

***HENRY COUNTY, ILLINOIS***

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

***November 30, 2010***

**HENRY COUNTY, ILLINOIS**  
**November 30, 2010**

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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, 2010, 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 opinions 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, 2010, 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 3, 2011, 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 considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12, budgetary comparison information on pages 51 through 63, and Pension Plans and Other Post Employment Plan Schedules of Funding Progress on pages 64 through 65, 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, Goddard & Company, L.L.C.*

Moline, Illinois  
June 14, 2011

## 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, 2010. 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 FY2010 by \$91,166,551 (net assets). Of this amount, \$2,362,248 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$70,913,201 that is invested in capital assets net of related debt. With the presentation of the investment in capital assets, unrestricted net assets becomes \$17,891,102.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of \$17,570,637 currently government fund totals only; of which \$15,208,389 or 86.6% represents unreserved fund balances.
- The general fund unreserved fund balance of \$4,503,702 equals 48.3% 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), 40 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 \$91,166,551 at the close of the most recent fiscal year.

Of the County's total assets of \$103,063,692 the largest components are: 1) cash and investment of \$17,448,005 or 16.9%, 2) receivables, which largely represent the deferred taxes for FY2011 of \$11,573,253 or 11.2%, and 3) capital assets net of accumulated depreciation of \$73,978,572 or 71.8%. The receivables are offset by deferred revenue since the FY2010 tax revenue is not recognized until FY2011 even though the levy takes place in FY2010. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the total liabilities of \$11,897,141, \$9,020,021 are current liabilities.

The County's net assets for fiscal year ended November 30, 2010 are summarized as follows:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
Current and other assets	\$ 26,273,607	\$ 2,811,513	\$ 29,085,120
Capital assets (net of depreciation)	<u>70,682,149</u>	<u>3,296,423</u>	<u>73,978,572</u>
Total assets	\$ <u>96,955,756</u>	\$ <u>6,107,936</u>	\$ <u>103,063,692</u>
Current and other liabilities	\$ 8,610,556	\$ 409,465	\$ 9,020,021
Long-term liabilities	<u>2,874,617</u>	<u>2,503</u>	<u>2,877,120</u>
Total liabilities	\$ <u>11,485,173</u>	\$ <u>411,968</u>	\$ <u>11,897,141</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 67,616,778	\$ 3,296,423	\$ 70,913,201
Restricted	2,362,248	-----	2,362,248
Unrestricted	<u>15,491,557</u>	<u>2,399,545</u>	<u>17,891,102</u>
Total net assets	\$ <u>85,470,583</u>	\$ <u>5,695,968</u>	\$ <u>91,166,551</u>

For comparative purposes, 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>

About 3.0% or \$2,362,248 of the County's net assets for fiscal year ended November 30, 2010 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 (\$70,913,201) of the County's net assets reflects its *investment in capital assets* (e.g., land, buildings, infrastructure, machinery and equipment) net of related debt. Unrestricted net assets (\$17,891,102) may be used to meet the County's ongoing obligations to citizens and creditors.

Governmental activities increased the County's net assets by \$279,404. The key components of this increase are the following:

- An increase of Tax Revenue of approximately \$310,000.
- A decrease of Investment Earnings of approximately \$80,000.
- Another part of this increase is due to the revenues out-pacing the expenses.

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, 2010 are presented net of interfund eliminations.

**Henry County's Changes in Net Assets**

	<u>Governmental Activities 2010</u>	<u>Business-Type Activities 2010</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 7,576,881	\$ 4,394,931	\$ 11,971,812
Operating grants and contributions	4,207,406	-----	4,207,406
Capital grants and contributions	450,168	-----	450,168
General revenues:			
Property taxes	6,820,722	-----	6,820,722
Other taxes	4,755,210	-----	4,755,210
Unrestricted investments earnings	354,051	28,088	382,139
Gain on sale of capital assets	<u>5,300</u>	<u>-----</u>	<u>5,300</u>
Total revenues	<u>\$ 24,169,738</u>	<u>\$ 4,423,019</u>	<u>\$ 28,592,757</u>
Expenses:			
General government	\$ 4,730,582	\$ -----	\$ 4,730,582
Public safety	5,158,949	-----	5,158,949
Education	773,128	-----	773,128
Judiciary	2,388,508	-----	2,388,508
Highways and streets	5,538,108	-----	5,538,108
Health	4,722,375	-----	4,722,375
Interest on long-term debt	109,395	-----	109,395
Nursing home	-----	4,861,722	4,861,722
Other	<u>-----</u>	<u>4,821</u>	<u>4,821</u>
Total expenses	<u>\$ 23,421,045</u>	<u>\$ 4,866,543</u>	<u>\$ 28,287,588</u>
Increase (decrease) in net assets before transfers	\$ 748,693	\$ (443,524)	\$ 305,169
Transfers	<u>(469,289)</u>	<u>469,289</u>	<u>-----</u>
Change in net assets	\$ 279,404	\$ 25,765	\$ 305,169
Net assets – beginning	<u>85,191,179</u>	<u>5,670,203</u>	<u>90,861,382</u>
Net assets – ending	<u>\$ 85,470,583</u>	<u>\$ 5,695,968</u>	<u>\$ 91,166,551</u>

For comparative purposes, 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>

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

- Program revenues of \$12,234,455 equaled 52.0% of government expenses of \$23,421,045. As expected, general revenues (\$11,935,283) provided the required support and coverage for expenses.
- Approximately 24% of expenses are Highways and Streets (\$5,538,108) while this category provided about 7% of total revenues of \$24,169,738.
- Approximately 22% of the expenses are Public Safety (\$5,158,949) while this category provided about 10% of total revenues.
- Approximately 20% of expenses are Health (\$4,722,375) while this category provided about 17% of total revenues.
- General government expenses are \$4,730,582 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 \$17,570,637, an increase of \$1,340,513 in comparison with the prior year. Approximately \$15,208,389 or 86.6% of the fund balance represents *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,503,702. As a measure of the general fund's liquidity, we compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 48.3% of total fund expenditures. General budgetary targets for reserves are 25% of expenditures which compare favorably to GFOA recommended reserves for small counties.

The fund balance of the County's general fund increased by \$59,997 during the current fiscal year.

The County Highway Fund has a fund balance of \$1,822,038, an increase of \$31,645 as compared with the prior year.

The Illinois Municipal Retirement Fund has a fund balance of \$426,881, an increase of \$136,539 as compared with the prior year.

The FICA Fund has a fund balance of \$264,293, a decrease of \$1,698 as compared with the prior year.

The TORT Judge and Liability Insurance Fund has a fund balance of \$1,955,945, an increase of \$266,691 as compared with the prior year.

The County Health Fund has a fund balance of \$1,999,527, an increase of \$28,204 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 2010</u>	<u>FY 2009</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Taxes	\$ 9,803,149	\$ 9,486,304	\$ 316,845	3.3%
Fines and fees	1,534,194	1,357,126	177,068	13.0%
Intergovernmental revenues	6,076,026	4,931,936	1,144,090	23.2%
Charges for services	5,948,827	6,046,888	(98,061)	(1.6%)
Investments	354,051	435,336	(81,285)	(18.7%)
Miscellaneous	<u>145,145</u>	<u>119,360</u>	<u>25,785</u>	<u>21.6%</u>
Total	<u>\$ 23,861,392</u>	<u>\$ 22,376,950</u>	<u>\$1,484,442</u>	<u>6.6%</u>

Overall, total revenues increased 6.6%.

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

**Expenditures by Function – Governmental Funds**

<u>Expenditures by Function</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
General Government	\$ 4,500,114	\$ 4,634,919	\$ (134,805)	(2.9%)
Public Safety	4,886,931	4,857,599	29,332	0.6%
Education	791,028	737,308	53,720	7.3%
Judiciary	2,334,630	2,387,136	(52,506)	(2.2%)
Highways and streets	3,722,224	3,678,500	43,724	1.2%
Health	4,633,552	4,536,211	97,341	2.1%
Capital expenditures	679,896	2,955,140	(2,275,244)	(77.0%)
Debt service-principal	418,588	405,775	12,813	3.2%
Debt service-interest	89,927	151,371	(61,444)	(40.6%)
Debt service-bond issue costs	-----	<u>33,100</u>	<u>(33,100)</u>	<u>(100.0%)</u>
Total	<u>\$ 22,056,890</u>	<u>\$ 24,377,059</u>	<u>\$(2,320,169)</u>	<u>(9.5%)</u>

Overall, total expenditures decreased 9.5%, Capital expenditures decreased 77.0%, due to the construction of the new asphalt plant included in FY 2009.

## 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 \$10,259,701 decreased to actual receipts of \$9,969,228 (a decrease of \$290,473).
- The total original expenditure budget of \$10,187,876 decreased to \$9,331,090 (a decrease of \$856,786).
- The total original budget for net transfers out of \$576,931 increased to \$578,141 (an increase of \$1,210) 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 FY2010.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Alternate revenue bonds	\$3,505,000	\$ -----	\$ (380,000)	\$ 3,125,000
Issuance discounts	(35,735)	-----	7,860	(27,875)
Deferred charge on refunding	(58,904)	-----	12,786	(46,118)
Installment contract	85,980	-----	(38,588)	47,392
Net pension obligation/ net other post employment benefit obligation	-----	254,275	(49,375)	204,900
Total	<u>\$3,496,341</u>	<u>\$ 254,275</u>	<u>\$ (447,317)</u>	<u>\$ 3,303,299</u>
Business Activities:				
Net other post employment benefit obligation	\$ -----	\$ 17,217	\$ (14,714)	\$ 2,503

(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, 2010, net capital assets of the governmental activities totaled \$70,682,149. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation totaled \$2,755,774.

### County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
<b>Governmental Activities:</b>			
Land	\$ 542,452	N/A	\$ 542,452
Buildings and improvements	22,796,155	\$ 12,922,213	9,873,942
Vehicles and equipment	8,305,125	6,342,632	1,962,493
Infrastructure	68,138,272	9,835,010	58,303,262
<b>Total</b>	<b>\$ 99,782,004</b>	<b>\$ 29,099,855</b>	<b>\$ 70,682,149</b>
<b>Business-type Activities:</b>			
Land, land improvements, & construction in progress	\$ 1,088,813	N/A	\$ 1,088,813
Buildings	5,831,963	\$ 3,876,817	1,955,146
Equipment	1,377,453	1,124,989	252,464
<b>Total</b>	<b>\$ 8,298,229</b>	<b>\$ 5,001,806</b>	<b>\$ 3,296,423</b>

The annual depreciation totaled \$285,269 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 FY2011, the County Board and management considered the following factors:

- Personnel costs 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 renovation project continues to be considered, at an estimated cost of \$2.7M.
- Increase of approximately \$600,000 in Highway MFT corresponds to reimbursements received from prior year projects.

### 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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Emergency Telephone System Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,854,481	\$ 1,452,276	\$ 15,306,757	\$ 259,523
Investments	1,314,882	826,366	2,141,248	532,530
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	2,269,477	346,975	2,616,452	56,459
Property tax	7,117,592	-	7,117,592	-
Due from cities & townships	142,059	-	142,059	-
Other taxes	1,080,213	-	1,080,213	-
Loans	616,192	-	616,192	-
Accrued interest	-	745	745	455
Internal balances	(154,317)	154,317	-	-
Inventories	-	23,705	23,705	-
Prepaid items	-	7,129	7,129	-
Deferred charges	33,028	-	33,028	-
Capital assets:				
Not depreciated	542,452	1,088,813	1,631,265	-
Depreciated, net of accumulated depreciation	70,139,697	2,207,610	72,347,307	341,616
Total assets	<u>\$ 96,955,756</u>	<u>\$ 6,107,936</u>	<u>\$ 103,063,692</u>	<u>\$ 1,190,583</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 1,025,318	\$ 409,465	\$ 1,434,783	\$ 2,052
Accrued interest payable	38,964	-	38,964	-
Deferred revenue	7,117,592	-	7,117,592	-
Noncurrent liabilities:				
Due within one year	428,682	-	428,682	-
Due in more than one year	2,874,617	2,503	2,877,120	-
Total liabilities	<u>\$ 11,485,173</u>	<u>\$ 411,968</u>	<u>\$ 11,897,141</u>	<u>\$ 2,052</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 67,616,778	\$ 3,296,423	\$ 70,913,201	\$ 341,616
Restricted for:				
Maintenance of roadways	1,230,177	-	1,230,177	-
Loans	1,078,842	-	1,078,842	-
Drug enforcement	49,020	-	49,020	-
Debt service	4,209	-	4,209	-
Unrestricted	15,491,557	2,399,545	17,891,102	846,915
Total net assets	<u>\$ 85,470,583</u>	<u>\$ 5,695,968</u>	<u>\$ 91,166,551</u>	<u>\$ 1,188,531</u>

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

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended November 30, 2010

	<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	\$ 4,730,582	\$ 1,528,819	\$ 420,753	\$ 147,122
Public safety	5,158,949	2,393,608	3,544	-
Education	773,128	34,513	711,564	-
Judiciary	2,388,508	536,889	587,302	-
Highways and streets	5,538,108	1,497,899	-	303,046
Health	4,722,375	1,585,153	2,484,243	-
Interest on long-term debt	109,395	-	-	-
	<u>\$ 23,421,045</u>	<u>\$ 7,576,881</u>	<u>\$ 4,207,406</u>	<u>\$ 450,168</u>
<b>Business-Type activities:</b>				
Nursing home	\$ 4,861,722	\$ 4,329,357	\$ -	\$ -
Other	4,821	65,574	-	-
	<u>\$ 4,866,543</u>	<u>\$ 4,394,931</u>	<u>\$ -</u>	<u>\$ -</u>
Total business-type activities	<u>\$ 4,866,543</u>	<u>\$ 4,394,931</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 28,287,588</u>	<u>\$ 11,971,812</u>	<u>\$ 4,207,406</u>	<u>\$ 450,168</u>
<b>Component Unit:</b>				
Emergency Telephone Systems Board	<u>\$ 476,397</u>	<u>\$ 485,636</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

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>
\$ (2,633,888)	\$ -	\$ (2,633,888)	\$ -
(2,761,797)	-	(2,761,797)	-
(27,051)	-	(27,051)	-
(1,264,317)	-	(1,264,317)	-
(3,737,163)	-	(3,737,163)	-
(652,979)	-	(652,979)	-
(109,395)	-	(109,395)	-
<u>\$ (11,186,590)</u>	<u>\$ -</u>	<u>\$ (11,186,590)</u>	<u>\$ -</u>
\$ -	\$ (532,365)	\$ (532,365)	\$ -
-	60,753	60,753	-
<u>\$ -</u>	<u>\$ (471,612)</u>	<u>\$ (471,612)</u>	<u>\$ -</u>
<u>\$ (11,186,590)</u>	<u>\$ (471,612)</u>	<u>\$ (11,658,202)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,239</u>
\$ 6,820,722	\$ -	\$ 6,820,722	\$ -
3,931	-	3,931	-
378,521	-	378,521	-
1,394,463	-	1,394,463	-
1,191,000	-	1,191,000	-
14,512	-	14,512	-
1,772,783	-	1,772,783	-
354,051	28,088	382,139	9,375
5,300	-	5,300	-
(469,289)	469,289	-	-
<u>\$ 11,465,994</u>	<u>\$ 497,377</u>	<u>\$ 11,963,371</u>	<u>\$ 9,375</u>
\$ 279,404	\$ 25,765	\$ 305,169	\$ 18,614
<u>85,191,179</u>	<u>5,670,203</u>	<u>90,861,382</u>	<u>1,169,917</u>
<u>\$ 85,470,583</u>	<u>\$ 5,695,968</u>	<u>\$ 91,166,551</u>	<u>\$ 1,188,531</u>

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

**HENRY COUNTY, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
November 30, 2010

	<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	\$ 2,284,731	\$ 1,687,523	\$ 485,929	\$ 319,138
Investments	552,336	-	-	-
Receivables:				
Accounts	893,390	21,884	-	-
Property tax	2,031,585	705,000	1,198,422	670,180
Due from cities and townships	-	142,059	-	-
Other taxes	942,795	-	20,197	11,296
Loans	-	-	-	-
Due from other funds	243,759	-	-	-
Total assets	<u>\$ 6,948,596</u>	<u>\$ 2,556,466</u>	<u>\$ 1,704,548</u>	<u>\$ 1,000,614</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 131,776	\$ 7,089	\$ -	\$ -
Accrued expenses	281,533	22,339	-	-
Deferred property tax revenue	2,031,585	705,000	1,198,422	670,180
Due to other funds	-	-	79,245	66,141
Total liabilities	<u>\$ 2,444,894</u>	<u>\$ 734,428</u>	<u>\$ 1,277,667</u>	<u>\$ 736,321</u>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
General fund	4,503,702	-	-	-
Special revenue funds	-	1,822,038	426,881	264,293
Total fund balances	<u>\$ 4,503,702</u>	<u>\$ 1,822,038</u>	<u>\$ 426,881</u>	<u>\$ 264,293</u>
Total liabilities & fund balances	<u>\$ 6,948,596</u>	<u>\$ 2,556,466</u>	<u>\$ 1,704,548</u>	<u>\$ 1,000,614</u>

<b>Tort Judge and Liability Insurance Fund</b>	<b>County Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,934,953	\$ 666,168	\$ 5,575,047	\$ 12,953,489
-	200,000	562,546	1,314,882
-	1,272,004	82,199	2,269,477
1,245,668	190,000	1,076,737	7,117,592
-	-	-	142,059
20,992	-	84,933	1,080,213
-	-	616,192	616,192
-	-	-	243,759
<u>\$ 3,201,613</u>	<u>\$ 2,328,172</u>	<u>\$ 7,997,654</u>	<u>\$ 25,737,663</u>
\$ -	\$ 50,979	\$ 210,758	\$ 400,602
-	87,666	13,535	405,073
1,245,668	190,000	1,076,737	7,117,592
-	-	98,373	243,759
<u>\$ 1,245,668</u>	<u>\$ 328,645</u>	<u>\$ 1,399,403</u>	<u>\$ 8,167,026</u>
\$ -	\$ -	\$ 1,230,177	\$ 1,230,177
-	-	1,078,842	1,078,842
-	-	49,020	49,020
-	-	4,209	4,209
-	-	-	4,503,702
1,955,945	1,999,527	4,236,003	10,704,687
<u>\$ 1,955,945</u>	<u>\$ 1,999,527</u>	<u>\$ 6,598,251</u>	<u>\$ 17,570,637</u>
<u>\$ 3,201,613</u>	<u>\$ 2,328,172</u>	<u>\$ 7,997,654</u>	<u>\$ 25,737,663</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
November 30, 2010

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

Total fund balance - governmental funds	\$ 17,570,637
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	70,682,149
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.	527,032
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(3,309,235)</u>
Net assets of governmental activities	<u><u>\$ 85,470,583</u></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, 2010

	<u>General Fund</u>	<u>County Highway Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>FICA Fund</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,007,625	\$ 701,184	\$ 977,791	\$ 673,669
Tax increment	-	-	-	-
Replacement	121,904	42,359	62,846	40,615
Sales	1,394,463	-	-	-
State income	1,191,000	-	-	-
Other	14,512	-	-	-
Fines and fees	1,246,350	-	-	-
Intergovernmental	1,777,187	-	-	-
Charges for services	1,994,567	1,422,951	-	-
Investment income	221,620	16,634	5,800	4,574
Miscellaneous	-	7,654	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 9,969,228</u>	<u>\$ 2,190,782</u>	<u>\$ 1,046,437</u>	<u>\$ 718,858</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 2,609,843	\$ -	\$ 98,793	\$ 92,895
Public safety	3,809,307	-	490,300	227,743
Education	682,572	-	47,408	40,454
Judiciary	2,088,580	-	128,433	117,617
Highways and streets	-	1,896,847	36,491	68,922
Health	-	-	193,197	201,522
Capital expenditures	124,588	262,290	-	-
Debt service:				
Principal	14,336	-	-	-
Interest	1,864	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 9,331,090</u>	<u>\$ 2,159,137</u>	<u>\$ 994,622</u>	<u>\$ 749,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 638,138</u>	<u>\$ 31,645</u>	<u>\$ 51,815</u>	<u>\$ (30,295)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 3,949	\$ -	\$ 263,330	\$ 238,030
Transfers out	(582,090)	-	(178,606)	(209,433)
Sale of capital assets	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources (uses)	<u>\$ (578,141)</u>	<u>\$ -</u>	<u>\$ 84,724</u>	<u>\$ 28,597</u>
Net change in fund balances	\$ 59,997	\$ 31,645	\$ 136,539	\$ (1,698)
FUND BALANCES - Beginning	<u>4,443,705</u>	<u>1,790,393</u>	<u>290,342</u>	<u>265,991</u>
FUND BALANCES - Ending	<u>\$ 4,503,702</u>	<u>\$ 1,822,038</u>	<u>\$ 426,881</u>	<u>\$ 264,293</u>

<b>Tort Judge and Liability Insurance Fund</b>	<b>County Health Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,192,679	\$ 189,609	\$ 1,078,165	\$ 6,820,722
-	-	3,931	3,931
74,230	-	36,567	378,521
-	-	-	1,394,463
-	-	-	1,191,000
-	-	-	14,512
-	-	287,844	1,534,194
-	2,484,243	1,814,596	6,076,026
-	1,576,835	954,474	5,948,827
16,914	14,033	74,476	354,051
-	8,318	129,173	145,145
<u>\$ 1,283,823</u>	<u>\$ 4,273,038</u>	<u>\$ 4,379,226</u>	<u>\$ 23,861,392</u>
\$ 907,386	\$ -	\$ 791,197	\$ 4,500,114
-	-	359,581	4,886,931
-	-	20,594	791,028
-	-	-	2,334,630
-	-	1,719,964	3,722,224
-	3,780,083	458,750	4,633,552
-	79,365	213,653	679,896
-	-	404,252	418,588
-	-	88,063	89,927
<u>\$ 907,386</u>	<u>\$ 3,859,448</u>	<u>\$ 4,056,054</u>	<u>\$ 22,056,890</u>
\$ 376,437	\$ 413,590	\$ 323,172	\$ 1,804,502
\$ -	\$ -	\$ 1,045,339	\$ 1,550,648
(109,746)	(390,686)	(549,376)	(2,019,937)
-	5,300	-	5,300
<u>\$ (109,746)</u>	<u>\$ (385,386)</u>	<u>\$ 495,963</u>	<u>\$ (463,989)</u>
\$ 266,691	\$ 28,204	\$ 819,135	\$ 1,340,513
1,689,254	1,971,323	5,779,116	16,230,124
<u>\$ 1,955,945</u>	<u>\$ 1,999,527</u>	<u>\$ 6,598,251</u>	<u>\$ 17,570,637</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, 2010

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

Net change in fund balance - total governmental funds	\$ 1,340,513
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,878,811)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	303,046
The repayment of principal of long-term debt consumes the current financial resources of governmental funds. Principal payments have no effect on net assets. This amount is the principal payment in the current period.	418,588
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.	(28,856)
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.	329,824
Changes in NPO and NOPEBO are reported only in the statement of activities	<u>(204,900)</u>
Change in net assets of governmental activities	<u><u>\$ 279,404</u></u>

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

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

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Enterprise Funds</b>			<b>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	\$ 1,256,237	\$ 196,039	\$ 1,452,276	\$ 900,992
Investments	826,366	-	826,366	-
Accounts receivable (net, where applicable, of allowance for uncollectibles)	346,975	-	346,975	-
Accrued interest	745	-	745	-
Inventories	23,705	-	23,705	-
Prepaid items	7,129	-	7,129	-
Total current assets	<u>\$ 2,461,157</u>	<u>\$ 196,039</u>	<u>\$ 2,657,196</u>	<u>\$ 900,992</u>
Noncurrent assets:				
Capital assets:				
Land and land improvements	\$ 279,195	\$ 800,000	\$ 1,079,195	\$ -
Construction in progress	9,618	-	9,618	-
Buildings and equipment	7,209,416	-	7,209,416	-
Less accumulated depreciation	<u>(5,001,806)</u>	<u>-</u>	<u>(5,001,806)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 2,496,423</u>	<u>\$ 800,000</u>	<u>\$ 3,296,423</u>	<u>\$ -</u>
Total assets	<u>\$ 4,957,580</u>	<u>\$ 996,039</u>	<u>\$ 5,953,619</u>	<u>\$ 900,992</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 203,415	\$ -	\$ 203,415	\$ 219,643
Accrued payroll	199,310	-	199,310	-
Other accrued liabilities	6,740	-	6,740	-
Noncurrent liabilities:				
Other postemployment benefit obligation	2,503	-	2,503	-
Total current liabilities	<u>\$ 411,968</u>	<u>\$ -</u>	<u>\$ 411,968</u>	<u>\$ 219,643</u>
<b>NET ASSETS</b>				
Invested in capital assets	\$ 2,496,423	\$ 800,000	\$ 3,296,423	\$ -
Unrestricted	<u>2,049,189</u>	<u>196,039</u>	<u>2,245,228</u>	<u>681,349</u>
Total net assets	<u>\$ 4,545,612</u>	<u>\$ 996,039</u>	<u>\$ 5,541,651</u>	<u>\$ 681,349</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>154,317</u>	
Net assets of business-type activities			<u>\$ 5,695,968</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, 2010

	Business-type Activities Enterprise Funds			Governmental Activities
	Hillcrest Nursing Home Fund	Nonmajor Enterprise Fund	Total Business- Type Activities	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for service	\$ 4,117,216	\$ -	\$ 4,117,216	\$ 2,648,590
Rental income	-	65,569	65,569	-
Other	212,141	5	212,146	289,199
Total operating revenues	<u>\$ 4,329,357</u>	<u>\$ 65,574</u>	<u>\$ 4,394,931</u>	<u>\$ 2,937,789</u>
<b>OPERATING EXPENSES</b>				
General services	\$ 1,192,211	\$ 4,821	\$ 1,197,032	\$ -
Health care	2,990,648	-	2,990,648	-
Administration and claims	487,389	-	487,389	2,516,289
Depreciation	285,269	-	285,269	-
Total operating expenses	<u>\$ 4,955,517</u>	<u>\$ 4,821</u>	<u>\$ 4,960,338</u>	<u>\$ 2,516,289</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (626,160)</u>	<u>\$ 60,753</u>	<u>\$ (565,407)</u>	<u>\$ 421,500</u>
<b>NONOPERATING REVENUE</b>				
Investment income	28,088	-	28,088	2,120
Income (loss) before transfers	\$ (598,072)	\$ 60,753	\$ (537,319)	\$ 423,620
TRANSFERS IN	493,835	-	493,835	-
TRANSFERS OUT	(24,546)	-	(24,546)	-
CHANGES IN NET ASSETS	\$ (128,783)	\$ 60,753	\$ (68,030)	\$ 423,620
TOTAL NET ASSETS - Beginning	<u>4,674,395</u>	<u>935,286</u>		<u>257,729</u>
TOTAL NET ASSETS - Ending	<u>\$ 4,545,612</u>	<u>\$ 996,039</u>		<u>\$ 681,349</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>93,795</u>	
Change in net assets of business-type activities			<u>\$ 25,765</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, 2010

	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	\$ 4,303,806	\$ 65,574	\$ 4,369,380	\$ -
Receipts from interfund services provided	-	-	-	2,648,590
Other receipts	212,141	-	212,141	289,199
Payments to suppliers	(982,954)	(4,821)	(987,775)	(2,538,907)
Payments to employees	(3,263,020)	-	(3,263,020)	-
Payments for interfund services used	(367,690)	-	(367,690)	-
Net cash provided (used) by operating activities	<u>\$ (97,717)</u>	<u>\$ 60,753</u>	<u>\$ (36,964)</u>	<u>\$ 398,882</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	\$ 493,835	\$ -	\$ 493,835	\$ -
Transfers to other funds	(24,546)	-	(24,546)	-
Net cash provided by noncapital financing activities	<u>\$ 469,289</u>	<u>\$ -</u>	<u>\$ 469,289</u>	<u>\$ -</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	\$ (224,061)	\$ -	\$ (224,061)	\$ -
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	\$ 28,456	\$ -	\$ 28,456	\$ 2,120
Purchase of investments	(59)	-	(59)	-
Net cash provided by investing activities	<u>\$ 28,397</u>	<u>\$ -</u>	<u>\$ 28,397</u>	<u>\$ 2,120</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 175,908	\$ 60,753	\$ 236,661	\$ 401,002
CASH AND CASH EQUIVALENTS - Beginning	<u>1,080,329</u>	<u>135,286</u>	<u>1,215,615</u>	<u>499,990</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 1,256,237</u>	<u>\$ 196,039</u>	<u>\$ 1,452,276</u>	<u>\$ 900,992</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended November 30, 2010

	<u>Business-type Activities</u> <u>Enterprise Funds</u>			<u>Governmental</u> <u>Activities</u>
	<u>Hillcrest</u> <u>Nursing</u> <u>Home Fund</u>	<u>Nonmajor</u> <u>Enterprise</u> <u>Fund</u>	<u>Total</u> <u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Internal</u> <u>Service Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (626,160)	\$ 60,753	\$ (565,407)	\$ 421,500
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	285,269	-	285,269	-
(Increase) decrease in:				
Accounts receivables	186,590	-	186,590	-
Inventories	3,303	-	3,303	-
Prepaid items	(1,765)	-	(1,765)	-
Increase (decrease) in:				
Accounts payable	20,916	-	20,916	(22,618)
Accrued expenses	34,130	-	34,130	-
Net cash provided (used) by operating activities	<u>\$ (97,717)</u>	<u>\$ 60,753</u>	<u>\$ (36,964)</u>	<u>\$ 398,882</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, 2010

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	<b>Total Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,939,497
Investments	239,456
Accounts receivable	<u>121,163</u>
Total assets	<u><u>\$ 2,300,116</u></u>
<b>LIABILITIES</b>	
Due to others	<u><u>\$ 2,300,116</u></u>

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

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

November 30, 2010

**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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - (Continued)

measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except sales taxes, which use a 90 day period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

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

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

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

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

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

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

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:

<u>Type of Asset</u>	<u>Life in Years</u>
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 2010 tax levy is budgeted for fiscal year 2011, 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 \$1,230,177 for motor fuel tax projects, \$1,078,842 for loans, \$49,020 for drug enforcement and \$4,209 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 \$3,309,235 difference are as follows:

Bonds payable	\$ 3,125,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(46,118)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(33,028)
Less: Issuance discount (to be amortized as interest expense)	(27,875)
Accrued interest payable	38,964
Capital lease payable	47,392
Net pension obligation and other post employment benefit obligation	<u>204,900</u>
	<u>\$ 3,309,235</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*

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - (Continued)

*funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,878,811 difference are as follows:

Capital expenditures	\$ 876,963
Depreciation expense	<u>(2,755,774)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(1,878,811)</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 \$28,856 difference are as follows:

Accrued interest	\$ 1,178
Amortization of deferred charge on refunding	(12,786)
Amortization of issuance costs	(9,388)
Amortization of bond discounts	<u>(7,860)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(28,856)</u>

### 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - (Continued)

Once the County budget has been adopted, no further appropriations shall be made during the year except in the event of an immediate emergency at which time the County Board, by a two-thirds vote, 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, 2010 are classified in the accompanying financial statements as follows:

#### Statement of net assets:

##### County Funds:

Cash and cash equivalents	\$15,306,757
Investments	2,141,248

##### Fiduciary Funds:

Cash and cash equivalents	1,939,497
Investments	239,456

##### Component Unit - Emergency Telephone System Board:

Cash and cash equivalents	259,523
Investments	<u>532,530</u>

Total cash and investments	<u>\$20,419,011</u>
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Cash and investments as of November 30, 2010 consist of the following:

Cash on hand	\$ 6,032
Deposits with financial institutions	17,499,745
Investments	<u>2,913,234</u>

Total cash and investments	<u>\$20,419,011</u>
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**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> Emergency Telephone System Board	<u>Total</u>	<u>Investment Maturities</u> <u>(in years)</u>
		<u>Agency</u>	<u>Board</u>			<u>Less than 1</u>
Certificates of deposit	\$2,009,698	\$ 71,320	\$ 500,000	\$ 2,581,018	\$ 2,581,018	
Illinois Funds	<u>131,550</u>	<u>168,136</u>	<u>32,530</u>	<u>332,216</u>	<u>332,216</u>	
Total	<u>\$2,141,248</u>	<u>\$239,456</u>	<u>\$532,530</u>	<u>\$ 2,913,234</u>	<u>\$ 2,913,234</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, 2010, 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>Total</u>	<u>Rating as of Year End</u>	
		<u>Agency</u>	<u>Component Unit</u> <u>Emergency Telephone System Board</u>		<u>AAAm</u>	<u>NR</u>
Certificates of deposit	\$ 2,009,698	\$ 71,320	\$ 500,000	\$2,581,018	\$ - - -	\$2,581,018
Illinois Funds	<u>131,550</u>	<u>168,136</u>	<u>32,530</u>	<u>332,216</u>	<u>332,216</u>	<u>- - -</u>
Total	<u>\$ 2,141,248</u>	<u>\$ 239,456</u>	<u>\$ 532,530</u>	<u>\$ 2,913,234</u>	<u>\$ 332,216</u>	<u>\$2,581,018</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, 2010, the carrying amount of the County's deposits including certificates of deposit with financial institutions totaled \$19,321,240 with the bank balances totaling \$20,215,035. Bank balances of \$20,168,935 are entirely insured or collateralized with securities held by the County or its agent in the County's name, with the remaining \$46,100 uninsured. As of the same date, the Emergency Telephone System Board, a discretely presented component unit, had deposits and certificates of deposit totaling \$759,523 with the same bank balance. Bank balances of \$250,000 are insured by the Federal Deposit Insurance Corporation, with the remaining \$509,523 uninsured.

**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, 2010, 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:

	General Fund	County Highway Fund	Illinois Municipal Retirement Fund
Receivables:			
Accounts	\$ 893,390	\$ 21,884	\$ - - -
Property tax	2,031,585	705,000	1,198,422
Due from cities and townships	- - -	142,059	- - -
Other taxes	942,795	- - -	20,197
Loans	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -
Gross receivables	\$ 3,867,770	868,943	\$1,218,619
Less: allowance for uncollectables	- - -	- - -	- - -
Net total receivables	\$ 3,867,770	\$868,943	\$1,218,619

**NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - (Continued)

Receivables:	<u>FICA Fund</u>	<u>Tort Judge and Liability Insurance Fund</u>	<u>County Health Fund</u>
Accounts	\$ - - -	\$ - - -	\$ 1,272,004
Property tax	670,180	1,245,668	190,000
Due from cities and townships	- - -	- - -	- - -
Other taxes	11,296	20,992	- - -
Loans	- - -	- - -	- - -
Accrued interest	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>
Gross receivables	\$ 681,476	\$ 1,266,660	\$ 1,462,004
Less: allowance for uncollectibles	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>
Net total receivables	<u>\$ 681,476</u>	<u>\$ 1,266,660</u>	<u>\$ 1,462,004</u>

Receivables:	<u>Hillcrest Nursing Home Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Accounts	\$ 366,975	\$ 203,362	\$ 2,757,615
Property tax	- - -	1,076,737	7,117,592
Due from cities and townships	- - -	- - -	142,059
Other taxes	- - -	84,933	1,080,213
Loans	- - -	616,192	616,192
Accrued interest	<u>745</u>	<u>- - -</u>	<u>745</u>
Gross receivables	\$ 367,720	\$ 1,981,224	\$ 11,714,416
Less: allowance for uncollectibles	<u>20,000</u>	<u>- - -</u>	<u>20,000</u>
Net total receivables	<u>\$ 347,720</u>	<u>\$ 1,981,224</u>	<u>\$ 11,694,416</u>

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 \$7,117,592.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended November 30, 2010:

Primary Government:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>535,987</u>	\$ <u>6,465</u>	\$ <u>---</u>	\$ <u>542,452</u>
Capital assets, being depreciated:				
Buildings	\$ 22,654,243	\$ 141,912	\$ ---	\$ 22,796,155
Vehicles and equipment	7,874,621	531,518	101,014	8,305,125
Infrastructure	<u>67,638,159</u>	<u>500,113</u>	<u>---</u>	<u>68,138,272</u>
Total capital assets being depreciated	\$ <u>98,167,023</u>	\$ <u>1,173,543</u>	\$ <u>101,014</u>	\$ <u>99,239,552</u>
Less accumulated depreciation for:				
Buildings	\$ 12,528,456	\$ 393,757	\$ ---	\$ 12,922,213
Vehicles and equipment	5,784,677	658,969	101,014	6,342,632
Infrastructure	<u>8,131,962</u>	<u>1,703,048</u>	<u>---</u>	<u>9,835,010</u>
Total accumulated depreciation	\$ <u>26,445,095</u>	\$ <u>2,755,774</u>	\$ <u>101,014</u>	\$ <u>29,099,855</u>
Total capital assets, being depreciated, net	\$ <u>71,721,928</u>	\$ <u>(1,582,231)</u>	\$ <u>---</u>	\$ <u>70,139,697</u>
Governmental activities capital assets, net	\$ <u>72,257,915</u>	\$ <u>(1,575,766)</u>	\$ <u>---</u>	\$ <u>70,682,149</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 - (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 801,000	\$ - - -	\$ - - -	\$ 801,000
Land improvements	278,195	- - -	- - -	278,195
Construction in progress	<u>- - -</u>	<u>9,618</u>	<u>- - -</u>	<u>9,618</u>
Total capital assets, not being depreciated	<u>\$ 1,079,195</u>	<u>\$ 9,618</u>	<u>\$ - - -</u>	<u>\$ 1,088,813</u>
Capital assets, being depreciated:				
Buildings	\$ 5,669,940	\$ 162,023	\$ - - -	\$ 5,831,963
Equipment	<u>1,325,033</u>	<u>52,420</u>	<u>- - -</u>	<u>1,377,453</u>
Total capital assets being depreciated	<u>\$ 6,994,973</u>	<u>\$ 214,443</u>	<u>\$ - - -</u>	<u>\$ 7,209,416</u>
Less accumulated depreciation for:				
Buildings	\$ 3,637,349	\$ 239,468	\$ - - -	\$ 3,876,817
Equipment	<u>1,079,188</u>	<u>45,801</u>	<u>- - -</u>	<u>1,124,989</u>
Total accumulated depreciation	<u>\$ 4,716,537</u>	<u>\$ 285,269</u>	<u>\$ - - -</u>	<u>\$ 5,001,806</u>
Total capital assets, being depreciated, net	<u>\$ 2,278,436</u>	<u>\$ (70,826)</u>	<u>\$ - - -</u>	<u>\$ 2,207,610</u>
Business-type activities capital assets, net	<u>\$ 3,357,631</u>	<u>\$ (61,208)</u>	<u>\$ - - -</u>	<u>\$ 3,296,423</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		\$ 225,228
Public safety		332,305
Judiciary		69,986
Highways and streets		2,033,270
Health		<u>94,985</u>
Total depreciation expense – governmental activities		\$ <u>2,755,774</u>
Business-type activities:		
Hillcrest Nursing Home Fund		\$ <u>285,269</u>

DISCRETELY PRESENTED COMPONENT UNIT –

Activity for the Emergency Telephone System Board for the year ended November 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Equipment	\$ 1,299,837	\$ 93,130	\$ - - -	\$ 1,392,967
Less accumulated depre- ciation for equipment	<u>948,054</u>	<u>103,297</u>	<u>- - -</u>	<u>1,051,351</u>
Emergency Telephone System Board capital assets, net	\$ <u>351,783</u>	\$ <u>(10,167)</u>	\$ <u>- - -</u>	\$ <u>341,616</u>

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

The composition of interfund balances as of November 30, 2010, 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>98,373</u>
		\$ <u>243,759</u>

**NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – (Continued)

The composition of interfund transfers as of November 30, 2010 is as follows:

	Transfer In:		
Transfer Out:	General Fund	Illinois Municipal Retirement Fund	FICA Fund
General Fund	\$ - - -	\$ - - -	\$ 3,066
Illinois Municipal Retirement Fund	3,949	1	- - -
FICA Fund	- - -	- - -	- - -
Tort Judge and Liability Insurance Fund	- - -	- - -	- - -
County Health Fund	- - -	188,269	202,417
Nonmajor Governmental	- - -	50,514	32,547
Hillcrest Nursing Home Fund	- - -	24,546	- - -
<b>Total</b>	<b>\$ 3,949</b>	<b>\$ 263,330</b>	<b>\$ 238,030</b>

	Transfer In:		
Transfer Out:	Nonmajor Govern- mental	Hillcrest Nursing Home Fund	Total
General Fund	\$ 579,024	\$ - - -	\$ 582,090
Illinois Municipal Retirement Fund	- - -	174,656	178,606
FICA Fund	- - -	209,433	209,433
Tort Judge and Liability Insurance Fund	- - -	109,746	109,746
County Health Fund	- - -	- - -	390,686
Nonmajor Governmental	466,315	- - -	549,376
Hillcrest Nursing Home Fund	- - -	- - -	24,546
<b>Total</b>	<b>\$ 1,045,339</b>	<b>\$ 493,835</b>	<b>\$ 2,044,483</b>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – LONG-TERM DEBT**

General obligation alternate revenue refunding bonds, Series 2010 totaling \$2,350,00 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	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 2,350,000</u>	<u>\$ 225,277</u>	<u>\$ 2,575,277</u>

General obligation alternate revenue refunding bonds totaling \$775,000 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	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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)

For the Year Ending <u>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>\$ 775,000</u>	<u>\$ 112,043</u>	<u>\$ 887,043</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, 2010:

	<u>Computer Equipment</u>	<u>Phone System</u>	<u>Total</u>
Cost	\$ 128,169	\$ 72,875	\$ 201,044
Less: Accumulated depreciation	<u>121,761</u>	<u>28,629</u>	<u>150,390</u>
Total	<u>\$ 6,408</u>	<u>\$ 44,246</u>	<u>\$ 50,654</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of November 30, 2010 were as follows:

<u>Year Ending November 30</u>	
2011	\$ 29,200
2012	16,200
2013	<u>4,050</u>
Total minimum lease payments	\$ 49,450
Less: Amount representing interest	<u>2,058</u>
Present value of minimum lease payments	<u>\$ 47,392</u>

Net Other Postemployment Benefit Obligation

In fiscal year 2010, the County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This pronouncement required the County to calculate and record a net other postemployment benefit obligation (NOPEBO) at November 30, 2010. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since December 1, 2009.

**NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – (Continued)

Long-term liability activity for the year ended November 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General Obligation bonds	\$ 3,505,000	\$ - - -	\$ (380,000)	\$ 3,125,000	\$ 420,000
Less deferred amounts:					
For issuance discounts	(35,735)	- - -	7,860	(27,875)	(7,209)
For refunding	<u>(58,904)</u>	<u>- - -</u>	<u>12,786</u>	<u>(46,118)</u>	<u>(11,831)</u>
Total bonds payable	\$ 3,410,361	\$ - - -	\$ (359,354)	\$ 3,051,007	\$ 400,960
Capital lease	85,980	- - -	(38,588)	47,392	27,722
Net pension obligation/ NOPEBO	<u>- - -</u>	<u>254,275</u>	<u>(49,375)</u>	<u>204,900</u>	<u>- - -</u>
Governmental activity long-term liabilities	\$ <u>3,496,341</u>	\$ <u>254,275</u>	\$ <u>(447,317)</u>	\$ <u>3,303,299</u>	\$ <u>428,682</u>
Business-type activities:					
NOPEBO	\$ <u>- - -</u>	\$ <u>17,217</u>	\$ <u>(14,714)</u>	\$ <u>2,503</u>	\$ <u>- - -</u>

**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 2009 were 7.31, 15.38, and 9.51 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 fiscal year ending 2009, Henry County's annual pension costs of \$564,512, \$450,695, and \$42,452, 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:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 564,512	100%	\$ - - -
12/31/08	574,026	100%	- - -
12/31/07	568,910	100%	- - -

SLEP Members:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 450,695	100%	\$ - - -
12/31/08	477,978	100%	- - -
12/31/07	424,279	100%	- - -

Bureau/Henry/Stark ROE #28 Members:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 42,452	100%	\$ - - -
12/31/08	49,463	100%	- - -
12/31/07	37,757	100%	- - -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9 – (Continued)

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5% 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 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of 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 15% corridor between the actuarial and market value of assets. Henry County's Regular, 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 periods at December 31, 2007, were 23 years for Regular and SLEP and 5 years for Bureau/Henry, Stark ROE #28.

#### Funded Status and Funding Progress –

##### Regular members:

As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 81.39 percent funded. The actuarial accrued liability for benefits was \$23,143,181 and the actuarial value of assets was \$18,837,066, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,306,115. The covered payroll (annual payroll of active employees covered by the plan) was \$7,722,464 and the ratio of the UAAL to the covered payroll was 56%. In conjunction with December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level of percentage of projected payroll on an open 30 year basis.

##### SLEP members:

As of December 31, 2009, the most recent actuarial valuation date, the SLEP plan was 69.68 percent funded. The actuarial accrued liability for benefits was \$11,288,845 and the actuarial value of assets was \$7,866,321, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,422,524. The covered payroll (annual payroll of active employees covered by the plan) was \$2,930,394 and the ratio of the UAAL to the covered payroll was 117 percent. In conjunction with December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level of percentage of projected payroll on an open 30 year basis.

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

As of December 31, 2009, the most recent actuarial valuation date, the Bureau/Henry/Stark ROE #28 plan was 91.73 percent funded. The actuarial accrued liability for benefits was \$464,784 and the actuarial value of assets was \$426,340, resulting in an underfunded actuarial accrued liability (UAAL) of \$38,444. The covered payroll (annual payroll of active employees covered by the plan) was \$446,396 and the ratio of the UAAL to the covered payroll was 9 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9 – (Continued)

volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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

Effective January 1, 2010, the County selected the IMRF optional phase-in rate for employer required Regular and SLEP contributions of 8.48% and 16.73%, respectively. The annual required contribution (ARC) rate for employer Regular and SLEP contributions is 10.58% and 18.15%, respectively. Since selecting and contributing at the lower phase-in rate for employer contributions the County has actuarially under funded its contributions to the plan when compared to the ARC. This difference, the net pension obligation (NPO), totaled \$155,119 and \$40,011 for Regular and SLEP plans respectively, and has been recorded as a liability for the financial statements ended November 30, 2010.

### NOTE 10 – SUBSEQUENT EVENTS

The County evaluated its November 30, 2010 financial statements for subsequent events through June 14, 2011, the date the financial statements were available to be issued. The County is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

### NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

#### Plan Description

In addition to providing the pension benefits described, the County provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County through its health care plan document and union contracts. The plan does not issue a stand-alone financial report.

#### Benefits Provided

The County provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the County's retirement plans. In order to qualify, an employee must meet both age and years of service requirements.

All health care benefits are provided through the County's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the County's plan becomes secondary.

**NOTES TO FINANCIAL STATEMENTS**

NOTE 11 – (Continued)

Membership

At November 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	22
Terminated employees entitled to benefits but not yet receiving them	0
Active employees	<u>276</u>
Total	<u>298</u>
Participating employers	<u>1</u>

Funding Policy

The County determines contribution percentages between the County and employees. Retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ended November 30, 2010, the County contributed \$64,089.

Annual OPEB Costs and Net OPEB Obligation

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for November 30, 2008, 2009 and 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
11/30/08	N/A	N/A	N/A	N/A
11/30/09	N/A	N/A	N/A	N/A
11/30/10	\$76,362	\$64,089	83.9%	\$12,273

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11 – (Continued)

The net OPEB obligation (NOPEBO) as of November 30, 2010 was calculated as follows:

Annual required contribution	\$	76,362
Interest on net OPEB obligation		-
Adjustment to annual required obligation		<u>-</u>
Annual OPEB cost	\$	76,362
Contributions made		<u>64,089</u>
Increase in net OPEB obligation	\$	12,273
Net OPEB obligation, beginning of year		<u>-</u>
Net OPEB obligation, end of year	\$	<u>12,273</u>

Funded status and funding progress. The funded status of the plan as of November 30, 2010, was as follows:

Actuarial accrued liability (AAL)	\$	964,712
Actuarial value of plan assets		<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$	964,712
Funded ratio (Actuarial value of plan assets/AAL)		0%
Covered payroll (Active plan members)	\$	9,114,994
UAAL as a percentage of covered payroll		11%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the November 30, 2010 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 5.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.0% reduced by 25% each year to arrive at an ultimate healthcare cost trend rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was \$-0-. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 30, 2010 was 30 years.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - 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, 2009 and 2010 are as follows:

	<u>Health Insurance</u>	
	<u>2008-2009</u>	<u>2009-2010</u>
Unpaid claims, beginning of year	\$ 225,814	\$ 242,261
Incurred claims (including IBNRs)	2,300,433	2,516,289
Claim payments	<u>(2,283,986)</u>	<u>(2,538,907)</u>
Unpaid claims, end of year	<u>\$ 242,261</u>	<u>\$ 219,643</u>

**NOTE 13 - 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 14 - CONTINGENT LIABILITY**

Litigation -

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

Grants -

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

## **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 – Pension and Other Post Employment Benefit Plans

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

For the Year Ended November 30, 2010

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Fines			
Traffic	\$ 500,000	\$ 500,000	\$ 406,917
Criminal	500,000	500,000	654,834
Total fines	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,061,751</u>
Fees			
Licenses and permits - building and zoning	\$ 53,350	\$ 53,350	\$ 184,599
Taxes			
Property - corporate	\$ 2,027,064	\$ 2,027,064	\$ 2,007,625
Sales	174,000	174,000	244,353
Sales 1/4 supplement	918,000	918,000	956,111
Use	195,000	195,000	193,999
State income	1,450,000	1,450,000	1,191,000
State inheritance tax	20,000	20,000	14,512
State corporate replacement taxes	159,407	159,407	121,904
Total taxes	<u>\$ 4,943,471</u>	<u>\$ 4,943,471</u>	<u>\$ 4,729,504</u>
Intergovernmental Revenue			
State reimbursements	\$ 488,992	\$ 488,992	\$ 584,198
Illinois State Board of Education Grant	692,235	692,235	634,242
Stark County ROE	11,850	11,850	11,850
Bureau County ROE	65,472	65,472	65,472
Aid to Dependent Children	1,000	1,000	-
Illinois Emergency Management Agency	5,000	5,000	3,884
Transportation Grant	577,363	577,363	457,833
State Aid Victim Witness Coordination	22,000	22,000	19,708
Federal Medicaid reimbursements - Juvenile	1,400	1,400	-
Total intergovernmental revenue	<u>\$ 1,865,312</u>	<u>\$ 1,865,312</u>	<u>\$ 1,777,187</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, 2010

<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	\$ 32,352
County clerk and recorder	453,700	453,700	378,448
Circuit clerk	500,000	500,000	467,059
Sheriff	120,000	120,000	116,301
Sheriff reimbursements	80,650	80,650	87,900
Sheriff's business plan			
House prisoners	626,200	626,200	619,181
Other	38,000	38,000	39,581
Other	341,018	341,018	253,745
Total charges for services	<u>\$ 2,183,568</u>	<u>\$ 2,183,568</u>	<u>\$ 1,994,567</u>
Investment income			
Investment	\$ 109,000	\$ 109,000	\$ 68,461
Collector	105,000	105,000	153,159
Total investment income	<u>\$ 214,000</u>	<u>\$ 214,000</u>	<u>\$ 221,620</u>
Total revenues	<u>\$ 10,259,701</u>	<u>\$ 10,259,701</u>	<u>\$ 9,969,228</u>

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

For the Year Ended November 30, 2010

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
County Board			
Personnel services	\$ 154,437	\$ 153,887	\$ 144,619
Supplies	425	425	423
Other services and charges	26,920	27,470	25,237
Total county board	<u>\$ 181,782</u>	<u>\$ 181,782</u>	<u>\$ 170,279</u>
County Buildings			
Personnel services	\$ 92,853	\$ 93,083	\$ 92,417
Supplies	6,000	6,000	5,398
Other services and charges	397,561	397,331	326,992
Equipment	500	500	500
Debt service - principal	-	-	14,336
Debt service - interest	-	-	1,864
Total county buildings	<u>\$ 496,914</u>	<u>\$ 496,914</u>	<u>\$ 441,507</u>
County Clerk and Recorder			
Personnel services	\$ 291,615	\$ 291,615	\$ 278,713
Supplies	4,000	4,000	3,246
Other services and charges	149,480	149,480	121,267
Equipment	5,000	5,000	4,395
Total county clerk and recorder	<u>\$ 450,095</u>	<u>\$ 450,095</u>	<u>\$ 407,621</u>
County Treasurer			
Personnel services	\$ 133,652	\$ 133,762	\$ 123,384
Supplies	16,200	15,500	14,581
Other services and charges	13,420	14,010	9,800
Total county treasurer	<u>\$ 163,272</u>	<u>\$ 163,272</u>	<u>\$ 147,765</u>
Supervisor of Assessments			
Personnel services	\$ 203,908	\$ 203,908	\$ 203,444
Supplies	3,500	3,500	2,692
Other services and charges	47,850	47,850	22,421
Total supervisor of assessments	<u>\$ 255,258</u>	<u>\$ 255,258</u>	<u>\$ 228,557</u>

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

For the Year Ended November 30, 2010

<b>EXPENDITURES - (Continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Microfilm			
Personnel services	\$ 8,366	\$ 8,366	\$ 7,223
Supplies	250	250	36
Equipment	250	250	-
Total microfilm	<u>\$ 8,866</u>	<u>\$ 8,866</u>	<u>\$ 7,259</u>
Regional Office Education			
Personnel services	\$ 670,243	\$ 659,743	\$ 604,806
Supplies	3,000	3,000	784
Other services and charges	79,500	90,000	69,203
Equipment	8,100	8,100	7,779
Total regional office education	<u>\$ 760,843</u>	<u>\$ 760,843</u>	<u>\$ 682,572</u>
Information Services			
Personnel services	\$ 107,161	\$ 107,161	\$ 104,861
Supplies	13,350	13,350	10,050
Other services and charges	15,795	15,795	9,944
Total information services	<u>\$ 136,306</u>	<u>\$ 136,306</u>	<u>\$ 124,855</u>
Voter Registration/Elections			
Personnel services	\$ 112,858	\$ 112,858	\$ 110,453
Supplies	48,000	48,000	43,025
Other services and charges	190,660	190,660	191,478
Total voter registration/elections	<u>\$ 351,518</u>	<u>\$ 351,518</u>	<u>\$ 344,956</u>
General Financial Services			
Personnel services	\$ 6,341	\$ 6,341	\$ 4,151
Supplies	10,000	10,000	7,913
Other services and charges	113,040	113,890	106,970
Computer automation	127,325	127,325	108,100
Contingency	110,000	86,799	3,672
Vehicles	-	-	95,837
Other	577,363	577,363	361,996
Total general financial services	<u>\$ 944,069</u>	<u>\$ 921,718</u>	<u>\$ 688,639</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, 2010

<b>EXPENDITURES - (Continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Zoning			
Personnel services	\$ 81,417	\$ 80,025	\$ 80,666
Supplies	100	210	210
Other services and charges	7,603	8,885	8,542
Total zoning	<u>\$ 89,120</u>	<u>\$ 89,120</u>	<u>\$ 89,418</u>
Sheriff			
Personnel services	\$ 2,918,891	\$ 2,916,391	\$ 2,874,646
Supplies	344,186	337,226	274,359
Other services and charges	167,100	174,060	161,836
Contingency	2,500	2,500	2,281
Automobile and equipment	36,400	36,400	35,254
Total sheriff	<u>\$ 3,469,077</u>	<u>\$ 3,466,577</u>	<u>\$ 3,348,376</u>
Circuit Court			
Personnel services	\$ 421,212	\$ 421,212	\$ 392,829
Supplies	9,500	9,500	5,396
Other services and charges	69,350	69,350	48,832
Equipment	1,000	1,000	-
Total circuit court	<u>\$ 501,062</u>	<u>\$ 501,062</u>	<u>\$ 447,057</u>
Rural Revolving Loan Department			
Personnel services	\$ 16,320	\$ 16,320	\$ 11,629
Supplies	500	500	231
Other services and charges	5,315	5,315	3,072
Total rural revolving loan department	<u>\$ 22,135</u>	<u>\$ 22,135</u>	<u>\$ 14,932</u>
Court Services			
Personnel services	\$ 702,267	\$ 702,267	\$ 696,821
Supplies	500	500	493
Other services and charges	120,450	120,450	49,129
Total court services	<u>\$ 823,217</u>	<u>\$ 823,217</u>	<u>\$ 746,443</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, 2010

<b>EXPENDITURES - (Continued)</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
State's Attorney			
Personnel services	\$ 565,219	\$ 565,219	\$ 534,588
Supplies	5,000	3,800	2,491
Other services and charges	38,000	39,200	33,926
Total state's attorney	<u>\$ 608,219</u>	<u>\$ 608,219</u>	<u>\$ 571,005</u>
Coroner			
Personnel services	\$ 43,428	\$ 43,428	\$ 38,728
Supplies	1,082	1,082	187
Other services and charges	29,975	29,275	20,716
Equipment	1,000	1,700	1,700
Total coroner	<u>\$ 75,485</u>	<u>\$ 75,485</u>	<u>\$ 61,331</u>
Jury Commission			
Personnel services	\$ 9,652	\$ 9,652	\$ 9,825
Supplies	650	650	664
Other services and charges	3,500	3,500	3,486
Total jury commission	<u>\$ 13,802</u>	<u>\$ 13,802</u>	<u>\$ 13,975</u>
ESDA			
Personnel services	\$ 7,956	\$ 7,956	\$ 7,181
Supplies	100	100	50
Other services and charges	1,825	1,825	2,123
Total emergency services and disaster agency	<u>\$ 9,881</u>	<u>\$ 9,881</u>	<u>\$ 9,354</u>
Sheriff's Business Plan			
Personnel services	\$ 408,960	\$ 408,960	\$ 375,615
Supplies	100,472	103,172	98,493
Other services and charges	3,900	1,200	981
Automobile and equipment	-	-	-
Total sheriff's business plan	<u>\$ 513,332</u>	<u>\$ 513,332</u>	<u>\$ 475,089</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, 2010

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
<b>EXPENDITURES - (Continued)</b>			
Public Defender			
Personnel services	\$ 188,472	\$ 185,522	\$ 183,012
Supplies	2,300	2,450	2,929
Other services and charges	122,851	124,151	124,159
Total public defender	\$ 313,623	\$ 312,123	\$ 310,100
Total expenditures	\$ 10,187,876	\$ 10,161,525	\$ 9,331,090
 Excess (deficiency) of revenues over (under) expenditures	 \$ 71,825	 \$ 98,176	 \$ 638,138
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ -	\$ 3,949
Transfers out	(577,931)	(604,282)	(582,090)
Sale of capital assets	1,000	1,000	-
Total other financing sources (uses)	\$ (576,931)	\$ (603,282)	\$ (578,141)
Net change in fund balances	\$ (505,106)	\$ (505,106)	\$ 59,997
 FUND BALANCE - Beginning			4,443,705
FUND BALANCE - Ending			\$ 4,503,702

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

For the Year Ended November 30, 2010

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 705,000	\$ 705,000	\$ 701,184
Replacement	61,000	61,000	42,359
Intergovernmental	250,000	250,000	-
Charges for services	1,170,000	1,170,000	1,422,951
Investment income	40,000	40,000	16,634
Miscellaneous	10,000	10,000	7,654
	<u>\$ 2,236,000</u>	<u>\$ 2,236,000</u>	<u>\$ 2,190,782</u>
Total revenues			
<b>EXPENDITURES</b>			
Salaries and wages:			
Staff salaries - regular	\$ 788,998	\$ 788,998	\$ 777,892
Longevity pay	8,500	8,500	7,515
Part time salaries	34,000	34,000	23,911
Overtime	42,000	42,000	34,515
Insurance	82,341	82,341	67,352
Engineering supplies	9,000	9,000	5,944
Contractual service	17,900	7,400	2,625
Telephone	3,000	3,000	2,280
Maintenance of roads:			
Materials and supplies	950,000	940,000	875,577
Other maintenance expense	91,000	91,000	86,573
Windfarm expenditures	-	-	4,000
Substance abuse testing	1,200	1,200	663
Administrative services	8,000	8,000	8,000
Equipment	340,000	355,500	262,290
	<u>\$ 2,375,939</u>	<u>\$ 2,370,939</u>	<u>\$ 2,159,137</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (139,939)</u>	<u>\$ (134,939)</u>	<u>\$ 31,645</u>
FUND BALANCE – Beginning			1,790,393
FUND BALANCE – Ending			\$ 1,822,038

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 902,265	\$ 902,265	\$ 977,791
Replacement	65,188	65,188	62,846
Investment income	6,000	6,000	5,800
Total revenues	<u>\$ 973,453</u>	<u>\$ 973,453</u>	<u>\$ 1,046,437</u>
 <b>EXPENDITURES</b>			
Current:			
Employer's IMRF	<u>1,065,428</u>	<u>1,067,928</u>	<u>994,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (91,975)</u>	<u>\$ (94,475)</u>	<u>\$ 51,815</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 326,132	\$ 326,132	\$ 263,330
Transfers out	<u>-</u>	<u>-</u>	<u>(178,606)</u>
Total other financing sources (uses)	<u>\$ 326,132</u>	<u>\$ 326,132</u>	<u>\$ 84,724</u>
Net change in fund balances	<u>\$ 234,157</u>	<u>\$ 231,657</u>	<u>\$ 136,539</u>
FUND BALANCE – Beginning			<u>290,342</u>
FUND BALANCE – Ending			<u>\$ 426,881</u>

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 677,462	\$ 677,462	\$ 673,669
Replacement	55,479	55,479	40,615
Investment income	5,000	5,000	4,574
	<u>5,000</u>	<u>5,000</u>	<u>4,574</u>
Total revenues	\$ 737,941	\$ 737,941	\$ 718,858
<b>EXPENDITURES</b>			
Current:			
Employer's FICA	<u>767,993</u>	<u>769,493</u>	<u>749,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (30,052)</u>	<u>\$ (31,552)</u>	<u>\$ (30,295)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 292,553	\$ 292,553	\$ 238,030
Transfers out	<u>-</u>	<u>-</u>	<u>(209,433)</u>
Total other financing sources (uses)	<u>\$ 292,553</u>	<u>\$ 292,553</u>	<u>\$ 28,597</u>
Net change in fund balances	<u>\$ 262,501</u>	<u>\$ 261,001</u>	<u>\$ (1,698)</u>
FUND BALANCE – Beginning			<u>265,991</u>
FUND BALANCE – Ending			<u>\$ 264,293</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 1,229,212	\$ 1,229,212	\$ 1,192,679
Replacement	95,654	95,654	74,230
Investment income	15,000	15,000	16,914
Miscellaneous	67,000	67,000	-
	<u>\$ 1,406,866</u>	<u>\$ 1,406,866</u>	<u>\$ 1,283,823</u>
<b>EXPENDITURES</b>			
Current:			
Unemployment insurance	\$ 35,000	\$ 52,500	\$ 51,842
Workers compensation	395,456	395,456	239,712
Property/casualty insurance	346,922	329,422	201,368
Insurance deductible/claims	32,000	32,000	13,756
Health care plan	422,844	422,844	400,708
	<u>\$ 1,232,222</u>	<u>\$ 1,232,222</u>	<u>\$ 907,386</u>
Excess of revenues over expenditures	\$ 174,644	\$ 174,644	\$ 376,437
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(109,746)
Net change in fund balances	<u>\$ 174,644</u>	<u>\$ 174,644</u>	\$ 266,691
FUND BALANCE – Beginning			<u>1,689,254</u>
FUND BALANCE – Ending			<u>\$ 1,955,945</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 190,000	\$ 190,000	\$ 189,609
Intergovernmental:			
Illinois Department of Health	1,002,495	1,002,495	1,158,209
Illinois Department of Aging	1,075,000	1,075,000	1,149,433
Illinois Department of Public Aid	137,000	137,000	176,601
Charges for service:			
Health department fees Public Aid	1,110,080	1,110,080	1,064,946
Medicare	725,000	725,000	511,889
Investment income	35,000	35,000	14,033
Miscellaneous	900	900	8,318
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 4,275,475</u>	<u>\$ 4,275,475</u>	<u>\$ 4,273,038</u>
<b>EXPENDITURES</b>			
Health staff salaries	\$ 2,845,811	\$ 2,845,811	\$ 2,752,796
Life and health insurance	218,790	218,790	203,526
Commodities	224,700	224,700	268,468
Contractual service	104,800	104,800	116,971
Personal service	190,840	190,840	169,510
Travel expense	67,000	67,000	67,815
Meeting expense	31,855	31,855	25,985
Clinic expense	118,000	118,000	96,083
Insurance	62,580	62,580	20,753
Automobile	36,000	36,000	26,320
Contingencies	13,000	13,000	8,077
Office equipment	132,400	132,400	55,657
Building	51,200	51,200	47,487
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 4,096,976</u>	<u>\$ 4,096,976</u>	<u>\$ 3,859,448</u>
Excess of revenues over expenditures	<u>\$ 178,499</u>	<u>\$ 178,499</u>	<u>\$ 413,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	\$ (382,609)	\$ (382,609)	\$ (390,686)
Sale of capital assets	-	-	5,300
	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources (uses)	<u>\$ (382,609)</u>	<u>\$ (382,609)</u>	<u>\$ (385,386)</u>
Net change in fund balances	<u>\$ (204,110)</u>	<u>\$ (204,110)</u>	<u>\$ 28,204</u>
FUND BALANCE – Beginning			<u>1,971,323</u>
FUND BALANCE – Ending			<u>\$ 1,999,527</u>

**HENRY COUNTY, ILLINOIS**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGET COMPARISONS**  
 November 30, 2010

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 <u>Budget</u>
Illinois Municipal Retirement Fund	\$ 105,300
FICA Fund	189,093

**HENRY COUNTY, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION ON**  
**PENSION AND OTHER POST EMPLOYMENT**  
**BENEFIT PLAN FUNDING PROGRESS**  
November 30, 2010

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)
12/31/09	\$ 18,837,066	\$ 23,143,181	\$ 4,306,115	81.39%	\$ 7,722,464	55.76%
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

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)
12/31/09	\$ 7,866,321	\$ 11,288,845	\$ 3,422,524	69.68%	\$ 2,930,394	116.79%
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

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)
12/31/09	\$ 426,340	\$ 467,784	\$ 38,444	91.73%	\$ 446,396	8.61%
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

(Continued)

**HENRY COUNTY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION ON  
PENSION AND OTHER POST EMPLOYMENT  
BENEFIT PLAN FUNDING PROGRESS  
November 30, 2010**

Other Postemployment Benefit Plan-

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)—Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (OAAL) Percentage of Covered Payroll ((b-a)/c)
11/30/10	\$ - - -	\$ 964,712	\$ 964,712	0.00 %	\$ 9,114,994	10.58 %
11/30/09	N/A	N/A	N/A	N/A	N/A	N/A
11/30/08	N/A	N/A	N/A	N/A	N/A	N/A

The County implemented GASB Statement No. 45 for the fiscal year ended November 30, 2010. Information for prior years is not available.

N/A- Information is not available.

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

	Totals	Special	
		Federal Aid Matching Fund	County Joint Bridge Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,575,047	\$ 320,045	\$ 818,224
Investments	562,546	-	250,000
Receivables:			
Accounts	82,199	-	-
Property tax	1,076,737	225,900	278,610
Other taxes	84,933	3,798	4,745
Loans	616,192	-	-
 Total assets	 <u>\$ 7,997,654</u>	 <u>\$ 549,743</u>	 <u>\$ 1,351,579</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 210,758	\$ 75,761	\$ 101,065
Accrued liabilities	13,535	-	-
Deferred property tax revenue	1,076,737	225,900	278,610
Due to other funds	98,373	-	-
 Total liabilities	 <u>\$ 1,399,403</u>	 <u>\$ 301,661</u>	 <u>\$ 379,675</u>
 <b>FUND BALANCES</b>			
Reserved for:			
Maintenance of roadways	\$ 1,230,177	\$ -	\$ -
Loans	1,078,842	-	-
Drug enforcement	49,020	-	-
Debt service	4,209	-	-
Unreserved	4,236,003	248,082	971,904
 Total fund balances	 <u>\$ 6,598,251</u>	 <u>\$ 248,082</u>	 <u>\$ 971,904</u>
 Total liabilities and fund balances	 <u>\$ 7,997,654</u>	 <u>\$ 549,743</u>	 <u>\$ 1,351,579</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>
\$ 842,906 312,546	\$ 6,263 -	\$ 168,492 -	\$ 36,588 -	\$ 3,526 -
- - 74,725 -	- 99,180 1,665 -	- 350,092 - -	- 53,816 - -	- 69,139 - -
<u>\$ 1,230,177</u>	<u>\$ 107,108</u>	<u>\$ 518,584</u>	<u>\$ 90,404</u>	<u>\$ 72,665</u>
\$ - - - -	\$ - - 99,180 -	\$ - - 350,092 -	\$ - - 53,816 -	\$ - - 69,139 -
<u>\$ -</u>	<u>\$ 99,180</u>	<u>\$ 350,092</u>	<u>\$ 53,816</u>	<u>\$ 69,139</u>
\$ 1,230,177 - - - -	\$ - - - 7,928	\$ - - - 168,492	\$ - - - 36,588	\$ - - - 3,526
<u>\$ 1,230,177</u>	<u>\$ 7,928</u>	<u>\$ 168,492</u>	<u>\$ 36,588</u>	<u>\$ 3,526</u>
<u>\$ 1,230,177</u>	<u>\$ 107,108</u>	<u>\$ 518,584</u>	<u>\$ 90,404</u>	<u>\$ 72,665</u>

(Continued)

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

	<b>Special</b>			
	<b>State's Attorney Forfeited Drug Fund</b>	<b>Circuit Clerk Op/Admin Fund</b>	<b>Animal Control Fund</b>	<b>Vital Records Automation Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 44,125	\$ 27,041	\$ 19,205	\$ 10,579
Investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
<b>Total assets</b>	<b>\$ 44,125</b>	<b>\$ 27,041</b>	<b>\$ 19,205</b>	<b>\$ 10,579</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	1,348	-
Deferred property tax revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,348</b>	<b>\$ -</b>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved	44,125	27,041	17,857	10,579
<b>Total fund balances</b>	<b>\$ 44,125</b>	<b>\$ 27,041</b>	<b>\$ 17,857</b>	<b>\$ 10,579</b>
<b>Total liabilities and fund balances</b>	<b>\$ 44,125</b>	<b>\$ 27,041</b>	<b>\$ 19,205</b>	<b>\$ 10,579</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>
\$ 44,540	\$ 786,621	\$ 36,370	\$ 79,792	\$ -	\$ 62,764
-	-	-	-	-	-
6,972	12,965	-	-	2,015	17,954
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 51,512</u>	<u>\$ 799,586</u>	<u>\$ 36,370</u>	<u>\$ 79,792</u>	<u>\$ 2,015</u>	<u>\$ 80,718</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,937	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	65,981	20,000
<u>\$ 1,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,981</u>	<u>\$ 20,000</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
49,575	799,586	36,370	79,792	(63,966)	60,718
<u>\$ 49,575</u>	<u>\$ 799,586</u>	<u>\$ 36,370</u>	<u>\$ 79,792</u>	<u>\$ (63,966)</u>	<u>\$ 60,718</u>
<u>\$ 51,512</u>	<u>\$ 799,586</u>	<u>\$ 36,370</u>	<u>\$ 79,792</u>	<u>\$ 2,015</u>	<u>\$ 80,718</u>

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

	<b>Special</b>			
	<b>Circuit Clerk Court Automation Fund</b>	<b>Recorder Automation Fund</b>	<b>Court Document Storage Fund</b>	<b>Orion Law Enforcement Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 273,110	\$ 137,361	\$ 342,123	\$ 10,672
Investments	-	-	-	-
Receivables:				
Accounts	5,262	-	5,281	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
<b>Total assets</b>	<b><u>\$ 278,372</u></b>	<b><u>\$ 137,361</u></b>	<b><u>\$ 347,404</u></b>	<b><u>\$ 10,672</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 6,867	\$ -	\$ -
Accrued liabilities	1,899	-	375	3,632
Deferred property tax revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b><u>\$ 1,899</u></b>	<b><u>\$ 6,867</u></b>	<b><u>\$ 375</u></b>	<b><u>\$ 3,632</u></b>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved	276,473	130,494	347,029	7,040
<b>Total fund balances</b>	<b><u>\$ 276,473</u></b>	<b><u>\$ 130,494</u></b>	<b><u>\$ 347,029</u></b>	<b><u>\$ 7,040</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 278,372</u></b>	<b><u>\$ 137,361</u></b>	<b><u>\$ 347,404</u></b>	<b><u>\$ 10,672</u></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>Solid Waste Management Fund</b>	<b>Soil Survey Fund</b>
\$ 462,650	\$ -	\$ 39,703	\$ 733,494	\$ 3,016	\$ 84,439
-	-	-	-	-	-
-	-	-	25,000	2,468	-
-	-	-	-	-	-
-	-	-	-	-	-
616,192	-	-	-	-	-
<u>\$ 1,078,842</u>	<u>\$ -</u>	<u>\$ 39,703</u>	<u>\$ 758,494</u>	<u>\$ 5,484</u>	<u>\$ 84,439</u>
\$ -	\$ -	\$ -	\$ 13,747	\$ 2,318	\$ -
-	1,149	-	-	-	3,195
-	-	-	-	-	-
-	8,725	-	-	-	-
<u>\$ -</u>	<u>\$ 9,874</u>	<u>\$ -</u>	<u>\$ 13,747</u>	<u>\$ 2,318</u>	<u>\$ 3,195</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,078,842	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(9,874)	39,703	744,747	3,166	81,244
<u>\$ 1,078,842</u>	<u>\$ (9,874)</u>	<u>\$ 39,703</u>	<u>\$ 744,747</u>	<u>\$ 3,166</u>	<u>\$ 81,244</u>
<u>\$ 1,078,842</u>	<u>\$ -</u>	<u>\$ 39,703</u>	<u>\$ 758,494</u>	<u>\$ 5,484</u>	<u>\$ 84,439</u>

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

	<b>Special</b>			
	<b>TICP Grant Fund</b>	<b>DUI Equipment Fund</b>	<b>Elderly Services Fund</b>	<b>Camera Account</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 25,333	\$ 6,881	\$ 3,197
Investments	-	-	-	-
Receivables:				
Accounts	3,544	-	-	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
Total assets	<u>\$ 3,544</u>	<u>\$ 25,333</u>	<u>\$ 6,881</u>	<u>\$ 3,197</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred property tax revenue	-	-	-	-
Due to other funds	3,544	-	-	-
Total liabilities	<u>\$ 3,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	-
Unreserved	-	25,333	6,881	3,197
Total fund balances	<u>\$ -</u>	<u>\$ 25,333</u>	<u>\$ 6,881</u>	<u>\$ 3,197</u>
Total liabilities and fund balances	<u>\$ 3,544</u>	<u>\$ 25,333</u>	<u>\$ 6,881</u>	<u>\$ 3,197</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>Coroner Fees Fund</b>	<b>Federal Forfeited Drug Fund</b>
\$ 54,553	\$ 5,019	\$ 5,000	\$ 6,687	\$ 600	\$ 49,020
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 54,553</u>	<u>\$ 5,019</u>	<u>\$ 5,000</u>	<u>\$ 6,687</u>	<u>\$ 600</u>	<u>\$ 49,020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	49,020
-	-	-	-	-	-
<u>54,553</u>	<u>5,019</u>	<u>5,000</u>	<u>6,687</u>	<u>600</u>	<u>-</u>
<u>\$ 54,553</u>	<u>\$ 5,019</u>	<u>\$ 5,000</u>	<u>\$ 6,687</u>	<u>\$ 600</u>	<u>\$ 49,020</u>
<u>\$ 54,553</u>	<u>\$ 5,019</u>	<u>\$ 5,000</u>	<u>\$ 6,687</u>	<u>\$ 600</u>	<u>\$ 49,020</u>

(Continued)

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

	<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	\$ 8,060	\$ -	\$ 12,839	\$ 4,209
Investments	-	-	-	-
Receivables:				
Accounts	738	-	-	-
Property tax	-	-	-	-
Other taxes	-	-	-	-
Loans	-	-	-	-
Total assets	<u>\$ 8,798</u>	<u>\$ -</u>	<u>\$ 12,839</u>	<u>\$ 4,209</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 11,000	\$ -
Accrued liabilities	-	-	-	-
Deferred property tax revenue	-	-	-	-
Due to other funds	-	123	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 11,000</u>	<u>\$ -</u>
<b>FUND BALANCES</b>				
Reserved for:				
Maintenance of roadways	\$ -	\$ -	\$ -	\$ -
Loans	-	-	-	-
Drug enforcement	-	-	-	-
Debt service	-	-	-	4,209
Unreserved	<u>8,798</u>	<u>(123)</u>	<u>1,839</u>	<u>-</u>
Total fund balances	<u>\$ 8,798</u>	<u>\$ (123)</u>	<u>\$ 1,839</u>	<u>\$ 4,209</u>
Total liabilities and fund balances	<u>\$ 8,798</u>	<u>\$ -</u>	<u>\$ 12,839</u>	<u>\$ 4,209</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2010

	Totals	Special	
		Federal Aid Matching Fund	County Joint Bridge Fund
<b>REVENUES</b>			
Taxes:			
Property	\$ 1,078,165	\$ 225,302	\$ 277,351
Tax increment	3,931	-	-
Replacement	36,567	13,579	16,819
Fines and fees	287,844	-	-
Intergovernmental	1,814,596	-	-
Charges for services	954,474	-	16,294
Investment income	74,476	1,969	12,793
Miscellaneous	129,173	-	-
	<u>\$ 4,379,226</u>	<u>\$ 240,850</u>	<u>\$ 323,257</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
General government	\$ 791,197	\$ -	\$ -
Public Safety	359,581	-	-
Education	20,594	-	-
Highways and streets	1,719,964	203,205	274,400
Health	458,750	-	-
Capital expenditures	213,653	-	-
Debt service:			
Principal	404,252	-	-
Interest	88,063	-	-
	<u>\$ 4,056,054</u>	<u>\$ 203,205</u>	<u>\$ 274,400</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 323,172</u>	<u>\$ 37,645</u>	<u>\$ 48,857</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 1,045,339	\$ -	\$ -
Transfers out	(549,376)	-	-
	<u>\$ 495,963</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)			
Net change in fund balances	\$ 819,135	\$ 37,645	\$ 48,857
FUND BALANCES – Beginning	<u>5,779,116</u>	<u>210,437</u>	<u>923,047</u>
FUND BALANCES – Ending	<u>\$ 6,598,251</u>	<u>\$ 248,082</u>	<u>\$ 971,904</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>
\$ -	\$ 104,098	\$ 348,730	\$ 53,536	\$ 69,148
-	-	-	-	-
-	6,169	-	-	-
-	-	-	-	-
1,772,783	-	-	-	-
-	-	-	-	-
10,744	84	1,768	342	46
51,000	-	-	-	-
<u>\$ 1,834,527</u>	<u>\$ 110,351</u>	<u>\$ 350,498</u>	<u>\$ 53,878</u>	<u>\$ 69,194</u>
\$ -	\$ -	\$ -	\$ 50,912	\$ 69,075
-	-	-	-	-
-	-	-	-	-
1,242,359	-	-	-	-
-	108,658	350,092	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,242,359</u>	<u>\$ 108,658</u>	<u>\$ 350,092</u>	<u>\$ 50,912</u>	<u>\$ 69,075</u>
\$ 592,168	\$ 1,693	\$ 406	\$ 2,966	\$ 119
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 592,168	\$ 1,693	\$ 406	\$ 2,966	\$ 119
638,009	6,235	168,086	33,622	3,407
<u>\$ 1,230,177</u>	<u>\$ 7,928</u>	<u>\$ 168,492</u>	<u>\$ 36,588</u>	<u>\$ 3,526</u>

(Continued)

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2010

	<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	-	8,125	85,956	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	7,792
Investment income	1,014	57	-	122
Miscellaneous	14,598	-	-	-
	<u>\$ 15,612</u>	<u>\$ 8,182</u>	<u>\$ 85,956</u>	<u>\$ 7,914</u>
Total revenues	<u>\$ 15,612</u>	<u>\$ 8,182</u>	<u>\$ 85,956</u>	<u>\$ 7,914</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ -	\$ 109	\$ -	\$ 6,009
Public Safety	26,625	-	75,760	-
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	21,826	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>\$ 48,451</u>	<u>\$ 109</u>	<u>\$ 75,760</u>	<u>\$ 6,009</u>
Total expenditures	<u>\$ 48,451</u>	<u>\$ 109</u>	<u>\$ 75,760</u>	<u>\$ 6,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (32,839)</u>	<u>\$ 8,073</u>	<u>\$ 10,196</u>	<u>\$ 1,905</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	(204)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (204)</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (204)</u>
Net change in fund balances	<u>\$ (32,839)</u>	<u>\$ 8,073</u>	<u>\$ 10,196</u>	<u>\$ 1,701</u>
FUND BALANCES – Beginning	<u>76,964</u>	<u>18,968</u>	<u>7,661</u>	<u>8,878</u>
FUND BALANCES – Ending	<u>\$ 44,125</u>	<u>\$ 27,041</u>	<u>\$ 17,857</u>	<u>\$ 10,579</u>

**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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,336	-	-
96,615	194,803	6,420	-	34,513	46,153
583	-	965	1,058	-	339
-	-	-	-	-	-
<u>\$ 97,198</u>	<u>\$ 194,803</u>	<u>\$ 7,385</u>	<u>\$ 9,394</u>	<u>\$ 34,513</u>	<u>\$ 46,492</u>
\$ 78,957	\$ 100,877	\$ 39,046	\$ -	\$ -	\$ 28,225
-	-	-	1,048	-	-
-	-	-	-	20,594	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 78,957</u>	<u>\$ 100,877</u>	<u>\$ 39,046</u>	<u>\$ 1,048</u>	<u>\$ 20,594</u>	<u>\$ 28,225</u>
<u>\$ 18,241</u>	<u>\$ 93,926</u>	<u>\$ (31,661)</u>	<u>\$ 8,346</u>	<u>\$ 13,919</u>	<u>\$ 18,267</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(13,307)	-	(357)	-	-	-
<u>\$ (13,307)</u>	<u>\$ -</u>	<u>\$ (357)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,934	\$ 93,926	\$ (32,018)	\$ 8,346	\$ 13,919	\$ 18,267
44,641	705,660	68,388	71,446	(77,885)	42,451
<u>\$ 49,575</u>	<u>\$ 799,586</u>	<u>\$ 36,370</u>	<u>\$ 79,792</u>	<u>\$ (63,966)</u>	<u>\$ 60,718</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2010

	<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	70,777	116,644	70,771	225,720
Investment income	4,115	1,879	4,712	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 74,892</b>	<b>\$ 118,523</b>	<b>\$ 75,483</b>	<b>\$ 225,720</b>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 83,463	\$ 96,562	\$ 47,286	\$ -
Public Safety	-	-	-	189,274
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal	-	24,252	-	-
Interest	-	1,748	-	-
<b>Total expenditures</b>	<b>\$ 83,463</b>	<b>\$ 122,562</b>	<b>\$ 47,286</b>	<b>\$ 189,274</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (8,571)	\$ (4,039)	\$ 28,197	\$ 36,446
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(7,972)	-	(3,901)	(31,142)
<b>Total other financing sources (uses)</b>	<b>\$ (7,972)</b>	<b>\$ -</b>	<b>\$ (3,901)</b>	<b>\$ (31,142)</b>
Net change in fund balances	\$ (16,543)	\$ (4,039)	\$ 24,296	\$ 5,304
FUND BALANCES – Beginning	293,016	134,533	322,733	1,736
FUND BALANCES – Ending	<u>\$ 276,473</u>	<u>\$ 130,494</u>	<u>\$ 347,029</u>	<u>\$ 7,040</u>

**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>Solid Waste Management Fund</b>	<b>Soil Survey Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	3,931	-	-
-	-	-	-	-	-
-	-	3,304	-	-	153,835
-	-	-	30,000	-	-
-	59,366	-	-	8,606	-
29,081	-	539	-	69	-
-	-	-	51,285	-	-
<u>\$ 29,081</u>	<u>\$ 59,366</u>	<u>\$ 3,843</u>	<u>\$ 85,216</u>	<u>\$ 8,675</u>	<u>\$ 153,835</u>
\$ 14,436	\$ -	\$ -	\$ 16,367	\$ 9,285	\$ 134,790
-	48,096	497	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	141,912	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,436</u>	<u>\$ 48,096</u>	<u>\$ 497</u>	<u>\$ 158,279</u>	<u>\$ 9,285</u>	<u>\$ 134,790</u>
<u>\$ 14,645</u>	<u>\$ 11,270</u>	<u>\$ 3,346</u>	<u>\$ (73,063)</u>	<u>\$ (610)</u>	<u>\$ 19,045</u>
\$ -	\$ -	\$ -	\$ 579,024	\$ -	\$ -
-	(10,150)	-	(466,315)	-	(16,028)
<u>\$ -</u>	<u>\$ (10,150)</u>	<u>\$ -</u>	<u>\$ 112,709</u>	<u>\$ -</u>	<u>\$ (16,028)</u>
\$ 14,645	\$ 1,120	\$ 3,346	\$ 39,646	\$ (610)	\$ 3,017
1,064,197	(10,994)	36,357	705,101	3,776	78,227
<u>\$ 1,078,842</u>	<u>\$ (9,874)</u>	<u>\$ 39,703</u>	<u>\$ 744,747</u>	<u>\$ 3,166</u>	<u>\$ 81,244</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2010

	<b>Special</b>			
	<b>TICP Grant Fund</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	-	5,084	-	-
Intergovernmental	3,544	-	-	-
Charges for services	-	-	-	-
Investment income	-	464	109	45
Miscellaneous	-	-	1,000	-
	<u>\$ 3,544</u>	<u>\$ 5,548</u>	<u>\$ 1,109</u>	<u>\$ 45</u>
Total revenues				
	<u>\$ 3,544</u>	<u>\$ 5,548</u>	<u>\$ 1,109</u>	<u>\$ 45</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ -	\$ -	\$ 1,090	\$ -
Public Safety	3,544	189	-	-
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>\$ 3,544</u>	<u>\$ 189</u>	<u>\$ 1,090</u>	<u>\$ -</u>
Total expenditures				
	<u>\$ 3,544</u>	<u>\$ 189</u>	<u>\$ 1,090</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ 5,359</u>	<u>\$ 19</u>	<u>\$ 45</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 5,359	\$ 19	\$ 45
FUND BALANCES – Beginning	-	19,974	6,862	3,152
FUND BALANCES – Ending	<u>\$ -</u>	<u>\$ 25,333</u>	<u>\$ 6,881</u>	<u>\$ 3,197</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>Coroner Fees Fund</b>	<b>Federal Forfeited Drug Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	600	-
-	-	-	8,269	-	-
323	72	-	20	-	879
<u>11,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,613</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 8,289</u>	<u>\$ 600</u>	<u>\$ 879</u>
\$ -	\$ -	\$ -	\$ 2,869	\$ -	\$ -
580	-	-	-	-	13,968
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,949
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,869</u>	<u>\$ -</u>	<u>\$ 44,917</u>
\$ 11,033	\$ 72	\$ -	\$ 5,420	\$ 600	\$ (44,038)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 11,033	\$ 72	\$ -	\$ 5,420	\$ 600	\$ (44,038)
43,520	4,947	5,000	1,267	-	93,058
<u>\$ 54,553</u>	<u>\$ 5,019</u>	<u>\$ 5,000</u>	<u>\$ 6,687</u>	<u>\$ 600</u>	<u>\$ 49,020</u>

**HENRY COUNTY, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended November 30, 2010

	<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	8,946	-	13,658	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	281	-	-	4
Miscellaneous	-	-	-	-
	<u>\$ 9,227</u>	<u>\$ -</u>	<u>\$ 13,658</u>	<u>\$ 4</u>
Total revenues				
	<u>\$ 9,227</u>	<u>\$ -</u>	<u>\$ 13,658</u>	<u>\$ 4</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ -	\$ -	\$ 11,839	\$ -
Public Safety	-	-	-	-
Education	-	-	-	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Capital expenditures	18,966	-	-	-
Debt service:				
Principal	-	-	-	380,000
Interest	-	-	-	86,315
	<u>\$ 18,966</u>	<u>\$ -</u>	<u>\$ 11,839</u>	<u>\$ 466,315</u>
Total expenditures				
	<u>\$ 18,966</u>	<u>\$ -</u>	<u>\$ 11,839</u>	<u>\$ 466,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (9,739)</u>	<u>\$ -</u>	<u>\$ 1,819</u>	<u>\$ (466,311)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ 466,315
Transfers out	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,315</u>
Total other financing sources (uses)				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,315</u>
Net change in fund balances	<u>\$ (9,739)</u>	<u>\$ -</u>	<u>\$ 1,819</u>	<u>\$ 4</u>
FUND BALANCES – Beginning	<u>18,537</u>	<u>(123)</u>	<u>20</u>	<u>4,205</u>
FUND BALANCES – Ending	<u>\$ 8,798</u>	<u>\$ (123)</u>	<u>\$ 1,839</u>	<u>\$ 4,209</u>

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 225,900	\$ 225,900	\$ 225,302
Replacement	15,000	15,000	13,579
Investment income	500	500	1,969
Total revenues	\$ 241,400	\$ 241,400	\$ 240,850
 <b>EXPENDITURES</b>			
Current:			
Engineering	\$ 3,000	\$ 3,000	\$ -
Highway construction	235,000	235,000	203,205
Total expenditures	\$ 238,000	\$ 238,000	\$ 203,205
Excess of revenues over expenditures	\$ 3,400	\$ 3,400	\$ 37,645
 FUND BALANCE – Beginning			210,437
FUND BALANCE – Ending			\$ 248,082

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 278,610	\$ 278,610	\$ 277,351
Replacement	20,000	20,000	16,819
Charges for services	100,000	100,000	16,294
Investment income	13,000	13,000	12,793
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 411,610</u>	<u>\$ 411,610</u>	<u>\$ 323,257</u>
 <b>EXPENDITURES</b>			
Current:			
Bridge construction	\$ 400,000	\$ 400,000	\$ 270,813
Engineering expense	30,000	30,000	3,587
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>\$ 430,000</u>	<u>\$ 430,000</u>	<u>\$ 274,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (18,390)</u>	<u>\$ (18,390)</u>	\$ 48,857
FUND BALANCE – Beginning			<u>923,047</u>
FUND BALANCE – Ending			<u>\$ 971,904</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 1,772,783
Investment income	20,000	20,000	10,744
Miscellaneous	51,000	51,000	51,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 1,171,000</u>	<u>\$ 1,171,000</u>	<u>\$ 1,834,527</u>
<b>EXPENDITURES</b>			
Current:			
Salaries	\$ 102,000	\$ 102,000	\$ 102,000
Insurance	40,891	40,891	40,727
IMRF reimbursement	36,761	36,761	35,863
Construction and maintenance	1,007,500	1,007,500	1,063,769
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>\$ 1,187,152</u>	<u>\$ 1,187,152</u>	<u>\$ 1,242,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (16,152)</u>	<u>\$ (16,152)</u>	\$ 592,168
FUND BALANCE – Beginning			<u>638,009</u>
FUND BALANCE – Ending			<u>\$ 1,230,177</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 104,325	\$ 104,325	\$ 104,098
Replacement	8,321	8,321	6,169
Investment income	25	25	84
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 112,671	\$ 112,671	\$ 110,351
 <b>EXPENDITURES</b>			
Current:			
Mental health	111,300	111,300	108,658
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ 1,371</u>	<u>\$ 1,371</u>	\$ 1,693
 FUND BALANCE – Beginning			
			<hr/>
FUND BALANCE – Ending			<u>\$ 7,928</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 350,307	\$ 350,307	\$ 348,730
Investment income	2,500	2,500	1,768
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 352,807	\$ 352,807	\$ 350,498
 <b>EXPENDITURES</b>			
Current:			
Mental health	<hr/> 350,092	<hr/> 350,092	<hr/> 350,092
Excess of revenues over expenditures	<hr/> <u>\$ 2,715</u>	<hr/> <u>\$ 2,715</u>	<hr/> \$ 406
 FUND BALANCE – Beginning			
			<hr/> 168,086
 FUND BALANCE – Ending			
			<hr/> <u>\$ 168,492</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 53,846	\$ 53,846	\$ 53,536
Investment income	500	500	342
	<u>54,346</u>	<u>54,346</u>	<u>53,878</u>
Total revenues	\$ 54,346	\$ 54,346	\$ 53,878
<b>EXPENDITURES</b>			
Current:			
Supplies	\$ 350	\$ 350	\$ 318
Contractual service	25,296	25,296	25,296
Other service and charges	28,170	28,170	25,298
	<u>53,816</u>	<u>53,816</u>	<u>50,912</u>
Total expenditures	\$ 53,816	\$ 53,816	\$ 50,912
Excess of revenues over expenditures	<u>\$ 530</u>	<u>\$ 530</u>	\$ 2,966
FUND BALANCE – Beginning			<u>33,622</u>
FUND BALANCE – Ending			<u>\$ 36,588</u>

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Property taxes	\$ 69,446	\$ 69,446	\$ 69,148
Investment income	-	-	46
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 69,446	\$ 69,446	\$ 69,194
<b>EXPENDITURES</b>			
Current:			
Extension	69,446	69,446	69,075
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 119
FUND BALANCE – Beginning			<hr/> 3,407
FUND BALANCE – Ending			<u><u>\$ 3,526</u></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, 2010

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 2,500	\$ 2,500	\$ 1,014
Miscellaneous:			
Seizures/drugs	<u>40,755</u>	<u>40,755</u>	<u>14,598</u>
Total revenues	<u>\$ 43,255</u>	<u>\$ 43,255</u>	<u>\$ 15,612</u>
<b>EXPENDITURES</b>			
Current - education:			
Office supplies	\$ 2,500	\$ 2,500	\$ 488
Other service and charges	10,800	10,800	13,608
Equipment	<u>20,000</u>	<u>20,000</u>	<u>34,355</u>
Total expenditures	<u>\$ 33,300</u>	<u>\$ 33,300</u>	<u>\$ 48,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,955</u>	<u>\$ 9,955</u>	\$ (32,839)
FUND BALANCE – Beginning			<u>76,964</u>
FUND BALANCE – Ending			<u>\$ 44,125</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ 86,500	\$ 86,500	\$ 85,956
<b>EXPENDITURES</b>			
Current - public safety:			
Officer salary	\$ 33,493	\$ 31,493	\$ 31,814
Staff salaries	18,240	18,240	18,192
Life and health insurance	11,203	10,466	9,217
Office supplies	5,000	5,000	3,821
Uniforms	900	900	855
Contractual service	150	200	200
Travel and meeting	3,500	3,550	3,208
Education and training	500	500	-
Fuel and power	2,500	2,500	2,129
Water	100	100	-
Telephone	2,000	2,000	1,075
Postage	2,200	2,200	2,014
Dues	100	100	90
Maintenance	500	987	1,081
Laboratory expense	200	200	66
Veterinary assistance	-	735	728
Dead animal claims	500	500	-
Animal disposal	500	500	355
Other service and charges	100	340	240
Computer automation	-	1,000	500
Building	-	175	175
Total expenditures	<u>\$ 81,686</u>	<u>\$ 81,686</u>	<u>\$ 75,760</u>
Excess of revenues over expenditures	<u>\$ 4,814</u>	<u>\$ 4,814</u>	\$ 10,196
FUND BALANCE – Beginning			<u>7,661</u>
FUND BALANCE – Ending			<u>\$ 17,857</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 7,000	\$ 7,000	\$ 7,792
Investment income	200	200	122
	<u>\$ 7,200</u>	<u>\$ 7,200</u>	<u>\$ 7,914</u>
<b>EXPENDITURES</b>			
Current - general government:			
Part time salaries	\$ 3,000	\$ 3,000	\$ 2,546
Office supplies	-	-	1,430
Contractual service	5,946	5,946	-
Death certificate surcharge	350	350	478
Marriage state surcharge	650	650	1,555
Equipment	400	400	-
	<u>\$ 10,346</u>	<u>\$ 10,346</u>	<u>\$ 6,009</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (3,146)	\$ (3,146)	\$ 1,905
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(230)</u>	<u>(230)</u>	<u>(204)</u>
Net change in fund balances	<u>\$ (3,376)</u>	<u>\$ (3,376)</u>	\$ 1,701
FUND BALANCE – Beginning			<u>8,878</u>
FUND BALANCE – Ending			<u>\$ 10,579</u>

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 87,000	\$ 87,000	\$ 96,615
Investment income	700	700	583
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 87,700	\$ 87,700	\$ 97,198
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current - general government:			
Staff salaries	\$ 42,072	\$ 42,472	\$ 43,553
Part time salaries	28,400	28,400	26,203
Overtime	8,000	7,600	1,483
Life and health insurance	5,602	5,602	5,576
Uniforms	600	600	466
Education and training	1,000	800	-
Equipment	1,500	1,700	1,676
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 87,174	\$ 87,174	\$ 78,957
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	\$ 526	\$ 526	\$ 18,241
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(14,352)	(14,352)	(13,307)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	\$ (13,826)	\$ (13,826)	\$ 4,934
	<hr/>	<hr/>	<hr/>
FUND BALANCE – Beginning			44,641
			<hr/>
FUND BALANCE – Ending			\$ 49,575
			<hr/>

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Substance abuse testing	\$ 20,000	\$ 20,000	\$ 17,848
Probation service fees	180,000	180,000	164,586
Electronic monitoring	2,000	2,000	11,774
Reimbursements	1,300	1,300	595
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 203,300</u>	<u>\$ 203,300</u>	<u>\$ 194,803</u>
<b>EXPENDITURES</b>			
Current - general government:			
Office supplies	\$ 2,500	\$ 2,500	\$ 1,800
Document preservation	30,000	30,000	9,514
Travel and meeting	1,500	1,500	732
Fuel expense	5,000	5,000	3,237
Education and training	7,500	7,500	3,198
Public relation/education	2,500	2,500	227
Other programs	7,500	7,500	5,264
Postage	5,000	5,000	3,986
Dues	700	700	625
Service contracts	6,360	6,360	5,835
Maintenance	4,450	4,450	3,119
Juvenile psychological	1,300	1,300	-
Substance abuse testing	10,000	10,000	7,454
Sex offender evaluations	7,500	7,500	675
DNA collection fee	500	500	20
Equipment	24,000	24,000	1,633
Reimbursements	58,651	58,651	14,485
Delinquency diversion program	8,000	8,000	3,932
Computer automation	50,000	50,000	35,141
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 232,961</u>	<u>\$ 232,961</u>	<u>\$ 100,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (29,661)</u>	<u>\$ (29,661)</u>	<u>\$ 93,926</u>
FUND BALANCE – Beginning			<u>705,660</u>
FUND BALANCE – Ending			<u>\$ 799,586</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TREASURER AUTOMATION FUND**  
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Automation fees	\$ 9,000	\$ 9,000	\$ 6,420
Investment income	800	800	965
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 9,800</u>	<u>\$ 9,800</u>	<u>\$ 7,385</u>
 <b>EXPENDITURES</b>			
Current - general government:			
Part time salaries	\$ 3,000	\$ 3,000	\$ 4,669
Equipment	1,000	1,000	-
Contingencies	1,500	1,500	-
Computer automation	-	27,570	34,377
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 5,500</u>	<u>\$ 33,070</u>	<u>\$ 39,046</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 4,300	\$ (23,270)	\$ (31,661)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(230)</u>	<u>(230)</u>	<u>(357)</u>
Net change in fund balances	<u>\$ 4,070</u>	<u>\$ (23,500)</u>	<u>\$ (32,018)</u>
 FUND BALANCE – Beginning			
			<u>68,388</u>
 FUND BALANCE – Ending			
			<u>\$ 36,370</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, 2010

	<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	\$ 8,336
Investment income	<u>1,400</u>	<u>1,400</u>	<u>1,058</u>
Total revenues	\$ 8,400	\$ 8,400	\$ 9,394
<b>EXPENDITURES</b>			
Current - public safety:			
Contingencies	<u>5,000</u>	<u>5,000</u>	<u>1,048</u>
Excess of revenues over expenditures	<u>\$ 3,400</u>	<u>\$ 3,400</u>	\$ 8,346
FUND BALANCE – Beginning			<u>71,446</u>
FUND BALANCE – Ending			<u>\$ 79,792</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Reimbursements	\$ 7,807	\$ 7,807	\$ 7,785
Law library fees	<u>25,000</u>	<u>25,000</u>	<u>26,728</u>
Total revenues	<u>\$ 32,807</u>	<u>\$ 32,807</u>	<u>\$ 34,513</u>
<b>EXPENDITURES</b>			
Current - education:			
Law books and subscriptions	\$ 7,000	\$ 7,000	\$ 6,807
Computer automation	<u>13,864</u>	<u>13,864</u>	<u>13,787</u>
Total expenditures	<u>\$ 20,864</u>	<u>\$ 20,864</u>	<u>\$ 20,594</u>
Excess of revenues over expenditures	<u>\$ 11,943</u>	<u>\$ 11,943</u>	\$ 13,919
FUND BALANCE – Beginning			<u>(77,885)</u>
FUND BALANCE – Ending			<u>\$ (63,966)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Automation fees	\$ 70,000	\$ 70,000	\$ 70,777
Investment income	4,000	4,000	4,115
	<u>\$ 74,000</u>	<u>\$ 74,000</u>	<u>\$ 74,892</u>
<b>EXPENDITURES</b>			
Current - general government:			
Staff salaries	\$ 48,172	\$ 48,172	\$ 51,428
Life and health insurance	11,203	11,203	10,557
Office supplies	10,000	10,000	4,088
Travel and meeting	1,000	1,000	233
Telephone	1,620	1,620	800
Maintenance	15,000	15,000	11,740
Equipment	25,000	25,000	4,617
	<u>\$ 111,995</u>	<u>\$ 111,995</u>	<u>\$ 83,463</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (37,995)	\$ (37,995)	\$ (8,571)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(7,771)</u>	<u>(7,771)</u>	<u>(7,972)</u>
Net change in fund balances	<u>\$ (45,766)</u>	<u>\$ (45,766)</u>	\$ (16,543)
FUND BALANCE – Beginning			<u>293,016</u>
FUND BALANCE – Ending			<u>\$ 276,473</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**RECORDER AUTOMATION FUND**  
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Automation fees	\$ 45,000	\$ 45,000	\$ 41,801
Rural housing fund	85,000	85,000	74,843
Investment income	<u>2,800</u>	<u>2,800</u>	<u>1,879</u>
Total revenues	<u>\$ 132,800</u>	<u>\$ 132,800</u>	<u>\$ 118,523</u>
<b>EXPENDITURES</b>			
Current - general government:			
Office supplies	\$ 1,000	\$ 1,000	\$ 786
Contractual service	34,690	34,690	12,176
Maintenance	5,000	5,000	3,041
Rural housing surcharge payment	85,000	85,000	80,559
Equipment	500	500	-
Debt service:			
Principal	-	-	24,252
Interest	<u>-</u>	<u>-</u>	<u>1,748</u>
Total expenditures	<u>\$ 126,190</u>	<u>\$ 126,190</u>	<u>\$ 122,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,610</u>	<u>\$ 6,610</u>	<u>\$ (4,039)</u>
FUND BALANCE – Beginning			<u>134,533</u>
FUND BALANCE – Ending			<u>\$ 130,494</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Court document storage fee	\$ 70,000	\$ 70,000	\$ 70,771
Investment income	4,000	4,000	4,712
	<u>\$ 74,000</u>	<u>\$ 74,000</u>	<u>\$ 75,483</u>
<b>EXPENDITURES</b>			
Staff salaries	\$ 33,595	\$ 33,595	\$ 20,344
Part time salaries and overtime	8,788	8,788	7,575
Life and health insurance	5,602	5,602	4,739
Office supplies	10,000	10,000	9,182
Travel and meeting	1,000	1,000	577
Service contracts	15,000	15,000	2,435
Equipment	25,000	25,000	2,434
	<u>\$ 98,985</u>	<u>\$ 98,985</u>	<u>\$ 47,286</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (24,985)	\$ (24,985)	\$ 28,197
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(5,326)</u>	<u>(5,326)</u>	<u>(3,901)</u>
Net change in fund balances	<u>\$ (30,311)</u>	<u>\$ (30,311)</u>	\$ 24,296
FUND BALANCE – Beginning			<u>322,733</u>
FUND BALANCE – Ending			<u>\$ 347,029</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 225,720	\$ 225,720	\$ 225,720
<b>EXPENDITURES</b>			
Current - public safety:			
Staff salaries	\$ 132,230	\$ 132,230	\$ 135,696
Part time salaries	4,000	4,000	1,228
Overtime	1,500	1,500	98
Straight time	5,086	5,086	4,955
Life and health insurance	16,805	16,805	16,804
Unemployment insurance	700	700	819
Re-insurance reimbursement	2,500	2,500	5,731
Workers compensation	7,000	7,000	8,871
Office supplies	500	500	32
Uniforms	1,800	1,800	1,519
Education and training	2,000	2,000	225
Telephone	2,000	2,000	2,213
Service contracts	1,000	1,000	156
Maintenance	10,000	10,000	8,027
Administrative fees	800	800	800
Insurance	2,100	2,100	2,100
Equipment	1,000	1,000	-
Contingencies	250	250	-
Total expenditures	<u>\$ 191,271</u>	<u>\$ 191,271</u>	<u>\$ 189,274</u>
Excess of revenues over expenditures	\$ 34,449	\$ 34,449	\$ 36,446
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(34,449)</u>	<u>(34,449)</u>	<u>(31,142)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	\$ 5,304
FUND BALANCE – Beginning			<u>1,736</u>
FUND BALANCE – Ending			<u>\$ 7,040</u>

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ 62,665	\$ 62,665	\$ 59,366
<b>EXPENDITURES</b>			
Current - public safety:			
Staff salaries	\$ 42,178	\$ 42,178	\$ 42,351
Overtime	2,000	2,000	144
Straight time	1,623	1,623	-
Life and health insurance	5,602	5,602	5,601
Total expenditures	<u>\$ 51,403</u>	<u>\$ 51,403</u>	<u>\$ 48,096</u>
Excess of revenues over expenditures	\$ 11,262	\$ 11,262	\$ 11,270
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(11,262)</u>	<u>(11,262)</u>	<u>(10,150)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	\$ 1,120
FUND BALANCE – Beginning			<u>(10,994)</u>
FUND BALANCE – Ending			<u>\$ (9,874)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ 4,150	\$ 4,150	\$ 3,304
Investment income	<u>700</u>	<u>700</u>	<u>539</u>
Total revenues	\$ 4,850	\$ 4,850	\$ 3,843
<b>EXPENDITURES</b>			
Current - public safety:			
Equipment	<u>5,000</u>	<u>5,000</u>	<u>497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (150)</u>	<u>\$ (150)</u>	\$ 3,346
FUND BALANCE – Beginning			<u>36,357</u>
FUND BALANCE – Ending			<u>\$ 39,703</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Tax increment	\$ -	\$ -	\$ 3,931
Intergovernmental	-	-	30,000
Contributions and donations	-	-	51,285
	<hr/>	<hr/>	<hr/>
Total revenues	\$ -	\$ -	\$ 85,216
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current - general government:	\$ -	\$ -	\$ 16,367
Improvements and fees	-	-	-
Capital improvement	170,000	143,389	141,912
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 170,000	\$ 143,389	\$ 158,279
	<hr/>	<hr/>	<hr/>
Deficiency of revenues under expenditures	\$ (170,000)	\$ (143,389)	\$ (73,063)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 506,673	\$ 506,673	\$ 579,024
Transfers out	(441,765)	(468,376)	(466,315)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	\$ 64,908	\$ 38,297	\$ 112,709
	<hr/>	<hr/>	<hr/>
Net change in fund balances	<u>\$ (105,092)</u>	<u>\$ (105,092)</u>	\$ 39,646
	<hr/>	<hr/>	<hr/>
FUND BALANCE – Beginning			705,101
			<hr/>
FUND BALANCE – Ending			<u>\$ 744,747</u>

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**SOLID WASTE MANAGEMENT FUND**  
For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services:			
Tipping fees	\$ -	\$ -	\$ 2,325
Host fees	12,870	12,870	6,281
Investment income	<u>20</u>	<u>20</u>	<u>69</u>
Total revenues	<u>\$ 12,890</u>	<u>\$ 12,890</u>	<u>\$ 8,675</u>
<b>EXPENDITURES</b>			
Current - general government:			
Contractual service	\$ 12,870	\$ 12,870	\$ 9,285
Travel and meeting	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 12,870</u>	<u>\$ 12,870</u>	<u>\$ 9,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20</u>	<u>\$ 20</u>	\$ (610)
FUND BALANCE – Beginning			<u>3,776</u>
FUND BALANCE – Ending			<u>\$ 3,166</u>

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fees	\$ 170,000	\$ 170,000	\$ 153,835
 <b>EXPENDITURES</b>			
Current - general government:			
Staff salaries	\$ 94,352	\$ 94,352	\$ 94,531
Part time salaries	12,900	12,900	12,593
Life and health insurance	14,285	14,285	14,420
Office supplies	1,000	2,000	1,938
Education and training	1,000	1,000	50
Postage	200	200	80
Maintenance	1,000	1,000	-
Computer system support	12,200	11,200	10,900
Computer automation	3,000	3,000	278
Total expenditures	\$ 139,937	\$ 139,937	\$ 134,790
Excess of revenues over expenditures	\$ 30,063	\$ 30,063	\$ 19,045
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(17,065)	(17,065)	(16,028)
Net change in fund balances	\$ 12,998	\$ 12,998	\$ 3,017
FUND BALANCE – Beginning			78,227
FUND BALANCE – Ending			\$ 81,244

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fees	\$ 4,700	\$ 4,700	\$ 5,084
Investment income	<u>420</u>	<u>420</u>	<u>464</u>
Total revenues	\$ 5,120	\$ 5,120	\$ 5,548
 <b>EXPENDITURES</b>			
Current - public safety: Equipment	<u>5,000</u>	<u>5,000</u>	<u>189</u>
Excess of revenues over expenditures	<u>\$ 120</u>	<u>\$ 120</u>	\$ 5,359
FUND BALANCE – Beginning			<u>19,974</u>
FUND BALANCE – Ending			<u>\$ 25,333</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 200	\$ 200	\$ 109
Contributions and donations	-	-	1,000
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 200	\$ 200	\$ 1,109
 <b>EXPENDITURES</b>			
Office supplies and contingencies	<hr/> 600	<hr/> 600	<hr/> 1,090
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (400)</u>	<u>\$ (400)</u>	\$ 19
 FUND BALANCE – Beginning			
			<hr/> 6,862
 FUND BALANCE – Ending			
			<u>\$ 6,881</u>

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Investment income	\$ 60	\$ 60	\$ 45
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 45</u>
<b>EXPENDITURES</b>			
Office supplies	\$ 500	\$ 500	\$ -
Publication notices	<u>50</u>	<u>50</u>	<u>-</u>
Total expenditures	<u>\$ 550</u>	<u>\$ 550</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (490)</u>	<u>\$ (490)</u>	\$ 45
FUND BALANCE – Beginning			<u>3,152</u>
FUND BALANCE – Ending			<u>\$ 3,197</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Charges for services	\$ -	\$ -	\$ -
Investment income	50	50	72
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 50	\$ 50	\$ 72
<b>EXPENDITURES</b>			
Equipment	<hr/> -	<hr/> -	<hr/> -
Excess of revenues over expenditures	<u>\$ 50</u>	<u>\$ 50</u>	\$ 72
FUND BALANCE – Beginning			<hr/> 4,947
FUND BALANCE – Ending			<u>\$ 5,019</u>

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Reimbursements	\$ -	\$ -	\$ -
 <b>EXPENDITURES</b>			
Property/Building	5,000	5,000	-
Excess (deficiency) of revenues over (under) expenditures	\$ (5,000)	\$ (5,000)	\$ -
FUND BALANCE – Beginning			5,000
FUND BALANCE – Ending			\$ 5,000

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Investment income	2,000	2,000	879
	<u>2,000</u>	<u>2,000</u>	<u>879</u>
Total revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 879</u>
<b>EXPENDITURES</b>			
Education and training	\$ 6,000	\$ 6,000	\$ 4,498
Equipment	24,000	24,000	40,419
	<u>24,000</u>	<u>24,000</u>	<u>40,419</u>
Total expenditures	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 44,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (28,000)</u>	<u>\$ (28,000)</u>	\$ (44,038)
 FUND BALANCE – Beginning			<u>93,058</u>
FUND BALANCE – Ending			<u>\$ 49,020</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ 12,000	\$ 12,000	\$ 8,946
Investment income	<u>200</u>	<u>200</u>	<u>281</u>
Total revenues	\$ 12,200	\$ 12,200	\$ 9,227
<b>EXPENDITURES</b>			
Equipment	<u>20,000</u>	<u>20,000</u>	<u>18,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (7,800)</u>	<u>\$ (7,800)</u>	\$ (9,739)
FUND BALANCE – Beginning			<u>18,537</u>
FUND BALANCE – Ending			<u>\$ 8,798</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, 2010

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Reimbursements	\$ 5,000	\$ 5,000	\$ -
<b>EXPENDITURES</b>			
Equipment	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE – Beginning			<u>(123)</u>
FUND BALANCE – Ending			<u>\$ (123)</u>

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

For the Year Ended November 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>			
Fines and fees	\$ 10,800	\$ 10,800	\$ 13,658
 <b>EXPENDITURES</b>			
Adopted animal program reimbursements	<u>10,800</u>	<u>10,800</u>	<u>839</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 12,819
 FUND BALANCE – Beginning			<u>20</u>
FUND BALANCE – Ending			<u>\$ 12,839</u>

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

For the Year Ended November 30, 2010

	<u>Balances December 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances November 30, 2010</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments:				
County Collector's Fund	\$ 328,705	\$66,337,195	\$66,333,275	\$ 332,625
Drainage District Funds	431,750	618,222	665,270	384,702
Inheritance Tax Fund	45,516	196,353	241,869	-
Trust Fund to Heirs	28,676	-	-	28,676
State's Attorney's Office Trust Fund	32,107	131,650	128,988	34,769
Delinquent Tax Program	336	2,577	2,392	521
Unclaimed bail deposits	10,372	-	9,369	1,003
County Clerk	110,174	1,087,284	1,069,080	128,378
Circuit Clerk	767,048	4,592,918	4,462,175	897,791
Prisoner Commissary	36,921	275,472	269,884	42,509
Sheriff's Special Account	10	-	-	10
Township Bridges	52,085	124,614	131,504	45,195
Township Motor Fuel Tax	130,212	1,597,121	1,444,559	282,774
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total cash, cash equivalents and investments	\$ 1,973,912	\$74,963,406	\$74,758,365	\$ 2,178,953
Accounts receivable:				
Township Motor Fuel Tax	146,986	121,163	146,986	121,163
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 2,120,898</u>	<u>\$75,084,569</u>	<u>\$74,905,351</u>	<u>\$ 2,300,116</u>
<b>LIABILITIES</b>				
Due to others:				
County Collector's Fund	\$ 328,705	\$66,337,195	\$66,333,275	\$ 332,625
Drainage District Funds	431,750	618,222	665,270	384,702
Inheritance Tax Fund	45,516	196,353	241,869	-
Trust Fund to Heirs	28,676	-	-	28,676
State's Attorney's Office Trust Fund	32,107	131,650	128,988	34,769
Delinquent Tax Program	336	2,577	2,392	521
Unclaimed bail deposits	10,372	-	9,369	1,003
County Clerk	110,174	1,087,284	1,069,080	128,378
Circuit Clerk	767,048	4,592,918	4,462,175	897,791
Prisoner Commissary	36,921	275,472	269,884	42,509
Sheriff's Special Account	10	-	-	10
Township Bridges	52,085	124,614	131,504	45,195
Township Motor Fuel Tax	277,198	1,718,284	1,591,545	403,937
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total funds due to others	<u>\$ 2,120,898</u>	<u>\$75,084,569</u>	<u>\$74,905,351</u>	<u>\$ 2,300,116</u>

**OTHER SUPPLEMENTARY INFORMATION**

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2010

<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	\$ 187,223
Women-Infants-Children - vouchers	10.557*	82700440A	710,966
Passed-through Illinois Department of Public Health			
Summer Food Inspection	10.559	7740	<u>725</u>
Total U.S. Department of Agriculture			<u>\$ 898,914</u>
<b>U.S. Department of Commerce</b>			
Economic Adjustment Assistance - Revolving Loan Funds	11.307*	06-39-02319-01	<u>\$ 819,959</u>
<b>U.S. Department of Justice</b>			
Direct Programs:			
Federal Equitable Sharing Agreement	16.000	IL037013A	<u>\$ 44,917</u>
<b>U.S. Department of Transportation</b>			
Passed-through Illinois Department of Transportation			
Public Transportation for Non-Urbanized Areas - Section 18	20.509	RPT-10-008 RPT-11-008	47,637 100,858
Job Access Reverse Commute	20.516	JRC-09-008	<u>12,458</u>
Total U.S. Department of Transportation			<u>\$ 160,953</u>
<b>U.S. Environmental Protection Agency</b>			
Passed-through Illinois Department of Public Health			
Performance Partnership Grants	66.605	063482501900	<u>\$ 1,100</u>
<b>U.S. Elections Assistance Commission</b>			
Passed-through Illinois State Board of Elections			
Voting Access for Individuals with Disabilities - Grants to States	93.617		<u>\$ 2,869</u>

\* Major Program

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2010

<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 Health and Human Services</b>			
Passed-through Illinois Department of Public Health			
Immunization Grants Cluster			
Immunization - noncash	93.268	001187	\$ 238,522
ARRA - Immunization	93.712	05180345	<u>21,500</u>
Total Immunizations Grants Cluster			<u>\$ 260,022</u>
Bioterrorism Preparedness	93.069	07181037 07181159 07181254	50,444 45,434 51,611
Passed-through Illinois Department of Human Services			
Family Planning - Title X	93.217	82592440C	73,217
Temporary Assistance for Needy Families	93.558	82001490C	68,049
Social Services Block Grant - Title XX	93.667	824084400	61,810
Maternal and Child Health Services Block Grant to the States	93.994	828724400	780
Passed-through Illinois Department of Healthcare and Family Services			
Child Support Enforcement	93.563	88KCC000036	12,557
Medicaid	93.778	CHD4Q08	60,383
Passed-through Western Illinois Area Agency on Aging			
Respite Care III-B	93.044	R-20100805507003 R-20110805507003	7,765 181
Passed-through Rock Island County Health Department			
IBCCP	93.283	4.2003	<u>33,380</u>
Total U.S. Department of Health and Human Services			<u>\$ 725,633</u>
<b>Department of Homeland Security</b>			
Passed-through Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.042	EMA 130	\$ 3,884
State Homeland Security Grant Program	97.067	07EXECHEN	2,588
Interoperable Communications Equipment	97.055	09IECGPHEN	<u>3,544</u>
Total Department of Homeland Security			<u>\$ 10,016</u>
Total Federal Financial Awards			<u><u>\$ 2,664,361</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**HENRY COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2010

**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	\$ 148,495
Job Access Reverse Commute	20.516	<u>12,458</u>
Total		\$ <u>160,953</u>

**NOTE 3 – NON-CASH TRANSACTIONS**

The County received \$238,522 of immunization commodities from the U.S. Department of Health and Human Services passed through the Illinois Department of Public Health with a CFDA number of 93.268. The County also received \$710,966 from the supplemental nutrition program for women, infant and children from the U.S. Department of Agriculture passed through the Illinois Department of Human Services with a CFDA number of 10.557.

**NOTE 4 – INSURANCE AND LOAN GUARANTEES**

Henry County, Illinois had no insurance in effect, relating to federal funds, for the year ending November 30, 2010.

Henry County, Illinois had no loans or loan guarantees, relating to federal funds, outstanding at November 30, 2010.

**HENRY COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended November 30, 2010

**NOTE 5 – DEPARTMENT OF COMMERCE- ECONOMIC ADJUSTMENT ASSISTANCE**

For purposes of completing the Schedule of Expenditures of Federal Awards (SEFA), each Economic Development Administration (EDA) Revolving Loan Fund Grant (RLF grant) (CFDA 11.307) should be shown as a separate line item calculated as follows:

1. Balance of RLF loans outstanding at the end of the recipient's fiscal year, <u>plus</u>	\$ 616,192
2. Cash and investment balance in the RLF at the end of the recipient's fiscal year, <u>plus</u>	462,650
3. Administrative expenses paid out of RLF income during the recipient's fiscal year; <u>plus</u>	14,436
4. The unpaid principal of all loans written off during the recipient's fiscal year	-
Total	\$1,093,278
The Federal share of the RLF	75%
Total	\$ 819,959



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, 2010, which collectively comprise Henry County's basic financial statements and have issued our report thereon dated June 14, 2011. 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. Findings 2010-1 and 2010-2.

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*.

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

This report is intended solely for the information and use of management, members of the County board, County officials, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Carpenter, Mitchell, Goddard & Company, L.L.C.

Moline, Illinois  
June 14, 2011



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the County Board  
Henry County, Illinois

**Compliance**

We have audited Henry County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Henry County's major federal programs for the year ended November 30, 2010. 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 *Governmental 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2010.

**Internal Control Over Compliance**

Management of Henry County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Henry County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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.

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

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 & Company, L.L.C.*

Moline, Illinois  
June 14, 2011

**HENRY COUNTY, ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended November 30, 2010

I. Summary of Independent Auditors' Results

**Financial Statements**

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified that are not considered to be material weaknesses?   X   yes    \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount Expended</u>
10.557	Special Supplemental Food Program for Women, Infants and Children	\$898,189
11.307	Economic Adjustment Assistance – Revolving Loan Funds	\$819,959

Dollar threshold used to distinguish Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

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

For the Year Ended November 30, 2010

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

*2010-1 - 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 does not currently require personnel to 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.

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, the financial cost to remedy this deficiency is not in our budget at this time.

*2010-2 – Preparation of Schedule of Expenditures of Federal Awards*

Condition: Henry County, Illinois engages Carpentier, Mitchell, Goddard & Company, LLC to assist in preparing its Schedule of Expenditures of Federal Awards (SEFA).

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 does not currently require personnel to have sufficient knowledge regarding the preparation of the SEFA.

Effect: Henry County personnel are unable to perform a review of Henry County's SEFA 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, 2010

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

Recommendation: To establish proper internal control over the preparation of its SEFA, Henry County should design and implement a comprehensive review procedure to ensure that the SEFA is 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 expenditures of federal awards.

Response and corrective action plan: We agree with the recommendation. The County is currently in the process of making changes to clear this comment in the future.

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, 2010

<u>Number</u>	<u>Comment</u>	<u>Status</u>	<u>Corrective Action or Other Explanation</u>
2009-1	Financial statement preparation	Uncorrected	At this time current software is unable to generate financial statements and related notes.
2009-2	Schedule of Expenditures of Federal Awards (SEFA) Preparation	Uncorrected	At this time current software is unable to generate the SEFA.
2009-3	Reporting Federal Grants	Corrected	

**HENRY COUNTY, ILLINOIS  
CORRECTIVE ACTION PLAN**  
For the Year Ended November 30, 2010

<u>Current Number</u>	<u>Comment</u>	<u>Corrective Action Plan</u>	<u>Anticipated Date of Completion</u>	<u>Contact Person</u>
2010-1	Financial statement preparation	See corrective action plan at 2010-1	- - -	Colleen Gillaspie County Administrator
2010-2	Preparation of Schedule of Expenditures of Federal Awards	See corrective action plan at 2010-2	- - -	Colleen Gillaspie County Administrator