

***HENRY COUNTY, ILLINOIS***

***FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITORS' REPORT***

***November 30, 2009***

**HENRY COUNTY, ILLINOIS**  
**November 30, 2009**

TABLE OF CONTENTS

	PAGE
<b><u>FINANCIAL SECTION</u></b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>MANAGEMENT DISCUSSION AND ANALYSIS</b>	3-12
<b>FINANCIAL STATEMENTS</b>	
Statement 1 – Statement of Net Assets	13
2 – Statement of Activities	14
3 – Balance Sheet – Governmental Funds	15
3 – Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
4 – Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
4 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Funds	
5 – Statement of Net Assets	19
6 – Statement of Revenues, Expenses, and Changes in Fund Net Assets	20
7 – Statement of Cash Flows	21-22
Agency Funds	
8 – Statement of Fiduciary Assets and Liabilities	23
Notes to Financial Statements	24-48

(Continued)

**HENRY COUNTY, ILLINOIS**  
**November 30, 2009**

TABLE OF CONTENTS

	PAGE
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Governmental Funds	
Exhibit 1 – General Fund	49-55
2 – County Highway Fund	56
3 – Illinois Municipal Retirement Fund	57
4 – FICA Fund	58
5 – Tort Judge and Liability Insurance Fund	59
6 – County Health Fund	60
7 – Notes to the Required Supplementary Information – Budget Comparisons	61
8 – Required Supplementary Information on Pension Plan Funding Progress	62
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Nonmajor Governmental Funds	
Exhibit 9 – Combining Balance Sheet	63-67
10 – Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68-72
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Exhibit 11 – Federal Aid Matching Fund	73
12 – County Joint Bridge Fund	74
13 – Motor Fuel Tax Fund	75
14 – Mentally Deficient Persons Fund	76
15 – 708 Mental Health Fund	77
16 – Veterans’ Assistance Commission Fund	78

(Continued)

**HENRY COUNTY, ILLINOIS**  
**November 30, 2009**

TABLE OF CONTENTS

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

(Continued)

**HENRY COUNTY, ILLINOIS**  
**November 30, 2009**

TABLE OF CONTENTS

	PAGE
Nonmajor Governmental Funds (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Exhibit 36 – Elderly Services Fund	98
37 – Camera Account	99
38 – Coroner Equipment Grant	100
39 – Election Assistance Grant	101
40 – Federal Forfeited Drug Fund	102
41 – Henry County Police Vehicle	103
42 – Organized Crime Drug Fund	104
 Agency Funds	
Exhibit 43 – Combining Statement of Changes in Assets and Liabilities	105
 <b><u>SINGLE AUDIT SECTION</u></b>	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	106-107
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	108
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 <i>GOVERNMENT AUDITING STANDARDS</i>	109-110
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	111-112
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	113-115
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	116
CORRECTIVE ACTION PLAN	117



4915 - 21st Avenue A. • Moline, Illinois 61265  
Ph. (309) 762-3626 • Fax (309) 762-4465

## 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, 2009, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Henry County, Illinois as of November 30, 2009, 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 8, 2010, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 12, budgetary comparison information on pages 49 through 61, and Illinois Municipal Retirement Fund information on page 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.

*Carpentier, Mitchell, Hodsdon & Co., P.C.*  
Moline, Illinois  
June 8, 2010

## 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, 2009. 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 FY2009 by \$90,861,382 (net assets). Of this amount, \$1,799,469 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$72,161,621 that is invested in capital assets net of related debt. With the presentation of the investment in capital assets, unrestricted net assets becomes \$16,900,292.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of \$16,230,124 currently government fund totals only; of which \$14,430,655 or 88.9% represents unreserved fund balances.
- The general fund unreserved fund balance of \$4,443,705 equals 46.1% 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, and health.

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

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

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

The County maintains the General Fund, 5 individual major governmental funds (excluding fiduciary funds), 39 nonmajor special 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 the 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 \$90,861,382 at the close of the most recent fiscal year.

Of the County's total assets of \$102,648,048 the largest components are: 1) cash and investment of \$16,075,892 or 15.7%, 2) receivables, which largely represent the deferred taxes for FY2010 of \$10,881,822 or 10.6%, and 3) capital assets net of accumulated depreciation of \$75,615,546 or 73.7%. The receivables are offset by deferred revenue since the FY2009 tax revenue is not recognized until FY2010 even though the levy takes place in FY2009. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the total liabilities of \$11,786,666, \$8,693,314 are current liabilities.

The County's net assets for fiscal year ended November 30, 2009 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Current and other assets	\$ 24,363,008	\$ 2,669,494	\$ 27,032,502
Capital assets (net of depreciation)	<u>72,257,915</u>	<u>3,357,631</u>	<u>75,615,546</u>
Total assets	<u>\$ 96,620,923</u>	<u>\$ 6,027,125</u>	<u>\$ 102,648,048</u>
Current and other liabilities	\$ 8,336,392	\$ 356,922	\$ 8,693,314
Long-term liabilities	<u>3,093,352</u>	<u>-----</u>	<u>3,093,352</u>
Total liabilities	<u>\$ 11,429,744</u>	<u>\$ 356,922</u>	<u>\$ 11,786,666</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 68,803,990	\$ 3,357,631	\$ 72,161,621
Restricted	1,799,469	-----	1,799,469
Unrestricted	<u>14,587,720</u>	<u>2,312,572</u>	<u>16,900,292</u>
Total net assets	<u>\$ 85,191,179</u>	<u>\$ 5,670,203</u>	<u>\$ 90,861,382</u>

For comparative purposes, the County's net assets for fiscal year ended November 30, 2008 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Current and other assets	\$ 25,751,164	\$ 2,436,064	\$ 28,187,228
Capital assets (net of depreciation)	<u>72,078,275</u>	<u>3,417,500</u>	<u>75,495,775</u>
Total assets	<u>\$ 97,829,439</u>	<u>\$ 5,853,564</u>	<u>\$ 103,683,003</u>
Current and other liabilities	\$ 7,669,591	\$ 416,269	\$ 8,085,860
Long-term liabilities	<u>3,484,969</u>	<u>-----</u>	<u>3,484,969</u>
Total liabilities	<u>\$ 11,154,560</u>	<u>\$ 416,269</u>	<u>\$ 11,570,829</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 68,241,372	\$ 3,401,600	\$ 71,642,972
Restricted	2,141,839	-----	2,141,839
Unrestricted	<u>16,291,668</u>	<u>2,035,695</u>	<u>18,327,363</u>
Total net assets	<u>\$ 86,674,879</u>	<u>\$ 5,437,295</u>	<u>\$ 92,112,174</u>

About 2.0% or \$1,799,469 of the County's net assets for fiscal year ended November 30, 2009 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 (\$72,161,621) 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 (\$16,900,292) may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental activities decreased the County's net assets by \$1,165,882. The key components of this decrease are the following:

- A decrease of Charges for Services of approximately \$225,000.
- A decrease of Tax Revenue of approximately \$280,000.
- A decrease of Investment Earnings of approximately \$190,000.
- A loss on disposal of capital assets of approximately \$360,000.

The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds on page 18 further details changes in net assets.

Program revenues and expenses for fiscal year ended November 30, 2009 are presented net of interfund eliminations.

### Henry County's Changes in Net Assets

	<u>Governmental Activities 2009</u>	<u>Business-Type Activities 2009</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 7,523,374	\$ 4,518,231	\$ 12,041,605
Operating grants and contributions	3,812,736	-----	3,812,736
Capital grants and contributions	548,264	-----	548,264
General revenues:			
Property taxes	6,460,242	-----	6,460,242
Other taxes	4,044,208	-----	4,044,208
Unrestricted investments earnings	435,336	32,188	467,524
Gain on sale of capital assets	<u>11,299</u>	<u>-----</u>	<u>11,299</u>
Total revenues	<u>\$ 22,835,459</u>	<u>\$ 4,550,419</u>	<u>\$ 27,385,878</u>
Expenses:			
General government	\$ 4,802,802	\$ -----	\$ 4,802,802
Public safety	5,060,863	-----	5,060,863
Education	720,980	-----	720,980
Judiciary	2,406,939	-----	2,406,939
Highways and streets	5,508,406	-----	5,508,406
Health	4,556,147	-----	4,556,147
Interest on long-term debt	134,800	-----	134,800
Nursing home	-----	4,744,469	4,744,469
Other	-----	27,539	27,539
Loss on disposal of capital assets	<u>355,907</u>	<u>-----</u>	<u>355,907</u>
Total expenses	<u>\$ 23,546,844</u>	<u>\$ 4,772,008</u>	<u>\$ 28,318,852</u>
Increase (decrease) in net assets before transfers	\$ (711,385)	\$ (221,589)	\$ (932,974)
Transfers	<u>(454,497)</u>	<u>454,497</u>	<u>-----</u>
Change in net assets	\$ (1,165,882)	\$ 232,908	\$ (932,974)
Net assets – beginning (restated)	<u>86,357,061</u>	<u>5,437,295</u>	<u>91,794,356</u>
Net assets – ending	<u>\$ 85,191,179</u>	<u>\$ 5,670,203</u>	<u>\$ 90,861,382</u>

For comparative purposes, program revenues and expenses for fiscal year ended November 30, 2008 are presented net of interfund eliminations.

### Henry County's Changes in Net Assets

	<u>Governmental Activities 2008</u>	<u>Business-Type Activities 2008</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 7,750,205	\$ 4,185,273	\$ 11,935,478
Operating grants and contributions	3,861,882	-----	3,861,882
Capital grants and contributions	403,418	-----	403,418
General revenues:			
Property taxes	6,308,783	-----	6,308,783
Other taxes	4,476,153	-----	4,476,153
Unrestricted investments earnings	622,736	46,081	668,817
Gain (loss) on sale of capital assets	<u>27,500</u>	<u>(1,357)</u>	<u>26,143</u>
Total revenues	<u>\$ 23,450,677</u>	<u>\$ 4,229,997</u>	<u>\$ 27,680,674</u>
Expenses:			
General government	\$ 4,847,215	\$ -----	\$ 4,847,215
Public safety	5,277,779	-----	5,277,779
Education	800,560	-----	800,560
Judiciary	2,417,126	-----	2,417,126
Highways and streets	5,365,528	-----	5,365,528
Health	4,481,506	-----	4,481,506
Interest on long-term debt	166,680	-----	166,680
Nursing home	-----	4,715,332	4,715,332
Other	-----	<u>9,140</u>	<u>9,140</u>
Total expenses	<u>\$ 23,356,394</u>	<u>\$ 4,724,472</u>	<u>\$ 28,080,866</u>
Increase (decrease) in net assets before transfers	\$ 94,283	\$ (494,475)	\$ (400,192)
Transfers	<u>(462,733)</u>	<u>462,733</u>	<u>-----</u>
Change in net assets	\$ (368,450)	\$ ( 31,742)	\$ (400,192)
Net assets – beginning	<u>87,043,329</u>	<u>5,469,037</u>	<u>92,512,366</u>
Net assets – ending	<u>\$ 86,674,879</u>	<u>\$ 5,437,295</u>	<u>\$ 92,112,174</u>

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

- Program revenues of \$11,884,374 equaled 50.5% of government expenses of \$23,546,844. As expected, general revenues (\$10,951,085) provided the required support and coverage for expenses.
- Approximately 23% of expenses are Highways and Streets (\$5,508,406) while this category provided about 8% of total revenues of \$22,835,459.
- Approximately 21% of the expenses are Public Safety (\$5,060,863) while this category provided about 10% of total revenues.
- Approximately 19% of expenses are Health (\$4,556,147) while this category provided about 18% of total revenues.
- General government expenses are \$4,802,802 at 20%. General government provided about 9% of total revenues.
- Grant revenues and contributions comprised about 19% 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 a bond rating of "AA".

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,230,124, a decrease of \$2,408,490 in comparison with the prior year. Approximately \$14,430,655 or 88.9% 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 \$4,443,705. As a measure of the general fund's liquidity, we compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 46.1% 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 decreased by \$421,809 during the current fiscal year.

The County Highway Fund has a fund balance of \$1,790,393, a decrease of \$2,071,560 as compared with the prior year.

The Illinois Municipal Retirement Fund has a fund balance of \$290,342, an increase of \$25,365 as compared with the prior year.

The FICA Fund has a fund balance of \$265,991, a decrease of \$4,081 as compared with the prior year.

The TORT Judge and Liability Insurance Fund has a fund balance of \$1,689,254, an increase of \$242,122 as compared with the prior year.

The County Health Fund has a fund balance of \$1,971,323, a decrease of \$123,715 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**

<u>Revenues by Source</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Taxes	\$ 9,486,304	\$ 9,751,398	\$ (265,094)	(2.7%)
Fines and fees	1,357,126	1,382,976	(25,850)	(1.9%)
Intergovernmental revenues	4,931,936	5,010,857	(78,921)	(1.6%)
Charges for services	6,046,888	6,270,596	(223,708)	(3.6%)
Investments	435,336	622,736	(187,400)	(30.1%)
Miscellaneous	<u>119,360</u>	<u>96,633</u>	<u>22,727</u>	<u>23.5%</u>
Total	<u>\$ 22,376,950</u>	<u>\$ 23,135,196</u>	<u>\$ (758,246)</u>	<u>(3.3%)</u>

Overall, total revenues decreased 3.3%.

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

**Expenditures by Function – Governmental Funds**

<u>Expenditures by Function</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
General Government	\$ 4,634,919	\$ 4,609,039	\$ 25,880	5.6%
Public Safety	4,857,599	4,916,953	(59,354)	(1.2%)
Education	737,308	792,215	(54,907)	(6.9%)
Judiciary	2,387,136	2,320,275	66,861	2.9%
Highways and streets	3,678,500	3,719,309	(40,809)	(1.1%)
Health	4,536,211	4,354,158	182,053	4.2%
Capital expenditures	2,955,140	875,824	2,079,316	237.4%
Debt service-principal	405,775	395,149	10,626	2.7%
Debt service-interest	151,371	164,410	(13,039)	(7.9%)
Debt service-bond issue costs	<u>33,100</u>	<u>-----</u>	<u>33,100</u>	<u>N/A</u>
Total	<u>\$ 24,377,059</u>	<u>\$ 22,147,332</u>	<u>\$ 2,229,727</u>	<u>10.1%</u>

Overall, total expenditures increased 10.1%, Capital expenditures increased 237.4%, due to the construction of the new asphalt plant.

**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 \$10,118,253 decreased to actual receipts of \$9,649,660 (a decrease of \$468,593).
- The total original expenditure budget of \$9,828,077 decreased to \$9,637,823 (a decrease of \$190,254).
- The total original budget for net transfers out of \$584,428 decreased to \$444,945 (a decrease of \$139,483) to transfer funds to the Capital Building Fund.

During the year, actual revenues were less than budgetary revenues and actual expenditures were less than final 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 “AA” from Standard & Poor’s.

The following represents the activity of the long-term debt of the County for FY2009.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Alternate revenue bonds	\$ 3,790,000	\$ 2,635,000	\$(2,920,000)	\$ 3,505,000
Issuance discounts	(32,703)	(31,620)	28,588	(35,735)
Deferred charge on refunding	-----	(64,720)	5,816	(58,904)
Installment contract	<u>126,756</u>	-----	<u>(40,776)</u>	<u>85,980</u>
Total	<u>\$ 3,884,053</u>	<u>\$ 2,538,660</u>	<u>\$(2,926,372)</u>	<u>\$ 3,496,341</u>

(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, 2009, net capital assets of the governmental activities totaled \$72,257,915. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation totaled \$2,660,786.

### County's Capital Assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
<b>Governmental Activities:</b>			
Land	\$ 535,987	N/A	\$ 535,987
Buildings and improvements	22,654,243	\$ 12,528,456	10,125,787
Vehicles and equipment	7,874,621	5,784,677	2,089,944
Infrastructure	<u>67,638,159</u>	<u>8,131,962</u>	<u>59,506,197</u>
<b>Total</b>	<b>\$ <u>98,703,010</u></b>	<b>\$ <u>26,445,095</u></b>	<b>\$ <u>72,257,915</u></b>
<b>Business-type Activities:</b>			
Land and land improvements	\$ 1,079,195	N/A	\$ 1,079,195
Buildings	5,669,940	\$ 3,637,349	2,032,591
Equipment	<u>1,325,033</u>	<u>1,079,188</u>	<u>245,845</u>
<b>Total</b>	<b>\$ <u>8,074,168</u></b>	<b>\$ <u>4,716,537</u></b>	<b>\$ <u>3,357,631</u></b>

The annual depreciation totaled \$310,090 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 FY2010, the County Board and management considered the following factors:

- Personnel costs, health care and IMRF costs, which make up a significant portion of the County's operating costs, continue to rise.
- State revenues are unstable plus likely decreasing and various fees of office are projected to remain stagnant or decrease.
- A major courthouse roof/clock tower renovation project continues to be considered, at an estimated cost of \$2.8M.

### 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](http://www.henrycty.com).

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**

November 30, 2009

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Emergency Telephone System Board</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,196,728	\$ 1,215,615	\$ 12,412,343	\$ 239,113
Investments	2,837,242	826,307	3,663,549	530,434
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	1,674,642	533,565	2,208,207	56,761
Property tax	6,892,834	-	6,892,834	-
Due from cities & townships	275,919	-	275,919	-
Other taxes	796,943	-	796,943	-
Loans	706,806	-	706,806	-
Accrued interest	-	1,113	1,113	581
Internal balances	(60,522)	60,522	-	-
Inventories	-	27,008	27,008	-
Prepaid items	-	5,364	5,364	-
Deferred charges	42,416	-	42,416	-
Capital assets:				
Land and land improvements	535,987	1,079,195	1,615,182	-
Other capital assets, net of depreciation	71,721,928	2,278,436	74,000,364	351,783
<b>Total assets</b>	<b>\$ 96,620,923</b>	<b>\$ 6,027,125</b>	<b>\$ 102,648,048</b>	<b>\$ 1,178,672</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 1,000,427	\$ 356,922	\$ 1,357,349	\$ 8,755
Accrued interest payable	40,142	-	40,142	-
Deferred revenue	6,892,834	-	6,892,834	-
Noncurrent liabilities:				
Due within one year	402,989	-	402,989	-
Due in more than one year	3,093,352	-	3,093,352	-
<b>Total liabilities</b>	<b>\$ 11,429,744</b>	<b>\$ 356,922</b>	<b>\$ 11,786,666</b>	<b>\$ 8,755</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 68,803,990	\$ 3,357,631	\$ 72,161,621	\$ 351,783
Restricted for:				
Maintenance of roadways	638,009	-	638,009	-
Loans	1,064,197	-	1,064,197	-
Drug enforcement	93,058	-	93,058	-
Debt service	4,205	-	4,205	-
Unrestricted	14,587,720	2,312,572	16,900,292	818,134
<b>Total net assets</b>	<b>\$ 85,191,179</b>	<b>\$ 5,670,203</b>	<b>\$ 90,861,382</b>	<b>\$ 1,169,917</b>

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended November 30, 2009

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>
<b>FUNCTION/PROGRAMS</b>				
<b>Governmental activities:</b>				
General government	\$ 4,802,802	\$ 1,526,955	\$ 467,118	\$ -
Public safety	5,060,863	2,288,374	36,453	-
Education	720,980	35,343	739,672	-
Judiciary	2,406,939	574,636	298,434	-
Highways and streets	5,508,406	1,377,903	-	447,210
Health	4,556,147	1,720,163	2,271,059	101,054
Interest on long-term debt	134,800	-	-	-
Loss on disposal of capital assets	355,907	-	-	-
<b>Total governmental activities</b>	<u>\$ 23,546,844</u>	<u>\$ 7,523,374</u>	<u>\$ 3,812,736</u>	<u>\$ 548,264</u>
<b>Business-Type activities:</b>				
Nursing home	\$ 4,744,469	\$ 4,452,657	\$ -	\$ -
Other	27,539	65,574	-	-
<b>Total business-type activities</b>	<u>\$ 4,772,008</u>	<u>\$ 4,518,231</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total primary government</b>	<u>\$ 28,318,852</u>	<u>\$ 12,041,605</u>	<u>\$ 3,812,736</u>	<u>\$ 548,264</u>
<b>Component Unit:</b>				
Emergency Telephone Systems Board	<u>\$ 493,398</u>	<u>\$ 503,007</u>	<u>\$ -</u>	<u>\$ -</u>

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

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Emergency Telephone Systems Board</b>
\$ (2,808,729)	\$ -	\$ (2,808,729)	\$ -
(2,736,036)	-	(2,736,036)	-
54,035	-	54,035	-
(1,533,869)	-	(1,533,869)	-
(3,683,293)	-	(3,683,293)	-
(463,871)	-	(463,871)	-
(134,800)	-	(134,800)	-
(355,907)	-	(355,907)	-
<u>\$ (11,662,470)</u>	<u>\$ -</u>	<u>\$ (11,662,470)</u>	<u>\$ -</u>
\$ -	\$ (291,812)	\$ (291,812)	\$ -
-	38,035	38,035	-
<u>\$ -</u>	<u>\$ (253,777)</u>	<u>\$ (253,777)</u>	<u>\$ -</u>
<u>\$ (11,662,470)</u>	<u>\$ (253,777)</u>	<u>\$ (11,916,247)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,609</u>
\$ 6,460,242	\$ -	\$ 6,460,242	\$ -
6,321	-	6,321	-
360,479	-	360,479	-
1,362,259	-	1,362,259	-
1,229,995	-	1,229,995	-
67,008	-	67,008	-
1,018,146	-	1,018,146	-
435,336	32,188	467,524	13,304
11,299	-	11,299	-
(454,497)	454,497	-	-
<u>\$ 10,496,588</u>	<u>\$ 486,685</u>	<u>\$ 10,983,273</u>	<u>\$ 13,304</u>
\$ (1,165,882)	\$ 232,908	\$ (932,974)	\$ 22,913
<u>86,357,061</u>	<u>5,437,295</u>	<u>91,794,356</u>	<u>1,147,004</u>
<u>\$ 85,191,179</u>	<u>\$ 5,670,203</u>	<u>\$ 90,861,382</u>	<u>\$ 1,169,917</u>

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

**HENRY COUNTY, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
November 30, 2009

	<u>General Fund</u>	<u>County Highway Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>FICA Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,526,731	\$ 1,620,396	\$ 360,115	\$ 325,514
Investments	1,836,207	-	-	-
Receivables:				
Accounts	575,922	6,915	-	-
Property tax	2,025,464	705,000	983,507	677,462
Due from cities and townships	-	275,919	-	-
Other taxes	676,561	-	9,472	6,618
Loans	-	-	-	-
Due from other funds	237,027	-	-	-
<b>Total assets</b>	<u><u>\$ 6,877,912</u></u>	<u><u>\$ 2,608,230</u></u>	<u><u>\$ 1,353,094</u></u>	<u><u>\$ 1,009,594</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 121,085	\$ 95,339	\$ -	\$ -
Accrued expenses	287,658	17,498	-	-
Deferred property tax revenue	2,025,464	705,000	983,507	677,462
Due to other funds	-	-	79,245	66,141
<b>Total liabilities</b>	<u><u>\$ 2,434,207</u></u>	<u><u>\$ 817,837</u></u>	<u><u>\$ 1,062,752</u></u>	<u><u>\$ 743,603</u></u>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
General fund	4,443,705	-	-	-
Special revenue funds	-	1,790,393	290,342	265,991
<b>Total fund balances</b>	<u><u>\$ 4,443,705</u></u>	<u><u>\$ 1,790,393</u></u>	<u><u>\$ 290,342</u></u>	<u><u>\$ 265,991</u></u>
<b>Total liabilities &amp; fund balances</b>	<u><u>\$ 6,877,912</u></u>	<u><u>\$ 2,608,230</u></u>	<u><u>\$ 1,353,094</u></u>	<u><u>\$ 1,009,594</u></u>

<b>Tort Judge and Liability Insurance Fund</b>	<b>County Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,678,863	\$ 530,769	\$ 4,654,350	\$ 10,696,738
-	500,000	501,035	2,837,242
-	1,044,067	47,738	1,674,642
1,229,212	190,000	1,082,189	6,892,834
-	-	-	275,919
11,963	-	92,329	796,943
-	-	706,806	706,806
-	-	-	237,027
<u>\$ 2,920,038</u>	<u>\$ 2,264,836</u>	<u>\$ 7,084,447</u>	<u>\$ 24,118,151</u>
\$ 1,572	\$ 18,847	\$ 122,146	\$ 358,989
-	84,666	9,355	399,177
1,229,212	190,000	1,082,189	6,892,834
-	-	91,641	237,027
<u>\$ 1,230,784</u>	<u>\$ 293,513</u>	<u>\$ 1,305,331</u>	<u>\$ 7,888,027</u>
\$ -	\$ -	\$ 638,009	\$ 638,009
-	-	1,064,197	1,064,197
-	-	93,058	93,058
-	-	4,205	4,205
-	-	-	4,443,705
1,689,254	1,971,323	3,979,647	9,986,950
<u>\$ 1,689,254</u>	<u>\$ 1,971,323</u>	<u>\$ 5,779,116</u>	<u>\$ 16,230,124</u>
<u>\$ 2,920,038</u>	<u>\$ 2,264,836</u>	<u>\$ 7,084,447</u>	<u>\$ 24,118,151</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
November 30, 2009

---

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

Total fund balance - governmental funds	\$ 16,230,124
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	72,257,915
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	197,207
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(3,494,067)</u>
Net assets of governmental activities	<u>\$ 85,191,179</u>

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended November 30, 2009

	<u>General Fund</u>	<u>County Highway Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>FICA Fund</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 1,940,503	\$ 668,022	\$ 793,756	\$ 676,002
Tax increment	-	-	-	-
Replacement	119,736	41,311	50,345	41,403
Sales	1,362,259	-	-	-
State income	1,229,995	-	-	-
Other	67,008	-	-	-
Fines and fees	1,051,489	-	-	-
Intergovernmental	1,594,278	-	-	-
Charges for services	2,053,577	1,198,148	-	-
Investment income	230,815	64,357	7,160	6,131
Miscellaneous	-	5,537	-	-
Total revenues	<u>\$ 9,649,660</u>	<u>\$ 1,977,375</u>	<u>\$ 851,261</u>	<u>\$ 723,536</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 2,616,241	\$ -	\$ 83,997	\$ 94,065
Public safety	3,813,772	-	454,815	231,023
Education	638,463	-	42,508	36,874
Judiciary	2,153,215	-	114,270	119,651
Highways and streets	-	1,790,009	41,284	70,737
Health	-	-	144,868	200,170
Capital expenditures	399,932	2,250,926	-	-
Debt service:				
Principal	13,722	-	-	-
Interest	2,478	-	-	-
Bond issue costs	-	-	-	-
Total expenditures	<u>\$ 9,637,823</u>	<u>\$ 4,040,935</u>	<u>\$ 881,742</u>	<u>\$ 752,520</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 11,837</u>	<u>\$ (2,063,560)</u>	<u>\$ (30,481)</u>	<u>\$ (28,984)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,609	\$ -	\$ 213,159	\$ 236,169
Transfers out	(446,554)	(8,000)	(157,313)	(211,266)
Sale of capital assets	11,299	-	-	-
Refunding bonds issued	-	-	-	-
Discount on bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>\$ (433,646)</u>	<u>\$ (8,000)</u>	<u>\$ 55,846</u>	<u>\$ 24,903</u>
Net change in fund balances	<u>\$ (421,809)</u>	<u>\$ (2,071,560)</u>	<u>\$ 25,365</u>	<u>\$ (4,081)</u>
FUND BALANCES - Beginning	<u>4,865,514</u>	<u>3,861,953</u>	<u>264,977</u>	<u>270,072</u>
FUND BALANCES - Ending	<u>\$ 4,443,705</u>	<u>\$ 1,790,393</u>	<u>\$ 290,342</u>	<u>\$ 265,991</u>

<b>Tort Judge and Liability Insurance Fund</b>	<b>County Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,164,191	\$ 179,982	\$ 1,037,786	\$ 6,460,242
-	-	6,321	6,321
71,908	-	35,776	360,479
-	-	-	1,362,259
-	-	-	1,229,995
-	-	-	67,008
-	-	305,637	1,357,126
-	2,271,059	1,066,599	4,931,936
-	1,710,120	1,085,043	6,046,888
16,742	24,700	85,431	435,336
-	10,043	103,780	119,360
<u>\$ 1,252,841</u>	<u>\$ 4,195,904</u>	<u>\$ 3,726,373</u>	<u>\$ 22,376,950</u>
\$ 898,560	\$ -	\$ 942,056	\$ 4,634,919
-	-	357,989	4,857,599
-	-	19,463	737,308
-	-	-	2,387,136
-	-	1,776,470	3,678,500
-	3,748,232	442,941	4,536,211
-	234,085	70,197	2,955,140
-	-	392,053	405,775
-	-	148,893	151,371
-	-	33,100	33,100
<u>\$ 898,560</u>	<u>\$ 3,982,317</u>	<u>\$ 4,183,162</u>	<u>\$ 24,377,059</u>
\$ 354,281	\$ 213,587	\$ (456,789)	\$ (2,000,109)
\$ -	\$ -	\$ 951,511	\$ 1,402,448
(112,159)	(337,302)	(584,351)	(1,856,945)
-	-	-	11,299
-	-	2,635,000	2,635,000
-	-	(31,620)	(31,620)
-	-	(2,568,563)	(2,568,563)
<u>\$ (112,159)</u>	<u>\$ (337,302)</u>	<u>\$ 401,977</u>	<u>\$ (408,381)</u>
\$ 242,122	\$ (123,715)	\$ (54,812)	\$ (2,408,490)
1,447,132	2,095,038	5,833,928	18,638,614
<u>\$ 1,689,254</u>	<u>\$ 1,971,323</u>	<u>\$ 5,779,116</u>	<u>\$ 16,230,124</u>

(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, 2009

---

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

Net change in fund balance - total governmental funds	\$ (2,408,490)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	406,156
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	447,210
The net effect of transactions involving capital assets (i.e., disposals) is to decrease net assets.	(355,907)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	404,058
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.	7,874
Internal service funds are used by management to charge the costs of insurance to individual funds. The net income of certain activities of internal service funds is reported with governmental activities.	<u>333,217</u>
Change in net assets of governmental activities	<u><u>\$ (1,165,882)</u></u>

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
November 30, 2009

	<b>Business-type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Hillcrest Nursing Home Fund</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total Business- Type Activities</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,080,329	\$ 135,286	\$ 1,215,615	\$ 499,990
Investments	826,307	-	826,307	-
Accounts receivable (net, where applicable, of allowance for uncollectibles)	533,565	-	533,565	-
Accrued interest	1,113	-	1,113	-
Inventories	27,008	-	27,008	-
Prepaid items	5,364	-	5,364	-
Total current assets	<u>\$ 2,473,686</u>	<u>\$ 135,286</u>	<u>\$ 2,608,972</u>	<u>\$ 499,990</u>
Noncurrent assets:				
Capital assets:				
Land and land improvements	\$ 279,195	\$ 800,000	\$ 1,079,195	\$ -
Buildings and equipment	6,994,973	-	6,994,973	-
Less accumulated depreciation	(4,716,537)	-	(4,716,537)	-
Total capital assets (net of accumulated depreciation)	<u>\$ 2,557,631</u>	<u>\$ 800,000</u>	<u>\$ 3,357,631</u>	<u>\$ -</u>
Total assets	<u>\$ 5,031,317</u>	<u>\$ 935,286</u>	<u>\$ 5,966,603</u>	<u>\$ 499,990</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 182,499	\$ -	\$ 182,499	\$ 242,261
Accrued payroll	167,578	-	167,578	-
Other accrued liabilities	6,845	-	6,845	-
Total current liabilities	<u>\$ 356,922</u>	<u>\$ -</u>	<u>\$ 356,922</u>	<u>\$ 242,261</u>
<b>NET ASSETS</b>				
Invested in capital assets	\$ 2,557,631	\$ 800,000	\$ 3,357,631	\$ -
Unrestricted	2,116,764	135,286	2,252,050	257,729
Total net assets	<u>\$ 4,674,395</u>	<u>\$ 935,286</u>	<u>\$ 5,609,681</u>	<u>\$ 257,729</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>60,522</u>	
Net assets of business-type activities			<u>\$ 5,670,203</u>	

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**

For the Year Ended November 30, 2009

	<b>Business-type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Hillcrest Nursing Home Fund</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total Business- Type Activities</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for service	\$ 4,314,715	\$ -	\$ 4,314,715	\$ 2,524,238
Rental income	-	65,569	65,569	-
Other	137,942	5	137,947	201,238
Total operating revenues	<u>\$ 4,452,657</u>	<u>\$ 65,574</u>	<u>\$ 4,518,231</u>	<u>\$ 2,725,476</u>
<b>OPERATING EXPENSES</b>				
General services	\$ 1,175,313	\$ 27,539	\$ 1,202,852	\$ -
Health care	2,843,647	-	2,843,647	-
Administration and claims	508,009	-	508,009	2,300,433
Depreciation	310,090	-	310,090	-
Total operating expenses	<u>\$ 4,837,059</u>	<u>\$ 27,539</u>	<u>\$ 4,864,598</u>	<u>\$ 2,300,433</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (384,402)</u>	<u>\$ 38,035</u>	<u>\$ (346,367)</u>	<u>\$ 425,043</u>
<b>NONOPERATING REVENUE</b>				
Investment income	32,188	-	32,188	764
Income (loss) before transfers	<u>\$ (352,214)</u>	<u>\$ 38,035</u>	<u>\$ (314,179)</u>	<u>\$ 425,807</u>
TRANSFERS IN	479,130	-	479,130	-
TRANSFERS OUT	<u>(24,633)</u>	<u>-</u>	<u>(24,633)</u>	<u>-</u>
CHANGES IN NET ASSETS	<u>\$ 102,283</u>	<u>\$ 38,035</u>	<u>\$ 140,318</u>	<u>\$ 425,807</u>
TOTAL NET ASSETS - Beginning	<u>4,572,112</u>	<u>897,251</u>		<u>(168,078)</u>
TOTAL NET ASSETS - Ending	<u><u>\$ 4,674,395</u></u>	<u><u>\$ 935,286</u></u>		<u><u>\$ 257,729</u></u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>92,590</u>	
Change in net assets of business-type activities			<u><u>\$ 232,908</u></u>	

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended November 30, 2009

	Business-type Activities Enterprise Funds			Governmental Activities
	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business- Type Activities	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 4,493,858	\$ 65,574	\$ 4,559,432	\$ -
Receipts from interfund services provided	-	-	-	2,524,238
Other receipts	137,942	-	137,942	201,238
Payments to suppliers	(1,383,061)	(4,539)	(1,387,600)	(2,283,986)
Payments to employees	(2,978,731)	-	(2,978,731)	-
Payments for interfund services used	(363,613)	(23,000)	(386,613)	-
Net cash provided (used) by operating activities	<u>\$ (93,605)</u>	<u>\$ 38,035</u>	<u>\$ (55,570)</u>	<u>\$ 441,490</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	\$ 479,130	\$ -	\$ 479,130	\$ -
Transfers to other funds	(24,633)	-	(24,633)	-
Net cash provided by noncapital financing activities	<u>\$ 454,497</u>	<u>\$ -</u>	<u>\$ 454,497</u>	<u>\$ -</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	\$ (250,221)	\$ -	\$ (250,221)	\$ -
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	\$ 33,097	\$ -	\$ 33,097	\$ 764
Purchase of investments	(16,609)	-	(16,609)	-
Net cash provided by investing activities	<u>\$ 16,488</u>	<u>\$ -</u>	<u>\$ 16,488</u>	<u>\$ 764</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 127,159	\$ 38,035	\$ 165,194	\$ 442,254
CASH AND CASH EQUIVALENTS - Beginning	<u>953,170</u>	<u>97,251</u>	<u>1,050,421</u>	<u>57,736</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 1,080,329</u>	<u>\$ 135,286</u>	<u>\$ 1,215,615</u>	<u>\$ 499,990</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended November 30, 2009

	<b>Business-type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Hillcrest Nursing Home Fund</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total Business- Type Activities</b>	<b>Internal Service Fund</b>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (384,402)	\$ 38,035	\$ (346,367)	\$ 425,043
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	310,090	-	310,090	-
(Increase) decrease in:				
Accounts receivables	41,201	-	41,201	-
Inventories	(1,537)	-	(1,537)	-
Prepaid items	390	-	390	-
Increase (decrease) in:				
Accounts payable	(64,761)	-	(64,761)	16,447
Accrued expenses	5,414	-	5,414	-
Net cash provided (used) by operating activities	<u>\$ (93,605)</u>	<u>\$ 38,035</u>	<u>\$ (55,570)</u>	<u>\$ 441,490</u>

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
November 30, 2009

---

	<u>Total Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 1,807,129
Investments	166,783
Accounts receivable	<u>146,986</u>
Total assets	<u>\$ 2,120,898</u>
 <b><u>LIABILITIES</u></b>	
Due to others	<u>\$ 2,120,898</u>

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

**HENRY COUNTY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**

November 30, 2009

**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.

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - (Continued)

#### 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 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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - (Continued)

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.

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - (Continued)

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.

#### 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."

**NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - (Continued)

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.

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 2009 tax levy is budgeted for fiscal year 2010, the revenue from this tax levy is deferred.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - (Continued)

#### 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.

#### 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.

#### NET ASSETS -

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted by enabling legislation includes \$638,009 for motor fuel tax projects, \$1,064,197 for loans, \$93,058 for drug enforcement and \$4,205 for debt service.

The County first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - (Continued)

USE OF ESTIMATES -

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

**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 \$3,494,067 difference are as follows:

Bonds payable	\$ 3,505,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(58,904)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(42,416)
Less: Issuance discount (to be amortized as interest expense)	(35,735)
Accrued interest payable	40,142
Capital lease payable	<u>85,980</u>
	<u>\$ 3,494,067</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - (Continued)

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 \$406,156 difference are as follows:

Capital expenditures	\$ 3,066,942
Depreciation expense	<u>(2,660,786)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>406,156</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$404,058 difference are as follows:

Debt incurred:	
Issuance of general obligation bonds	\$(2,635,000)
Less: Issuance of costs	33,100
Less: Discount	31,620
Principal repayments:	
General obligation debt	405,775
Payment to escrow agent for refunding	<u>2,568,563</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>404,058</u>

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 \$7,874 difference are as follows:

Accrued interest	\$ 28,955
Amortization of deferred charge on refunding	(5,816)
Amortization of issuance costs	(8,697)
Amortization of bond discounts	<u>(6,568)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>7,874</u>

## NOTES TO FINANCIAL STATEMENTS

### 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 – CASH AND INVESTMENTS

Cash and investments as of November 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:

County Funds:	
Cash and cash equivalents	\$12,412,343
Investments	3,663,549
Fiduciary Funds:	
Cash and cash equivalents	1,807,129
Investments	166,783
Component Unit - Emergency Telephone System Board:	
Cash and cash equivalents	239,113
Investments	<u>530,434</u>
Total cash and investments	<u>\$18,819,351</u>

Cash and investments as of November 30, 2009 consist of the following:

Cash on hand	\$ 5,247
Deposits with financial institutions	14,453,338
Investments	<u>4,360,766</u>
Total cash and investments	<u>\$18,819,351</u>

**NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. In accordance with its investment policy, the County limits its exposure to interest rate risk by structuring the portfolio to maximize yields while maintaining safety of principal. The County shall seek to attain a market average or better rate of return throughout budgetary and economic cycles, taking into account risk, constraints, cash flow, and legal restrictions on investments.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

<u>Investment Type</u>	<u>Other Funds</u>	<u>Fiduciary Funds</u>	<u>Component Unit</u>	<u>Total</u>	<u>Investment Maturities (in years)</u>
		<u>Agency</u>	<u>Emergency Telephone System Board</u>		<u>Less than 1</u>
Certificates of deposit	\$3,309,698	\$ - - -	\$ 500,000	\$ 3,809,698	\$ 3,809,698
Illinois Funds	<u>353,851</u>	<u>166,783</u>	<u>30,434</u>	<u>551,068</u>	<u>551,068</u>
Total	<u>\$3,663,549</u>	<u>\$ 166,783</u>	<u>\$ 530,434</u>	<u>\$ 4,360,766</u>	<u>\$ 4,360,766</u>

*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;

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – (Continued)

- 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.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

During the year ended November 30, 2009, the County complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

#### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The County limits its exposure to credit risk by investing in securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government and investing in the Illinois Funds "AAA" rated funds. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization and the actual rating as of year end for each investment type.

**NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - (Continued)

<u>Investment Type</u>	<u>Other Funds</u>	<u>Fiduciary Funds</u>	<u>Component Unit</u>	<u>Total</u>	<u>Rating as of Year End</u>	
		<u>Agency</u>	<u>Emergency Telephone System Board</u>		<u>AAAm</u>	<u>NR</u>
Certificates of deposit	\$ 3,309,698	\$ - - -	\$ 500,000	\$3,809,698	\$ - - -	\$3,809,698
Illinois Funds	<u>353,851</u>	<u>166,783</u>	<u>30,434</u>	<u>551,068</u>	<u>551,068</u>	<u>- - -</u>
Total	<u>\$ 3,663,549</u>	<u>\$ 166,783</u>	<u>\$ 530,434</u>	<u>\$ 4,360,766</u>	<u>\$ 551,068</u>	<u>\$3,809,698</u>

*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 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, 2009, the carrying amount of the County's deposits including certificates of deposit with financial institutions totaled \$17,523,923 with the bank balances totaling \$18,335,887. The bank balances of \$18,335,887 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 and certificates of deposit totaling \$739,113 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.

**NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – (Continued)

*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, 2009, 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:

	<u>General Fund</u>	<u>County Highway Fund</u>	<u>Illinois Municipal Retirement Fund</u>
Receivables:			
Accounts	\$ 575,922	\$ 6,915	\$ - - -
Property tax	2,025,464	705,000	983,507
Due from cities and townships	- - -	275,919	- - -
Other taxes	676,561	- - -	9,472
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Gross receivables	<u>\$ 3,277,947</u>	<u>\$ 987,834</u>	<u>\$ 992,979</u>
Less: allowance for uncollectibles	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>
Net total receivables	<u>\$ 3,277,947</u>	<u>\$ 987,834</u>	<u>\$ 992,979</u>

**NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – (Continued)

	FICA Fund	Tort Judge and Liability Insurance Fund	County Health Fund
Receivables:			
Accounts	\$ - - -	\$ - - -	\$ 1,044,067
Property tax	677,462	1,229,212	190,000
Due from cities and townships	- - -	- - -	- - -
Other taxes	6,618	11,963	- - -
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Gross receivables	\$ 684,080	\$ 1,241,175	\$ 1,234,067
Less: allowance for uncollectibles	- - -	- - -	- - -
Net total receivables	\$ 684,080	\$ 1,241,175	\$ 1,234,067
	Hillcrest Nursing Home Fund	Nonmajor and Other Funds	Total
Receivables:			
Accounts	\$ 553,565	\$ 194,724	\$ 2,375,193
Property tax	- - -	1,082,189	6,892,834
Due from cities and townships	- - -	- - -	275,919
Other taxes	- - -	92,329	796,943
Loans	- - -	706,806	706,806
Accrued interest	1,113	- - -	1,113
Gross receivables	\$ 554,678	\$ 2,076,048	\$ 11,048,808
Less: allowance for uncollectibles	20,000	- - -	20,000
Net total receivables	\$ 534,678	\$ 2,076,048	\$ 11,028,808

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 \$6,892,834.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended November 30, 2009:

Primary Government:

	<u>Beginning Balance, As Restated*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>399,987</u>	\$ <u>136,000</u>	\$ <u>    - - -</u>	\$ <u>535,987</u>
Capital assets, being depreciated:				
Buildings	\$ 21,117,173	\$ 2,161,468	\$ 624,398	\$ 22,654,243
Vehicles and equipment	7,660,638	657,671	443,688	7,874,621
Infrastructure	<u>67,079,147</u>	<u>559,012</u>	<u>    - - -</u>	<u>67,638,159</u>
Total capital assets being depreciated	\$ <u>95,856,958</u>	\$ <u>3,378,151</u>	\$ <u>1,068,086</u>	\$ <u>98,167,023</u>
Less accumulated depreciation for:				
Buildings	\$ 12,451,776	\$ 345,171	\$ 268,491	\$ 12,528,456
Vehicles and equipment	5,606,570	621,795	443,688	5,784,677
Infrastructure	<u>6,438,142</u>	<u>1,693,820</u>	<u>    - - -</u>	<u>8,131,962</u>
Total accumulated depreciation	\$ <u>24,496,488</u>	\$ <u>2,660,786</u>	\$ <u>712,179</u>	\$ <u>26,445,095</u>
Total capital assets, being depreciated, net	\$ <u>71,360,470</u>	\$ <u>717,365</u>	\$ <u>355,907</u>	\$ <u>71,721,928</u>
Governmental activities capital assets, net	\$ <u>71,760,457</u>	\$ <u>853,365</u>	\$ <u>355,907</u>	\$ <u>72,257,915</u>

\* Beginning balances as of December 1, 2008 have been restated to reduce infrastructure assets by \$319,821 and accumulated depreciation by \$2,003 due to prior year errors.

**NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 801,000	\$ - - -	\$ - - -	\$ 801,000
Land improvements	<u>227,720</u>	<u>50,475</u>	<u>- - -</u>	<u>278,195</u>
Total capital assets, not being depreciated	<u>\$ 1,028,720</u>	<u>\$ 50,475</u>	<u>\$ - - -</u>	<u>\$ 1,079,195</u>
Capital assets, being depreciated:				
Buildings	\$ 5,500,580	\$ 169,360	\$ - - -	\$ 5,669,940
Equipment	<u>1,294,647</u>	<u>30,386</u>	<u>- - -</u>	<u>1,325,033</u>
Total capital assets being depreciated	<u>\$ 6,795,227</u>	<u>\$ 199,746</u>	<u>\$ - - -</u>	<u>\$ 6,994,973</u>
Less accumulated depreciation for:				
Buildings	\$ 3,371,358	\$ 265,991	\$ - - -	\$ 3,637,349
Equipment	<u>1,035,089</u>	<u>44,099</u>	<u>- - -</u>	<u>1,079,188</u>
Total accumulated depreciation	<u>\$ 4,406,447</u>	<u>\$ 310,090</u>	<u>\$ - - -</u>	<u>\$ 4,716,537</u>
Total capital assets, being depreciated, net	<u>\$ 2,388,780</u>	<u>\$ (110,344)</u>	<u>\$ - - -</u>	<u>\$ 2,278,436</u>
Business-type activities capital assets, net	<u>\$ 3,417,500</u>	<u>\$ (59,869)</u>	<u>\$ - - -</u>	<u>\$ 3,357,631</u>

**NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – (Continued)

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

Governmental activities:		
General government		\$ 200,897
Public safety		305,353
Judiciary		72,858
Highways and streets		1,973,015
Health		<u>108,663</u>
Total depreciation expense – governmental activities		\$ <u>2,660,786</u>
Business-type activities:		
Hillcrest Nursing Home Fund		\$ <u>310,090</u>

DISCRETELY PRESENTED COMPONENT UNIT –

Activity for the Emergency Telephone System Board for the year ended November 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Equipment	\$ 1,164,595	\$ 135,242	\$ - - -	\$ 1,299,837
Less accumulated depre- ciation for equipment	<u>850,678</u>	<u>97,376</u>	<u>- - -</u>	<u>948,054</u>
Emergency Telephone System Board capital assets, net	\$ <u>313,917</u>	\$ <u>37,866</u>	\$ <u>- - -</u>	\$ <u>351,783</u>

**NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of November 30, 2009, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Illinois Municipal Retirement Fund	\$ 79,245
	FICA Fund	66,141
	Nonmajor Governmental Funds	<u>91,641</u>
		\$ <u>237,027</u>

**NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - (Continued)

The composition of interfund transfers as of November 30, 2009 is as follows:

Transfer Out:	Transfer In:		
	General Fund	Illinois Municipal Retirement Fund	FICA Fund
General Fund	\$ ---	\$ ---	\$ ---
County Highway Fund	---	8,000	---
Illinois Municipal Retirement Fund	1,608	---	---
FICA Fund	---	---	---
Tort Judge and Liability Insurance Fund	---	---	---
County Health Fund	---	136,352	200,950
Nonmajor Governmental	1	44,174	35,219
Hillcrest Nursing Home Fund	---	24,633	---
Total	\$ 1,609	\$ 213,159	\$ 236,169

Transfer Out:	Transfer In:		
	Nonmajor Govern- mental	Hillcrest Nursing Home Fund	Total
General Fund	\$ 446,554	\$ ---	\$ 446,554
County Highway Fund	---	---	8,000
Illinois Municipal Retirement Fund	---	155,705	157,313
FICA Fund	---	211,266	211,266
Tort Judge and Liability Insurance Fund	---	112,159	112,159
County Health Fund	---	---	337,302
Nonmajor Governmental	504,957	---	584,351
Hillcrest Nursing Home Fund	---	---	24,633
Total	\$ 951,511	\$ 479,130	\$ 1,881,578

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 – LONG-TERM DEBT

General obligation alternate revenue refunding bonds, Series 2009 totaling \$2,635,000 remain outstanding from the original issue of \$2,635,000 dated June 25, 2009. 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
2010	1.00%	\$ 285,000	\$ 55,222	\$ 340,222
2011	1.35	320,000	53,255	373,255
2012	1.80	320,000	48,215	368,215
2013	2.10	325,000	41,922	366,922
2014	2.40	335,000	34,490	369,490
2015	2.70	345,000	25,813	370,813
2016	2.90	350,000	16,080	366,080
2017	3.10	<u>355,000</u>	<u>5,502</u>	<u>360,502</u>
		<u>\$ 2,635,000</u>	<u>\$ 280,499</u>	<u>\$ 2,915,499</u>

General obligation alternate revenue refunding bonds totaling \$870,000 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
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
2013	3.70	105,000	20,705	125,705
2014	3.85	110,000	16,645	126,645

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 – (Continued)

<u>For the Year Ending November 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	3.95	115,000	12,256	127,256
2016	4.05	120,000	7,555	127,555
2017	4.10	<u>125,000</u>	<u>2,562</u>	<u>127,562</u>
		<u>\$ 870,000</u>	<u>\$ 143,137</u>	<u>\$ 1,013,137</u>

The County has entered into two lease agreements as lessee for financing the acquisition of computer equipment and a phone system. The lease agreements qualify as capital leases for accounting purposes and, therefore, have 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 leases as of November 30, 2009:

	<u>Computer Equipment</u>	<u>Phone System</u>	<u>Total</u>
Cost	\$ 128,169	\$ 72,875	\$ 201,044
Less: Accumulated depreciation	<u>96,127</u>	<u>18,219</u>	<u>114,346</u>
Total	<u>\$ 32,042</u>	<u>\$ 54,656</u>	<u>\$ 86,698</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of November 30, 2009 were as follows:

<u>Year Ending November 30</u>	
2010	\$ 47,400
2011	24,000
2012	16,200
2013	<u>4,050</u>
Total minimum lease payments	\$ 91,650
Less: Amount representing interest	<u>5,670</u>
Present value of minimum lease payments	<u>\$ 85,980</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 – (Continued)

Long-term liability activity for the year ended November 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General Obligation bonds	\$ 3,790,000	\$ 2,635,000	\$(2,920,000)	\$ 3,505,000	\$ 380,000
Less deferred amounts:					
For issuance discounts	(32,703)	(31,620)	28,588	(35,735)	(7,860)
For refunding	- - -	(64,720)	5,816	(58,904)	(12,786)
Total bonds payable	\$ 3,757,297	\$ 2,538,660	\$(2,885,596)	\$ 3,410,361	\$ 359,354
Capital lease	126,756	- - -	(40,776)	85,980	43,635
Governmental activity long-term liabilities	\$ <u>3,884,053</u>	\$ <u>2,538,660</u>	\$ <u>(2,926,372)</u>	\$ <u>3,496,341</u>	\$ <u>402,989</u>

#### Debt Refunding

In June 2009, the County issued General Obligation Alternate Refunding Bonds in total principal amount of \$2,635,000. The net proceeds of which totaled \$2,568,563 were deposited in an escrow fund to defease \$2,555,000 in 2002 General Obligation Alternate Bonds. The County reduced its total debt service payments over the life of the bonds by \$100,943 and obtained an economic gain (difference between present values of the debt service payments on the old debt and the new debt) of \$90,381.

### NOTE 9 – DEFINED BENEFIT PENSION PLANS

#### Plan Description -

Henry County's defined benefit pension plans for Regular, Sheriff's Law Enforcement Personnel (SLEP), and Bureau/Henry/Stark ROE #28 employees provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Henry County's plans are affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained on-line at [www.imrf.org](http://www.imrf.org).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9 – (Continued)

#### Funding Policy -

As set by statute, Henry County's Regular, SLEP, and Bureau/Henry/Stark ROE #28 plan members are required to contribute 4.50, 7.50 and 4.50 percent, respectively, of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar year 2008 were 7.58, 16.18, and 10.19 percent, respectively, of annual covered payroll. Henry County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### Annual Pension Cost -

For 2008, Henry County's annual pension costs of \$574,026, \$477,978, and \$49,463, for Regular, SLEP, and Bureau/Henry/Stark ROE #28 plan, respectively, were equal to Henry County's required and actual contributions.

#### Three-Year Trend Information -

##### Regular Members:

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 574,026	100%	\$ - - -
12/31/07	568,910	100%	- - -
12/31/06	612,344	100%	- - -

##### SLEP Members:

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 477,978	100%	\$ - - -
12/31/07	424,279	100%	- - -
12/31/06	404,288	100%	- - -

##### Bureau/Henry/Stark ROE #28 Members:

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 49,463	100%	\$ - - -
12/31/07	37,757	100%	- - -
12/31/06	29,108	100%	- - -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9 – (Continued)

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% investment rate of return (net of administrative and direct investment 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 Henry County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Henry County's Regular plan's overfunded and Henry County's SLEP and Bureau/Henry/Stark ROE #28 plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

#### Funded Status and Funding Progress –

##### Regular members:

As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 87.51 percent funded. The actuarial accrued liability for benefits was \$22,560,311 and the actuarial value of assets was \$19,742,413, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,817,898. The covered payroll (annual payroll of active employees covered by the plan) was \$7,572,905 and the ratio of the UAAL to the covered payroll was 37%.

##### SLEP members:

As of December 31, 2008, the most recent actuarial valuation date, the SLEP plan was 71.47 percent funded. The actuarial accrued liability for benefits was \$10,171,388 and the actuarial value of assets was \$7,269,998, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,901,390. The covered payroll (annual payroll of active employees covered by the plan) was \$2,954,127 and the ratio of the UAAL to the covered payroll was 98 percent.

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

As of December 31, 2008, the most recent actuarial valuation date, the Bureau/Henry/Stark ROE #28 plan was 86.97 percent funded. The actuarial accrued liability for benefits was \$424,909 and the actuarial value of assets was \$369,562, resulting in an underfunded actuarial accrued liability (UAAL) of \$55,347. The covered payroll (annual payroll of active employees covered by the plan) was \$485,409 and the ratio of the UAAL to the covered payroll was 11 percent.

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

## NOTES TO FINANCIAL STATEMENTS

### 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, 2008 and 2009 are as follows:

	Health Insurance	
	2007-2008	2008-2009
Unpaid claims, beginning of year	\$ 215,936	\$ 225,814
Incurred claims (including IBNRs)	2,495,783	2,300,433
Claim payments	<u>(2,485,905)</u>	<u>(2,283,986)</u>
Unpaid claims, end of year	\$ <u>225,814</u>	\$ <u>242,261</u>

### 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12 – (Continued)

#### 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 – RESTATED NET ASSETS

Beginning net assets of the governmental activities was decreased by \$317,818 to correct for prior year errors related to infrastructure capital assets.

## **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**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Fines			
Traffic	\$ 500,000	\$ 500,000	\$ 395,625
Criminal	500,000	500,000	596,237
Total fines	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 991,862</u>
Fees			
Licenses and permits - building and zoning	\$ 63,224	\$ 63,224	\$ 59,627
Taxes			
Property - corporate	\$ 1,948,597	\$ 1,948,597	\$ 1,940,503
Sales	200,000	200,000	214,993
Sales 1/4 supplement	1,050,000	1,050,000	961,387
Use	205,000	205,000	185,879
State income	1,550,000	1,550,000	1,229,995
State inheritance tax	20,000	20,000	67,008
State corporate replacement taxes	177,184	177,184	119,736
Total taxes	<u>\$ 5,150,781</u>	<u>\$ 5,150,781</u>	<u>\$ 4,719,501</u>
Intergovernmental Revenue			
State reimbursements	\$ 488,977	\$ 489,477	\$ 346,726
Illinois State Board of Education Grant	692,235	692,235	663,599
Stark County ROE	10,945	10,945	10,945
Bureau County ROE	65,128	65,128	65,128
Aid to Dependent Children	4,000	4,000	-
Illinois Emergency Management Agency	6,000	6,000	6,328
Transportation Grant	91,332	91,332	469,257
State Aid Victim Witness Coordination	22,000	22,000	22,000
Illinois Clean Energy - lighting upgrade grant	-	-	10,295
Federal Medicaid reimbursements - Juvenile	2,500	2,500	-
Total intergovernmental revenue	<u>\$ 1,383,117</u>	<u>\$ 1,383,617</u>	<u>\$ 1,594,278</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

<b>REVENUES - (continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Charges for Services			
State's attorney	\$ 24,000	\$ 24,000	\$ 36,593
County clerk and recorder	503,700	503,700	422,738
Circuit clerk	500,000	500,000	484,705
Sheriff	140,000	145,000	117,820
Sheriff reimbursements	61,500	72,384	85,842
Sheriff's business plan			
House prisoners	720,145	720,145	600,836
Other	75,000	75,000	32,659
Other	238,786	238,786	272,384
Total charges for services	<u>\$ 2,263,131</u>	<u>\$ 2,279,015</u>	<u>\$ 2,053,577</u>
Investment income			
Investment	\$ 157,000	\$ 157,000	\$ 105,300
Collector	101,000	101,000	125,515
Total investment income	<u>\$ 258,000</u>	<u>\$ 258,000</u>	<u>\$ 230,815</u>
Total revenues	<u>\$ 10,118,253</u>	<u>\$ 10,134,637</u>	<u>\$ 9,649,660</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

<b>EXPENDITURES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
County Board			
Personnel services	\$ 150,202	\$ 149,702	\$ 148,787
Supplies	425	425	408
Other services and charges	26,000	27,640	27,198
Total county board	<u>\$ 176,627</u>	<u>\$ 177,767</u>	<u>\$ 176,393</u>
County Buildings			
Personnel services	\$ 89,706	\$ 90,041	\$ 89,025
Supplies	7,000	7,000	6,421
Other services and charges	409,317	408,982	359,331
Equipment	500	500	500
Debt service - principal	-	-	13,722
Debt service - interest	-	-	2,478
Total county buildings	<u>\$ 506,523</u>	<u>\$ 506,523</u>	<u>\$ 471,477</u>
County Clerk and Recorder			
Personnel services	\$ 285,255	\$ 285,255	\$ 257,811
Supplies	5,000	4,946	2,924
Other services and charges	154,220	154,274	124,198
Equipment	5,300	5,300	4,818
Total county clerk and recorder	<u>\$ 449,775</u>	<u>\$ 449,775</u>	<u>\$ 389,751</u>
County Treasurer			
Personnel services	\$ 133,148	\$ 134,013	\$ 129,556
Supplies	17,700	17,700	16,513
Other services and charges	14,920	14,055	10,854
Total county treasurer	<u>\$ 165,768</u>	<u>\$ 165,768</u>	<u>\$ 156,923</u>
Supervisor of Assessments			
Personnel services	\$ 199,390	\$ 199,390	\$ 194,587
Supplies	4,500	4,500	2,905
Other services and charges	31,350	31,350	24,976
Total supervisor of assessments	<u>\$ 235,240</u>	<u>\$ 235,240</u>	<u>\$ 222,468</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

<b>EXPENDITURES - (Continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Microfilm			
Personnel services	\$ 8,000	\$ 8,000	\$ 7,917
Supplies	250	250	57
Equipment	250	250	-
Total microfilm	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 7,974</u>
Regional Office Education			
Personnel services	\$ 666,959	\$ 666,959	\$ 550,579
Supplies	3,000	1,000	1,108
Other services and charges	79,500	82,500	79,876
Equipment	8,100	7,100	6,900
Total regional office education	<u>\$ 757,559</u>	<u>\$ 757,559</u>	<u>\$ 638,463</u>
Information Services			
Personnel services	\$ 104,767	\$ 104,767	\$ 101,270
Supplies	13,350	13,350	12,584
Other services and charges	15,785	15,785	11,283
Total information services	<u>\$ 133,902</u>	<u>\$ 133,902</u>	<u>\$ 125,137</u>
Voter Registration/Elections			
Personnel services	\$ 107,063	\$ 107,063	\$ 100,962
Supplies	20,375	20,375	18,109
Other services and charges	122,415	122,415	121,351
Total voter registration/elections	<u>\$ 249,853</u>	<u>\$ 249,853</u>	<u>\$ 240,422</u>
General Financial Services			
Personnel services	\$ 6,217	\$ 60,217	\$ 60,066
Supplies	9,680	9,430	7,800
Other services and charges	133,940	177,901	94,165
Computer automation	271,490	271,490	260,531
Contingency	55,000	57,986	65,805
Vehicles	-	-	101,054
Other	91,332	313,682	368,203
Total general financial services	<u>\$ 567,659</u>	<u>\$ 890,706</u>	<u>\$ 957,624</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

<b>EXPENDITURES - (Continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Zoning			
Personnel services	\$ 82,395	\$ 89,198	\$ 82,588
Supplies	100	15	15
Other services and charges	6,746	11,128	11,515
Total zoning	<u>\$ 89,241</u>	<u>\$ 100,341</u>	<u>\$ 94,118</u>
Sheriff			
Personnel services	\$ 2,819,121	\$ 2,815,721	\$ 2,812,084
Supplies	340,218	341,468	308,647
Other services and charges	189,400	172,150	156,865
Contingency	2,500	2,500	2,279
Automobile and equipment	106,400	122,400	121,250
Total sheriff	<u>\$ 3,457,639</u>	<u>\$ 3,454,239</u>	<u>\$ 3,401,125</u>
Circuit Court			
Personnel services	\$ 436,959	\$ 436,959	\$ 420,647
Supplies	9,500	9,500	6,937
Other services and charges	70,750	70,750	60,678
Equipment	1,000	1,000	-
Total circuit court	<u>\$ 518,209</u>	<u>\$ 518,209</u>	<u>\$ 488,262</u>
Rural Revolving Loan Department			
Personnel services	\$ 16,480	\$ 16,480	\$ 14,672
Supplies	450	450	117
Other services and charges	5,800	5,800	2,953
Total rural revolving loan department	<u>\$ 22,730</u>	<u>\$ 22,730</u>	<u>\$ 17,742</u>
Court Services			
Personnel services	\$ 680,351	\$ 680,351	\$ 678,595
Supplies	2,500	4,500	4,084
Other services and charges	133,785	131,785	88,301
Total court services	<u>\$ 816,636</u>	<u>\$ 816,636</u>	<u>\$ 770,980</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

<b>EXPENDITURES - (Continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
State's Attorney			
Personnel services	\$ 557,537	\$ 566,173	\$ 539,512
Supplies	5,000	4,250	4,098
Other services and charges	38,000	38,750	35,310
Total state's attorney	<u>\$ 600,537</u>	<u>\$ 609,173</u>	<u>\$ 578,920</u>
Coroner			
Personnel services	\$ 41,392	\$ 41,572	\$ 38,464
Supplies	1,082	852	159
Other services and charges	29,625	29,675	21,334
Equipment	1,000	1,000	962
Total coroner	<u>\$ 73,099</u>	<u>\$ 73,099</u>	<u>\$ 60,919</u>
Jury Commission			
Personnel services	\$ 9,356	\$ 9,356	\$ 9,406
Supplies	500	500	468
Other services and charges	2,839	2,839	2,839
Total jury commission	<u>\$ 12,695</u>	<u>\$ 12,695</u>	<u>\$ 12,713</u>
ESDA			
Personnel services	\$ 9,889	\$ 9,303	\$ 8,187
Supplies	100	100	47
Other services and charges	1,820	2,306	1,681
Total emergency services and disaster agency	<u>\$ 11,809</u>	<u>\$ 11,709</u>	<u>\$ 9,915</u>
Sheriff's Business Plan			
Personnel services	\$ 538,440	\$ 538,440	\$ 417,636
Supplies	101,186	102,086	92,463
Other services and charges	25,328	24,428	4,058
Automobile and equipment	-	-	-
Total sheriff's business plan	<u>\$ 664,954</u>	<u>\$ 664,954</u>	<u>\$ 514,157</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended November 30, 2009

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
<b>EXPENDITURES - (Continued)</b>			
Public Defender			
Personnel services	\$ 181,360	\$ 186,939	\$ 182,491
Supplies	3,300	3,300	3,046
Other services and charges	124,462	124,462	116,803
	\$ 309,122	\$ 314,701	\$ 302,340
Total public defender			
Total expenditures	\$ 9,828,077	\$ 10,174,079	\$ 9,637,823
Excess (deficiency) of revenues over (under) expenditures	\$ 290,176	\$ (39,442)	\$ 11,837
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ -	\$ 1,609
Transfers out	(584,428)	(588,794)	(446,554)
Sale of capital assets	2,000	2,000	11,299
	\$ (582,428)	\$ (586,794)	\$ (433,646)
Total other financing sources (uses)			
Net change in fund balances	\$ (292,252)	\$ (626,236)	\$ (421,809)
FUND BALANCE - Beginning			4,865,514
FUND BALANCE - Ending			\$ 4,443,705

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**COUNTY HIGHWAY FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 670,000	\$ 670,000	\$ 668,022
Replacement	61,000	61,000	41,311
Intergovernmental	250,000	250,000	-
Charges for services	1,070,000	1,070,000	1,198,148
Investment income	40,000	40,000	64,357
Miscellaneous	15,400	15,400	5,537
	<u>\$ 2,106,400</u>	<u>\$ 2,106,400</u>	<u>\$ 1,977,375</u>
Total revenues			
<b>EXPENDITURES</b>			
Salaries and wages:			
Staff salaries - regular	\$ 825,863	\$ 825,863	\$ 776,109
Longevity pay	8,485	8,485	8,035
Part time salaries	32,000	32,000	27,603
Overtime	39,000	39,000	53,487
Insurance	78,539	78,539	88,479
Engineering supplies	9,000	9,000	8,969
Contractual service	7,500	7,500	420
Telephone	3,000	3,000	2,456
Maintenance of roads:			
Materials and supplies	945,000	945,000	732,061
Other maintenance expense	89,000	89,000	70,586
Substance abuse testing	1,200	1,200	705
Equipment	2,600,000	2,600,000	2,272,025
	<u>\$ 4,638,587</u>	<u>\$ 4,638,587</u>	<u>\$ 4,040,935</u>
Total expenditures			
Deficiency of revenues under expenditures	\$ (2,532,187)	\$ (2,532,187)	\$ (2,063,560)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(8,000)	(8,000)	(8,000)
	<u>\$ (2,540,187)</u>	<u>\$ (2,540,187)</u>	<u>\$ (2,071,560)</u>
Net change in fund balances			
FUND BALANCE – Beginning			<u>3,861,953</u>
FUND BALANCE – Ending			<u>\$ 1,790,393</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 782,423	\$ 782,423	\$ 793,756
Replacement	83,929	83,929	50,345
Investment income	<u>5,000</u>	<u>5,000</u>	<u>7,160</u>
Total revenues	\$ 871,352	\$ 871,352	\$ 851,261
<b>EXPENDITURES</b>			
Current:			
Employer's IMRF	<u>966,561</u>	<u>971,812</u>	<u>881,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (95,209)</u>	<u>\$ (100,460)</u>	<u>\$ (30,481)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 288,024	\$ 288,024	\$ 213,159
Transfers out	<u>-</u>	<u>-</u>	<u>(157,313)</u>
Total other financing sources (uses)	\$ 288,024	\$ 288,024	\$ 55,846
Net change in fund balances	<u>\$ 192,815</u>	<u>\$ 187,564</u>	\$ 25,365
FUND BALANCE – Beginning			<u>264,977</u>
FUND BALANCE – Ending			<u>\$ 290,342</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FICA FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 664,358	\$ 664,358	\$ 676,002
Replacement	67,998	67,998	41,403
Investment income	4,000	4,000	6,131
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	\$ 736,356	\$ 736,356	\$ 723,536
 <b>EXPENDITURES</b>			
Current:			
Employer's FICA	770,869	771,053	752,520
	<u>          </u>	<u>          </u>	<u>          </u>
Excess (deficiency) of revenues over (under) expenditures	\$ (34,513)	\$ (34,697)	\$ (28,984)
	<u>          </u>	<u>          </u>	<u>          </u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 295,340	\$ 295,340	\$ 236,169
Transfers out	-	-	(211,266)
	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources (uses)	\$ 295,340	\$ 295,340	\$ 24,903
	<u>          </u>	<u>          </u>	<u>          </u>
Net change in fund balances	<u>\$ 260,827</u>	<u>\$ 260,643</u>	\$ (4,081)
FUND BALANCE – Beginning			<u>270,072</u>
FUND BALANCE – Ending			<u>\$ 265,991</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TORT JUDGE AND LIABILITY INSURANCE FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 1,114,228	\$ 1,114,228	\$ 1,164,191
Replacement	111,517	111,517	71,908
Investment income	12,000	12,000	16,742
Miscellaneous	73,170	73,170	-
	<u>\$ 1,310,915</u>	<u>\$ 1,310,915</u>	<u>\$ 1,252,841</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Unemployment insurance	\$ 35,000	\$ 35,000	\$ 12,591
Workers compensation	385,330	385,330	285,061
Property/casualty insurance	349,611	349,611	191,935
Insurance deductible/claims	32,000	32,000	20,054
Health care plan	432,804	432,804	388,919
	<u>\$ 1,234,745</u>	<u>\$ 1,234,745</u>	<u>\$ 898,560</u>
Total expenditures			
Excess of revenues over expenditures	\$ 76,170	\$ 76,170	\$ 354,281
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(112,159)
	<u>\$ 76,170</u>	<u>\$ 76,170</u>	<u>\$ 242,122</u>
Net change in fund balances			
FUND BALANCE – Beginning			<u>1,447,132</u>
FUND BALANCE – Ending			<u>\$ 1,689,254</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**COUNTY HEALTH FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 180,000	\$ 180,000	\$ 179,982
Intergovernmental:			
Illinois Department of Health	999,963	999,963	988,053
Illinois Department of Aging	1,087,720	1,087,720	1,091,763
Illinois Department of Public Aid	131,000	131,000	191,243
Charges for service:			
Health department fees Public Aid	1,022,675	1,022,675	1,095,945
Medicare	750,000	750,000	614,175
Investment income	46,000	46,000	24,700
Miscellaneous	900	900	10,043
	<u>\$ 4,218,258</u>	<u>\$ 4,218,258</u>	<u>\$ 4,195,904</u>
<b>EXPENDITURES</b>			
Health staff salaries	\$ 2,900,654	\$ 2,900,654	\$ 2,734,117
Life and health insurance	183,596	183,596	206,343
Commodities	230,450	230,450	236,594
Contractual service	106,199	106,199	106,214
Personal service	156,175	156,175	132,635
Travel expense	91,525	91,525	58,709
Meeting expense	40,141	40,141	42,707
Clinic expense	101,050	101,050	123,023
Insurance	59,600	59,600	42,624
Automobile	36,000	36,000	51,303
Contingencies	11,900	11,900	19,429
Office equipment	36,600	36,600	26,441
Building	72,000	72,000	202,178
	<u>\$ 4,025,890</u>	<u>\$ 4,025,890</u>	<u>\$ 3,982,317</u>
Excess of revenues over expenditures	\$ 192,368	\$ 192,368	\$ 213,587
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(360,675)</u>	<u>(360,675)</u>	<u>(337,302)</u>
Net change in fund balances	<u>\$ (168,307)</u>	<u>\$ (168,307)</u>	<u>\$ (123,715)</u>
FUND BALANCE -- Beginning			<u>2,095,038</u>
FUND BALANCE -- Ending			<u>\$ 1,971,323</u>

**HENRY COUNTY, ILLINOIS**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGET COMPARISONS**  
 November 30, 2009

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	\$ 67,243
FICA Fund	192,733

**HENRY COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION ON  
PENSION PLAN FUNDING PROGRESS**

November 30, 2009

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)
12/31/08	\$ 19,742,413	\$ 22,560,311	\$ 2,817,898	87.51%	\$ 7,572,905	37.21%
12/31/07	24,444,095	23,189,425	(1,254,670)	105.41	7,407,683	0.00
12/31/06	22,480,239	21,521,219	(959,020)	104.46	7,307,208	0.00

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)
12/31/08	\$ 7,269,998	\$ 10,171,388	\$ 2,901,390	71.47%	\$2,954,127	98.21%
12/31/07	8,236,553	9,689,038	1,452,485	85.01	2,826,641	51.39
12/31/06	6,988,394	8,675,332	1,686,938	80.55	2,658,042	63.47

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)
12/31/08	\$ 369,562	\$ 424,909	\$ 55,347	86.97%	\$ 485,409	11.40%
12/31/07	377,749	410,594	32,845	92.00	394,951	8.32
12/31/06	303,745	331,384	27,639	91.66	297,630	9.29

**OTHER SUPPLEMENTARY INFORMATION**

**HENRY COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**  
November 30, 2009

	<u>Totals</u>	<u>Special</u>	
		<u>Federal Aid Matching Fund</u>	<u>County Joint Bridge Fund</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 4,654,350	\$ 213,351	\$ 778,935
Investments	501,035	-	250,000
Receivables:			
Accounts	47,738	-	-
Property tax	1,082,189	225,900	278,610
Other taxes	92,329	2,176	2,691
Loans	706,806	-	-
	<u>\$ 7,084,447</u>	<u>\$ 441,427</u>	<u>\$ 1,310,236</u>
Total assets			
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 122,146	\$ 5,090	\$ 108,579
Accrued liabilities	9,355	-	-
Deferred property tax revenue	1,082,189	225,900	278,610
Due to other funds	91,641	-	-
	<u>\$ 1,305,331</u>	<u>\$ 230,990</u>	<u>\$ 387,189</u>
Total liabilities			
<b>FUND BALANCES</b>			
Reserved for:			
Maintenance of roadways	\$ 638,009	\$ -	\$ -
Loans	1,064,197	-	-
Drug enforcement	93,058	-	-
Debt service	4,205	-	-
Unreserved	3,979,647	210,437	923,047
	<u>\$ 5,779,116</u>	<u>\$ 210,437</u>	<u>\$ 923,047</u>
Total fund balances			
Total liabilities and fund balances	<u>\$ 7,084,447</u>	<u>\$ 441,427</u>	<u>\$ 1,310,236</u>

**Revenue Funds**

<b>Motor Fuel Tax Fund</b>	<b>Mentally Deficient Persons Fund</b>	<b>708 Mental Health Fund</b>	<b>Veterans' Assistance Commission Fund</b>	<b>Extension Fund</b>
\$ 300,524	\$ 5,223	\$ 168,086	\$ 33,622	\$ 3,407
251,035	-	-	-	-
-	-	-	-	-
-	104,325	350,092	53,816	69,446
86,450	1,012	-	-	-
-	-	-	-	-
<u>\$ 638,009</u>	<u>\$ 110,560</u>	<u>\$ 518,178</u>	<u>\$ 87,438</u>	<u>\$ 72,853</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	104,325	350,092	53,816	69,446
-	-	-	-	-
<u>\$ -</u>	<u>\$ 104,325</u>	<u>\$ 350,092</u>	<u>\$ 53,816</u>	<u>\$ 69,446</u>
\$ 638,009	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,235	168,086	33,622	3,407
<u>\$ 638,009</u>	<u>\$ 6,235</u>	<u>\$ 168,086</u>	<u>\$ 33,622</u>	<u>\$ 3,407</u>
<u>\$ 638,009</u>	<u>\$ 110,560</u>	<u>\$ 518,178</u>	<u>\$ 87,438</u>	<u>\$ 72,853</u>

(Continued)

**HENRY COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**  
November 30, 2009

	<b>State's Attorney Forfeited Drug Fund</b>	<b>Circuit Clerk Op/Admin Fund</b>	<b>Animal Control Fund</b>	<b>Special  Vital Records Automation Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 76,964	\$ 18,968	\$ 8,390	\$ 9,001
Investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
<b>Total assets</b>	<b>\$ 76,964</b>	<b>\$ 18,968</b>	<b>\$ 8,390</b>	<b>\$ 9,001</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	729	123
Deferred property tax revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 729</b>	<b>\$ 123</b>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved	76,964	18,968	7,661	8,878
<b>Total fund balances</b>	<b>\$ 76,964</b>	<b>\$ 18,968</b>	<b>\$ 7,661</b>	<b>\$ 8,878</b>
<b>Total liabilities and fund balances</b>	<b>\$ 76,964</b>	<b>\$ 18,968</b>	<b>\$ 8,390</b>	<b>\$ 9,001</b>

**Revenue Funds**

<b>Court Security System Fund</b>	<b>Probation Service Fees Fund</b>	<b>Treasurer Automation Fund</b>	<b>Sheriff's Drug Fund</b>	<b>Law Library Fund</b>	<b>Circuit Clerk Trust Fund</b>
\$ 37,269	\$ 701,411	\$ 68,388	\$ 71,446	\$ -	\$ 27,551
-	-	-	-	-	-
7,874	12,669	-	-	2,210	14,900
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 45,143</u>	<u>\$ 714,080</u>	<u>\$ 68,388</u>	<u>\$ 71,446</u>	<u>\$ 2,210</u>	<u>\$ 42,451</u>
\$ -	\$ 8,420	\$ -	\$ -	\$ -	\$ -
502	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	80,095	-
<u>\$ 502</u>	<u>\$ 8,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,095</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,641	705,660	68,388	71,446	(77,885)	42,451
<u>\$ 44,641</u>	<u>\$ 705,660</u>	<u>\$ 68,388</u>	<u>\$ 71,446</u>	<u>\$ (77,885)</u>	<u>\$ 42,451</u>
<u>\$ 45,143</u>	<u>\$ 714,080</u>	<u>\$ 68,388</u>	<u>\$ 71,446</u>	<u>\$ 2,210</u>	<u>\$ 42,451</u>

**HENRY COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**  
November 30, 2009

	<b>Circuit Clerk Court Automation Fund</b>	<b>Recorder Automation Fund</b>	<b>Court Document Storage Fund</b>	<b>Special  Orion Law Enforcement Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 288,454	\$ 134,590	\$ 318,284	\$ 4,866
Investments	-	-	-	-
Receivables:				
Accounts	5,078	-	5,007	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
<b>Total assets</b>	<b>\$ 293,532</b>	<b>\$ 134,590</b>	<b>\$ 323,291</b>	<b>\$ 4,866</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 57	\$ -	\$ -
Accrued liabilities	516	-	558	3,130
Deferred property tax revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>\$ 516</b>	<b>\$ 57</b>	<b>\$ 558</b>	<b>\$ 3,130</b>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved	293,016	134,533	322,733	1,736
<b>Total fund balances</b>	<b>\$ 293,016</b>	<b>\$ 134,533</b>	<b>\$ 322,733</b>	<b>\$ 1,736</b>
<b>Total liabilities and fund balances</b>	<b>\$ 293,532</b>	<b>\$ 134,590</b>	<b>\$ 323,291</b>	<b>\$ 4,866</b>

**Revenue Funds**

<b>Revolving Loan Fund</b>	<b>Cambridge Law Enforcement Fund</b>	<b>Sheriff's Crime Lab Fund</b>	<b>Capital Building Fund</b>	<b>Waste Management Fund</b>	<b>Solid Soil Survey Fund</b>
\$ 358,829	\$ -	\$ 36,357	\$ 705,101	\$ 3,776	\$ 81,015
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
706,806	-	-	-	-	-
<u>\$ 1,065,635</u>	<u>\$ -</u>	<u>\$ 36,357</u>	<u>\$ 705,101</u>	<u>\$ 3,776</u>	<u>\$ 81,015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,009	-	-	-	2,788
-	-	-	-	-	-
1,438	9,985	-	-	-	-
<u>\$ 1,438</u>	<u>\$ 10,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,788</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,064,197	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(10,994)	36,357	705,101	3,776	78,227
<u>\$ 1,064,197</u>	<u>\$ (10,994)</u>	<u>\$ 36,357</u>	<u>\$ 705,101</u>	<u>\$ 3,776</u>	<u>\$ 78,227</u>
<u>\$ 1,065,635</u>	<u>\$ -</u>	<u>\$ 36,357</u>	<u>\$ 705,101</u>	<u>\$ 3,776</u>	<u>\$ 81,015</u>

**HENRY COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**  
November 30, 2009

	<u>Special</u>		
	<u>DUI Equipment Fund</u>	<u>Elderly Services Fund</u>	<u>Camera Account</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,974	\$ 6,862	\$ 3,152
Investments	-	-	-
Receivables:			
Accounts	-	-	-
Property tax	-	-	-
Other taxes	-	-	-
Loans	-	-	-
	<u>19,974</u>	<u>6,862</u>	<u>3,152</u>
Total assets	<u>\$ 19,974</u>	<u>\$ 6,862</u>	<u>\$ 3,152</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deferred property tax revenue	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>			
Reserved for:			
Maintenance of roadways	\$ -	\$ -	\$ -
Loans	-	-	-
Drug enforcement	-	-	-
Debt service	-	-	-
Unreserved	<u>19,974</u>	<u>6,862</u>	<u>3,152</u>
Total fund balances	<u>\$ 19,974</u>	<u>\$ 6,862</u>	<u>\$ 3,152</u>
Total liabilities and fund balances	<u>\$ 19,974</u>	<u>\$ 6,862</u>	<u>\$ 3,152</u>

**Revenue Funds**

<b>Sheriff Drug Enforcement Fund</b>	<b>Coroner Equipment Grant</b>	<b>Property/ Building Fund</b>	<b>Election Assistance Grant</b>	<b>Coord Aerial Photo Programs</b>	<b>Federal Forfeited Drug Fund</b>
\$ 43,520	\$ 4,947	\$ 5,000	\$ 1,267	\$ -	\$ 93,058
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 43,520</u>	<u>\$ 4,947</u>	<u>\$ 5,000</u>	<u>\$ 1,267</u>	<u>\$ -</u>	<u>\$ 93,058</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	93,058
-	-	-	-	-	-
43,520	4,947	5,000	1,267	-	-
<u>\$ 43,520</u>	<u>\$ 4,947</u>	<u>\$ 5,000</u>	<u>\$ 1,267</u>	<u>\$ -</u>	<u>\$ 93,058</u>
<u>\$ 43,520</u>	<u>\$ 4,947</u>	<u>\$ 5,000</u>	<u>\$ 1,267</u>	<u>\$ -</u>	<u>\$ 93,058</u>

**HENRY COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

November 30, 2009

	<u>Special Revenue Funds</u>			
	<u>Police Vehicle Fund</u>	<u>Organized Crime Drug Fund</u>	<u>County Pet Population Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,537	\$ -	\$ 20	\$ 4,205
Investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
	<u>18,537</u>	<u>-</u>	<u>20</u>	<u>4,205</u>
Total assets	<u>\$ 18,537</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 4,205</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred property tax revenue	-	-	-	-
Due to other funds	-	123	-	-
	<u>-</u>	<u>123</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	4,205
Unreserved	18,537	(123)	20	-
	<u>18,537</u>	<u>(123)</u>	<u>20</u>	<u>-</u>
Total fund balances	<u>\$ 18,537</u>	<u>\$ (123)</u>	<u>\$ 20</u>	<u>\$ 4,205</u>
	<u>\$ 18,537</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 4,205</u>
Total liabilities and fund balances	<u>\$ 18,537</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 4,205</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2009

	Totals	Special	
		Federal Aid Matching Fund	County Joint Bridge Fund
<b>REVENUES</b>			
Taxes:			
Property	\$ 1,037,786	\$ 214,489	\$ 265,045
Tax increment	6,321	-	-
Replacement	35,776	13,211	16,335
Fines and fees	305,637	-	-
Intergovernmental	1,066,599	-	-
Charges for services	1,085,043	-	124,469
Investment income	85,431	1,852	14,514
Miscellaneous	103,780	-	-
	<u>3,726,373</u>	<u>229,552</u>	<u>420,363</u>
Total revenues	\$	\$	\$
<b>EXPENDITURES</b>			
Current:			
General government	\$ 942,056	\$ -	\$ -
Public Safety	357,989	-	-
Education	19,463	-	-
Highways and streets	1,776,470	194,511	179,344
Health	442,941	-	-
Capital expenditures	70,197	-	-
Debt service:			
Principal	392,053	-	-
Interest	148,893	-	-
Bond issue costs	33,100	-	-
	<u>4,183,162</u>	<u>194,511</u>	<u>179,344</u>
Total expenditures	\$	\$	\$
Excess (deficiency) of revenues over (under) expenditures	\$ (456,789)	\$ 35,041	\$ 241,019
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 951,511	\$ -	\$ -
Transfers out	(584,351)	-	-
Refunding bonds issued	2,635,000	-	-
Discount on bonds	(31,620)	-	-
Payment to refunded bond escrow agent	(2,568,563)	-	-
	<u>401,977</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	\$	\$	\$
Net change in fund balances	\$ (54,812)	\$ 35,041	\$ 241,019
FUND BALANCES – Beginning	<u>5,833,928</u>	<u>175,396</u>	<u>682,028</u>
FUND BALANCES – Ending	<u>\$ 5,779,116</u>	<u>\$ 210,437</u>	<u>\$ 923,047</u>

---

**Revenue Funds**

<b>Motor Fuel Tax Fund</b>	<b>Mentally Deficient Persons Fund</b>	<b>708 Mental Health Fund</b>	<b>Veterans' Assistance Commission Fund</b>	<b>Extension Fund</b>
\$ -	\$ 101,828	\$ 338,712	\$ 51,271	\$ 66,441
-	-	-	-	-
-	6,230	-	-	-
-	-	-	-	-
1,018,146	-	-	-	-
-	-	-	-	-
15,515	141	1,932	397	73
49,749	-	-	-	-
<u>\$ 1,083,410</u>	<u>\$ 108,199</u>	<u>\$ 340,644</u>	<u>\$ 51,668</u>	<u>\$ 66,514</u>
\$ -	\$ -	\$ -	\$ 50,075	\$ 63,108
-	-	-	-	-
-	-	-	-	-
1,402,615	-	-	-	-
-	103,041	339,900	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,402,615</u>	<u>\$ 103,041</u>	<u>\$ 339,900</u>	<u>\$ 50,075</u>	<u>\$ 63,108</u>
\$ (319,205)	\$ 5,158	\$ 744	\$ 1,593	\$ 3,406
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (319,205)	\$ 5,158	\$ 744	\$ 1,593	\$ 3,406
957,214	1,077	167,342	32,029	1
<u>\$ 638,009</u>	<u>\$ 6,235</u>	<u>\$ 168,086</u>	<u>\$ 33,622</u>	<u>\$ 3,407</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2009

	<b>State's Attorney Forfeited Drug Fund</b>	<b>Circuit Clerk Op/Admin Fund</b>	<b>Animal Control Fund</b>	<b>Special Vital Records Automation Fund</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Tax increment	-	-	-	-
Replacement	-	-	-	-
Fines and fees	-	18,871	87,652	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	7,722
Investment income	1,066	97	-	191
Miscellaneous	42,282	-	-	-
	<u>\$ 43,348</u>	<u>\$ 18,968</u>	<u>\$ 87,652</u>	<u>\$ 7,913</u>
Total revenues				
	<u>\$ 43,348</u>	<u>\$ 18,968</u>	<u>\$ 87,652</u>	<u>\$ 7,913</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ -	\$ -	\$ -	\$ 6,609
Public Safety	3,065	-	77,000	-
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	-	-	16,180	-
Debt service:				
Principal	-	-	-	2,322
Interest	-	-	-	278
Bond issue costs	-	-	-	-
	<u>\$ 3,065</u>	<u>\$ -</u>	<u>\$ 93,180</u>	<u>\$ 9,209</u>
Total expenditures				
	<u>\$ 3,065</u>	<u>\$ -</u>	<u>\$ 93,180</u>	<u>\$ 9,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 40,283</u>	<u>\$ 18,968</u>	<u>\$ (5,528)</u>	<u>\$ (1,296)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	(230)
Refunding bonds issued	-	-	-	-
Discount on bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230)</u>
Total other financing sources (uses)				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230)</u>
Net change in fund balances	<u>\$ 40,283</u>	<u>\$ 18,968</u>	<u>\$ (5,528)</u>	<u>\$ (1,526)</u>
FUND BALANCES – Beginning	<u>36,681</u>	<u>-</u>	<u>13,189</u>	<u>10,404</u>
FUND BALANCES – Ending	<u>\$ 76,964</u>	<u>\$ 18,968</u>	<u>\$ 7,661</u>	<u>\$ 8,878</u>

**Revenue Funds**

<u>Court Security System Fund</u>	<u>Probation Service Fees Fund</u>	<u>Treasurer Automation Fund</u>	<u>Sheriff's Drug Fund</u>	<u>Law Library Fund</u>	<u>Circuit Clerk Trust Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	7,036	-	-
-	-	-	-	-	-
94,295	204,194	11,345	-	35,343	40,710
658	-	1,129	1,274	-	276
-	-	-	-	-	-
<u>\$ 94,953</u>	<u>\$ 204,194</u>	<u>\$ 12,474</u>	<u>\$ 8,310</u>	<u>\$ 35,343</u>	<u>\$ 40,986</u>
\$ 76,100	\$ 203,750	\$ 2,719	\$ -	\$ -	\$ 28,903
-	-	-	4,958	-	-
-	-	-	-	19,463	-
-	-	-	-	-	-
-	12,308	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 76,100</u>	<u>\$ 216,058</u>	<u>\$ 2,719</u>	<u>\$ 4,958</u>	<u>\$ 19,463</u>	<u>\$ 28,903</u>
\$ 18,853	\$ (11,864)	\$ 9,755	\$ 3,352	\$ 15,880	\$ 12,083
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(12,918)	-	(146)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (12,918)</u>	<u>\$ -</u>	<u>\$ (146)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,935	\$ (11,864)	\$ 9,609	\$ 3,352	\$ 15,880	\$ 12,083
38,706	717,524	58,779	68,094	(93,765)	30,368
<u>\$ 44,641</u>	<u>\$ 705,660</u>	<u>\$ 68,388</u>	<u>\$ 71,446</u>	<u>\$ (77,885)</u>	<u>\$ 42,451</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2009

	<b>Circuit Clerk Court Automation Fund</b>	<b>Recorder Automation Fund</b>	<b>Court Document Storage Fund</b>	<b>Special Orion Law Enforcement Fund</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Tax increment	-	-	-	-
Replacement	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	70,610	132,279	70,355	226,513
Investment income	5,178	2,575	5,632	-
Miscellaneous	-	-	-	-
Total revenues	<u>\$ 75,788</u>	<u>\$ 134,854</u>	<u>\$ 75,987</u>	<u>\$ 226,513</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 48,413	\$ 110,472	\$ 51,075	\$ -
Public Safety	-	-	-	180,920
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	24,635	-	-	-
Debt service:				
Principal	-	24,731	-	-
Interest	-	3,869	-	-
Bond issue costs	-	-	-	-
Total expenditures	<u>\$ 73,048</u>	<u>\$ 139,072</u>	<u>\$ 51,075</u>	<u>\$ 180,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,740</u>	<u>\$ (4,218)</u>	<u>\$ 24,912</u>	<u>\$ 45,593</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(3,347)	-	(4,102)	(29,352)
Refunding bonds issued	-	-	-	-
Discount on bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>\$ (3,347)</u>	<u>\$ -</u>	<u>\$ (4,102)</u>	<u>\$ (29,352)</u>
Net change in fund balances	\$ (607)	\$ (4,218)	\$ 20,810	\$ 16,241
FUND BALANCES – Beginning	<u>293,623</u>	<u>138,751</u>	<u>301,923</u>	<u>(14,505)</u>
FUND BALANCES – Ending	<u>\$ 293,016</u>	<u>\$ 134,533</u>	<u>\$ 322,733</u>	<u>\$ 1,736</u>

**Revenue Funds**

<u>Revolving Loan Fund</u>	<u>Cambridge Law Enforcement Fund</u>	<u>Sheriff's Crime Lab Fund</u>	<u>Capital Building Fund</u>	<u>Waste Management Fund</u>	<u>Solid Soil Survey Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	6,321	-	-
-	-	-	-	-	-
-	-	3,383	-	-	165,247
-	-	-	-	-	-
-	48,108	-	-	10,747	-
29,618	-	647	-	35	-
-	-	-	-	-	-
<u>\$ 29,618</u>	<u>\$ 48,108</u>	<u>\$ 4,030</u>	<u>\$ 6,321</u>	<u>\$ 10,782</u>	<u>\$ 165,247</u>
\$ 58,084	\$ -	\$ -	\$ 17,892	\$ 8,079	\$ 191,516
-	47,900	2,308	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 58,084</u>	<u>\$ 47,900</u>	<u>\$ 2,308</u>	<u>\$ 17,892</u>	<u>\$ 8,079</u>	<u>\$ 191,516</u>
<u>\$ (28,466)</u>	<u>\$ 208</u>	<u>\$ 1,722</u>	<u>\$ (11,571)</u>	<u>\$ 2,703</u>	<u>\$ (26,269)</u>
\$ -	\$ -	\$ -	\$ 441,765	\$ -	\$ -
-	(9,164)	-	(509,746)	-	(15,335)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (9,164)</u>	<u>\$ -</u>	<u>\$ (67,981)</u>	<u>\$ -</u>	<u>\$ (15,335)</u>
\$ (28,466)	\$ (8,956)	\$ 1,722	\$ (79,552)	\$ 2,703	\$ (41,604)
1,092,663	(2,038)	34,635	784,653	1,073	119,831
<u>\$ 1,064,197</u>	<u>\$ (10,994)</u>	<u>\$ 36,357</u>	<u>\$ 705,101</u>	<u>\$ 3,776</u>	<u>\$ 78,227</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2009

	<b>Special</b>		
	<b>DUI Equipment Fund</b>	<b>Elderly Services Fund</b>	<b>Camera Account</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Tax increment	-	-	-
Replacement	-	-	-
Fines and fees	4,957	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	378	165	57
Miscellaneous	-	120	-
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 5,335	\$ 285	\$ 57
<b>EXPENDITURES</b>			
Current:			
General government	\$ -	\$ 2,777	\$ 104
Public Safety	5,641	-	-
Education	-	-	-
Highways and streets	-	-	-
Health	-	-	-
Capital expenditures	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Bond issue costs	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 5,641	\$ 2,777	\$ 104
Excess (deficiency) of revenues over (under) expenditures	<hr/> \$ (306)	<hr/> \$ (2,492)	<hr/> \$ (47)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ -	\$ -
Transfers out	-	-	-
Refunding bonds issued	-	-	-
Discount on bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	\$ -	\$ -	\$ -
Net change in fund balances	<hr/> \$ (306)	<hr/> \$ (2,492)	<hr/> \$ (47)
FUND BALANCES – Beginning	<hr/> 20,280	<hr/> 9,354	<hr/> 3,199
FUND BALANCES – Ending	<hr/> <hr/> \$ 19,974	<hr/> <hr/> \$ 6,862	<hr/> <hr/> \$ 3,152

Revenue Funds

Sheriff Drug Enforcement Fund	Coroner Equipment Grant	Property/ Building Fund	Election Assistance Grant	Coord Aerial Photo Program	Federal Forfeited Drug Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,000	-	36,453
-	4,415	-	-	-	-
376	85	-	23	-	1,250
11,629	-	-	-	-	-
<u>\$ 12,005</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 12,023</u>	<u>\$ -</u>	<u>\$ 37,703</u>
\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ -
14,308	1,098	-	-	-	17,091
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	17,074
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,308</u>	<u>\$ 1,098</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 34,165</u>
<u>\$ (2,303)</u>	<u>\$ 3,402</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 3,538</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	(11)	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11)</u>	<u>\$ -</u>
\$ (2,303)	\$ 3,402	\$ -	\$ 23	\$ (11)	\$ 3,538
45,823	1,545	5,000	1,244	11	89,520
<u>\$ 43,520</u>	<u>\$ 4,947</u>	<u>\$ 5,000</u>	<u>\$ 1,267</u>	<u>\$ -</u>	<u>\$ 93,058</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2009

	<u>Special Revenue Funds</u>			
	<u>Police Vehicle Fund</u>	<u>Organized Crime Drug Fund</u>	<u>County Pet Population Fund</u>	<u>Debt Service Fund</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Tax increment	-	-	-	-
Replacement	-	-	-	-
Fines and fees	8,091	-	10,400	-
Intergovernmental	-	-	-	-
Charges for services	-	3,938	-	-
Investment income	251	-	-	46
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	\$ 8,342	\$ 3,938	\$ 10,400	\$ 46
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
Current:				
General government	\$ -	\$ -	\$ 10,380	\$ -
Public Safety	500	3,200	-	-
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal	-	-	-	365,000
Interest	-	-	-	144,746
Bond issue costs	-	-	-	33,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 500	\$ 3,200	\$ 10,380	\$ 542,846
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	\$ 7,842	\$ 738	\$ 20	\$ (542,800)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ 509,746
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	2,635,000
Discount on bonds	-	-	-	(31,620)
Payment to refunded bond escrow agent	-	-	-	(2,568,563)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 544,563
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ 7,842	\$ 738	\$ 20	\$ 1,763
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES – Beginning	10,695	(861)	-	2,442
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES – Ending	\$ 18,537	\$ (123)	\$ 20	\$ 4,205
	<hr/>	<hr/>	<hr/>	<hr/>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FEDERAL AID MATCHING FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 215,150	\$ 215,150	\$ 214,489
Replacement	20,000	20,000	13,211
Investment income	500	500	1,852
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 235,650</u>	<u>\$ 235,650</u>	<u>\$ 229,552</u>
<b>EXPENDITURES</b>			
Current:			
Engineering	\$ 5,000	\$ 5,000	\$ -
Highway construction	225,000	225,000	194,511
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ 194,511</u>
Excess of revenues over expenditures	<u>\$ 5,650</u>	<u>\$ 5,650</u>	\$ 35,041
FUND BALANCE – Beginning			<u>175,396</u>
FUND BALANCE – Ending			<u>\$ 210,437</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**COUNTY JOINT BRIDGE FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 266,250	\$ 266,250	\$ 265,045
Replacement	24,500	24,500	16,335
Charges for services	100,000	100,000	124,469
Investment income	15,000	15,000	14,514
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 405,750</u>	<u>\$ 405,750</u>	<u>\$ 420,363</u>
<b>EXPENDITURES</b>			
Current:			
Bridge construction	\$ 375,000	\$ 375,000	\$ 179,344
Engineering expense	30,000	30,000	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>\$ 405,000</u>	<u>\$ 405,000</u>	<u>\$ 179,344</u>
Excess of revenues over expenditures	<u>\$ 750</u>	<u>\$ 750</u>	\$ 241,019
FUND BALANCE – Beginning			<u>682,028</u>
FUND BALANCE – Ending			<u>\$ 923,047</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MOTOR FUEL TAX FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,150,000	\$ 1,150,000	\$ 1,018,146
Investment income	50,000	50,000	15,515
Miscellaneous	49,749	49,749	49,749
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	\$ 1,249,749	\$ 1,249,749	\$ 1,083,410
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>EXPENDITURES</b>			
Current:			
Salaries	\$ 99,498	\$ 99,498	\$ 99,498
Insurance	38,759	38,759	32,584
IMRF reimbursement	24,086	24,086	23,526
Construction and maintenance	1,302,500	1,302,500	1,247,007
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	\$ 1,464,843	\$ 1,464,843	\$ 1,402,615
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Deficiency of revenues under expenditures	<u>\$ (215,094)</u>	<u>\$ (215,094)</u>	\$ (319,205)
			<u>                    </u>
FUND BALANCE – Beginning			<u>957,214</u>
FUND BALANCE – Ending			<u>\$ 638,009</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MENTALLY DEFICIENT PERSONS FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 101,658	\$ 101,658	\$ 101,828
Replacement	9,380	9,380	6,230
Investment income	25	25	141
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 111,063	\$ 111,063	\$ 108,199
 <b>EXPENDITURES</b>			
Current:			
Mental health	111,008	111,008	103,041
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ 55</u>	<u>\$ 55</u>	\$ 5,158
 FUND BALANCE – Beginning			
			<hr/>
FUND BALANCE – Ending			<u>\$ 6,235</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**708 MENTAL HEALTH FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 340,117	\$ 340,117	\$ 338,712
Investment income	3,000	3,000	1,932
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 343,117	\$ 343,117	\$ 340,644
<b>EXPENDITURES</b>			
Current:			
Mental health	339,900	339,900	339,900
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ 3,217</u>	<u>\$ 3,217</u>	\$ 744
FUND BALANCE – Beginning			<hr/> 167,342
FUND BALANCE – Ending			<u>\$ 168,086</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**VETERANS' ASSISTANCE COMMISSION FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 51,253	\$ 51,253	\$ 51,271
Investment income	-	-	397
	<u>51,253</u>	<u>51,253</u>	<u>51,668</u>
Total revenues	<u>\$ 51,253</u>	<u>\$ 51,253</u>	<u>\$ 51,668</u>
<b>EXPENDITURES</b>			
Current:			
Supplies	\$ 350	\$ 350	\$ 329
Contractual service	22,839	22,839	22,839
Other service and charges	28,064	28,064	26,907
	<u>51,253</u>	<u>51,253</u>	<u>50,075</u>
Total expenditures	<u>\$ 51,253</u>	<u>\$ 51,253</u>	<u>\$ 50,075</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 1,593
FUND BALANCE – Beginning			<u>32,029</u>
FUND BALANCE – Ending			<u>\$ 33,622</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EXTENSION FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 66,169	\$ 66,169	\$ 66,441
Investment income	25	25	73
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 66,194	\$ 66,194	\$ 66,514
 <b>EXPENDITURES</b>			
Current:			
Extension	66,139	66,139	63,108
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ 55</u>	<u>\$ 55</u>	\$ 3,406
 FUND BALANCE – Beginning			
			<hr/> 1
 FUND BALANCE – Ending			
			<u>\$ 3,407</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**STATE'S ATTORNEY FORFEITED DRUG FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 2,500	\$ 2,500	\$ 1,066
Miscellaneous:			
Seizures/drugs	<u>15,000</u>	<u>15,000</u>	<u>42,282</u>
Total revenues	<u>\$ 17,500</u>	<u>\$ 17,500</u>	<u>\$ 43,348</u>
<b>EXPENDITURES</b>			
Current - education:			
Office supplies	\$ 2,500	\$ 2,500	\$ 768
Other service and charges	10,800	10,800	1,573
Equipment	<u>20,000</u>	<u>20,000</u>	<u>724</u>
Total expenditures	<u>\$ 33,300</u>	<u>\$ 33,300</u>	<u>\$ 3,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (15,800)</u>	<u>\$ (15,800)</u>	\$ 40,283
FUND BALANCE – Beginning			<u>36,681</u>
FUND BALANCE – Ending			<u>\$ 76,964</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ANIMAL CONTROL FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ 68,500	\$ 68,500	\$ 87,652
<b>EXPENDITURES</b>			
Current - public safety:			
Officer salary	\$ 32,836	\$ 33,762	\$ 33,663
Staff salaries	17,846	17,377	17,427
Life and health insurance	10,200	9,020	9,601
Office supplies	6,000	2,525	2,350
Uniforms	900	628	628
Contractual service	300	150	150
Travel and meeting	4,500	3,200	3,180
Education and training	500	-	-
Fuel and power	1,800	2,270	2,332
Water	250	29	28
Telephone	2,000	1,925	1,937
Postage	2,500	1,260	1,220
Dues	500	75	75
Maintenance	500	2,500	2,759
Laboratory expense	200	100	100
Veterinary assistance	-	1,080	1,076
Dead animal claims	750	-	-
Animal disposal	1,200	414	414
Other service and charges	100	60	60
Computer automation	-	1,800	-
Capital:			
Automobile	-	16,180	16,180
Total expenditures	<u>\$ 82,882</u>	<u>\$ 94,355</u>	<u>\$ 93,180</u>
Deficiency of revenues under expenditures	<u>\$ (14,382)</u>	<u>\$ (25,855)</u>	<u>\$ (5,528)</u>
FUND BALANCE – Beginning			<u>13,189</u>
FUND BALANCE – Ending			<u>\$ 7,661</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**VITAL RECORDS AUTOMATION FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 6,500	\$ 6,500	\$ 7,722
Investment income	400	400	191
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 6,900	\$ 6,900	\$ 7,913
<b>EXPENDITURES</b>			
Current - general government:			
Part time salaries	\$ 3,000	\$ 3,000	\$ 3,020
Office supplies	1,165	1,165	1,415
Contractual service	5,946	5,946	373
Death certificate surcharge	400	400	306
Marriage state surcharge	650	650	1,495
Equipment	500	500	-
Debt service:			
Principal	-	-	2,322
Interest	-	-	278
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 11,661	\$ 11,661	\$ 9,209
Deficiency of revenues under expenditures	\$ (4,761)	\$ (4,761)	\$ (1,296)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(230)	(230)	(230)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ (4,991)	\$ (4,991)	\$ (1,526)
FUND BALANCE – Beginning			<hr/>
			10,404
FUND BALANCE – Ending			<hr/> <hr/>
			\$ 8,878

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**COURT SECURITY SYSTEM FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 85,000	\$ 85,000	\$ 94,295
Investment income	1,200	1,200	658
Total revenues	<u>\$ 86,200</u>	<u>\$ 86,200</u>	<u>\$ 94,953</u>
<b>EXPENDITURES</b>			
Current - general government:			
Staff salaries	\$ 41,551	\$ 41,551	\$ 40,701
Part time salaries	28,400	28,400	25,752
Overtime	13,264	13,264	2,999
Life and health insurance	5,100	5,100	5,079
Uniforms	1,000	950	540
Education and training	2,000	2,000	-
Equipment	1,000	1,050	1,029
Total expenditures	<u>\$ 92,315</u>	<u>\$ 92,315</u>	<u>\$ 76,100</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (6,115)	\$ (6,115)	\$ 18,853
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(15,074)</u>	<u>(15,074)</u>	<u>(12,918)</u>
Net change in fund balances	<u>\$ (21,189)</u>	<u>\$ (21,189)</u>	\$ 5,935
FUND BALANCE – Beginning			<u>38,706</u>
FUND BALANCE – Ending			<u>\$ 44,641</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

**PROBATION SERVICE FEES FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Substance abuse testing	\$ 19,000	\$ 19,000	\$ 18,159
Probation service fees	180,000	180,000	182,587
Electronic monitoring	500	500	2,750
Reimbursements	3,350	3,350	698
Total revenues	\$ 202,850	\$ 202,850	\$ 204,194
 <b>EXPENDITURES</b>			
Current - general government:			
Document preservation	\$ 50,000	\$ 57,100	\$ 65,440
Fuel expense	4,000	4,000	2,624
Education and training	7,500	7,500	6,140
Public relation/education	2,500	3,000	2,812
Other programs	7,500	7,400	5,264
Postage	2,500	2,500	1,849
Dues	525	625	625
Service contracts	6,000	6,000	5,304
Maintenance	4,000	4,000	3,162
Juvenile psychological	1,300	1,300	-
Substance abuse testing	12,000	12,000	8,977
Sex offender evaluations	7,500	7,500	475
DNA collection fee	500	500	80
Equipment	4,000	3,500	3,461
Reimbursements	59,576	53,576	53,338
Delinquency diversion program	8,000	6,900	4,506
Computer automation	42,000	42,000	39,693
Capital:			
Equipment	16,000	16,000	12,308
Total expenditures	\$ 235,401	\$ 235,401	\$ 216,058
Deficiency of revenues under expenditures	\$ (32,551)	\$ (32,551)	\$ (11,864)
 FUND BALANCE – Beginning			717,524
FUND BALANCE – Ending			\$ 705,660

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TREASURER AUTOMATION FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Automation fees	\$ 9,000	\$ 9,000	\$ 11,345
Investment income	500	500	1,129
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	\$ 9,500	\$ 9,500	\$ 12,474
<b>EXPENDITURES</b>			
Current - general government:			
Part time salaries and employer's FICA	\$ 3,000	\$ 3,000	\$ 1,906
Equipment	1,000	1,000	813
Contingencies	1,500	1,500	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	\$ 5,500	\$ 5,500	\$ 2,719
Excess of revenues over expenditures	\$ 4,000	\$ 4,000	\$ 9,755
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(230)</u>	<u>(230)</u>	<u>(146)</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Net change in fund balances	\$ 3,770	\$ 3,770	\$ 9,609
FUND BALANCE – Beginning			<u>58,779</u>
FUND BALANCE – Ending			<u>\$ 68,388</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**SHERIFF'S DRUG FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees:			
Street value fines	\$ 7,000	\$ 7,000	\$ 7,036
Investment income	1,800	1,800	1,274
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 8,800	\$ 8,800	\$ 8,310
<b>EXPENDITURES</b>			
Current - public safety:			
Contingencies	5,000	5,000	4,958
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ 3,800</u>	<u>\$ 3,800</u>	\$ 3,352
FUND BALANCE – Beginning			<hr/> 68,094
FUND BALANCE – Ending			<u>\$ 71,446</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**LAW LIBRARY FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Reimbursements	\$ 5,780	\$ 5,780	\$ 5,709
Law library fees	<u>24,000</u>	<u>24,000</u>	<u>29,634</u>
Total revenues	<u>\$ 29,780</u>	<u>\$ 29,780</u>	<u>\$ 35,343</u>
<b>EXPENDITURES</b>			
Current - education:			
Law books and subscriptions	\$ 7,000	\$ 7,000	\$ 7,470
Computer automation	<u>10,660</u>	<u>10,660</u>	<u>11,993</u>
Total expenditures	<u>\$ 17,660</u>	<u>\$ 17,660</u>	<u>\$ 19,463</u>
Excess of revenues over expenditures	<u>\$ 12,120</u>	<u>\$ 12,120</u>	\$ 15,880
FUND BALANCE – Beginning			<u>(93,765)</u>
FUND BALANCE – Ending			<u>\$ (77,885)</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CIRCUIT CLERK COURT AUTOMATION FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Automation fees	\$ 65,000	\$ 65,000	\$ 70,610
Investment income	7,000	7,000	5,178
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 72,000	\$ 72,000	\$ 75,788
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current - general government:			
Staff salaries	\$ 22,173	\$ 22,173	\$ 22,442
Life and health insurance	5,100	5,100	5,095
Office supplies	10,000	10,000	4,508
Travel and meeting	1,000	1,000	185
Telephone	1,620	1,620	800
Maintenance	15,000	15,000	15,383
Capital:			
Equipment	25,000	25,000	24,635
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 79,893	\$ 79,893	\$ 73,048
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	\$ (7,893)	\$ (7,893)	\$ 2,740
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(3,317)	(3,317)	(3,347)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ (11,210)	\$ (11,210)	\$ (607)
	<hr/>	<hr/>	<hr/>
FUND BALANCE – Beginning			293,623
			<hr/>
FUND BALANCE – Ending			\$ 293,016
			<hr/>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**RECORDER AUTOMATION FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Automation fees	\$ 45,000	\$ 45,000	\$ 47,345
Rural housing fund	85,000	85,000	84,934
Investment income	3,000	3,000	2,575
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	\$ 133,000	\$ 133,000	\$ 134,854
	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES</b>			
Current - general government:			
Office supplies	\$ 1,000	\$ 1,000	\$ 282
Contractual service	30,500	30,500	21,743
Maintenance	4,700	4,700	4,801
Rural housing surcharge payment	85,000	85,000	83,646
Equipment	1,000	1,000	-
Debt service:			
Principal	-	-	24,731
Interest	-	-	3,869
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	\$ 122,200	\$ 122,200	\$ 139,072
	<u>          </u>	<u>          </u>	<u>          </u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 10,800</u>	<u>\$ 10,800</u>	\$ (4,218)
			<u>          </u>
FUND BALANCE – Beginning			138,751
			<u>          </u>
FUND BALANCE – Ending			<u>\$ 134,533</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**COURT DOCUMENT STORAGE FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Court document storage fee	\$ 65,000	\$ 65,000	\$ 70,355
Investment income	7,000	7,000	5,632
	<u>72,000</u>	<u>72,000</u>	<u>75,987</u>
Total revenues	\$ 72,000	\$ 72,000	\$ 75,987
<b>EXPENDITURES</b>			
Staff salaries	\$ 24,003	\$ 24,003	\$ 24,515
Part time salaries and overtime	8,250	8,250	5,674
Life and health insurance	5,100	5,100	5,095
Office supplies	10,000	10,000	8,068
Travel and meeting	1,000	1,000	194
Service contracts	15,000	15,000	1,395
Equipment	25,000	25,000	6,134
	<u>88,353</u>	<u>88,353</u>	<u>51,075</u>
Total expenditures	\$ 88,353	\$ 88,353	\$ 51,075
Excess (deficiency) of revenues over (under) expenditures	\$ (16,353)	\$ (16,353)	\$ 24,912
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(4,203)</u>	<u>(4,203)</u>	<u>(4,102)</u>
Net change in fund balances	<u>\$ (20,556)</u>	<u>\$ (20,556)</u>	\$ 20,810
FUND BALANCE – Beginning			<u>301,923</u>
FUND BALANCE – Ending			<u>\$ 322,733</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ORION LAW ENFORCEMENT FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 223,399	\$ 223,399	\$ 226,513
<b>EXPENDITURES</b>			
Current - public safety:			
Staff salaries	\$ 132,230	\$ 132,230	\$ 132,526
Part time salaries	5,000	5,000	1,058
Overtime	2,500	2,500	975
Straight time	5,088	5,088	5,394
Life and health insurance	15,300	15,300	15,263
Unemployment insurance	700	700	806
Re-insurance reimbursement	2,500	2,500	4,655
Workers compensation	7,000	7,000	7,258
Office supplies	500	500	419
Uniforms	1,800	1,800	537
Education and training	2,000	2,000	225
Telephone	2,000	2,000	1,864
Service contracts	2,048	2,048	312
Maintenance	8,000	8,000	6,669
Administrative fees	800	800	800
Insurance	2,100	2,100	2,100
Equipment	1,000	1,000	59
Contingencies	250	250	-
Total expenditures	\$ 190,816	\$ 190,816	\$ 180,920
Excess of revenues over expenditures	\$ 32,583	\$ 32,583	\$ 45,593
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(32,583)	(32,583)	(29,352)
Net change in fund balances	\$ -	\$ -	\$ 16,241
FUND BALANCE – Beginning			(14,505)
FUND BALANCE – Ending			\$ 1,736

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAMBRIDGE LAW ENFORCEMENT FUND**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 61,909	\$ 61,909	\$ 48,108
<b>EXPENDITURES</b>			
Current - public safety:			
Staff salaries	\$ 41,574	\$ 41,574	\$ 41,388
Overtime	3,000	3,000	298
Straight time	1,600	1,600	1,119
Life and health insurance	5,100	5,100	5,095
Total expenditures	<u>\$ 51,274</u>	<u>\$ 51,274</u>	<u>\$ 47,900</u>
Excess of revenues over expenditures	\$ 10,635	\$ 10,635	\$ 208
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(10,635)</u>	<u>(10,635)</u>	<u>(9,164)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	\$ (8,956)
FUND BALANCE – Beginning			<u>(2,038)</u>
FUND BALANCE – Ending			<u>\$ (10,994)</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**SHERIFF'S CRIME LAB FUND**  
For the Year Ended November 30, 2009

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ 3,500	\$ 3,500	\$ 3,383
Investment income	800	800	647
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 4,300	\$ 4,300	\$ 4,030
 <b>EXPENDITURES</b>			
Current - public safety:			
Equipment	5,000	5,000	2,308
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (700)</u>	<u>\$ (700)</u>	\$ 1,722
 FUND BALANCE -- Beginning			<hr/> 34,635
 FUND BALANCE -- Ending			<hr/> <u>\$ 36,357</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAPITAL BUILDING FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Tax increment	\$ -	\$ -	\$ 6,321
<b>EXPENDITURES</b>			
Current - general government: Improvements and fees	<u>240,000</u>	<u>240,000</u>	<u>17,892</u>
Deficiency of revenues under expenditures	<u>\$ (240,000)</u>	<u>\$ (240,000)</u>	<u>\$ (11,571)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 501,648	\$ 501,648	\$ 441,765
Transfers out	<u>(511,100)</u>	<u>(511,100)</u>	<u>(509,746)</u>
Total other financing sources (uses)	<u>\$ (9,452)</u>	<u>\$ (9,452)</u>	<u>\$ (67,981)</u>
Net change in fund balances	<u><u>\$ (249,452)</u></u>	<u><u>\$ (249,452)</u></u>	<u>\$ (79,552)</u>
FUND BALANCE – Beginning			<u>784,653</u>
FUND BALANCE – Ending			<u><u>\$ 705,101</u></u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**WASTE MANAGEMENT FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Reimbursements	\$ -	\$ -	\$ 2,742
Host fees	-	741	741
Miscellaneous	-	-	7,264
Investment income	16	16	35
	<u>16</u>	<u>16</u>	<u>35</u>
Total revenues	<u>\$ 16</u>	<u>\$ 757</u>	<u>\$ 10,782</u>
<b>EXPENDITURES</b>			
Current - general government:			
Contractual service	\$ -	\$ -	\$ 815
Eyclables fees	7,264	7,264	7,264
	<u>7,264</u>	<u>7,264</u>	<u>7,264</u>
Total expenditures	<u>\$ 7,264</u>	<u>\$ 7,264</u>	<u>\$ 8,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (7,248)</u>	<u>\$ (6,507)</u>	\$ 2,703
FUND BALANCE – Beginning			<u>1,073</u>
FUND BALANCE – Ending			<u>\$ 3,776</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**SOLID SOIL SURVEY FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fees	\$ 167,500	\$ 167,500	\$ 165,247
<b>EXPENDITURES</b>			
Current - general government:			
Staff salaries	\$ 98,220	\$ 98,220	\$ 96,978
Part time salaries	12,610	12,610	12,307
Life and health insurance	13,005	13,005	13,013
Office supplies	1,000	1,000	318
Contractual service	44,000	44,000	53,365
Education and training	1,000	1,000	1,645
Postage	200	200	68
Maintenance	1,000	1,000	-
Computer system support	11,500	11,500	11,900
Computer automation	3,000	3,000	1,922
Total expenditures	<u>\$ 185,535</u>	<u>\$ 185,535</u>	<u>\$ 191,516</u>
Deficiency of revenues under expenditures	\$ (18,035)	\$ (18,035)	\$ (26,269)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(16,610)</u>	<u>(16,610)</u>	<u>(15,335)</u>
Net change in fund balances	<u>\$ (34,645)</u>	<u>\$ (34,645)</u>	\$ (41,604)
FUND BALANCE – Beginning			<u>119,831</u>
FUND BALANCE – Ending			<u>\$ 78,227</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**DUI EQUIPMENT FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fees	\$ 7,000	\$ 7,000	\$ 4,957
Investment income	450	450	378
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 7,450	\$ 7,450	\$ 5,335
<b>EXPENDITURES</b>			
Current - public safety:			
Equipment	5,000	5,641	5,641
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,450</u>	<u>\$ 1,809</u>	\$ (306)
FUND BALANCE – Beginning			<hr/> 20,280
FUND BALANCE – Ending			<u>\$ 19,974</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ELDERLY SERVICES FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 100	\$ 100	\$ 165
Miscellaneous	<u>300</u>	<u>300</u>	<u>120</u>
Total revenues	\$ 400	\$ 400	\$ 285
<b>EXPENDITURES</b>			
Office supplies and contingencies	<u>200</u>	<u>2,900</u>	<u>2,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 200</u>	<u>\$ (2,500)</u>	\$ (2,492)
FUND BALANCE – Beginning			<u>9,354</u>
FUND BALANCE – Ending			<u>\$ 6,862</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAMERA ACCOUNT**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 80	\$ 80	\$ 57
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 57</u>
<b>EXPENDITURES</b>			
Office supplies	\$ 1,000	\$ 1,000	\$ 104
Publication notices	50	50	-
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 1,050</u>	<u>\$ 1,050</u>	<u>\$ 104</u>
Deficiency of revenues under expenditures	<u>\$ (970)</u>	<u>\$ (970)</u>	\$ (47)
FUND BALANCE – Beginning			<hr/> 3,199
FUND BALANCE – Ending			<u><u>\$ 3,152</u></u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CORONER EQUIPMENT GRANT**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ -	\$ -	\$ 4,415
Investment income	<u>50</u>	<u>50</u>	<u>85</u>
Total revenues	\$ 50	\$ 50	\$ 4,500
<b>EXPENDITURES</b>			
Equipment	<u>-</u>	<u>-</u>	<u>1,098</u>
Excess of revenues over expenditures	<u>\$ 50</u>	<u>\$ 50</u>	\$ 3,402
FUND BALANCE – Beginning			<u>1,545</u>
FUND BALANCE – Ending			<u>\$ 4,947</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ELECTION ASSISTANCE GRANT**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 40	\$ 40	\$ 23
Election assistance	-	-	12,000
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 40	\$ 40	\$ 12,023
<b>EXPENDITURES</b>			
Equipment	-	-	12,000
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ 40</u>	<u>\$ 40</u>	\$ 23
FUND BALANCE – Beginning			<hr/> 1,244
FUND BALANCE – Ending			<u>\$ 1,267</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

**FEDERAL FORFEITED DRUG FUND**

For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ 36,453
Investment income	2,000	2,000	1,250
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 2,000	\$ 2,000	\$ 37,703
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Education and training	\$ 6,000	\$ 6,000	\$ 5,767
Equipment	24,000	24,000	28,398
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 30,000	\$ 30,000	\$ 34,165
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (28,000)</u>	<u>\$ (28,000)</u>	\$ 3,538
	<hr/>	<hr/>	<hr/>
FUND BALANCE – Beginning			<hr/> 89,520
FUND BALANCE – Ending			<u>\$ 93,058</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**HENRY COUNTY POLICE VEHICLE**  
For the Year Ended November 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ -	\$ 8,000	\$ 8,091
Investment income	<u>-</u>	<u>100</u>	<u>251</u>
Total revenues	\$ -	\$ 8,100	\$ 8,342
<b>EXPENDITURES</b>			
Equipment	<u>8,000</u>	<u>8,000</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (8,000)</u>	<u>\$ 100</u>	\$ 7,842
FUND BALANCE – Beginning			<u>10,695</u>
FUND BALANCE – Ending			<u>\$ 18,537</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ORGANIZED CRIME DRUG FUND**  
For the Year Ended November 30, 2009

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Reimbursements	\$ 10,000	\$ 10,000	\$ 3,938
 <b>EXPENDITURES</b>			
Equipment	<u>10,000</u>	<u>10,000</u>	<u>3,200</u>
 Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 738
 FUND BALANCE – Beginning			<u>(861)</u>
FUND BALANCE – Ending			<u>\$ (123)</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**

For the Year Ended November 30, 2009

	<b>Balances December 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances November 30, 2009</b>
<b>ASSETS</b>				
Cash, cash equivalents and investments:				
County Collector's Fund	\$ 317,796	\$61,344,160	\$61,333,251	\$ 328,705
Drainage District Funds	470,058	562,422	600,730	431,750
Inheritance Tax Fund	130,500	1,053,876	1,138,860	45,516
Trust Fund to Heirs	14,466	14,210	-	28,676
State's Attorney's Office Trust Fund	39,656	121,585	129,134	32,107
Delinquent Tax Program	896	703	1,263	336
Unclaimed bail deposits	10,372	-	-	10,372
County Clerk	92,263	1,108,007	1,090,096	110,174
Circuit Clerk	721,227	4,364,951	4,319,130	767,048
Prisoner Commissary	47,652	231,799	242,530	36,921
Sheriff's Special Account	10	56,218	56,218	10
Township Bridges	207,836	78,406	234,157	52,085
Township Motor Fuel Tax	324,399	1,300,137	1,494,324	130,212
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total cash, cash equivalents and investments	\$ 2,377,131	\$70,236,474	\$70,639,693	\$ 1,973,912
Accounts receivable:				
Township Motor Fuel Tax	90,925	146,986	90,925	146,986
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total assets	<u>\$ 2,468,056</u>	<u>\$70,383,460</u>	<u>\$70,730,618</u>	<u>\$ 2,120,898</u>
<b>LIABILITIES</b>				
Due to others:				
County Collector's Fund	\$ 317,796	\$61,344,160	\$61,333,251	\$ 328,705
Drainage District Funds	470,058	562,422	600,730	431,750
Inheritance Tax Fund	130,500	1,053,876	1,138,860	45,516
Trust Fund to Heirs	14,466	14,210	-	28,676
State's Attorney's Office Trust Fund	39,656	121,585	129,134	32,107
Delinquent Tax Program	896	703	1,263	336
Unclaimed bail deposits	10,372	-	-	10,372
County Clerk	92,263	1,108,007	1,090,096	110,174
Circuit Clerk	721,227	4,364,951	4,319,130	767,048
Prisoner Commissary	47,652	231,799	242,530	36,921
Sheriff's Special Account	10	56,218	56,218	10
Township Bridges	207,836	78,406	234,157	52,085
Township Motor Fuel Tax	415,324	1,447,123	1,585,249	277,198
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total funds due to others	<u>\$ 2,468,056</u>	<u>\$70,383,460</u>	<u>\$70,730,618</u>	<u>\$ 2,120,898</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed-through Illinois Department of Human Services			
Women-Infants-Children	10.557*	82700440A	\$ 181,600
Women-Infants-Children - vouchers	10.557*	82700440A	531,386
Passed-through Illinois Department of Public Health			
Summer Food Inspection	10.559	0634825019000100	<u>800</u>
Total U.S. Department of Agriculture			<u>\$ 713,786</u>
<b>U.S. Department of Commerce</b>			
Economic Adjustment Assistance - Revolving Loan Funds	11.307	06-39-02319-01	<u>\$ 809,633</u>
<b>U.S. Department of Justice</b>			
Direct Programs:			
Federal Equitable Sharing Agreement	16.000	IL037013A	<u>\$ 34,165</u>
<b>U.S. Department of Transportation</b>			
Passed-through Illinois Department of Transportation			
Federal Transit - Capital Investment Grants	20.509	IL-18-0025 IL-86-X001	\$ 67,730 33,324
Public Transportation for Non-Urbanized Areas - Section 18	20.509	IL-18-X026	132,349
Job Access Reverse Commute	20.516	IL-37-X060	<u>4,153</u>
Total U.S. Department of Transportation			<u>\$ 237,556</u>
<b>U.S. Environmental Protection Agency</b>			
Passed-through Illinois Department of Public Health			
Performance Partnership Grants	66.605	063482501900	<u>\$ 1,350</u>

\* Major Program

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended November 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Elections Assistance Commission</b>			
Passed-through Illinois State Board of Elections			
Help America Vote Act - Phase II	90.401		\$ 12,000
<b>U.S. Department of Health and Human Services</b>			
Passed-through Illinois Department of Public Health			
Immunization	93.268	001187 0634825019000000	\$ 156,671 1,349
Bioterrorism Preparedness	93.069 93.283	0634827019000200 0634825019000000	62,283 7,000
Passed-through Illinois Department of Human Services			
Title X	93.217	82592440C	69,500
Temporary Assistance for Needy Families	93.558	82001490C	88,518
Title XX	93.667	824084400	34,900
Passed-through Illinois Department of Healthcare and Family Services			
Child Support Enforcement	93.563	88KCC000036	10,566
Medicaid	93.778	CHD4Q08	70,382
Passed-through Western Illinois Area Agency on Aging			
Respite Care III-B	93.052	R-20090805507003 R-20100805507003	7,436 451
Passed-through Rock Island County Health Department			
IBCCP	93.283	4.2003	22,705
Total U.S. Department of Health and Human Services			\$ 531,761
<b>Department of Homeland Security</b>			
Passed-through Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.042	EMA 130	\$ 6,328
Total Federal Financial Services			\$ 2,346,579

**HENRY COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2009

**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:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount Provided</u>
Public Transportation for Non-Urbanized Areas – Section 18	20.509	\$ 132,349
Job Access Reverse Commute	20.516	<u>4,153</u>
Total		<u>\$ 136,502</u>

**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, 2009.

Henry County, Illinois had no loans or loan guarantees, relating to federal funds, outstanding at November 30, 2009.



4915 - 21st Avenue A. • Moline, Illinois 61265  
Ph. (309) 762-3626 • Fax (309) 762-4465

**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, 2009, which collectively comprise Henry County's basic financial statements and have issued our report thereon dated June 8, 2010. 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.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. Finding 2009-1.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Henry County, Illinois in a separate letter dated June 8, 2010.

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.

*Carpentier, Mitchell, Goddard & Co., P.C.*

Moline, Illinois  
June 8, 2010



4915 - 21st Avenue A. • Moline, Illinois 61265  
Ph. (309) 762-3626 • Fax (309) 762-4465

**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, 2009. 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, 2009.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Henry County's internal control over compliance.

A *control deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

*Carpentier, Mitchell, Abdard & Co., A.C.*

Moline, Illinois  
June 8, 2010

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended November 30, 2009

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, 2009, was an unqualified opinion.

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

Significant deficiencies disclosed during the audit of the financial statements are 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, 2009.

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, 2009.

D. Significant Deficiency in Internal Control Over Major Programs

The audit of compliance of Henry County, Illinois for the year ended November 30, 2009 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, 2009, was an unqualified opinion.

F. Findings Relating to the Major Programs

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

(Continued)

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended November 30, 2009

G. Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount Expended</u>
10.557	Women – Infants – Children	\$ 712,986

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, 2009.

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, 2009.

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 Deficiencies

*2009-1* - 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.

Cause: Henry County's personnel do not have sufficient financial reporting and disclosure knowledge.

Effect: Henry County personnel are unable 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.

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended November 30, 2009

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 Deficiencies – Cont'd

*2009-1* - Financial Statement Preparation

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.

Response and corrective action plan: We agree with the recommendation. However, at this time our current software is unable to generate financial statements and related notes.

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, 2009

<u>Number</u>	<u>Comment</u>	<u>Status</u>	<u>Corrective Action or Other Explanation</u>
2008-1	Financial statement preparation	Uncorrected	At this time current software is unable to generate financial statements and related notes.
2008-2	Segregation of duties - Drainage District Accounts	Corrected	
2008-3	Segregation of duties - E911 Accounts	Corrected	
2008-4	Segregation of duties - Circuit Clerk	Corrected	

**HENRY COUNTY, ILLINOIS**  
**CORRECTIVE ACTION PLAN**  
For the Year Ended November 30, 2009

<u>Current Number</u>	<u>Comment</u>	<u>Corrective Action Plan</u>	<u>Anticipated Date of Completion</u>	<u>Contact Person</u>
2009-1	Financial statement preparation	See corrective action plan at 2009-1	- - -	Colleen Gillaspie County Administrator