3,610,110	$ 3,835,156	$21,199,835
$ 2,139	$ 361,753	$ 432,586	($ 161,361)	$ 1,611,518
$ 221,120	$ - - -	$ - - -	$ 1,190,730	$ 1,646,860
(210,619)	(131,860)	(315,684)	(585,689)	(2,127,862)
- - -	- - -	- - -	- - -	23,795
$ 10,501	($ 131,860)	($ 315,684)	$ 605,041	($ 457,207)
$ 12,640	$ 229,893	$ 116,902	$ 443,680	$ 1,154,311
206,401	969,006	1,638,774	5,478,767	16,858,797
$ 219,041	$ 1,198,899	$ 1,755,676	$ 5,922,447	$18,013,108

(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, 2007

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 1,154,311
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,648,422)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	667,542
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.	368,066
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.	(14,602)
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.	28,594
Change in net assets of governmental activities	$ 555,489

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

HENRY COUNTY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
November 30, 2007

	Business-Type Activities Enterprise Funds			
ASSETS	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business-Type Activities	Governmental Activities-Internal Service Fund
Current assets:				
Cash and cash equivalents	$ 728,443	$ 11,197	$ 739,640	$ 237,278
Certificates of deposit	800,000	- - -	800,000	- - -
Accounts receivable (net, where applicable, of allowance for uncollectibles)	712,990	26,198	739,188	- - -
Accrued interest	16,627	- - -	16,627	- - -
Inventories	28,179	- - -	28,179	- - -
Prepaid items	315	- - -	315	- - -
Total current assets	$ 2,286,554	$ 37,395	$ 2,323,949	$ 237,278
Noncurrent assets:				
Capital assets:				
Land	$ 1,000	$ 800,000	$ 801,000	$ - - -
Buildings and equipment	6,663,207	- - -	6,663,207	- - -
Less accumulated depreciation	(4,115,304)	- - -	(4,115,304)	- - -
Total capital assets (net of accumulated depreciation)	$ 2,548,903	$ 800,000	$ 3,348,903	$ - - -
Total assets	$ 4,835,457	$ 837,395	$ 5,672,852	$ 237,278
LIABILITIES				
Current liabilities:				
Accounts payable	$ 31,197	$ - - -	$ 31,197	$ 215,936
Accrued payroll	150,059	- - -	150,059	- - -
Other accrued liabilities	30,482	- - -	30,482	- - -
Total current liabilities	$ 211,738	$ - - -	$ 211,738	$ 215,936
NET ASSETS				
Invested in capital assets	$ 2,548,903	$ 800,000	$ 3,348,903	$ - - -
Unrestricted	2,074,816	37,395	2,112,211	21,342
Total net assets	$ 4,623,719	$ 837,395	$ 5,461,114	$ 21,342
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			7,923	
Net assets of business-type activities			$ 5,469,037	

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, 2007

	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	$ 4,072,903	$ - - -	$ 4,072,903	$ 2,143,640
Rental income	- - -	52,901	52,901	- - -
Other	117,331	7,785	125,116	363,126
Total operating revenues	$ 4,190,234	$ 60,686	$ 4,250,920	$ 2,506,766
OPERATING EXPENSES				
General services	$ 1,154,432	$ 16,454	$ 1,170,886	$ - - -
Health care	2,579,550	- - -	2,579,550	- - -
Administration and claims	434,451	- - -	434,451	2,478,119
Depreciation	233,985	- - -	233,985	- - -
Total operating expenses	$ 4,402,418	$ 16,454	$ 4,418,872	$ 2,478,119
OPERATING INCOME (LOSS)	($ 212,184)	$ 44,232	($ 167,952)	$ 28,647
NONOPERATING REVENUE				
Investment income	$ 61,488	$ - - -	$ 61,488	$ 7,548
Gain on sale of capital assets	3,856	- - -	3,856	- - -
Total nonoperating revenue	$ 65,344	$ - - -	$ 65,344	$ 7,548
Income (loss) before transfers	($ 146,840)	$ 44,232	($ 102,608)	$ 36,195
TRANSFERS IN	790,949	- - -	790,949	- - -
TRANSFERS OUT	(21,125)	(288,822)	(309,947)	- - -
CHANGES IN NET ASSETS	$ 622,984	($ 244,590)	$ 378,394	$ 36,195
TOTAL NET ASSETS - Beginning	4,000,735	1,081,985		(14,853)
TOTAL NET ASSETS - Ending	$ 4,623,719	$ 837,395		$ 21,342
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			7,601	
Change in net assets of business-type activities			$ 385,995	

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, 2007

	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	$ 3,823,464	$ 34,488	$ 3,857,952	$ - - -
Receipts from interfund services provided	- - -	- - -	- - -	2,143,640
Other receipts	117,331	- - -	117,331	363,126
Payments to suppliers	(1,270,396)	(16,454)	(1,286,850)	(2,498,207)
Payments to employees	(2,614,886)	- - -	(2,614,886)	- - -
Payments for interfund services used	(305,855)	- - -	(305,855)	- - -
Net cash provided (used) by operating activities	($ 250,342)	$ 18,034	($ 232,308)	$ 8,559
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	$ 790,949	$ - - -	$ 790,949	$ - - -
Transfers to other funds	(21,125)	(288,822)	(309,947)	- - -
Net cash provided by noncapital financing activities	$ 769,824	($ 288,822)	$ 481,002	$ - - -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	($ 549,936)	$ - - -	($ 549,936)	$ - - -
Proceeds from sale of equipment	3,856	- - -	3,856	- - -
Net cash used by capital and related financing activities	($ 546,080)	$ - - -	($ 546,080)	$ - - -
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	$ 52,698	$ - - -	$ 52,698	$ 7,548
Net purchase of certificates of deposit	(100,000)	- - -	(100,000)	- - -
Net cash provided (used) by investing activities	($ 47,302)	$ - - -	($ 47,302)	$ 7,548

(Continued)

HENRY COUNTY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended November 30, 2007

	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	($ 73,900)	($ 270,788)	($ 344,688)	$ 16,107
CASH AND CASH EQUIVALENTS - Beginning	802,343	281,985	1,084,328	221,171
CASH AND CASH EQUIVALENTS - Ending	$ 728,443	$ 11,197	$ 739,640	$ 237,278
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	($ 212,184)	$ 44,232	($ 167,952)	$ 28,647
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	233,985	- - -	233,985	- - -
Impairment loss	46,038	- - -	46,038	- - -
(Increase) decrease in				
Accounts receivables	(249,439)	(26,198)	(275,637)	- - -
Inventories	(1,077)	- - -	(1,077)	- - -
Prepaid items	430	- - -	430	- - -
Increase (decrease) in				
Accounts payable	(91,228)	- - -	(91,228)	(20,088)
Accrued expenses	23,133	- - -	23,133	- - -
Net cash provided (used) by operating activities	($ 250,342)	$ 18,034	($ 232,308)	$ 8,559

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

HENRY COUNTY, ILLINOIS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
November 30, 2007

	Total Agency Funds
ASSETS	
Cash and cash equivalents	$ 2,222,734
Accounts receivable	115,801
Total assets	$ 2,338,535
LIABILITIES	
Due to others	$ 2,338,535

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, 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	20-75
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 2007 tax levy is budgeted for fiscal year 2008, 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 $4,215,536 difference are as follows:

NOTE 2 - (Continued)

Bonds payable	$ 4,150,000
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(57,618)
Less: Issuance discount (to be amortized as interest expense)	(39,970)
Accrued interest payable	74,094
Capital lease payable	89,030
	$ 4,215,536

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 $1,648,422 difference are as follows:

Capital expenditures	$ 1,716,959
Depreciation expense	(3,365,381)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 1,648,422

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 $14,602 difference are as follows:

Accrued interest	($ 4,400)
Amortization of issuance costs	11,215
Amortization of bond discounts	7,787
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 14,602

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, 2007, the County had the following investments:

Investment Type	Fair Value
County Funds:	
Old National Trust	$ 2,197
Illinois Funds	3,419,346
Total	$3,421,543
Component Unit - Emergency Telephone System Board:	
Illinois Funds	$ 53,859

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, 2007, 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, 2007, the carrying amount of the County's deposits with financial institutions totaled $16,563,907 with the bank balances totaling $17,228,025. The bank balances of $17,228,025 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 $619,345 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, 2007, 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	$ 486,841	$ 30,119	$ - - -
Property tax	1,825,720	630,000	864,785
Due from cities and townships	- - -	112,186	- - -
Other taxes	693,733	- - -	13,112
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Gross receivables	$ 3,006,294	$ 772,305	$ 877,897
Less: allowance for uncollectibles	- - -	- - -	- - -
Net total receivables	$ 3,006,294	$ 772,305	$ 877,897

NOTE 5 - (Continued)

Receivables:	FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund
Accounts	$ - - -	$ - - -	$ 481,989
Property tax	700,679	1,149,037	180,000
Due from cities and townships	- - -	- - -	- - -
Other taxes	10,624	17,423	- - -
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Gross receivables	$ 711,303	$ 1,166,460	$ 661,989
Less: allowance for uncollectibles	- - -	- - -	- - -
Net total receivables	$ 711,303	$ 1,166,460	$ 661,989

Receivables:	Hillcrest Nursing Home Fund	Nonmajor and Other Funds	Total
Accounts	$ 721,990	$ 187,425	$ 1,908,364
Property tax	- - -	983,979	6,334,200
Due from cities and townships	- - -	- - -	112,186
Other taxes	- - -	80,207	815,099
Loans	- - -	652,749	652,749
Accrued interest	16,627	- - -	16,627
Gross receivables	$ 738,617	$ 1,904,360	$ 9,839,225
Less: allowance for uncollectibles	9,000	- - -	9,000
Net total receivables	$ 729,617	$ 1,904,360	$ 9,830,225

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 $6,334,200.

NOTE 6 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended November 30, 2007:

Primary Government:

	Beginning Balance (As re-stated)	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 399,987	$ - - -	$ - - -	$ 399,987
Construction in progress	330,573	- - -	330,573	- - -
Total capital assets, not being depreciated	$ 730,560	$ - - -	$ 330,573	$ 399,987
Capital assets, being depreciated:				
Buildings	$21,033,743	$ 4,760	$ - - -	$21,038,503
Vehicles and equipment	7,471,020	474,942	755,167	7,190,795
Infrastructure	64,574,428	2,235,372	- - -	66,809,800
Total capital assets being depreciated	$93,079,191	$ 2,715,074	$ 755,167	$95,039,098
Less accumulated depreciation for:				
Buildings	$11,811,796	$ 319,991	$ - - -	$12,131,787
Vehicles and equipment	5,458,211	621,657	755,167	5,324,701
Infrastructure	2,326,526	2,423,733	- - -	4,750,259
Total accumulated depreciation	$19,596,533	$ 3,365,381	$ 755,167	$22,206,747
Total capital assets, being depreciated, net	$73,482,658	($ 650,307)	$ - - -	$72,832,351
Governmental activities capital assets, net	$74,213,218	($ 650,307)	$ 330,573	$73,232,338

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	$ 931,017	$ - - -	$ 130,017	$ 801,000
Capital assets, being depreciated:				
Buildings	$ 4,945,024	$ 613,864	$ 99,271	$ 5,459,617
Equipment	1,152,907	66,088	15,407	1,203,588
Total capital assets being depreciated	$ 6,097,931	$ 679,952	$ 114,678	$ 6,663,205
Less accumulated depreciation for:				
Buildings	$ 2,982,153	$ 194,162	$ 53,233	$ 3,123,082
Equipment	967,805	39,823	15,408	992,220
Total accumulated depreciation	$ 3,949,958	$ 233,985	$ 68,641	$ 4,115,302
Total capital assets, being depreciated, net	$ 2,147,973	$ 445,967	$ 46,037	$ 2,547,903
Business-type activities capital assets, net	$ 3,078,990	$ 445,967	$ 176,054	$ 3,348,903

Program expenses for Hillcrest Nursing Home include an impairment loss of $46,038 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	$ 197,010
Public safety	338,941
Judiciary	75,348
Highways and streets	2,664,087
Health	89,995
Total depreciation expense - governmental activities	$ 3,365,381
Business-type activities:	
Hillcrest Nursing Home Fund	$ 233,985

DISCRETELY PRESENTED COMPONENT UNIT -

Activity for the Emergency Telephone System Board for the year ended November 30, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 923,278	$ 118,027	$ - - -	$ 1,041,305
Less accumulated depreciation for equipment	680,722	80,041	- - -	760,763
Emergency Telephone System Board capital assets, net	$ 242,556	$ 37,986	$ - - -	$ 280,542

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of November 30, 2007, 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	111,257
		$ 256,643

NOTE 7 - (Continued)

The composition of interfund transfers as of November 30, 2007 is as follows:

	Transfer In:		
Transfer Out:	General Fund	Illinois Municipal Retirement Fund	FICA Fund
General Fund	$ - - -	$ - - -	$ - - -
County Highway Fund	- - -	8,000	- - -
Illinois Municipal Retirement Fund	21,427	- - -	- - -
FICA Fund	15,665	- - -	- - -
Tort Judge and Liability Insurance Fund	- - -	- - -	- - -
County Health Fund	- - -	124,501	191,183
Nonmajor Governmental	- - -	44,292	29,937
Hillcrest Nursing Home Fund	- - -	21,125	- - -
Nonmajor Enterprise Fund	- - -	- - -	- - -
Total	$ 37,092	$ 197,918	$ 221,120

	Transfer In:		
Transfer Out:	Nonmajor Governmental	Hillcrest Nursing Home Fund	Total
General Fund	$ 679,270	$ - - -	$ 679,270
County Highway Fund	- - -	- - -	8,000
Illinois Municipal Retirement Fund	- - -	175,313	196,740
FICA Fund	- - -	194,954	210,619
Tort Judge and Liability Insurance Fund	- - -	131,860	131,860
County Health Fund	- - -	- - -	315,684
Nonmajor Governmental	511,460	- - -	585,689
Hillcrest Nursing Home Fund	- - -	- - -	21,125
Nonmajor Enterprise Fund	- - -	288,822	288,822
Total	$ 1,190,730	$ 790,949	$ 2,437,809

NOTE 8 - LONG-TERM DEBT

Municipal Program Revenue Refunding Bonds, Series 2002 totaling $3,090,000 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
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
		$ 3,090,000	$ 691,945	$ 3,781,945

General obligation alternate revenue refunding bonds totaling $1,060,000 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
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
		$ 1,060,000	$ 213,590	$ 1,273,590

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, 2007:

Computer equipment	$ 128,169
Less: Accumulated depreciation	44,859
Total	$ 83,310

The future minimum lease obligations and the net present value of these minimum lease payments as of November 30, 2007 were as follows:

Year Ending November 30	
2008	$ 31,200
2009	31,200
2010	31,200
2011	7,800
Total minimum lease payments	$ 101,400
Less: Amount representing interest	12,370
Present value of minimum lease payments	$ 89,030

NOTE 8 - (Continued)

Long-term liability activity for the year ended November 30, 2007 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General Obligation bonds	$4,495,000	$ - - -	($ 345,000)	$4,150,000	$ 360,000
Less deferred amounts:					
For issuance discounts	(47,757)	- - -	7,787	(39,970)	(7,267)
Total bonds payable	$4,447,243	$ - - -	($ 337,213)	$4,110,030	$ 352,733
Capital lease	112,096	- - -	(23,066)	89,030	24,980
Governmental activity long-term liabilities	$4,559,339	$ - - -	($ 360,279)	$4,199,060	$ 377,713

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, 7.50 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 2006 were 8.38, 15.21, and 9.78 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, 2006 was 26 years.

Annual Pension Cost -

For December 31, 2006, the County's annual pension cost of $612,344, $404,288, and $29,108, 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, 2004 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 2006 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
12/31/06	$ 612,344	100%	$ - - -
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%	- - -

SLEP members:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	$ 404,288	100%	$ - - -
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%	- - -

NOTE 9 - (Continued)

Bureau/Henry/Stark ROE #28 members:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	$ 29,108	100%	$ - - -
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%	- - -

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, 2006 and 2007 are as follows:

	Health Insurance	
	2005-2006	2006-2007
Unpaid claims, beginning of year	$ 174,616	$ 236,024
Incurred claims (including IBNRs)	2,456,348	2,478,119
Claim payments	(2,394,940)	(2,498,207)
Unpaid claims, end of year	$ 236,024	$ 215,936

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.

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.

NOTE 13 - PRIOR PERIOD ADJUSTMENT

The beginning net assets for Governmental Activities has been restated by $56,240,202 to reflect an increase in the beginning capital assets due to the recording of infrastructure assets retroactive to December 1, 2002.

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines			
Traffic	$ 500,000	$ 500,000	$ 444,098
Criminal	520,000	520,000	489,998
Total fines	$ 1,020,000	$ 1,020,000	$ 934,096
Fees			
Licenses and permits - building and zoning	$ 53,350	$ 53,350	$ 63,224
Taxes			
Property - corporate	$ 1,704,613	$ 1,704,613	$ 1,696,158
Tax increment	- - -	- - -	2,176
Sales	162,000	162,000	187,868
Sales ¼ supplement	1,020,000	1,020,000	1,084,722
Use	187,000	187,000	198,132
State income	1,370,000	1,370,000	1,339,432
State inheritance tax	20,000	20,000	3,455
State corporate replacement taxes	100,000	100,000	140,749
Total taxes	$ 4,563,613	$ 4,563,613	$ 4,652,692
Intergovernmental Revenue			
State reimbursements	$ 445,589	$ 445,589	$ 441,984
Illinois State Board of Education Grant	360,773	360,773	499,166
Stark County ROE	11,119	11,119	11,119
Bureau County ROE	62,310	62,310	45,047
Aid to Dependent Children	4,500	4,500	4,276
Illinois Emergency Management Agency	6,000	6,000	6,821
Transportation Grant	91,332	91,332	103,711
State Aid Victim Witness Coordination	21,000	21,000	21,500
Federal Medicaid reimbursements-Juvenile	9,025	9,025	- - -
Total intergovernmental revenue	$ 1,011,648	$ 1,011,648	$ 1,133,624

(Continued)

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES - (Continued)			
Charges for Services			
State's attorney	$ 24,000	$ 24,000	$ 25,806
County clerk and recorder	494,150	494,150	495,443
Circuit clerk	488,000	488,000	507,454
Sheriff	150,000	150,000	148,888
Sheriff reimbursements	67,200	67,200	87,207
Sheriff's business plan			
House prisoners	787,030	787,030	794,843
Other	94,800	94,800	67,151
Other	257,387	257,387	281,332
Total charges for services	$ 2,362,567	$ 2,362,567	$ 2,408,124
Investment Income			
Investment	$ 146,000	$ 146,000	$ 239,498
Collector	100,000	100,000	105,997
Total investment income	$ 246,000	$ 246,000	$ 345,495
Total revenues	$ 9,257,178	$ 9,257,178	$ 9,537,255

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES			
County Board			
Personal services	$ 146,667	$ 149,910	$ 148,075
Supplies	425	425	236
Other services and charges	18,550	23,410	22,822
Total county board	$ 165,642	$ 173,745	$ 171,133
County Buildings			
Personal services	$ 82,262	$ 86,355	$ 84,499
Supplies	6,500	6,500	4,873
Other services and charges	372,294	384,424	360,477
Equipment	500	500	- - -
Total county buildings	$ 461,556	$ 477,779	$ 449,849
County Clerk and Recorder			
Personal services	$ 261,501	$ 261,501	$ 253,200
Supplies	6,500	5,830	3,864
Other services and charges	149,506	150,176	171,473
Equipment	5,500	5,500	5,249
Total county clerk and recorder	$ 423,007	$ 423,007	$ 433,786
County Treasurer			
Personal services	$ 123,322	$ 123,997	$ 124,000
Supplies	17,000	17,000	15,608
Other services and charges	12,900	12,225	10,802
Total county treasurer	$ 153,222	$ 153,222	$ 150,410
Supervisor of Assessments			
Personal services	$ 188,090	$ 188,090	$ 187,069
Supplies	4,500	4,500	3,237
Other services and charges	40,050	40,050	18,286
Total supervisor of assessments	$ 232,640	$ 232,640	$ 208,592

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
Microfilm			
Personal services	$ 6,290	$ 6,290	$ 7,305
Supplies	250	250	184
Equipment	250	250	- - -
Total microfilm	$ 6,790	$ 6,790	$ 7,489
Regional Office Education			
Personal services	$ 372,500	$ 461,300	$ 468,973
Supplies	3,000	- - -	- - -
Other services and charges	78,000	110,591	113,629
Equipment	4,000	7,600	6,967
Total regional office education	$ 457,500	$ 579,491	$ 589,569
Information Services			
Personal services	$ 98,408	$ 98,408	$ 94,716
Supplies	13,460	13,460	13,229
Other services and charges	16,385	16,375	13,043
Total information services	$ 128,253	$ 128,243	$ 120,988
Voter Registration/Elections			
Personal services	$ 101,446	$ 101,446	$ 95,133
Supplies	21,500	20,578	20,576
Other services and charges	93,457	94,379	106,034
Total voter registration/elections	$ 216,403	$ 216,403	$ 221,743
General Financial Services			
Personal services	$ 5,313	$ 5,397	$ 5,312
Supplies	6,500	8,333	8,319
Other services and charges	122,439	129,639	123,262
Computer automation	113,056	115,583	108,339
Contingency	200,000	- - -	18,285
Other	91,332	82,233	103,711
Total general financial services	$ 538,640	$ 341,185	$ 367,228

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
Zoning			
Personal services	$ 82,632	$ 97,073	$ 87,060
Other services and charges	6,142	6,669	6,468
Total zoning	$ 88,774	$ 103,742	$ 93,528
Sheriff			
Personal services	$ 2,439,350	$ 2,526,186	$ 2,615,880
Supplies	306,560	277,960	265,030
Other services and charges	182,748	183,349	165,984
Contingency	2,500	2,500	2,471
Automobile and equipment	103,803	173,803	102,841
Total sheriff	$ 3,034,961	$ 3,163,798	$ 3,152,206
Circuit Court			
Personal services	$ 387,637	$ 387,637	$ 388,854
Supplies	10,000	10,000	6,750
Other services and charges	60,750	60,750	67,419
Equipment	1,000	1,000	405
Total circuit court	$ 459,387	$ 459,387	$ 463,428
Rural Revolving Loan Department			
Personal services	$ 16,719	$ 15,332	$ 13,539
Supplies	450	450	403
Other services and charges	5,475	6,862	5,914
Total rural revolving loan department	$ 22,644	$ 22,644	$ 19,856
Court Services			
Personal services	$ 631,346	$ 631,346	$ 627,274
Supplies	2,500	2,500	2,341
Other services and charges	134,810	134,810	108,317
Total court services	$ 768,656	$ 768,656	$ 737,932

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
State's Attorney			
Personal services	$ 514,724	$ 514,724	$ 502,881
Supplies	5,000	5,000	3,808
Other services and charges	38,000	39,700	32,022
Equipment	4,072	2,372	1,427
Total state's attorney	$ 561,796	$ 561,796	$ 540,138
Coroner			
Personal services	$ 38,112	$ 38,112	$ 35,846
Supplies	1,082	1,082	864
Other services and charges	29,893	29,893	24,483
Equipment	1,000	1,000	543
Total coroner	$ 70,087	$ 70,087	$ 61,736
Jury Commission			
Personal services	$ 8,870	$ 9,160	$ 9,055
Supplies	500	500	404
Other services and charges	2,700	2,700	2,700
Total jury commission	$ 12,070	$ 12,360	$ 12,159
IEMA			
Personal services	$ 10,811	$ 10,811	$ 10,900
Supplies	100	100	100
Other services and charges	1,234	1,261	1,127
Equipment	1,008	977	948
Total emergency services and disaster agency	$ 13,153	$ 13,149	$ 13,075
Sheriff's Business Plan			
Personal services	$ 479,686	$ 480,398	$ 463,290
Supplies	103,468	120,843	109,949
Other services and charges	30,656	13,576	12,946
Automobile and equipment	20,000	18,993	18,921
Total sheriff's business plan	$ 633,810	$ 633,810	$ 605,106

HENRY COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
EXPENDITURES - (Continued)			
Public Defender			
Personal services	$ 170,737	$ 170,737	$ 165,247
Supplies	2,500	2,500	4,225
Other services and charges	111,490	122,961	122,010
Total public defender	$ 284,727	$ 296,198	$ 291,482
Total expenditures	$ 8,733,718	$ 8,838,132	$ 8,711,433
Excess of revenues over expenditures	$ 523,460	$ 419,046	$ 825,822
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 18,053	$ - - -	$ 37,092
Transfers out	(517,420)	(700,316)	(679,270)
Sale of capital assets	2,000	2,000	23,795
Total other financing sources (uses)	($ 497,367)	($ 698,316)	($ 618,383)
Net change in fund balances	$ 26,093	($ 279,270)	$ 207,439
FUND BALANCE - Beginning			4,666,158
FUND BALANCE - Ending			$ 4,873,597

HENRY COUNTY, ILLINOIS
COUNTY HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 600,000	$ 600,000	$ 597,783
Colona tax increment	- - -	- - -	788
Replacement	30,400	30,400	49,392
Intergovernmental	315,000	315,000	53,628
Charges for services	975,000	975,000	1,840,994
Investment income	100,000	100,000	167,620
Miscellaneous	15,400	15,400	12,593
Total revenues	$ 2,035,800	$ 2,035,800	$ 2,722,798
EXPENDITURES			
Salaries and wages:			
Staff salaries - regular	$ 793,000	$ 793,000	$ 773,231
Longevity pay	- - -	- - -	7,460
Part time salaries	31,000	31,000	31,193
Overtime	33,000	33,000	37,588
Insurance	66,800	66,800	62,539
Engineering supplies	8,000	8,000	8,025
Contractual service	20,000	20,000	5,450
Telephone	3,000	3,000	2,613
GIS Grant expenditures	65,000	65,000	66,025
Maintenance of roads:			
Materials and supplies	750,000	1,304,000	1,213,013
Other maintenance expense	69,000	79,000	77,436
Substance abuse testing	1,500	1,500	600
Equipment	265,000	265,000	260,369
Total expenditures	$ 2,105,300	$ 2,669,300	$ 2,545,542
Excess (deficiency) of revenues over expenditures	($ 69,500)	($ 633,500)	$ 177,256
OTHER FINANCING SOURCES (USES)			
Transfers out	(8,000)	(8,000)	(8,000)
Net change in fund balances	($ 77,500)	($ 641,500)	$ 169,256
FUND BALANCE - Beginning			3,697,970
FUND BALANCE - Ending			$ 3,867,226

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 737,224	$ 737,224	$ 734,445
Colona tax increment	- - -	- - -	810
Replacement	34,000	34,000	62,046
Investment income	3,000	3,000	14,387
Total revenues	$ 774,224	$ 774,224	$ 811,688
EXPENDITURES			
Current:			
Employer's IMRF	868,399	897,754	838,365
Excess (deficiency) of revenues over expenditures	($ 94,175)	($ 123,530)	($ 26,677)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 307,262	$ 307,262	$ 197,918
Transfers out	- - -	- - -	(196,740)
Total other financing sources (uses)	$ 307,262	$ 307,262	$ 1,178
Net change in fund balances	$ 213,087	$ 183,732	($ 25,499)
FUND BALANCE - Beginning			201,721
FUND BALANCE - Ending			$ 176,222

HENRY COUNTY, ILLINOIS
FICA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 655,102	$ 655,102	$ 652,979
Colona tax increment	- - -	- - -	903
Replacement	31,000	31,000	54,125
Investment income	2,500	2,500	13,288
Total revenues	$ 688,602	$ 688,602	$ 721,295
EXPENDITURES			
Current:			
Employer's FICA	702,644	712,388	719,156
Excess (deficiency) of revenues over expenditures	($ 14,042)	($ 23,786)	$ 2,139
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 269,316	$ 269,316	$ 221,120
Transfers out	- - -	- - -	(210,619)
Total other financing sources (uses)	$ 269,316	$ 269,316	$ 10,501
Net change in fund balances	$ 255,274	$ 245,530	$ 12,640
FUND BALANCE - Beginning			206,401
FUND BALANCE - Ending			$ 219,041

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 1,133,472	$ 1,133,472	$ 1,136,473
Colona tax increment	- - -	- - -	1,488
Replacement	58,000	58,000	93,203
Investment income	3,000	3,000	26,424
Miscellaneous	91,361	91,361	44,238
Total revenues	$ 1,285,833	$ 1,285,833	$ 1,301,826
EXPENDITURES			
Current:			
Unemployment insurance	$ 30,000	$ 41,605	$ 39,925
Workers compensation	428,220	428,220	271,418
Property/casualty insurance	347,050	335,445	190,951
Insurance deductible/claims	32,000	32,000	20,871
Health care plan	445,563	445,563	410,858
Capital expenditures	- - -	- - -	6,050
Total expenditures	$ 1,282,833	$ 1,282,833	$ 940,073
Excess of revenues over expenditures	$ 3,000	$ 3,000	$ 361,753
OTHER FINANCING SOURCES (USES)			
Transfers out	- - -	- - -	(131,860)
Net change in fund balances	$ 3,000	$ 3,000	$ 229,893
FUND BALANCE - Beginning			969,006
FUND BALANCE - Ending			$ 1,198,899

HENRY COUNTY, ILLINOIS
COUNTY HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 180,000	$ 180,000	$ 179,466
Colona tax increment	- - -	- - -	247
Intergovernmental:			
Illinois Department of Health	808,033	808,033	977,680
Illinois Department of Aging	1,034,674	1,034,674	936,572
Illinois Department of Public Aid	52,000	52,000	87,095
Charges for service:			
Health department fees	979,765	979,765	1,055,354
Medicare	825,000	825,000	742,514
Investment income	47,500	47,500	61,017
Miscellaneous	1,000	1,000	2,751
Total revenues	$ 3,927,972	$ 3,927,972	$ 4,042,696
EXPENDITURES			
Current:			
Health staff salaries	$ 2,670,545	$ 2,670,545	$ 2,599,898
Life and health insurance	178,639	178,639	150,355
Commodities	232,512	232,512	225,954
Contractual service	103,000	103,000	101,872
Personal service	154,750	154,750	146,950
Travel expense	111,100	111,100	80,658
Meeting expense	36,875	36,875	28,625
Clinic expense	67,000	67,000	107,971
Insurance	54,182	54,182	50,928
Contingencies	11,250	11,250	15,483
Building utilities and maintenance	42,500	42,500	47,889
Capital expenditures	81,450	81,450	53,527
Total expenditures	$ 3,743,803	$ 3,743,803	$ 3,610,110
Excess of revenues over expenditures	$ 184,169	$ 184,169	$ 432,586
OTHER FINANCING SOURCES (USES)			
Transfers out	(339,282)	(339,282)	(315,684)
Net change in fund balances	($ 155,113)	($ 155,113)	$ 116,902
FUND BALANCE - Beginning			1,638,774
FUND BALANCE - Ending			$ 1,755,676

HENRY COUNTY, ILLINOIS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -
BUDGET COMPARISONS
November 30, 2007

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
Illinois Municipal Retirement Fund	$ 137,351
FICA Fund	217,387

HENRY COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION PLAN FUNDING PROGRESS
November 30, 2007

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)
12/31/06	$22,480,239	$21,521,219	($ 959,020)	104.46%	$7,307,208	0.00%
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

On a market value basis, the actuarial value of assets as of December 31, 2006 is $24,224,653. On a market basis, the funded ratio would be 112.56%.

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)
12/31/06	$ 6,988,394	$ 8,675,332	$1,686,938	80.55%	$2,658,042	63.47%
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

On a market value basis, the actuarial value of assets as of December 31, 2006 is $7,601,814. On a market basis, the funded ratio would be 87.63%.

(Continued)

HENRY COUNTY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION PLAN FUNDING PROGRESS
November 30, 2007

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)
12/31/06	$ 303,745	$ 331,384	$ 27,639	91.66%	$ 297,630	9.29%
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

On a market value basis, the actuarial value of assets as of December 31, 2006 is $322,623. On a market basis, the funded ratio would be 97.36%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 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.

SLEP member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

OTHER SUPPLEMENTARY INFORMATION

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2007

		Special Revenue Funds	
	Totals	Federal Aid Matching Fund	County Joint Bridge Fund
ASSETS			
Cash and cash equivalents	$ 4,608,600	$ 122,099	$ 494,636
Certificates of deposit	750,000	- - -	250,000
Receivables:			
Accounts	45,426	- - -	- - -
Property tax	983,979	203,000	250,000
Other taxes	80,207	3,078	3,790
Loans	652,749	- - -	- - -
Total assets	$ 7,120,961	$ 328,177	$ 998,426
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 94,707	$ 69,089	$ 13,193
Accrued liabilities	8,571	- - -	- - -
Deferred property tax revenue	983,979	203,000	250,000
Due to other funds	111,257	- - -	- - -
Total liabilities	$ 1,198,514	$ 272,089	$ 263,193
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ 1,181,153	$ - - -	$ - - -
Loans	1,130,112	- - -	- - -
Drug enforcement	108,109	- - -	- - -
Debt service	2,197	- - -	- - -
Unreserved	3,500,876	56,088	735,233
Total fund balances	$ 5,922,447	$ 56,088	$ 735,233
Total liabilities and fund balances	$ 7,120,961	$ 328,177	$ 998,426

Special Revenue Funds				
Motor Fuel Tax Fund	Mentally Deficient Persons Fund	708 Mental Health Fund	Veterans' Assistance Commission Fund	Extension Fund
$ 612,712	$ 5,300	$ 168,530	$ 30,617	$ 3,517
500,000	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	96,760	325,933	45,296	62,990
71,874	1,465	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
$ 1,184,586	$ 103,525	$ 494,463	$ 75,913	$ 66,507
$ 3,433	$ - - -	$ - - -	$ - - -	$ 3,517
- - -	- - -	- - -	- - -	- - -
- - -	96,760	325,933	45,296	62,990
- - -	- - -	- - -	- - -	- - -
$ 3,433	$ 96,760	$ 325,933	$ 45,296	$ 66,507
$ 1,181,153	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	6,765	168,530	30,617	- - -
$ 1,181,153	$ 6,765	$ 168,530	$ 30,617	$ - - -
$ 1,184,586	$ 103,525	$ 494,463	$ 75,913	$ 66,507

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2007

	Special Revenue Funds		
	State's Attorney Forfeited Drug Fund	Animal Control Fund	Vital Records Automation Fund
ASSETS			
Cash and cash equivalents	$ 44,087	$ 22,588	$ 13,847
Certificates of deposit	- - -	- - -	- - -
Receivables:			
Accounts	- - -	- - -	- - -
Property tax	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -
Loans	- - -	- - -	- - -
Total assets	$ 44,087	$ 22,588	$ 13,847
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,000	$ - - -	$ - - -
Accrued liabilities	- - -	934	96
Deferred property tax revenue	- - -	- - -	- - -
Due to other funds	- - -	- - -	- - -
Total liabilities	$ 3,000	$ 934	$ 96
FUND BALANCES			
Reserved for:			
Maintenance of roadways	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -
Drug enforcement	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved	41,087	21,654	13,751
Total fund balances	$ 41,087	$ 21,654	$ 13,751
Total liabilities and fund balances	$ 44,087	$ 22,588	$ 13,847

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
$ 41,859	$ 668,099	$ 46,211	$ 64,470	$ - - -	$ 9,871
- - -	- - -	- - -	- - -	- - -	- - -
7,158	14,336	- - -	- - -	2,093	10,109
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 49,017	$ 682,435	$ 46,211	$ 64,470	$ 2,093	$ 19,980
$ - - -	$ - - -	$ - - -	$ - - -	$ 1,395	$ - - -
1,227	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	109,100	- - -
$ 1,227	$ - - -	$ - - -	$ - - -	$ 110,495	$ - - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
47,790	682,435	46,211	64,470	(108,402)	19,980
$ 47,790	$ 682,435	$ 46,211	$ 64,470	($ 108,402)	$ 19,980
$ 49,017	$ 682,435	$ 46,211	$ 64,470	$ 2,093	$ 19,980

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2007

	Special Revenue Funds			
	Circuit Clerk Court Automation Fund	Recorder Automation Fund	Court Document Storage Fund	Orion Law Enforcement Fund
ASSETS				
Cash and cash equivalents	$ 250,989	$ 127,089	$ 261,808	$ 3,660
Certificates of deposit	- - -	- - -	- - -	- - -
Receivables:				
Accounts	5,887	- - -	5,843	- - -
Property tax	- - -	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -	- - -
Loans	- - -	- - -	- - -	- - -
Total assets	$ 256,876	$ 127,089	$ 267,651	$ 3,660
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ - - -	$ 57	$ - - -	$ 1,023
Accrued liabilities	403	- - -	590	2,452
Deferred property tax revenue	- - -	- - -	- - -	- - -
Due to other funds	- - -	- - -	- - -	- - -
Total liabilities	$ 403	$ 57	$ 590	$ 3,475
FUND BALANCES				
Reserved for:				
Maintenance of roadways	$ - - -	$ - - -	$ - - -	$ - - -
Loans	- - -	- - -	- - -	- - -
Drug enforcement	- - -	- - -	- - -	- - -
Debt service	- - -	- - -	- - -	- - -
Unreserved	256,473	127,032	267,061	185
Total fund balances	$ 256,473	$ 127,032	$ 267,061	$ 185
Total liabilities and fund balances	$ 256,876	$ 127,089	$ 267,651	$ 3,660

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
$ 478,681	$ - - -	$ 30,779	$ 820,922	$ 1,042	$ 107,965
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
652,749	- - -	- - -	- - -	- - -	- - -
$ 1,131,430	$ - - -	$ 30,779	$ 820,922	$ 1,042	$ 107,965
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	809	- - -	- - -	- - -	2,060
- - -	- - -	- - -	- - -	- - -	- - -
1,318	839	- - -	- - -	- - -	- - -
$ 1,318	$ 1,648	$ - - -	$ - - -	$ - - -	$ 2,060
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
1,130,112	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	(1,648)	30,779	820,922	1,042	105,905
$ 1,130,112	($ 1,648)	$ 30,779	$ 820,922	$ 1,042	$ 105,905
$ 1,131,430	$ - - -	$ 30,779	$ 820,922	$ 1,042	$ 107,965

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2007

	Special Revenue Funds		
	DUI Equipment Fund	Tourism Department	Elderly Services Fund
ASSETS			
Cash and cash equivalents	$ 16,207	$ - - -	$ 8,022
Certificates of deposit	- - -	- - -	- - -
Receivables:			
Accounts	- - -	- - -	- - -
Property tax	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -
Loans	- - -	- - -	- - -
Total assets	$ 16,207	$ - - -	$ 8,022
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	- - -	- - -	- - -
Drug enforcement	- - -	- - -	- - -
Debt service	- - -	- - -	- - -
Unreserved	16,207	- - -	8,022
Total fund balances	$ 16,207	$ - - -	$ 8,022
Total liabilities and fund balances	$ 16,207	$ - - -	$ 8,022

Special Revenue Funds					
Camera Account	Sheriff Drug Enforcement Fund	Coroner Equipment Grant	Property/ Building Fund	Election Assistance Grant	Coord Aerial Photo Programs
$ 3,106	$ 30,766	$ 658	$ 5,000	$ 1,212	$ 10
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
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- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 3,106	$ 30,766	$ 658	$ 5,000	$ 1,212	$ 10
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
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- - -	- - -	- - -	- - -	- - -	- - -
3,106	30,766	658	5,000	1,212	10
$ 3,106	$ 30,766	$ 658	$ 5,000	$ 1,212	$ 10
$ 3,106	$ 30,766	$ 658	$ 5,000	$ 1,212	$ 10

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
November 30, 2007

	Special Revenue Funds		
	Federal Forfeited Drug Fund	Police Vehicle Fund	Debt Service Fund
ASSETS			
Cash and cash equivalents	$ 108,109	$ 1,935	$ 2,197
Certificates of deposit	- - -	- - -	- - -
Receivables:			
Accounts	- - -	- - -	- - -
Property tax	- - -	- - -	- - -
Other taxes	- - -	- - -	- - -
Loans	- - -	- - -	- - -
Total assets	$ 108,109	$ 1,935	$ 2,197
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	- - -	- - -	- - -
Drug enforcement	108,109	- - -	- - -
Debt service	- - -	- - -	2,197
Unreserved	- - -	1,935	- - -
Total fund balances	$ 108,109	$ 1,935	$ 2,197
Total liabilities and fund balances	$ 108,109	$ 1,935	$ 2,197

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2007

		Special Revenue Funds	
	Totals	Federal Aid Matching Fund	County Joint Bridge Fund
REVENUES			
Taxes:			
Property	$ 932,162	$ 191,815	$ 226,638
Tax increment	2,280	133	312
Replacement	42,318	15,863	18,882
Fines and fees	265,921	- - -	- - -
Intergovernmental	1,294,755	- - -	- - -
Charges for services	896,767	- - -	1,921
Investment income	168,571	1,254	17,548
Miscellaneous	71,021	- - -	- - -
Total revenues	$ 3,673,795	$ 209,065	$ 265,301
EXPENDITURES			
Current:			
General government	$ 748,438	$ - - -	$ - - -
Public Safety	362,350	- - -	- - -
Education	18,793	- - -	- - -
Highways and streets	1,713,042	256,451	85,981
Health	421,386	- - -	- - -
Capital expenditures	28,487	- - -	- - -
Debt service:			
Principal	368,066	- - -	- - -
Interest	174,594	- - -	- - -
Total expenditures	$ 3,835,156	$ 256,451	$ 85,981
Excess (deficiency) of revenues over expenditures	($ 161,361)	($ 47,386)	$ 179,320
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 1,190,730	$ - - -	$ - - -
Transfers out	(585,689)	- - -	- - -
Total other financing sources (uses)	$ 605,041	$ - - -	$ - - -
Net change in fund balances	$ 443,680	($ 47,386)	$ 179,320
FUND BALANCES - Beginning	5,478,767	103,474	555,913
FUND BALANCES - Ending	$ 5,922,447	$ 56,088	$ 735,233

Special Revenue Funds				
Motor Fuel Tax Fund	Mentally Deficient Persons Fund	708 Mental Health Fund	Veterans' Assistance Commission Fund	Extension Fund
$ - - -	$ 91,967	$ 317,292	$ 43,355	$ 61,095
- - -	115	425	55	78
- - -	7,573	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
1,162,986	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
61,161	578	6,193	967	339
46,308	- - -	- - -	- - -	- - -
$ 1,270,455	$ 100,233	$ 323,910	$ 44,377	$ 61,512
$ - - -	$ - - -	$ - - -	$ 41,296	$ 61,512
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
1,370,610	- - -	- - -	- - -	- - -
- - -	100,854	320,532	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -
$ 1,370,610	$ 100,854	$ 320,532	$ 41,296	$ 61,512
($ 100,155)	($ 621)	$ 3,378	$ 3,081	$ - - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
($ 100,155)	($ 621)	$ 3,378	$ 3,081	$ - - -
1,281,308	7,386	165,152	27,536	- - -
$ 1,181,153	$ 6,765	$ 168,530	$ 30,617	$ - - -

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2007

	Special Revenue Funds		
	State's Attorney Forfeited Drug Fund	Animal Control Fund	Vital Records Automation Fund
REVENUES			
Taxes:			
Property	$ - - -	$ - - -	$ - - -
Tax increment	- - -	- - -	- - -
Replacement	- - -	- - -	- - -
Fines and fees	- - -	71,088	- - -
Intergovernmental	- - -	- - -	- - -
Charges for services	- - -	- - -	8,199
Investment income	2,200	- - -	740
Miscellaneous	19,353	- - -	- - -
Total revenues	$ 21,553	$ 71,088	$ 8,939
EXPENDITURES			
Current:			
General government	$ - - -	$ - - -	$ 4,438
Public Safety	38,936	68,229	- - -
Education	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -
Health	- - -	- - -	- - -
Capital expenditures	- - -	- - -	- - -
Debt service:			
Principal	- - -	- - -	3,973
Interest	- - -	- - -	1,227
Total expenditures	$ 38,936	$ 68,229	$ 9,638
Excess (deficiency) of revenues over expenditures	($ 17,383)	$ 2,859	($ 699)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ - - -
Transfers out	- - -	- - -	(230)
Total other financing sources (uses)	$ - - -	$ - - -	($ 230)
Net change in fund balances	($ 17,383)	$ 2,859	($ 929)
FUND BALANCES - Beginning	58,470	18,795	14,680
FUND BALANCES - Ending	$ 41,087	$ 21,654	$ 13,751

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
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	7,583	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
88,562	196,482	10,695	- - -	32,447	29,196
2,106	- - -	1,740	2,725	- - -	171
- - -	- - -	- - -	- - -	- - -	- - -
$ 90,668	$ 196,482	$ 12,435	$ 10,308	$ 32,447	$ 29,367
$ 80,585	$ 167,895	$ 891	$ - - -	$ - - -	$ 25,376
- - -	- - -	- - -	537	- - -	- - -
- - -	- - -	- - -	- - -	18,793	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 80,585	$ 167,895	$ 891	$ 537	$ 18,793	$ 25,376
$ 10,083	$ 28,587	$ 11,544	$ 9,771	$ 13,654	$ 3,991
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
(14,914)	- - -	- - -	- - -	- - -	- - -
($ 14,914)	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
($ 4,831)	$ 28,587	$ 11,544	$ 9,771	$ 13,654	$ 3,991
52,621	653,848	34,667	54,699	(122,056)	15,989
$ 47,790	$ 682,435	$ 46,211	$ 64,470	($ 108,402)	$ 19,980

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2007

	Special Revenue Funds			
	Circuit Clerk Court Automation Fund	Recorder Automation Fund	Court Document Storage Fund	Orion Law Enforcement Fund
REVENUES				
Taxes:				
Property	$ - - -	$ - - -	$ - - -	$ - - -
Tax increment	- - -	- - -	- - -	- - -
Replacement	- - -	- - -	- - -	- - -
Fines and fees	- - -	- - -	- - -	- - -
Intergovernmental	- - -	- - -	- - -	- - -
Charges for services	73,470	135,829	72,893	189,996
Investment income	11,044	5,250	11,805	- - -
Miscellaneous	- - -	- - -	- - -	840
Total revenues	$ 84,514	$ 141,079	$ 84,698	$ 190,836
EXPENDITURES				
Current:				
General government	$ 61,306	$ 97,858	$ 48,857	$ - - -
Public Safety	- - -	- - -	- - -	161,483
Education	- - -	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -	- - -
Health	- - -	- - -	- - -	- - -
Capital expenditures	- - -	- - -	11,285	- - -
Debt service:				
Principal	- - -	19,093	- - -	- - -
Interest	- - -	6,907	- - -	- - -
Total expenditures	$ 61,306	$ 123,858	$ 60,142	$ 161,483
Excess (deficiency) of revenues over expenditures	$ 23,208	$ 17,221	$ 24,556	$ 29,353
OTHER FINANCING SOURCES (USES)				
Transfers in	$ - - -	$ - - -	$ - - -	$ - - -
Transfers out	(4,312)	- - -	(3,954)	(26,528)
Total other financing sources (uses)	($ 4,312)	$ - - -	($ 3,954)	($ 26,528)
Net change in fund balances	$ 18,896	$ 17,221	$ 20,602	$ 2,825
FUND BALANCES - Beginning	237,577	109,811	246,459	(2,640)
FUND BALANCES - Ending	$ 256,473	$ 127,032	$ 267,061	$ 185

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
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	1,162	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	5,414	- - -	- - -	164,206
- - -	- - -	- - -	- - -	- - -	- - -
- - -	57,077	- - -	- - -	- - -	- - -
37,148	- - -	1,323	- - -	47	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 37,148	$ 57,077	$ 6,737	$ 1,162	$ 47	$ 164,206
$ 18,275	$ - - -	$ - - -	$ 8,806	$ - - -	$ 131,343
- - -	48,174	2,343	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	10,400	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ 18,275	$ 48,174	$ 2,343	$ 19,206	$ - - -	$ 131,343
$ 18,873	$ 8,903	$ 4,394	($ 18,044)	$ 47	$ 32,863
$ - - -	$ - - -	$ - - -	$ 679,270	$ - - -	$ - - -
- - -	(9,748)	- - -	(511,460)	- - -	(14,543)
$ - - -	($ 9,748)	$ - - -	$ 167,810	$ - - -	($ 14,543)
$ 18,873	($ 845)	$ 4,394	$ 149,766	$ 47	$ 18,320
1,111,239	(803)	26,385	671,156	995	87,585
$ 1,130,112	($ 1,648)	$ 30,779	$ 820,922	$ 1,042	$ 105,905

(Continued)

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2007

	Special Revenue Funds		
	DUI Equipment Fund	Tourism Department	Elderly Services Fund
REVENUES			
Taxes:			
Property	$ - - -	$ - - -	$ - - -
Tax increment	- - -	- - -	- - -
Replacement	- - -	- - -	- - -
Fines and fees	9,011	- - -	- - -
Intergovernmental	- - -	- - -	- - -
Charges for services	- - -	- - -	- - -
Investment income	952	- - -	344
Miscellaneous	- - -	2,000	919
Total revenues	$ 9,963	$ 2,000	$ 1,263
EXPENDITURES			
Current:			
General government	$ - - -	$ - - -	$ - - -
Public Safety	14,113	- - -	- - -
Education	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -
Health	- - -	- - -	- - -
Capital expenditures	- - -	- - -	- - -
Debt service:			
Principal	- - -	- - -	- - -
Interest	- - -	- - -	- - -
Total expenditures	$ 14,113	$ - - -	$ - - -
Excess (deficiency) of revenues over expenditures	($ 4,150)	$ 2,000	$ 1,263
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ - - -
Transfers out	- - -	- - -	- - -
Total other financing sources (uses)	$ - - -	$ - - -	$ - - -
Net change in fund balances	($ 4,150)	$ 2,000	$ 1,263
FUND BALANCES - Beginning	20,357	(2,000)	6,759
FUND BALANCES - Ending	$ 16,207	$ - - -	$ 8,022

Special Revenue Funds					
Camera Account	Sheriff Drug Enforcement Fund	Coroner Equipment Grant	Property/ Building Fund	Election Assistance Grant	Coord Aerial Photo Program
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
139	310	33	- - -	54	- - -
- - -	1,601	- - -	- - -	- - -	- - -
$ 139	$ 1,911	$ 33	$ - - -	$ 54	$ - - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	2,084	744	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -
$ - - -	$ 2,084	$ 744	$ - - -	$ - - -	$ - - -
$ 139	($ 173)	($ 711)	$ - - -	$ 54	$ - - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
- - -	- - -	- - -	- - -	- - -	- - -
$ - - -	$ - - -	$ - - -	$ - - -	$ - - -	$ - - -
$ 139	($ 173)	($ 711)	$ - - -	$ 54	$ - - -
2,967	30,939	1,369	5,000	1,158	10
$ 3,106	$ 30,766	$ 658	$ 5,000	$ 1,212	$ 10

HENRY COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended November 30, 2007

	Special Revenue Funds		
	Federal Forfeited Drug Fund	Police Vehicle Fund	Debt Service Fund
REVENUES			
Taxes:			
Property	$ - - -	$ - - -	$ - - -
Tax increment	- - -	- - -	- - -
Replacement	- - -	- - -	- - -
Fines and fees	- - -	8,619	- - -
Intergovernmental	131,769	- - -	- - -
Charges for services	- - -	- - -	- - -
Investment income	2,047	118	235
Miscellaneous	- - -	- - -	- - -
Total revenues	$ 133,816	$ 8,737	$ 235
EXPENDITURES			
Current:			
General government	$ - - -	$ - - -	$ - - -
Public Safety	25,707	- - -	- - -
Education	- - -	- - -	- - -
Highways and streets	- - -	- - -	- - -
Health	- - -	- - -	- - -
Capital expenditures	- - -	6,802	- - -
Debt service:			
Principal	- - -	- - -	345,000
Interest	- - -	- - -	166,460
Total expenditures	$ 25,707	$ 6,802	$ 511,460
Excess (deficiency) of revenues over expenditures	$ 108,109	$ 1,935	($ 511,225)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ - - -	$ - - -	$ 511,460
Transfers out	- - -	- - -	- - -
Total other financing sources (uses)	$ - - -	$ - - -	$ 511,460
Net change in fund balances	$ 108,109	$ 1,935	$ 235
FUND BALANCES - Beginning	- - -	- - -	1,962
FUND BALANCES - Ending	$ 108,109	$ 1,935	$ 2,197

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 192,650	$ 192,650	$ 191,815
Colona tax increment	- - -	- - -	133
Replacement	8,500	8,500	15,863
Investment income	500	500	1,254
Total revenues	$ 201,650	$ 201,650	$ 209,065
EXPENDITURES			
Current:			
Engineering	$ 5,000	$ 5,000	$ - - -
Highway construction	170,000	170,000	256,451
Total expenditures	$ 175,000	$ 175,000	$ 256,451
Excess (deficiency) of revenues over expenditures	$ 26,650	$ 26,650	($ 47,386)
FUND BALANCE - Beginning			103,474
FUND BALANCE - Ending			$ 56,088

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 227,750	$ 227,750	$ 226,638
Colona tax increment	- - -	- - -	312
Replacement	15,250	15,250	18,882
Charges for services	75,000	75,000	1,921
Investment income	14,000	14,000	17,548
Total revenues	$ 332,000	$ 332,000	$ 265,301
EXPENDITURES			
Current:			
Bridge construction	$ 370,000	$ 370,000	$ 76,765
Engineering expense	25,000	25,000	9,216
Total expenditures	$ 395,000	$ 395,000	$ 85,981
Excess (deficiency) of revenues over expenditures	($ 63,000)	($ 63,000)	$ 179,320
FUND BALANCE - Beginning			555,913
FUND BALANCE - Ending			$ 735,233

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Intergovernmental	$ 1,150,000	$ 1,150,000	$ 1,162,986
Investment income	50,000	50,000	61,161
Miscellaneous	46,308	46,308	46,308
Total revenues	$ 1,246,308	$ 1,246,308	$ 1,270,455
EXPENDITURES			
Current:			
Salaries	$ 92,617	$ 92,617	$ 92,617
Insurance	32,780	32,780	32,439
IMRF reimbursement	27,390	27,390	27,285
Construction and maintenance	1,257,500	1,257,500	1,218,269
Total expenditures	$ 1,410,287	$ 1,410,287	$ 1,370,610
Deficiency of revenues over expenditures	($ 163,979)	($ 163,979)	($ 100,155)
FUND BALANCE - Beginning			1,281,308
FUND BALANCE - Ending			$ 1,181,153

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes:			
Property	$ 92,050	$ 92,050	$ 91,967
Colona tax increment	- - -	- - -	115
Replacement	4,000	4,000	7,573
Investment income	80	80	578
Total revenues	$ 96,130	$ 96,130	$ 100,233
EXPENDITURES			
Current:			
Mental health	96,000	96,000	100,854
Excess (deficiency) of revenues over expenditures	$ 130	$ 130	($ 621)
FUND BALANCE - Beginning			7,386
FUND BALANCE - Ending			$ 6,765

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 318,734	$ 318,734	$ 317,292
Colona tax increment	- - -	- - -	425
Investment income	2,500	2,500	6,193
Total revenues	$ 321,234	$ 321,234	$ 323,910
EXPENDITURES			
Current:			
Mental health	320,532	320,532	320,532
Excess of revenues over expenditures	$ 702	$ 702	$ 3,378
FUND BALANCE - Beginning			165,152
FUND BALANCE - Ending			$ 168,530

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 43,279	$ 43,279	$ 43,355
Colona tax increment	- - -	- - -	55
Investment income	- - -	- - -	967
Total revenues	$ 43,279	$ 43,279	$ 44,377
EXPENDITURES			
Current:			
Supplies	$ 350	$ 350	$ 247
Contractual service	17,225	17,225	17,224
Other service and charges	25,704	25,704	23,825
Total expenditures	$ 43,279	$ 43,279	$ 41,296
Excess of revenues over expenditures	$ - - -	$ - - -	$ 3,081
FUND BALANCE - Beginning			27,536
FUND BALANCE - Ending			$ 30,617

HENRY COUNTY, ILLINOIS
EXTENSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Property taxes	$ 61,303	$ 61,303	$ 61,095
Colona tax increment	- - -	- - -	78
Investment income	100	100	339
Total revenues	$ 61,403	$ 61,403	$ 61,512
EXPENDITURES			
Current:			
Extension	61,303	61,303	61,512
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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 1,100	$ 1,100	$ 2,200
Miscellaneous:			
Seizures/drugs	12,000	12,000	19,353
Total revenues	$ 13,100	$ 13,100	$ 21,553
EXPENDITURES			
Current - education:			
Office supplies	$ 2,000	$ 2,000	$ 2,467
Other service and charges	4,000	4,000	9,198
Equipment	8,388	8,388	27,271
Total expenditures	$ 14,388	$ 14,388	$ 38,936
Excess (deficiency) of revenues over expenditures	($ 1,288)	($ 1,288)	($ 17,383)
FUND BALANCE - Beginning			58,470
FUND BALANCE - Ending			$ 41,087

HENRY COUNTY, ILLINOIS
ANIMAL CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines and fees	$ 68,500	$ 68,500	$ 71,088
EXPENDITURES			
Current - public safety:			
Officer salary	$ 38,688	$ 38,688	$ 35,222
Staff salaries	17,326	17,326	10,953
Life and health insurance	8,299	8,299	6,639
Office supplies	6,000	6,000	4,694
Uniforms	900	900	878
Contractual service	150	150	- - -
Travel and meeting	4,500	5,250	4,900
Education and training	500	500	- - -
Fuel and power	1,800	1,800	1,243
Water	- - -	- - -	80
Telephone	2,000	2,000	1,420
Postage	2,500	2,500	1,874
Dues	500	500	25
Maintenance	500	500	113
Laboratory expense	200	200	- - -
Dead animal claims	750	- - -	- - -
Animal disposal	1,200	1,200	150
Other service and charges	100	100	38
Total expenditures	$ 85,913	$ 85,913	$ 68,229
Excess (deficiency) of revenues over expenditures	($ 17,413)	($ 17,413)	$ 2,859
FUND BALANCE - Beginning			18,795
FUND BALANCE - Ending			$ 21,654

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 6,750	$ 6,750	$ 8,199
Investment income	250	250	740
Total revenues	$ 7,000	$ 7,000	$ 8,939
EXPENDITURES			
Current - general government:			
Part time salaries	$ 3,000	$ 3,000	$ 2,996
Office supplies	500	500	- - -
Contractual service	5,946	5,946	746
Maintenance	500	500	- - -
Death certificate surcharge	- - -	- - -	696
Equipment	1,000	1,000	- - -
Debt service:			
Principal	- - -	- - -	3,973
Interest	- - -	- - -	1,227
Total expenditures	$ 10,946	$ 10,946	$ 9,638
Excess (deficiency) of revenues over expenditures	($ 3,946)	($ 3,946)	($ 699)
OTHER FINANCING SOURCES (USES)			
Transfers out	(230)	(230)	(230)
Net change in fund balances	($ 4,176)	($ 4,176)	($ 929)
FUND BALANCE - Beginning			14,680
FUND BALANCE - Ending			$ 13,751

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 80,000	$ 80,000	$ 88,562
Investment income	1,200	1,200	2,106
Total revenues	$ 81,200	$ 81,200	$ 90,668
EXPENDITURES			
Current - general government:			
Staff salaries	$ 59,014	$ 59,014	$ 51,096
Part time salaries	10,000	10,000	11,998
Overtime	13,265	13,265	8,670
Life and health insurance	8,298	8,298	6,161
Uniforms	1,200	1,200	1,119
Education and training	2,000	2,000	1,055
Equipment	1,000	1,000	486
Total expenditures	$ 94,777	$ 94,777	$ 80,585
Excess (deficiency) of revenues over expenditures	($ 13,577)	($ 13,577)	$ 10,083
OTHER FINANCING SOURCES (USES)			
Transfers out	(17,143)	(17,143)	(14,914)
Net change in fund balances	($ 30,720)	($ 30,720)	($ 4,831)
FUND BALANCE - Beginning			52,621
FUND BALANCE - Ending			$ 47,790

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Substance abuse testing	$ 20,000	$ 20,000	$ 19,177
Probation service fees	130,000	130,000	172,442
Electronic monitoring	5,000	5,000	4,255
Reimbursements	2,320	2,320	608
Total revenues	$ 157,320	$ 157,320	$ 196,482
EXPENDITURES			
Current - general government:			
Document preservation	$ 55,000	$ 52,500	$ 12,007
Fuel expense	3,000	3,000	2,923
Education and training	15,000	15,000	3,496
Public relation/education	2,000	3,000	2,918
Other programs	6,000	6,000	4,825
Postage	1,000	2,300	1,971
Dues	550	550	510
Service contracts	10,000	10,000	5,117
Maintenance	4,000	4,000	2,619
Juvenile psychological	2,500	2,500	650
Substance abuse testing	15,000	15,000	10,399
Sex offender evaluations	2,000	2,000	1,125
DNA collection fee	1,500	1,500	360
Equipment	6,350	6,350	4,782
Reimbursements	78,117	78,117	75,478
Delinquency diversion program	10,000	10,200	10,200
Computer automation	47,500	47,500	28,515
Total expenditures	$ 259,517	$ 259,517	$ 167,895
Excess (deficiency) of revenues over expenditures	($ 102,197)	($ 102,197)	$ 28,587
FUND BALANCE - Beginning			653,848
FUND BALANCE - Ending			$ 682,435

HENRY COUNTY, ILLINOIS
TREASURER AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Automation fees	$ 9,000	$ 9,000	$ 10,695
Investment income	600	600	1,740
Total revenues	$ 9,600	$ 9,600	$ 12,435
EXPENDITURES			
Current - general government:			
Part time salaries and employer's FICA	$ 4,306	$ 4,306	$ - - -
Equipment	2,050	2,050	891
Contingencies	1,500	1,500	- - -
Total expenditures	$ 7,856	$ 7,856	$ 891
Excess of revenues over expenditures	$ 1,744	$ 1,744	$ 11,544
FUND BALANCE - Beginning			34,667
FUND BALANCE - Ending			$ 46,211

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines and fees:			
Street value fines	$ 7,500	$ 7,500	$ 7,583
Investment income	1,500	1,500	2,725
Total revenues	$ 9,000	$ 9,000	$ 10,308
EXPENDITURES			
Current - public safety:			
Contingencies	5,000	5,000	537
Excess of revenues over expenditures	$ 4,000	$ 4,000	$ 9,771
FUND BALANCE - Beginning			54,699
FUND BALANCE - Ending			$ 64,470

HENRY COUNTY, ILLINOIS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Reimbursements	$ 5,930	$ 5,930	$ 5,930
Law library fees	24,000	24,000	26,517
Total revenues	$ 29,930	$ 29,930	$ 32,447
EXPENDITURES			
Current - education:			
Law books and subscriptions	$ 5,000	$ 5,000	$ 7,674
Computer automation	10,660	10,660	11,119
Total expenditures	$ 15,660	$ 15,660	$ 18,793
Excess of revenues over expenditures	$ 14,270	$ 14,270	$ 13,654
FUND BALANCE - Beginning			(122,056)
FUND BALANCE - Ending			($ 108,402)

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Automation fees	$ 60,000	$ 60,000	$ 73,470
Investment income	5,000	5,000	11,044
Total revenues	$ 65,000	$ 65,000	$ 84,514
EXPENDITURES			
Current - general government:			
Staff salaries	$ 28,642	$ 28,642	$ 28,351
Life and health insurance	4,149	4,149	4,117
Office supplies	10,000	10,000	8,545
Travel and meeting	1,000	1,000	326
Maintenance	10,000	10,000	9,986
Equipment	25,000	25,000	9,981
Total expenditures	$ 78,791	$ 78,791	$ 61,306
Excess (deficiency) of revenues over expenditures	($ 13,791)	($ 13,791)	$ 23,208
OTHER FINANCING SOURCES (USES)			
Transfers out	(4,485)	(4,485)	(4,312)
Net change in fund balances	($ 18,276)	($ 18,276)	$ 18,896
FUND BALANCE - Beginning			237,577
FUND BALANCE - Ending			$ 256,473

HENRY COUNTY, ILLINOIS
RECORDER AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Automation fees	$ 40,000	$ 40,000	$ 48,565
Rural housing fund	- - -	- - -	87,264
Investment income	2,500	2,500	5,250
Total revenues	$ 42,500	$ 42,500	$ 141,079
EXPENDITURES			
Current - general government:			
Office supplies	$ 1,200	$ 1,200	$ 1,150
Contractual service	30,415	30,415	3,836
Maintenance	4,100	4,100	4,100
Rural housing surcharge payment	- - -	- - -	87,804
Equipment	1,000	1,000	968
Debt service:			
Principal	- - -	- - -	19,093
Interest	- - -	- - -	6,907
Total expenditures	$ 36,715	$ 36,715	$ 123,858
Excess of revenues over expenditures	$ 5,785	$ 5,785	$ 17,221
FUND BALANCE - Beginning			109,811
FUND BALANCE - Ending			$ 127,032

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services:			
Court document storage fee	$ 60,000	$ 60,000	$ 72,893
Investment income	5,000	5,000	11,805
Total revenues	$ 65,000	$ 65,000	$ 84,698
EXPENDITURES			
Staff salaries	$ 22,860	$ 22,860	$ 22,697
Part time salaries	8,000	8,000	5,736
Life and health insurance	4,149	4,149	4,117
Office supplies	5,000	5,000	4,112
Travel and meeting	1,000	1,000	401
Service contracts	15,000	15,000	651
Equipment	25,000	25,000	22,428
Total expenditures	$ 81,009	$ 81,009	$ 60,142
Excess (deficiency) of revenues over expenditures	($ 16,009)	($ 16,009)	$ 24,556
OTHER FINANCING SOURCES (USES)			
Transfers out	(4,776)	(4,776)	(3,954)
Net change in fund balances	($ 20,785)	($ 20,785)	$ 20,602
FUND BALANCE - Beginning			246,459
FUND BALANCE - Ending			$ 267,061

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 189,942	$ 189,942	$ 189,996
Miscellaneous	- - -	- - -	840
Total revenues	$ 189,942	$ 189,942	$ 190,836
EXPENDITURES			
Current - public safety:			
Staff salaries	$ 108,678	$ 108,678	$ 111,786
Part time salaries	5,000	5,000	4,589
Overtime	2,894	2,894	552
Straight time	1,670	1,670	- - -
Life and health insurance	14,859	14,859	12,206
Unemployment insurance	800	800	716
Re-insurance reimbursement	2,500	2,500	2,046
Workers compensation	7,000	7,000	5,481
Office supplies	500	500	106
Uniforms	1,800	1,800	1,220
Education and training	2,000	2,000	2,677
Telephone	2,000	2,000	1,755
Service contracts	2,048	2,048	152
Maintenance	8,000	8,000	15,297
Administrative fees	800	800	800
Insurance	2,100	2,100	2,100
Equipment	1,000	1,000	- - -
Contingencies	250	250	- - -
Total expenditures	$ 163,899	$ 163,899	$ 161,483
Excess of revenues over expenditures	$ 26,043	$ 26,043	$ 29,353
OTHER FINANCING SOURCES (USES)			
Transfers out	(26,043)	(26,043)	(26,528)
Net change in fund balances	$ - - -	$ - - -	$ 2,825
FUND BALANCE - Beginning			(2,640)
FUND BALANCE - Ending			$ 185

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Charges for services	$ 58,792	$ 58,792	$ 57,077
EXPENDITURES			
Current - public safety:			
Staff salaries	$ 39,402	$ 39,402	$ 41,349
Overtime	3,472	3,472	1,579
Straight time	1,113	1,113	1,129
Life and health insurance	4,838	4,838	4,117
Total expenditures	$ 48,825	$ 48,825	$ 48,174
Excess of revenues over expenditures	$ 9,967	$ 9,967	$ 8,903
OTHER FINANCING SOURCES (USES)			
Transfers out	(9,967)	(9,967)	(9,748)
Net change in fund balances	$ - - -	$ - - -	($ 845)
FUND BALANCE - Beginning			(803)
FUND BALANCE - Ending			($ 1,648)

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fines and fees	$ 2,900	$ 2,900	$ 5,414
Investment income	650	650	1,323
Total revenues	$ 3,550	$ 3,550	$ 6,737
EXPENDITURES			
Current - public safety:			
Equipment	5,000	5,000	2,343
Excess (deficiency) of revenues over expenditures	($ 1,450)	($ 1,450)	$ 4,394
FUND BALANCE - Beginning			26,385
FUND BALANCE - Ending			$ 30,779

HENRY COUNTY, ILLINOIS
CAPITAL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Tax increment	$ 12,347	$ 12,347	$ 1,162
EXPENDITURES			
Capital improvement	198,100	198,100	19,206
Excess (deficiency) of revenues over expenditures	($ 185,753)	($ 185,753)	($ 18,044)
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 517,420	$ 679,270	$ 679,270
Transfers out	(512,563)	(512,563)	(511,460)
Total other financing sources (uses)	$ 4,857	$ 166,707	$ 167,810
Net change in fund balances	($ 180,896)	($ 19,046)	$ 149,766
FUND BALANCE - Beginning			671,156
FUND BALANCE - Ending			$ 820,922

HENRY COUNTY, ILLINOIS
WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 26	$ 26	$ 47
EXPENDITURES			
Current - general government:			
Contingencies	- - -	- - -	- - -
Excess of revenues over expenditures	$ 26	$ 26	$ 47
FUND BALANCE - Beginning			995
FUND BALANCE - Ending			$ 1,042

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, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fees	$ 177,000	$ 177,000	$ 164,206
EXPENDITURES			
Current - general government:			
Staff salaries	$ 92,585	$ 92,585	$ 88,098
Part time salaries	18,405	17,905	14,214
Life and health insurance	10,585	10,585	9,889
Office supplies	1,000	1,000	437
Contractual service	15,000	15,000	3,627
Education and training	1,000	1,500	1,006
Postage	100	100	43
Maintenance	1,000	1,000	- - -
Computer system support	11,500	11,500	10,890
Computer automation	9,000	9,000	3,139
Total expenditures	$ 160,175	$ 160,175	$ 131,343
Excess of revenues over expenditures	$ 16,825	$ 16,825	$ 32,863
OTHER FINANCING SOURCES (USES)			
Transfers out	(16,965)	(16,965)	(14,543)
Net change in fund balances	($ 140)	($ 140)	$ 18,320
FUND BALANCE - Beginning			87,585
FUND BALANCE - Ending			$ 105,905

HENRY COUNTY, ILLINOIS
DUI EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Fees	$ 6,000	$ 6,000	$ 9,011
Investment income	600	600	952
Total revenues	$ 6,600	$ 6,600	$ 9,963
EXPENDITURES			
Current - public safety:			
Equipment	4,000	4,000	14,113
Excess (deficiency) of revenues over expenditures	$ 2,600	$ 2,600	($ 4,150)
FUND BALANCE - Beginning			20,357
FUND BALANCE - Ending			$ 16,207

HENRY COUNTY, ILLINOIS
TOURISM DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Miscellaneous:			
Tourism reimbursement	$ 47,292	$ 32,292	$ 2,000
EXPENDITURES			
Current - recreation and culture:			
Salaries	$ 24,000	$ 24,000	$ - - -
Life and health insurance	4,150	4,150	- - -
FICA	1,836	1,836	- - -
IMRF	1,856	1,856	- - -
Administrative fees	450	450	- - -
Total expenditures	$ 32,292	$ 32,292	$ - - -
Excess of revenues over expenditures	$ 15,000	$ - - -	$ 2,000
FUND BALANCE - Beginning			(2,000)
FUND BALANCE - Ending			$ - - -

HENRY COUNTY, ILLINOIS
ELDERLY SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 25	$ 25	$ 344
Miscellaneous	- - -	- - -	919
Total revenues	$ 25	$ 25	$ 1,263
EXPENDITURES			
Office supplies and contingencies	$ 200	$ 200	$ - - -
Excess (deficiency) of revenues over expenditures	($ 175)	($ 175)	$ 1,263
FUND BALANCE - Beginning			6,759
FUND BALANCE - Ending			$ 8,022

HENRY COUNTY, ILLINOIS
CAMERA ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ 50	$ 50	$ 139
Miscellaneous	- - -	- - -	- - -
Total revenues	$ 50	$ 50	$ 139
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)	$ 139
FUND BALANCE - Beginning			2,967
FUND BALANCE - Ending			$ 3,106

HENRY COUNTY, ILLINOIS
ELECTION ASSISTANCE GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended November 30, 2007

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Investment income	$ - - -	$ - - -	$ 54
Election assistance	87,864	87,864	- - -
Total revenues	$ 87,864	$ 87,864	$ 54
EXPENDITURES			
Equipment	87,864	87,864	- - -
Excess of revenues over expenditures	$ - - -	$ - - -	$ 54
FUND BALANCE - Beginning			1,158
FUND BALANCE - Ending			$ 1,212

HENRY COUNTY, ILLINOIS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
For the Year Ended November 30, 2007

	Balances December 1, 2006	Additions	Deductions	Balances November 30, 2007
ASSETS				
Cash and cash equivalents:				
County Collector's Fund	$ 3,689,394	$53,573,815	$56,951,152	$ 312,057
Drainage District Funds	486,944	322,403	281,310	528,037
Inheritance Tax Fund	7,487	68,015	75,502	- - -
Trust Fund to Heirs	9,725	25,973	8,508	27,190
State's Attorney's Office Trust Fund	44,418	132,614	143,458	33,574
Delinquent Tax Program	1,480	778	703	1,555
Unclaimed bail deposits	- - -	10,372	- - -	10,372
County Clerk	119,817	1,205,454	1,145,187	180,084
Circuit Clerk	611,664	4,715,114	4,815,196	511,582
Prisoner Commissary	34,886	209,117	205,251	38,752
Sheriff's Special Account	10	83,060	83,460	(390)
Township Bridges	211,126	329,468	387,674	152,920
Township Motor Fuel Tax	278,488	1,650,553	1,502,040	427,001
Total cash and cash equivalents	$ 5,495,439	$62,326,736	$65,599,441	$ 2,222,734
Accounts receivable:				
Township Motor Fuel Tax	132,911	115,801	132,911	115,801
Total assets	$ 5,628,350	$62,442,537	$65,732,352	$ 2,338,535
LIABILITIES				
Due to others:				
County Collector's Fund	$ 3,689,394	$53,573,815	$56,951,152	$ 312,057
Drainage District Funds	486,944	322,403	281,310	528,037
Inheritance Tax Fund	7,487	68,015	75,502	- - -
Trust Fund to Heirs	9,725	25,973	8,508	27,190
State's Attorney's Office Trust Fund	44,418	132,614	143,458	33,574
Delinquent Tax Program	1,480	778	703	1,555
Unclaimed bail deposits	- - -	10,372	- - -	10,372
County Clerk	119,817	1,205,454	1,145,187	180,084
Circuit Clerk	611,664	4,715,114	4,815,196	511,582
Prisoner Commissary	34,886	209,117	205,251	38,752
Sheriff's Special Account	10	83,060	83,460	(390)
Township Bridges	211,126	329,468	387,674	152,920
Township Motor Fuel Tax	411,399	1,766,354	1,634,951	542,802
Total funds due to others	$ 5,628,350	$62,442,537	$65,732,352	$ 2,338,535

HENRY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2007

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	$ 156,300
Women-Infants-Children - vouchers	10.557	82700440A	305,779
Passed-through Illinois Department of Public Health			
Summer Food Inspection	10.559	0634825019000100	300
Total U.S. Department of Agriculture			$ 462,379
U.S. Department of Commerce			
Economic Adjustment Assistance - Revolving Loan Funds	11.307	06-39-02319-01	$ 862,278
U.S. Department of Justice			
Direct Programs:			
Federal Equitable Sharing Agreement	16.000	IL037013A	$ 25,707
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0380	23,039
Total U.S. Department of Justice			$ 48,746

(Continued)

HENRY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2007

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Transportation			
Passed-through Illinois Department of Transportation			
Public Transportation for Non-Urbanized Areas - Section 18	20.509	RPT-01-008	$ 103,711
State Planning and Research	20.505	03T0401	52,820
Total U.S. Department of Transportation			$ 156,531
U.S. Environmental Protection Agency			
Passed-through Illinois Department of Public Health			
Performance Partnership Grants	66.605	063482501200	$ 1,238
U.S. Department of Health and Human Services			
Passed-through Illinois Department of Public Health			
Immunization	93.268	001187	$ 161,144
Bioterrorism Preparedness	93.283	0634827019000200	67,440
Passed-through Illinois Department of Human Services			
Title X	93.217	82592440C	73,832
Temporary Assistance for Needy Families	93.558	82001490C	111,978
Title XX	93.667	824084400	35,900
Maternal & Child Health	93.994	828724400	4,500

(Continued)

HENRY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2007

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services (Cont'd)			
Passed-through Western Illinois Area Agency on Aging			
Respite Care III-B	93.052	R-20020805507003	5,142
Passed-through Rock Island County Health Department			
IBCCP	93.283	4.2002 4.2003	32,717
Total U.S. Department of Health and Human Services			$ 492,653
Department of Homeland Security			
Passed-through Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.036	3269-073-99073-00	$ 23,114
Emergency Management Performance Grants	97.042	EMA 130	6,343
Total Department of Homeland Security			$ 29,457
Total Federal Financial Services			$ 2,053,282

HENRY COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2007

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	$ 103,711

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, 2007.

Henry County, Illinois had no loans or loan guarantees, relating to federal funds, outstanding at November 30, 2007.

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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 unit, each major fund, and the aggregate remaining fund information of Henry County, Illinois, as of and for the year ended November 30, 2007, which collectively comprise Henry County's basic financial statements and have issued our report thereon dated June 6, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Henry County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Henry County, Illinois' internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Henry County, Illinois' ability to initiate, authorize, record, process, or report financial data reliably in accordance with

generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Henry County, Illinois' financial statements that is more than inconsequential will not be prevented or detected by Henry County, Illinois' internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. Finding 2007-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Henry County, Illinois' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Henry County, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Henry County, Illinois' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of the 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
June 6, 2008

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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, 2007. 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, 2007.

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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Henry County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, members of the 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, L.L.C.

Moline, Illinois
June 6, 2008

HENRY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2007

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, 2007, was an unqualified opinion.

B. Significant Deficiency in Internal Control Disclosed by the Audit of the Financial Statements

A significant deficiency disclosed during the audit of the financial statements is reported in the 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 for the year ended November 30, 2007.

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, 2007.

D. Significant Deficiency in Internal Control Over Major Programs

The audit of compliance of Henry County, Illinois for the year ended November 30, 2007 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, 2007, 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.

HENRY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2007

G. Major Programs

CFDA Number	Name of Federal Program	Amount Expended
11.307	Economic Adjustment Assistance - Revolving Loan Funds	$ 862,278

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, 2007.

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, 2007.

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

A. Significant Deficiency

2007-1 - Financial Statement Preparation

Condition: Henry County, Illinois engages Carpentier, Mitchell, Goddard & Company, LLC to assist in preparing its financial statements and accompanying disclosures.

Criteria: Elected officials and management share responsibility for Henry County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

Effect: Henry County's personnel do not have sufficient financial reporting and disclosure knowledge to perform a review of Henry County's financial statements and related disclosures to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.

Recommendation: To establish proper internal control over the preparation of its financial statements, including disclosures, Henry County should design and implement a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of Henry County's activities and operations.

HENRY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2007

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

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, 2007

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

HENRY COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN
For the Year Ended November 30, 2007

Not applicable.