# *HENRY COUNTY, ILLINOIS*

## *ANNUAL FINANCIAL REPORT*

*For the Fiscal Year Ended November 30, 2013*

**HENRY COUNTY, ILLINOIS**
November 30, 2013

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# INDEPENDENT AUDITOR'S 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## 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, 2013, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, budgetary comparison information on pages 52 through 62, and the pension plans and other postemployment benefit plan schedules of funding progress and schedules of employer contributions on pages 63 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2014, 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* in considering the Henry County, Illinois' internal control over financial reporting and compliance.

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

Moline, Illinois
June 12, 2014

# 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, 2013. 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 FY2013 by $94,281,264 (net position). Of this amount, $15,326,565 is restricted for specific purposes. With the presentation of net investment in capital assets of $67,531,531, unrestricted net position becomes $11,423,168.

- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of $21,846,329 currently government fund totals only; of which $5,634,489 or 25.8% represents unassigned fund balances.

- The general fund unassigned fund balance of $5,681,317 equals 57.3% 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 position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position.* Increases or decreases in net position 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 position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position 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, 3 individual major governmental funds (excluding fiduciary funds), 47 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, 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 position may serve over time as a useful indicator of a government's financial position. In the case of Henry County, assets exceeded liabilities by $94,281,264 at the close of the most recent fiscal year.

Of the County's total assets of $105,250,874 the largest components are: 1) cash and investment of $24,281,924 or 23.1%, 2) receivables, which largely represent the unearned property taxes for FY2014 of $11,509,000 or 10.9%, and 3) capital assets net of accumulated depreciation of $69,420,150 or 66.0%. The receivables are offset by unearned revenue since the FY2013 tax revenue is not recognized until FY2014 even though the levy takes place in FY2013. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the total liabilities of $10,969,610, $9,181,789 are current liabilities.

The County's net position for fiscal year ended November 30, 2013 is summarized as follows:

| | Governmental Activities | Business Type Activities | Total |
|---|---|---|---|
| Current and other assets | $ 31,984,205 | $ 3,846,519 | $ 35,830,724 |
| Capital assets (net of depreciation) | 65,513,589 | 3,906,561 | 69,420,150 |
| Total assets | $ 97,497,794 | $ 7,753,080 | $ 105,250,874 |
| Current and other liabilities | $ 8,757,290 | $ 424,499 | $ 9,181,789 |
| Long-term liabilities | 1,774,555 | 13,266 | 1,787,821 |
| Total liabilities | $ 10,531,845 | $ 437,765 | $ 10,969,610 |
| Net position: | | | |
| Net investment in capital assets | $ 63,624,970 | $ 3,906,561 | $ 67,531,531 |
| Restricted | 15,326,565 | - - - | 15,326,565 |
| Unrestricted | 8,014,414 | 3,408,754 | 11,423,168 |
| Total net position | $ 86,965,949 | $ 7,315,315 | $ 94,281,264 |

For comparative purposes, the County's net position for fiscal year ended November 30, 2012 is summarized as follows:

| | Governmental Activities | Business Type Activities | Total |
|---|---|---|---|
| Current and other assets | $ 31,489,305 | $ 3,400,862 | $ 34,890,167 |
| Capital assets (net of depreciation) | 67,602,783 | 3,999,612 | 71,602,395 |
| Total assets | $ 99,092,088 | $ 7,400,474 | $ 106,492,562 |
| Current and other liabilities | $ 8,936,374 | $ 341,083 | $ 9,277,457 |
| Long-term liabilities | 2,366,145 | 6,485 | 2,372,630 |
| Total liabilities | $ 11,302,519 | $ 347,568 | $ 11,650,087 |
| Net position: | | | |
| Net investment in capital assets | $ 65,278,389 | $ 3,999,612 | $ 69,278,001 |
| Restricted | 15,247,386 | - - - | 15,247,386 |
| Unrestricted | 7,263,794 | 3,053,294 | 10,317,088 |
| Total net position | $ 87,789,569 | $ 7,052,906 | $ 94,842,475 |

A restricted portion of the County's governmental net position (16 percent as of November 30, 2013 and 2012) represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental unrestricted net position is a surplus of $11,423,168 and $10,317,088 as of November 30, 2013 and 2012, respectively.

The County's total net position decreased by $465,030 during the year ended November 30, 2013. The governmental-type activities' net position decreased by $727,439. The total business-type activities' net position increased by $262,409.

The following table highlights the County's revenues and expenses for the year ended November 30, 2013 and the year ended November 30, 2012. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Program revenues and expenses for fiscal year ended November 30, 2013 are presented net of interfund eliminations.

## Henry County's Changes in Net Position

| | Governmental Activities 2013 | Business-Type Activities 2013 | Total |
|---|---|---|---|
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | $ 8,231,513 | $ 5,059,739 | $ 13,291,252 |
| Operating grants and contributions | 5,490,200 | - - - | 5,490,200 |
| Capital grants and contributions | 249,502 | - - - | 249,502 |
| General revenues: | | | |
| Property taxes | 7,121,046 | - - - | 7,121,046 |
| Other taxes | 4,571,322 | - - - | 4,571,322 |
| Unrestricted investments earnings | 256,266 | 9,080 | 265,346 |
| Gain on sale of capital assets | 2,880 | - - - | 2,880 |
| Total revenues | $ 25,922,729 | $ 5,068,819 | $ 30,991,548 |
| Expenses: | | | |
| General government | $ 4,673,719 | $ - - - | $ 4,673,719 |
| Public safety | 5,876,792 | - - - | 5,876,792 |
| Education | 1,316,548 | - - - | 1,316,548 |
| Judiciary | 2,259,666 | - - - | 2,259,666 |
| Highways and streets | 6,649,187 | - - - | 6,649,187 |
| Health | 5,119,895 | - - - | 5,119,895 |
| Interest on long-term debt | 72,656 | - - - | 72,656 |
| Nursing home | - - - | 5,483,126 | 5,483,126 |
| Other | - - - | 4,989 | 4,989 |
| Total expenses | $ 25,968,463 | $ 5,488,115 | $ 31,456,578 |
| Increase (decrease) in net position before transfers | $ (45,734) | $ (419,296) | $ (465,030) |
| Transfers | (681,705) | 681,705 | - - - |
| Change in net position | $ (727,439) | $ 262,409 | $ (465,030) |
| Net position – beginning (restated) | 87,693,388 | 7,052,906 | 94,746,294 |
| Net position – ending | $ 86,965,949 | $ 7,315,315 | $ 94,281,264 |

For comparative purposes, program revenues and expenses for fiscal year ended November 30, 2012 are presented net of interfund eliminations.

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

| | Governmental Activities 2012 | Business-Type Activities 2012 | Total |
|---|---|---|---|
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | $ 9,977,294 | $ 5,480,613 | $15,457,907 |
| Operating grants and contributions | 4,945,043 | - - - | 4,945,043 |
| Capital grants and contributions | 408,444 | - - - | 408,444 |
| General revenues: | | | |
| Property taxes | 7,046,208 | - - - | 7,046,208 |
| Other taxes | 4,299,320 | - - - | 4,299,320 |
| Unrestricted investments earnings | 287,186 | 11,793 | 298,979 |
| Gain (loss) disposal of capital assets | 3,102 | (25,825) | (22,723) |
| Total revenues | $ 26,966,597 | $ 5,466,581 | $32,433,178 |
| Expenses: | | | |
| General government | $ 4,799,861 | $ - - - | $ 4,799,861 |
| Public safety | 5,483,079 | - - - | 5,483,079 |
| Education | 917,789 | - - - | 917,789 |
| Judiciary | 2,272,703 | - - - | 2,272,703 |
| Highways and streets | 6,363,243 | - - - | 6,363,243 |
| Health | 4,881,437 | - - - | 4,881,437 |
| Interest on long-term debt | 95,372 | - - - | 95,372 |
| Nursing home | - - - | 5,416,441 | 5,416,441 |
| Other | - - - | 4,583 | 4,583 |
| Total expenses | $ 24,813,484 | $ 5,421,024 | $30,234,508 |
| Increase in net position before transfers | $ 2,153,113 | $ 45,557 | $ 2,198,670 |
| Transfers | (604,016) | 604,016 | - - - |
| Change in net position | $ 1,549,097 | $ 649,573 | $ 2,198,670 |
| Net position – beginning | 86,240,472 | 6,403,333 | $92,643,805 |
| Net position – ending | $ 87,789,569 | $ 7,052,906 | $94,842,475 |

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

- Program revenues of $13,971,215 equaled 53.8% of government expenses of $25,968,463. As expected, general revenues $11,951,514 provided the required support and coverage for expenses.

- Approximately 26% of expenses are Highways and Streets ($6,649,187), which includes $2,055,465 in non-cash depreciation expenses, while this category provided about 10% of total revenues of $25,922,729.

- Approximately 23% of the expenses are Public Safety ($5,876,792) while this category provided about 9% of total revenues.

- Approximately 20% of expenses are Health ($5,119,895) while this category provided about 19% of total revenues.

- General government expenses are $4,673,719 at 18%. General government provided about 8% of total revenues.

- Grant revenues and contributions comprised about 22% 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.

**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, *unassigned 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 $21,846,329, an increase of $263,685 in comparison with the prior year. Approximately $5,634,489 or 26% of the fund balance represents *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is either restricted or committed and therefore it is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $5,681,317. As a measure of the general fund's liquidity, we compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 57.3% 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 $158,691 during the current fiscal year.

The County Highway Fund has a fund balance of $2,065,078, a decrease of $70,793 as compared with the prior year.

The Illinois Municipal Retirement Fund has a fund balance of $539,852, a decrease of $265,526 as compared with the prior year.

The County Health Fund has a fund balance of $2,085,151, an increase of $132,720 as compared with the prior year.

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

**Governmental Funds – Revenues Classified by Source**

| Revenues by Source | FY 2013 | FY 2012 | Increase (Decrease) | Percent Increase (Decrease) |
|---|---|---|---|---|
| Taxes | $ 10,542,289 | $ 10,156,076 | $ 386,213 | 3.8% |
| Fines and fees | 1,341,213 | 1,644,379 | (303,166) | (18.4) |
| Intergovernmental revenues | 6,848,452 | 6,134,495 | 713,957 | 11.6 |
| Charges for services | 6,890,300 | 8,232,285 | (1,341,985) | (16.3) |
| Investments | 256,266 | 287,186 | (30,920) | (10.8) |
| Miscellaneous | 41,329 | 100,630 | (59,301) | (58.9) |
| Total | $ 25,919,849 | $ 26,555,051 | $ (635,202) | (2.4)% |

Overall, total revenues decreased 2.4%.

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

**Expenditures by Function – Governmental Funds**

| Expenditures by Function | FY 2013 | FY 2012 | Increase (Decrease) | Percent of Change |
|---|---|---|---|---|
| General Government | $ 4,520,774 | $ 4,460,080 | $ 60,694 | 1.4% |
| Public Safety | 5,785,872 | 5,255,921 | 529,951 | 10.1 |
| Education | 1,361,773 | 932,297 | 429,476 | 46.1 |
| Judiciary | 2,272,211 | 2,250,262 | 21,949 | 1.0 |
| Highways and streets | 4,646,225 | 4,347,015 | 299,210 | 6.9 |
| Health | 5,258,720 | 4,928,476 | 330,244 | 6.7 |
| Capital expenditures | 617,783 | 874,800 | (257,017) | (29.4) |
| Debt service-principal | 456,517 | 460,200 | (3,683) | (0.8) |
| Debt service-interest | 57,464 | 82,178 | (24,714) | (30.1) |
| Total | $ 24,977,339 | $ 23,591,229 | $ 1,386,110 | 5.9% |

Overall, total expenditures increased 5.9%.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The total original revenue budget of $9,885,662 increased to actual revenues of $10,571,132 (an increase of $685,470).
- The total original expenditure budget of $9,798,886 increased to $9,918,423 (an increase of $119,537).
- The total original budget for net transfers out of $671,117 decreased to $494,018 (a decrease of $177,099).

During the year, actual revenues were more than budgetary revenues and actual expenditures were more than the 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 as of November 30, 2013.

The following represents the activity of the long-term debt of the County for FY2013.

| Governmental Activities: | Beginning Balance, As Restated | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Alternate revenue bonds | $ 2,285,000 | $ - - - | $ (430,000) | $ 1,855,000 |
| Issuance discounts | (11,614) | - - - | 4,373 | (7,241) |
| Deferred charge on refunding | (31,179) | - - - | 11,791 | (19,388) |
| Installment contract | 94,345 | - - - | (26,517) | 67,828 |
| Vacation | 161,668 | 13,386 | - - - | 175,054 |
| Net pension obligation/ net other post employment benefit obligation | 404,458 | 77,172 | (142,267) | 339,363 |
| Total | $ 2,902,678 | $ 90,558 | (582,620) | $ 2,410,616 |
| Business Activities: | | | | |
| Net other post employment benefit obligation | $ 6,485 | $ 19,043 | $ (12,262) | $ 13,266 |

(More detailed information about the County's long-term liabilities is presented in Note 9 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, 2013, net capital assets of the governmental activities totaled $65,513,589. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation totaled $2,706,978.

**County's Capital Assets**

| Governmental Activities: | Cost | Accumulated Depreciation | Net Capital Assets |
|---|---|---|---|
| Land and construction in progress | $ 576,070 | N/A | $ 576,070 |
| Buildings and improvements | 23,345,874 | $ 14,134,815 | 9,211,059 |
| Vehicles and equipment | 9,406,066 | 7,579,057 | 1,827,009 |
| Infrastructure | 68,893,137 | 14,993,686 | 53,899,451 |
| Total | $ 102,221,147 | $ 36,707,558 | $ 65,513,589 |
| Business Activities: | | | |
| Land and land improvements | $ 1,079,195 | N/A | $ 1,079,195 |
| Buildings | 7,004,380 | $ 4,437,190 | 2,567,190 |
| Equipment | 1,182,136 | 921,960 | 260,176 |
| Total | $ 9,265,711 | $ 5,359,150 | $ 3,906,561 |

The annual depreciation totaled $288,138 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 FY2014, the County Board and management considered the following factors:

- Personnel and IMRF costs, which make up a significant portion of the County's operating costs, continue to rise.
- Some state revenues are being eliminated and many continue to be unstable while various fees of office are projected to remain stagnant or decrease.
- Both internal and external Courthouse renovations continue to be reviewed at an expected cost of over $1,000,000.
- Anticipated wind tower revenues realized in FY2011 and FY2012 for wind farm construction have now concluded.

## REQUEST FOR INFORMATION

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

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**HENRY COUNTY, ILLINOIS**
**STATEMENT OF NET POSITION**
November 30, 2013

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Emergency Telephone System Board |
| **ASSETS** | | | | |
| Cash and investments | $ 21,809,738 | $ 2,472,186 | $ 24,281,924 | $ 1,057,778 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | |
| Accounts | 1,677,451 | 764,717 | 2,442,168 | 89,650 |
| Property tax | 7,383,880 | - | 7,383,880 | - |
| Due from cities & townships | 144,939 | - | 144,939 | - |
| Other taxes | 964,420 | - | 964,420 | - |
| Loans | 573,380 | - | 573,380 | - |
| Accrued interest | - | 213 | 213 | 286 |
| Internal balances | (577,183) | 577,183 | - | - |
| Inventories | - | 31,915 | 31,915 | - |
| Prepaid items | - | 305 | 305 | 30,450 |
| Deferred charges | 7,580 | - | 7,580 | - |
| Capital assets: | | | | |
| Not depreciated | 576,070 | 1,079,195 | 1,655,265 | - |
| Depreciated, net of accumulated depreciation | 64,937,519 | 2,827,366 | 67,764,885 | 242,888 |
| Total assets | $ 97,497,794 | $ 7,753,080 | $ 105,250,874 | $ 1,421,052 |
| **LIABILITIES** | | | | |
| Accounts payable and other current liabilities | $ 713,806 | $ 424,499 | $ 1,138,305 | $ 5,074 |
| Accrued interest payable | 23,543 | - | 23,543 | - |
| Unearned revenues | 7,383,880 | - | 7,383,880 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | 636,061 | - | 636,061 | - |
| Due in more than one year | 1,774,555 | 13,266 | 1,787,821 | - |
| Total liabilities | $ 10,531,845 | $ 437,765 | $ 10,969,610 | $ 5,074 |
| **NET POSITION** | | | | |
| Net investment in capital assets | $ 63,624,970 | $ 3,906,561 | $ 67,531,531 | $ 242,888 |
| Restricted for: | | | | |
| Maintenance of roadways | 6,255,098 | - | 6,255,098 | - |
| Loans | 1,106,366 | - | 1,106,366 | - |
| IMRF | 539,852 | - | 539,852 | - |
| FICA | 230,762 | - | 230,762 | - |
| Tort | 2,399,701 | - | 2,399,701 | - |
| Health | 2,252,263 | - | 2,252,263 | - |
| Probation | 907,021 | - | 907,021 | - |
| Other purposes | 1,635,502 | - | 1,635,502 | - |
| Unrestricted | 8,014,414 | 3,408,754 | 11,423,168 | 1,173,090 |
| Total net position | $ 86,965,949 | $ 7,315,315 | $ 94,281,264 | $ 1,415,978 |

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

**HENRY COUNTY, ILLINOIS**
**STATEMENT OF ACTIVITIES**
For the Year Ended November 30, 2013

| | | Program Revenues | | |
|---|---|---|---|---|
| **FUNCTION/PROGRAMS** | **Expenses** | **Charges for Services** | **Operating Grants & Contributions** | **Capital Grants & Contributions** |
| **Governmental activities:** | | | | |
| General government | $ 4,673,719 | $ 1,476,858 | $ 633,027 | $ - |
| Public safety | 5,876,792 | 2,181,038 | 95,384 | 8,625 |
| Education | 1,316,548 | 31,675 | 1,242,619 | - |
| Judiciary | 2,259,666 | 474,440 | 479,750 | - |
| Highways and streets | 6,649,187 | 2,209,416 | 55,342 | 240,877 |
| Health | 5,119,895 | 1,858,086 | 2,984,078 | - |
| Interest on long-term debt | 72,656 | - | - | - |
| Total governmental activities | $ 25,968,463 | $ 8,231,513 | $ 5,490,200 | $ 249,502 |
| **Business-Type activities:** | | | | |
| Nursing home | $ 5,483,126 | $ 4,976,740 | $ - | $ - |
| Other | 4,989 | 82,999 | - | - |
| Total business-type activities | $ 5,488,115 | $ 5,059,739 | $ - | $ - |
| Total primary government | $ 31,456,578 | $ 13,291,252 | $ 5,490,200 | $ 249,502 |
| **Component Unit:** | | | | |
| Emergency Telephone Systems Board | $ 434,172 | $ 487,588 | $ - | $ - |

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 position

NET POSITION, Beginning (Restated)

NET POSITION, Ending

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-Type Activities | Total | Emergency Telephone Systems Board |
| $ (2,563,834) | $ - | $ (2,563,834) | $ - |
| (3,591,745) | - | (3,591,745) | - |
| (42,254) | - | (42,254) | - |
| (1,305,476) | - | (1,305,476) | - |
| (4,143,552) | - | (4,143,552) | - |
| (277,731) | - | (277,731) | - |
| (72,656) | - | (72,656) | - |
| $ (11,997,248) | $ - | $ (11,997,248) | $ - |
| $ - | $ (506,386) | $ (506,386) | $ - |
| - | 78,010 | 78,010 | - |
| $ - | $ (428,376) | $ (428,376) | $ - |
| $ (11,997,248) | $ (428,376) | $ (12,425,624) | $ - |
| $ - | $ - | $ - | $ 53,416 |
| $ 7,121,046 | $ - | $ 7,121,046 | $ - |
| 8,518 | - | 8,518 | - |
| 391,837 | - | 391,837 | - |
| 1,486,564 | - | 1,486,564 | - |
| 1,534,324 | - | 1,534,324 | - |
| - | - | - | - |
| 1,150,079 | - | 1,150,079 | - |
| 256,266 | 9,080 | 265,346 | 5,952 |
| 2,880 | - | 2,880 | - |
| (681,705) | 681,705 | - | - |
| $ 11,269,809 | $ 690,785 | $ 11,960,594 | $ 5,952 |
| $ (727,439) | $ 262,409 | $ (465,030) | $ 59,368 |
| 87,693,388 | 7,052,906 | 94,746,294 | 1,356,610 |
| $ 86,965,949 | $ 7,315,315 | $ 94,281,264 | $ 1,415,978 |

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

**HENRY COUNTY, ILLINOIS**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
November 30, 2013

| | General Fund | County Highway Fund |
|---|---|---|
| **ASSETS** | | |
| Cash and investments | $ 4,225,516 | $ 1,911,803 |
| Receivables: | | |
| Accounts | 358,693 | - |
| Property tax | 2,194,350 | 720,000 |
| Due from cities and townships | - | 144,939 |
| Other taxes | 845,271 | 9,158 |
| Loans | - | - |
| Due from other funds | 465,632 | - |
| Total assets | $ 8,089,462 | $ 2,785,900 |
| **LIABILITIES AND FUND BALANCES** | | |
| LIABILITIES | | |
| Accounts payable | $ 84,249 | $ 822 |
| Accrued expenses | 129,546 | - |
| Unearned revenues | 2,194,350 | 720,000 |
| Due to other funds | - | - |
| Total liabilities | $ 2,408,145 | $ 720,822 |
| FUND BALANCES | | |
| Restricted for: | | |
| Maintenance of roadways | $ - | $ 2,065,078 |
| Loans | - | - |
| IMRF | - | - |
| FICA | - | - |
| Tort | - | - |
| Health | - | - |
| Probation | - | - |
| Other purposes | - | - |
| Committed to capital building | - | - |
| Unassigned | 5,681,317 | - |
| Total fund balances | $ 5,681,317 | $ 2,065,078 |
| Total liabilities & fund balances | $ 8,089,462 | $ 2,785,900 |

| Illinois Municipal Retirement Fund | County Health Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ 791,910 | $ 945,577 | $ 11,169,749 | $ 19,044,555 |
| - | 1,251,737 | 67,021 | 1,677,451 |
| 2,482,765 | 220,000 | 1,766,765 | 7,383,880 |
| - | - | - | 144,939 |
| 30,043 | - | 79,948 | 964,420 |
| - | - | 573,380 | 573,380 |
| - | - | - | 465,632 |
| $ 3,304,718 | $ 2,417,314 | $ 13,656,863 | $ 30,254,257 |
| | | | |
| $ - | $ 48,647 | $ 231,202 | $ 364,920 |
| - | 63,516 | 434 | 193,496 |
| 2,482,765 | 220,000 | 1,766,765 | 7,383,880 |
| 282,101 | - | 183,531 | 465,632 |
| $ 2,764,866 | $ 332,163 | $ 2,181,932 | $ 8,407,928 |
| | | | |
| $ - | $ - | $ 4,190,020 | $ 6,255,098 |
| - | - | 1,106,366 | 1,106,366 |
| 539,852 | - | - | 539,852 |
| - | - | 230,762 | 230,762 |
| - | - | 2,399,701 | 2,399,701 |
| - | 2,085,151 | 167,112 | 2,252,263 |
| - | - | 907,021 | 907,021 |
| - | - | 1,635,502 | 1,635,502 |
| - | - | 885,275 | 885,275 |
| - | - | (46,828) | 5,634,489 |
| $ 539,852 | $ 2,085,151 | $ 11,474,931 | $ 21,846,329 |
| $ 3,304,718 | $ 2,417,314 | $ 13,656,863 | $ 30,254,257 |

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**HENRY COUNTY, ILLINOIS**
**RECONCILIATION OF THE BALANCE SHEET OF**
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**
November 30, 2013

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

| | |
|---|---|
| Total fund balance - governmental funds | $ 21,846,329 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 65,513,589 |
| 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 position. | 2,032,610 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | (2,426,579) |
| Net position of governmental activities | $ 86,965,949 |

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, 2013

| | General Fund | County Highway Fund |
|---|---|---|
| **REVENUES** | | |
| Taxes: | | |
| Property | $ 2,063,844 | $ 708,582 |
| Tax increment | - | - |
| Replacement | 126,046 | 42,753 |
| Sales | 1,486,564 | - |
| State income | 1,534,324 | - |
| Fines and fees | 949,917 | - |
| Intergovernmental | 2,304,183 | - |
| Charges for services | 1,930,581 | 1,120,347 |
| Investment income | 172,793 | 15,781 |
| Miscellaneous | - | 2,173 |
| Total revenues | $ 10,568,252 | $ 1,889,636 |
| **EXPENDITURES** | | |
| Current: | | |
| General government | $ 2,570,832 | $ - |
| Public safety | 4,073,205 | - |
| Education | 1,186,992 | - |
| Judiciary | 1,979,765 | - |
| Highways and streets | - | 1,696,441 |
| Health | - | - |
| Capital expenditures | 103,579 | 263,988 |
| Debt service: | | |
| Principal | 4,021 | - |
| Interest | 29 | - |
| Total expenditures | $ 9,918,423 | $ 1,960,429 |
| Excess (deficiency) of revenues over (under) expenditures | $ 649,829 | $ (70,793) |
| **OTHER FINANCING SOURCES (USES)** | | |
| Transfers in | $ - | $ - |
| Transfers out | (494,018) | - |
| Sale of capital assets | 2,880 | - |
| Total other financing sources (uses) | $ (491,138) | $ - |
| Net change in fund balances | $ 158,691 | $ (70,793) |
| FUND BALANCES - Beginning (Restated) | 5,522,626 | 2,135,871 |
| FUND BALANCES - Ending | $ 5,681,317 | $ 2,065,078 |

| Illinois Municipal Retirement Fund | County Health Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ 1,231,420 | $ 187,322 | $ 2,929,878 | $ 7,121,046 |
| - | - | 8,518 | 8,518 |
| 88,427 | - | 134,611 | 391,837 |
| - | - | - | 1,486,564 |
| - | - | - | 1,534,324 |
| - | - | 391,296 | 1,341,213 |
| - | 2,983,759 | 1,560,510 | 6,848,452 |
| - | 1,858,086 | 1,981,286 | 6,890,300 |
| 4,716 | 3,776 | 59,200 | 256,266 |
| - | 319 | 38,837 | 41,329 |
| $ 1,324,563 | $ 5,033,262 | $ 7,104,136 | $ 25,919,849 |
| $ 139,256 | $ - | $ 1,810,686 | $ 4,520,774 |
| 960,231 | - | 752,436 | 5,785,872 |
| 77,025 | - | 97,756 | 1,361,773 |
| 178,084 | - | 114,362 | 2,272,211 |
| 59,103 | - | 2,890,681 | 4,646,225 |
| 247,428 | 4,306,854 | 704,438 | 5,258,720 |
| - | 98,612 | 151,604 | 617,783 |
| - | - | 452,496 | 456,517 |
| - | - | 57,435 | 57,464 |
| $ 1,661,127 | $ 4,405,466 | $ 7,031,894 | $ 24,977,339 |
| $ (336,564) | $ 627,796 | $ 72,242 | $ 942,510 |
| $ 341,411 | $ - | $ 1,258,023 | $ 1,599,434 |
| (270,373) | (495,076) | (1,021,672) | (2,281,139) |
| - | - | - | 2,880 |
| $ 71,038 | $ (495,076) | $ 236,351 | $ (678,825) |
| $ (265,526) | $ 132,720 | $ 308,593 | $ 263,685 |
| 805,378 | 1,952,431 | 11,166,338 | 21,582,644 |
| $ 539,852 | $ 2,085,151 | $ 11,474,931 | $ 21,846,329 |

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**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, 2013

| | |
|---|---|
| Amounts reported for governmental activities in the statements of activities are different because: | |
| Net change in fund balance - total governmental funds | $ 263,685 |
| 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. | (2,089,194) |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 456,517 |
| 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. | (33,156) |
| 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. | 609,614 |
| Changes in Net Pension Obligation and Net Other Post Employment Benefit Obligation are reported only in the statement of activities | 65,095 |
| Change in net position of governmental activities | $ (727,439) |

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

**HENRY COUNTY, ILLINOIS**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
November 30, 2013

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Hillcrest Nursing Home Fund | Nonmajor Enterprise Fund - County Farm | Total Business-Type Activities | Internal Service Fund - Health Care |
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and investments | $ 2,316,952 | $ 155,234 | $ 2,472,186 | $ 2,765,183 |
| Accounts receivable (net, where applicable, of allowance for uncollectibles) | 764,717 | - | 764,717 | - |
| Accrued interest | 213 | - | 213 | - |
| Inventories | 31,915 | - | 31,915 | - |
| Prepaid items | 305 | - | 305 | - |
| Total current assets | $ 3,114,102 | $ 155,234 | $ 3,269,336 | $ 2,765,183 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land and land improvements | $ 279,195 | $ 800,000 | $ 1,079,195 | $ - |
| Buildings and equipment | 8,186,516 | - | 8,186,516 | - |
| Less accumulated depreciation | (5,359,150) | - | (5,359,150) | - |
| Total capital assets (net of accumulated depreciation) | $ 3,106,561 | $ 800,000 | $ 3,906,561 | $ - |
| Total assets | $ 6,220,663 | $ 955,234 | $ 7,175,897 | $ 2,765,183 |
| **LIABILITIES** | | | | |
| Current liabilities: | | | | |
| Accounts payable | $ 218,581 | $ - | $ 218,581 | $ 155,390 |
| Accrued payroll | 205,918 | - | 205,918 | - |
| Total current liabilities | $ 424,499 | $ - | $ 424,499 | $ 155,390 |
| Noncurrent liabilities: | | | | |
| Other postemployment benefit obligation | 13,266 | - | 13,266 | - |
| Total liabilities | $ 437,765 | $ - | $ 437,765 | $ 155,390 |
| **NET POSITION** | | | | |
| Investment in capital assets | $ 3,106,561 | $ 800,000 | $ 3,906,561 | $ - |
| Unrestricted | 2,676,337 | 155,234 | 2,831,571 | 2,609,793 |
| Total net position | $ 5,782,898 | $ 955,234 | $ 6,738,132 | $ 2,609,793 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | 577,183 | |
| Net position of business-type activities | | | $ 7,315,315 | |

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

# HENRY COUNTY, ILLINOIS
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
## PROPRIETARY FUNDS
For the Year Ended November 30, 2013

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Hillcrest Nursing Home Fund | Nonmajor Enterprise Fund - County Farm | Total Business-Type Activities | Internal Service Fund - Health Care |
| **OPERATING REVENUES** | | | | |
| Charges for service | $ 4,712,875 | $ - | $ 4,712,875 | $ 2,569,193 |
| Rental income | - | 82,994 | 82,994 | - |
| Other | 263,865 | 5 | 263,870 | 403,810 |
| Total operating revenues | $ 4,976,740 | $ 82,999 | $ 5,059,739 | $ 2,973,003 |
| **OPERATING EXPENSES** | | | | |
| General services | $ 1,259,150 | $ 4,989 | $ 1,264,139 | $ - |
| Health care | 3,310,555 | - | 3,310,555 | - |
| Administration and claims | 792,688 | - | 792,688 | 2,205,187 |
| Depreciation | 288,138 | - | 288,138 | - |
| Total operating expenses | $ 5,650,531 | $ 4,989 | $ 5,655,520 | $ 2,205,187 |
| **OPERATING INCOME (LOSS)** | $ (673,791) | $ 78,010 | $ (595,781) | $ 767,816 |
| **NONOPERATING REVENUE** | | | | |
| Investment income | $ 9,080 | $ - | $ 9,080 | $ 9,203 |
| Total nonoperating revenue | $ 9,080 | $ - | $ 9,080 | $ 9,203 |
| Income (loss) before transfers | $ (664,711) | $ 78,010 | $ (586,701) | $ 777,019 |
| TRANSFERS IN | 781,983 | - | 781,983 | - |
| TRANSFERS OUT | (25,278) | (75,000) | (100,278) | - |
| CHANGES IN NET POSITION | $ 91,994 | $ 3,010 | $ 95,004 | $ 777,019 |
| NET POSITION - Beginning | 5,690,904 | 952,224 | | 1,832,774 |
| NET POSITION - Ending | $ 5,782,898 | $ 955,234 | | $ 2,609,793 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | 167,405 | |
| Change in net position of business-type activities | | | $ 262,409 | |

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, 2013

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Hillcrest Nursing Home Fund | Nonmajor Enterprise Fund - County Farm | Total Business-Type Activities | Internal Service Fund - Health Care |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from customers and users | $ 4,764,872 | $ 82,999 | $ 4,847,871 | $ - |
| Receipts from interfund services provided | - | - | - | 2,569,193 |
| Other receipts | 263,865 | - | 263,865 | 403,810 |
| Payments to suppliers | (1,404,243) | (4,989) | (1,409,232) | (2,294,006) |
| Payments to employees | (3,522,762) | - | (3,522,762) | - |
| Payments for interfund services used | (348,182) | - | (348,182) | - |
| Net cash provided by operating activities | $ (246,450) | $ 78,010 | $ (168,440) | $ 678,997 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers from other funds | $ 781,983 | $ - | $ 781,983 | $ - |
| Transfers to other funds | (25,278) | (75,000) | (100,278) | - |
| Net cash provided by noncapital financing activities | $ 756,705 | $ (75,000) | $ 681,705 | $ - |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition of capital assets | $ (195,087) | $ - | $ (195,087) | $ - |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest received | $ 9,478 | $ - | $ 9,478 | $ 9,203 |
| Investment adjustment | 16,790 | - | 16,790 | - |
| Net cash provided by investing activities | $ 26,268 | $ - | $ 26,268 | $ 9,203 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | $ 341,436 | $ 3,010 | $ 344,446 | $ 688,200 |
| CASH AND CASH EQUIVALENTS - Beginning | 1,975,516 | 152,224 | 2,127,740 | 2,076,983 |
| CASH AND CASH EQUIVALENTS - Ending | $ 2,316,952 | $ 155,234 | $ 2,472,186 | $ 2,765,183 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
For the Year Ended November 30, 2013

| | Business-type Activities Enterprise Funds | | | Governmental Activities |
|---|---|---|---|---|
| | Hillcrest Nursing Home Fund | Nonmajor Enterprise Fund - County Farm | Total Business-Type Activities | Internal Service Fund - Health Care |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | $ (673,791) | $ 78,010 | $ (595,781) | $ 767,816 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 288,138 | - | 288,138 | - |
| (Increase) decrease in: | | | | |
| Accounts receivables | 51,997 | - | 51,997 | - |
| Inventories | (3,258) | - | (3,258) | - |
| Prepaid items | 290 | - | 290 | - |
| Increase (decrease) in: | | | | |
| Accounts payable | 84,877 | - | 84,877 | (88,819) |
| Accrued expenses | 5,297 | - | 5,297 | - |
| Net cash provided (used) by operating activities | $ (246,450) | $ 78,010 | $ (168,440) | $ 678,997 |

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

# HENRY COUNTY, ILLINOIS
## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
## AGENCY FUNDS
November 30, 2013

| | Total Agency Funds |
|---|---|
| **ASSETS** | |
| Cash and investments | $ 2,313,149 |
| Accounts receivable | 99,402 |
| Total assets | $ 2,412,551 |
| **LIABILITIES** | |
| Due to others | $ 2,412,551 |

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

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

NATURE OF OPERATIONS -

Henry County is a governmental entity located in Northwestern Illinois and has a population of approximately 50,328. 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 accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

FINANCIAL REPORTING ENTITY -

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the County is financially accountable. The County has also considered all other potential organizations for which the nature and significance of their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the County to impose its will on that organization or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the County.

In addition, the Codification sets forth additional criteria to determine whether certain organizations for which the County is not financially accountable should be reported as component units based on the nature and significance of their relationship with the County. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the County, its component units, or its constituents, 2) the County being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by an individual organization that the County is entitled to, or has the ability to otherwise access, are significant to the County.

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

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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are

NOTE 1 – (Continued)

recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The County reports the following major governmental funds:

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

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

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

The 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.

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.

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

NOTE 1 – (Continued)

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."

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 $2,500 for Hillcrest, $500 for the Health Fund, $5,000 for the remainder of the County and $50,000 for infrastructure (amounts not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 1 – (Continued)

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

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

| Type of Asset | Life in Years |
|---|---|
| Buildings | 50 |
| Building improvements | 25 |
| Infrastructure | 20-75 |
| Equipment and vehicles | 3-10 |

PROPERTY TAXES -

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

Since the 2013 tax levy is budgeted for fiscal year 2014, the revenue from this tax levy is deferred.

COMPENSATED ABSENCES -

Employees of Hillcrest Nursing Home are allowed to accrue unpaid vacation, sick pay, compensatory, and holiday time and other County employees are allowed to accrue compensatory time. These amounts payable are recorded as liabilities in the Hillcrest Nursing Home Enterprise Fund and the General Fund, respectively. Vacation pay is accrued when incurred in the government-wide-financial-statements. A liability for these amounts is not reported in governmental funds.

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 position. 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

NOTE 1 – (Continued)

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 BALANCE/NET POSITION -

Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the County's board, which is considered the County's highest level of decision making authority. Formal actions include resolutions and ordinances by the County with intent to use them for a specific purpose. Any residual fund balance of the General Fund and a deficit in other funds, if any, is reported as unassigned.

The County's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the County considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the County's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position is net position that does not meet the definition of restricted or net investment in capital assets.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES -

In June 2011, the GASB issued Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous reporting standards did not include guidance for these elements, which are distinct from assets and liabilities. The County made the decision to implement this standard effective December 1, 2012.

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 POSITION -

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 $2,426,579 difference are as follows:

| | |
|---|---|
| Bonds payable | $ 1,855,000 |
| Less: Deferred charge on refunding (to be amortized as interest expense) | (19,388) |
| Less: Deferred charge for issuance costs (to be amortized over life of debt) | (7,580) |
| Less: Issuance discount (to be amortized as interest expense) | (7,241) |
| Accrued interest payable | 23,543 |
| Capital lease payable | 67,828 |
| Accrued vacation | 175,054 |
| Net pension obligation and other post employment benefit obligation | 339,363 |
| Total | $2,426,579 |

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position 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 $2,089,194 difference are as follows:

| | |
|---|---|
| Capital expenditures | $ 617,784 |
| Depreciation expense | (2,706,978) |
| Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* | $ (2,089,194) |

NOTE 2 – (Continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $456,517 difference are as follows:

| | |
|---|---|
| Principal repayments: | |
| Bond payable | $ 430,000 |
| Capital lease payable | 26,517 |
| Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* | $ 456,517 |

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 $33,156 difference are as follows:

| | |
|---|---|
| Accrued interest | $ 972 |
| Accrued vacation | (13,386) |
| Amortization of deferred charge on refunding | (11,791) |
| Amortization of issuance costs | (4,578) |
| Amortization of bond discounts | (4,373) |
| Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* | $ (33,156) |

## NOTE 3 – FUND BALANCE CLASSIFICATIONS

The County implemented the provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended November 30, 2011. In the governmental funds financial statements, the County first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance, as applicable.

**Committed Fund Balance.** The County reports committed fund balance in the Capital Building Fund and Property/Building Fund. The County board has committed these funds through formal board action for future building maintenance.

**Assigned Fund Balance.** The County board and management have not assigned any funds at November 30, 2013.

## NOTE 4 – 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 accounting principles generally accepted in the United States of America.

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 5 – CASH AND INVESTMENTS

Cash and investments as of November 30, 2013 are classified in the accompanying financial statements as follows:

| | |
|---|---|
| Statement of net position: | |
| County Funds: | |
| Cash and cash equivalents | $24,136,497 |
| Investments | 145,427 |
| Fiduciary Funds: | |
| Cash and cash equivalents | 2,044,018 |
| Investments | 269,131 |
| Component Unit - Emergency Telephone System Board: | |
| Cash and cash equivalents | 1,057,778 |
| Total cash and investments | $27,652,851 |

Cash and investments as of November 30, 2013 consist of the following:

| | |
|---|---|
| Cash on hand | $ 7,370 |
| Deposits with financial institutions | 27,230,923 |
| Investments | 414,558 |
| Total cash and investments | $27,652,851 |

NOTE 5 – (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.

The investments held by the County are not debt instruments and are therefore not subject to interest rate risk.

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

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

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

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

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

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, 2013, the County complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

NOTE 5 – (Continued)

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.

| | | Fiduciary Funds | Component Unit | | Rating as of Year End |
|---|---|---|---|---|---|
| Investment Type | Other Funds | Agency | Emergency Telephone System Board | Total | AAAm |
| Illinois Funds | $ 145,427 | $ 269,131 | $ - - - | $ 414,558 | $ 414,558 |

*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, 2013, the carrying amount of the County's deposits including certificates of deposit with financial institutions totaled $26,173,145 with the bank balances totaling $27,055,928. Bank balances of $27,055,928 are entirely insured or collateralized with securities held by the County or its agent in the County's name. As of the same date, the Emergency Telephone System Board, a discretely presented component unit, had deposits and certificates of deposit totaling $1,057,778 with the bank balances totaling $1,061,638. Bank balances of $1,061,638 are entirely insured or collateralized with securities held by the County or its agent in the Emergency Telephone System Board's name.

NOTE 5 – (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, 2013, there was no investment custodial risk for the County.

## NOTE 6 – 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 |
|---|---|---|
| Receivables: | | |
| Accounts | $ 358,693 | $ - - - |
| Property tax | 2,194,350 | 720,000 |
| Due from cities and townships | - - - | 144,939 |
| Other taxes | 845,271 | 9,158 |
| Loans | - - - | - - - |
| Accrued interest | - - - | - - - |
| Gross receivables | $ 3,398,314 | $ 874,097 |
| Less: allowance for uncollectables | - - - | - - - |
| Net total receivables | $ 3,398,314 | $ 874,097 |

| | Illinois Municipal Retirement Fund | County Health Fund |
|---|---|---|
| Receivables: | | |
| Accounts | $ - - - | $1,326,737 |
| Property tax | 2,482,765 | 220,000 |
| Due from cities and townships | - - - | - - - |
| Other taxes | 30,043 | - - - |
| Loans | - - - | - - - |
| Accrued interest | - - - | - - - |
| Gross receivables | $ 2,512,808 | $1,546,737 |
| Less: allowance for uncollectables | - - - | 75,000 |
| Net total receivables | $ 2,512,808 | $1,471,737 |

NOTE 6 – (Continued)

| Receivables: | Hillcrest Nursing Home Fund | Nonmajor and Other Funds | Total |
|---|---|---|---|
| Accounts | $ 784,717 | $ 67,021 | $ 2,537,168 |
| Property tax | - - - | 1,766,765 | 7,383,880 |
| Due from cities and townships | - - - | - - - | 144,939 |
| Other taxes | - - - | 179,350 | 1,063,822 |
| Loans | - - - | 573,380 | 573,380 |
| Accrued interest | 213 | - - - | 213 |
| Gross receivables | $ 784,930 | $ 2,586,516 | $11,703,402 |
| Less: allowance for uncollectables | 20,000 | - - - | 95,000 |
| Net total receivables | $ 764,930 | $ 2,586,516 | $11,608,402 |

Governmental funds report unearned revenues 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 $7,383,880.

## NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended November 30, 2013:

Primary Government:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 542,452 | $ - - - | $ - - - | $ 542,452 |
| Construction in progress | 10,500 | 33,618 | 10,500 | 33,618 |
| Total capital assets, not being depreciated | $ 552,952 | $ 33,618 | $ 10,500 | $ 576,070 |
| Capital assets, being depreciated: | | | | |
| Buildings | $ 23,230,581 | $ 115,293 | $ - - - | $ 23,345,874 |
| Vehicles and equipment | 9,170,866 | 479,373 | 244,173 | 9,406,066 |
| Infrastructure | 68,893,137 | - - - | - - - | 68,893,137 |
| Total capital assets being depreciated | $101,294,584 | $ 594,666 | $ 244,173 | $101,645,077 |
| Less accumulated depreciation for: | | | | |
| Buildings | $ 13,723,134 | $ 411,681 | $ - - - | $ 14,134,815 |
| Vehicles and equipment | 7,255,319 | 567,911 | 244,173 | 7,579,057 |
| Infrastructure | 13,266,300 | 1,727,386 | - - - | 14,993,686 |
| Total accumulated depreciation | $ 34,244,753 | $ 2,706,978 | $ 244,173 | $ 36,707,558 |
| Total capital assets, being depreciated, net | $ 67,049,831 | $ (2,112,312) | $ - - - | $ 64,937,519 |
| Governmental activities capital assets, net | $ 67,602,783 | $ (2,078,694) | $ 10,500 | $ 65,513,589 |

NOTE 7 – (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 |
| Total capital assets, not being depreciated | $ 1,079,195 | $ - - - | $ - - - | $ 1,079,195 |
| Capital assets, being depreciated: | | | | |
| Buildings | $ 6,908,237 | $ 96,143 | $ - - - | $ 7,004,380 |
| Equipment | 1,116,797 | 98,944 | 33,605 | 1,182,136 |
| Total capital assets, being depreciated | $ 8,025,034 | $ 195,087 | $ 33,605 | $ 8,186,516 |
| Less accumulated depreciation for: | | | | |
| Buildings | $ 4,196,853 | $ 240,337 | $ - - - | $ 4,437,190 |
| Equipment | 907,764 | 47,801 | 33,605 | 921,960 |
| Total accumulated depreciation | $ 5,104,617 | $ 288,138 | $ 33,605 | $ 5,359,150 |
| Total capital assets, being depreciated, net | $ 2,920,417 | $ (93,051) | $ - - - | $ 2,827,366 |
| Business-type activities capital assets, net | $ 3,999,612 | $ (93,051) | $ - - - | $ 3,906,561 |

NOTE 7 – (Continued)

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 216,710 |
| Public safety | 319,967 |
| Education | 4,469 |
| Judiciary | 68,922 |
| Highways and streets | 2,055,465 |
| Health | 41,445 |
| Total depreciation expense – governmental activities | $ 2,706,978 |
| Business-type activities: | |
| Hillcrest Nursing Home Fund | $ 288,138 |

DISCRETELY PRESENTED COMPONENT UNIT –

Activity for the Emergency Telephone System Board for the year ended November 30, 2013, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Equipment | $ 1,429,459 | $ 66,020 | $ - - - | $ 1,495,479 |
| Less accumulated depreciation for equipment | 1,187,542 | 65,049 | - - - | 1,252,591 |
| Emergency Telephone System Board capital assets, net | $ 241,917 | $ 971 | $ - - - | $ 242,888 |

## NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of November 30, 2013, is as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Illinois Municipal Retirement Fund | $ 282,101 |
| General Fund | Nonmajor Governmental Funds | 183,531 |
| | | $ 465,632 |

NOTE 8 – (Continued)

The composition of interfund transfers as of November 30, 2013 is as follows:

| Transfer Out: | Transfer In: Illinois Municipal Retirement Fund |
|---|---|
| General Fund | $ - - - |
| Illinois Municipal Retirement Fund | - - - |
| County Health Fund | 247,428 |
| Nonmajor Governmental | 68,705 |
| Hillcrest Nursing Home Fund | 25,278 |
| Nonmajor Enterprise Fund | - - - |
| Total | $ 341,411 |

| Transfer Out: | Transfer In: Nonmajor Governmental | Hillcrest Nursing Home Fund | Total |
|---|---|---|---|
| General Fund | $ 494,018 | $ - - - | $ 494,018 |
| Illinois Municipal Retirement Fund | - - - | 270,373 | 270,373 |
| County Health Fund | 247,648 | - - - | 495,076 |
| Nonmajor Governmental | 516,357 | 436,610 | 1,021,672 |
| Hillcrest Nursing Home Fund | - - - | - - - | 25,278 |
| Nonmajor Enterprise Fund | - - - | 75,000 | 75,000 |
| Total | $ 1,258,023 | $ 781,983 | $ 2,381,417 |

## NOTE 9 – LONG-TERM DEBT

General obligation alternate revenue refunding bonds, Series 2009 totaling $1,385,000 remain outstanding from the original issue of $2,635,000 dated June 25, 2009. It is the intent of the County to service this debt from general revenues.

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

| For the Year Ending November 30 | Interest Rate | Principal | Interest | Total |
|---|---|---|---|---|
| 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 | 355,000 | 5,502 | 360,502 |
| | | $ 1,385,000 | $ 81,885 | $ 1,466,885 |

General obligation alternate revenue refunding bonds totaling $470,000 remain outstanding from the original issue of $575,000 dated August 14, 2012. It is the intent of the County to service this debt from general revenues.

Principal is due annually on December 1, and interest is due semi-annually on June 1 and December 1. The annual debt service requirements are as follows:

| For the Year Ending November 30 | Interest Rate | Principal | Interest | Total |
|---|---|---|---|---|
| 2014 | 2.70% | $ 110,000 | $ 10,300 | $ 120,300 |
| 2015 | 2.50 | 115,000 | 7,378 | 122,378 |
| 2016 | 2.45 | 120,000 | 4,470 | 124,470 |
| 2017 | 2.40 | 125,000 | 1,500 | 126,500 |
| | | $ 470,000 | $ 23,648 | $ 493,648 |

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

The following is an analysis of the fixed asset leased under the capital lease as of November 30, 2013:

| | Computer Equipment |
|---|---|
| Cost | $ 127,242 |
| Less: Accumulated depreciation | 65,742 |
| Total | $ 61,500 |

NOTE 9 – (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of November 30, 2013 were as follows:

| Year Ending November 30 | |
|---|---|
| 2014 | $ 30,960 |
| 2015 | 30,960 |
| 2016 | 12,900 |
| Total minimum lease payments | $ 74,820 |
| Less: Amount representing interest | 6,992 |
| Present value of minimum lease payments | $ 67,828 |

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.

NOTE 9 – (Continued)

Long-term liability activity for the year ended November 30, 2013 was as follows:

| | Beginning Balance, As Restated* | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General Obligation bonds | $ 2,285,000 | $ - - - | $ (430,000) | $ 1,855,000 | $ 445,000 |
| Less deferred amounts: | | | | | |
| For issuance discounts | (11,614) | - - - | 4,373 | (7,241) | (3,473) |
| For refunding | (31,179) | - - - | 11,791 | (19,388) | (9,316) |
| Total bonds payable | $ 2,242,207 | $ - - - | $ (413,836) | $ 1,828,371 | $ 432,211 |
| Capital lease | 94,345 | - - - | (26,517) | 67,828 | 28,796 |
| Vacation accrual | 161,668 | 13,386 | - - - | 175,054 | 175,054 |
| Net pension obligation/NOPEBO | 404,458 | 77,172 | (142,267) | 339,363 | - - - |
| Governmental activity long-term liabilities | $ 2,902,678 | $ 90,558 | $ (582,620) | $ 2,410,616 | $ 636,061 |

*Beginning balances as of December 1, 2012 have been restated to increase the vacation accrual by $96,181 due to unrecorded accrued vacation.

| | | | | | |
|---|---|---|---|---|---|
| Business-type activities: | | | | | |
| NOPEBO | $ 6,485 | $ 19,043 | $ (12,262) | $ 13,266 | $ - - - |

## NOTE 10 – 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, by authorized representatives of the County.

NOTE 10 – (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 2012 were 10.26, 19.43, and 9.27 percent, respectively, of annual covered payroll. The employer annual required contribution rates for calendar year 2012 were 11.88 19.43, and 9.27 percent, respectively. 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 calendar year ending December 31, 2012, the employer's actual contributions for pension cost for the Regular were $798,372. Its required contribution for calendar year 2012 was $924,431. The required contribution for calendar year 2012 was $616,415 for Sheriff's Law Enforcement Personnel. The required contribution for calendar year 2012 was $53,572 for Bureau/Henry/Stark ROE #28 plan.

Three-Year Trend Information -

Regular Members:

| Calendar Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 12/31/12 | $ 924,431 | 86% | $ 315,130 |
| 12/31/11 | 927,531 | 82 | 204,932 |
| 12/31/10 | 847,959 | 80 | 168,309 |

SLEP Members:

| Calendar Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 12/31/12 | $ 616,415 | 100% | $ 66,547 |
| 12/31/11 | 555,173 | 96 | 65,425 |
| 12/31/10 | 530,006 | 92 | 41,466 |

NOTE 10 – (Continued)

Bureau/Henry/Stark ROE #28 Members:

| Calendar Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 12/31/12 | $ 53,572 | 100% | $ - - - |
| 12/31/11 | 47,486 | 100 | - - - |
| 12/31/10 | 47,518 | 100 | - - - |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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 20% corridor between the actuarial and market value of assets. Henry County's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress -

Regular members:

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 77.17 percent funded. The actuarial accrued liability for benefits was $22,138,289 and the actuarial value of assets was $17,085,167, resulting in an underfunded actuarial accrued liability (UAAL) of $5,053,122. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was $7,781,403 and the ratio of the UAAL to the covered payroll was 65 percent.

SLEP members:

As of December 31, 2012, the most recent actuarial valuation date, the SLEP plan was 64.54 percent funded. The actuarial accrued liability for benefits was $12,902,216 and the actuarial value of assets was $8,327,546, resulting in an underfunded actuarial accrued liability (UAAL) of $4,574,670. The covered payroll for the calendar year 2012 (annual payroll of active employees covered by the plan) was $3,172,491 and the ratio of the UAAL to the covered payroll was 144 percent.

Bureau/Henry/Stark ROE #28 members:

As of December 31, 2012, the most recent actuarial valuation date, the Bureau/Henry/Stark ROE #28 plan was 105.85 percent funded. The actuarial accrued liability for benefits was $544,686 and the actuarial value of assets was $576,526, resulting in an

NOTE 10 – (Continued)

overfunded actuarial accrued liability of $31,840. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was $577,903. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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. The optional phase-in rate for 2012 for employer Regular and SLEP contributions is 10.26% and 19.43%, respectively. The annual required contribution (ARC) rate for 2012 for employer Regular and SLEP contributions is 11.88% and 19.43%, 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 $321,871 and $0 for Regular and SLEP plans respectively, and has been recorded as a liability for the financial statements ended November 30, 2013.

## NOTE 11 – SUBSEQUENT EVENTS

The County evaluated its November 30, 2013 financial statements for subsequent events through June 12, 2014, 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 12 – 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

NOTE 12 – (Continued)

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.

Membership

At November 30, 2013, membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 27 |
| Terminated employees entitled to benefits but not yet receiving them | 0 |
| Active employees | 280 |
| Total | 307 |
| Participating employers | 1 |

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, 2013, the County contributed $91,598.

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, 2011, 2012 and 2013 were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation (Asset) |
|---|---|---|---|---|
| 11/30/11 | $ 74,421 | $ 64,089 | 86.1 | $ 22,605 |
| 11/30/12 | 74,366 | 64,089 | 86.2 | 32,882 |
| 11/30/13 | 89,474 | 91,598 | 102.4 | 30,758 |

NOTE 12 – (Continued)

The net OPEB obligation (NOPEBO) as of November 30, 2013 was calculated as follows:

| | |
|---|---|
| Annual required contribution | $ 89,255 |
| Interest on net OPEB obligation | 1,315 |
| Adjustment to annual required obligation | (1,096) |
| Annual OPEB cost | $ 89,474 |
| Contributions made | 91,598 |
| Decrease in net OPEB obligation | $ (2,124) |
| Net OPEB obligation, beginning of year | 32,882 |
| Net OPEB obligation, end of year | $ 30,758 |

Funded status and funding progress. The funded status of the plan as of November 30, 2013, was as follows:

| | |
|---|---|
| Actuarial accrued liability (AAL) | $ 1,140,058 |
| Actuarial value of plan assets | - - - |
| Unfunded actuarial accrued liability (UAAL) | $ 1,140,058 |
| Funded ratio (Actuarial value of plan assets/AAL) | 0% |
| Covered payroll (Active plan members) | $ 11,550,515 |
| UAAL as a percentage of covered payroll | 9.87% |

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.

NOTE 12 – (Continued)

In the November 30, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.0% reduced by .50% 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, 2013 was 30 years.

## NOTE 13 – 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, 2012 and 2013 are as follows:

| | Health Insurance | |
|---|---|---|
| | 2011-2012 | 2012-2013 |
| Unpaid claims, beginning of year | $ 186,546 | $ 244,209 |
| Incurred claims (including IBNRs) | 2,437,169 | 2,208,188 |
| Claim payments | (2,379,506) | (2,297,007) |
| Unpaid claims, end of year | $ 244,209 | $ 155,390 |

## NOTE 14 – 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 15 – CONTINGENT LIABILITY

Litigation -

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

Grants -

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

## NOTE 16 – RESTATEMENTS

Net position has been restated due to the following:

| | |
|---|---|
| Governmental Activities Net Position – November 30, 2012 (as reported) | $ 87,789,569 |
| Less: Vacation accrual adjustment | 96,181 |
| Governmental Activities Net Position – November 30, 2012 (as restated) | $ 87,693,388 |

Fund balance has been restated due to the following:

| | General Fund | IMRF | Nonmajor Fund - FICA |
|---|---|---|---|
| Governmental-type Fund Balance – November 30, 2012 (as reported) | $ 5,466,327 | $ 861,053 | $ 272,269 |
| Due to/from adjustments | 56,299 | (55,675) | (624) |
| Governmental-type Fund Balance – November 30, 2012 (as restated) | $ 5,522,626 | $ 805,378 | $ 271,645 |

## 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
- County Health Fund

Notes to the Required Supplementary Information

Schedules of Funding Progress – Pension and Other Post Employment Benefit Plans

Schedules of Employer Contributions – 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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fines | | | |
| Traffic | $ 400,000 | $ 400,000 | $ 391,538 |
| Criminal | 600,000 | 600,000 | 483,246 |
| Total fines | $ 1,000,000 | $ 1,000,000 | $ 874,784 |
| Fees | | | |
| Licenses and permits - building and zoning | $ 62,000 | $ 62,000 | $ 75,133 |
| Taxes | | | |
| Property - corporate | $ 2,066,550 | $ 2,066,550 | $ 2,063,844 |
| Sales | 214,025 | 214,025 | 229,596 |
| Sales 1/4 supplement | 982,010 | 982,010 | 1,008,550 |
| Use | 229,809 | 229,809 | 248,418 |
| State income | 1,243,905 | 1,243,905 | 1,534,324 |
| State corporate replacement taxes | 137,175 | 137,175 | 126,046 |
| Total taxes | $ 4,873,474 | $ 4,873,474 | $ 5,210,778 |
| Intergovernmental Revenue | | | |
| State reimbursements | $ 501,677 | $ 501,677 | $ 508,074 |
| Illinois State Board of Education Grant | 736,927 | 736,927 | 1,161,053 |
| Stark County ROE | 12,633 | 12,633 | 12,633 |
| Bureau County ROE | 68,933 | 68,933 | 68,933 |
| Illinois Emergency Management Agency | 9,692 | 9,692 | 7,895 |
| Transportation Grant | 461,858 | 461,858 | 525,365 |
| State Aid Victim Witness Coordination | 18,810 | 18,810 | 20,230 |
| Federal Medicaid reimbursements - Juvenile | 1,000 | 1,000 | - |
| Total intergovernmental revenue | $ 1,811,530 | $ 1,811,530 | $ 2,304,183 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**GENERAL FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES - (continued)** | | | |
| Charges for Services | | | |
| State's attorney | $ 30,000 | $ 30,000 | $ 29,620 |
| County clerk and recorder | 398,700 | 398,700 | 447,827 |
| Circuit clerk | 500,000 | 500,000 | 384,515 |
| Sheriff | | | |
| Fees | 129,250 | 129,250 | 125,726 |
| House prisoners reimbursements | 559,764 | 559,764 | 569,127 |
| Other reimbursements | 102,694 | 102,694 | 81,968 |
| Other | 241,000 | 241,000 | 291,798 |
| Total charges for services | $ 1,961,408 | $ 1,961,408 | $ 1,930,581 |
| Investment income | | | |
| Investment | $ 49,000 | $ 49,000 | $ 34,046 |
| Collector | 127,250 | 127,250 | 138,747 |
| Total investment income | $ 176,250 | $ 176,250 | $ 172,793 |
| Total revenues | $ 9,884,662 | $ 9,884,662 | $ 10,568,252 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**GENERAL FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **EXPENDITURES** | | | |
| County Board | | | |
| Personnel services | $ 135,490 | $ 135,490 | $ 129,241 |
| Supplies | 450 | 450 | 368 |
| Other services and charges | 23,636 | 23,636 | 20,405 |
| Total county board | $ 159,576 | $ 159,576 | $ 150,014 |
| County Buildings | | | |
| Personnel services | $ 72,949 | $ 72,949 | $ 66,399 |
| Supplies | 6,000 | 6,000 | 6,165 |
| Other services and charges | 330,375 | 330,375 | 284,855 |
| Equipment | 500 | 500 | - |
| Debt service - principal | - | - | 4,021 |
| Debt service - interest | - | - | 29 |
| Total county buildings | $ 409,824 | $ 409,824 | $ 361,469 |
| County Clerk and Recorder | | | |
| Personnel services | $ 264,304 | $ 264,304 | $ 239,650 |
| Supplies | 3,586 | 3,586 | 3,097 |
| Other services and charges | 129,565 | 129,565 | 164,324 |
| Equipment | 4,200 | 4,200 | 3,704 |
| Total county clerk and recorder | $ 401,655 | $ 401,655 | $ 410,775 |
| County Treasurer | | | |
| Personnel services | $ 133,384 | $ 133,384 | $ 125,426 |
| Supplies | 16,200 | 16,200 | 13,832 |
| Other services and charges | 8,650 | 8,650 | 8,421 |
| Total county treasurer | $ 158,234 | $ 158,234 | $ 147,679 |
| Supervisor of Assessments | | | |
| Personnel services | $ 164,789 | $ 164,789 | $ 158,536 |
| Supplies | 2,800 | 2,800 | 2,619 |
| Other services and charges | 16,945 | 16,945 | 19,586 |
| Total supervisor of assessments | $ 184,534 | $ 184,534 | $ 180,741 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**GENERAL FUND**
For the Year Ended November 30, 2013

| **EXPENDITURES - (Continued)** | **Original Budget** | **Final Budget** | **Actual Amounts** |
|---|---|---|---|
| Microfilm | | | |
| Personnel services | $ 4,954 | $ 4,954 | $ 4,887 |
| Supplies | 125 | 125 | 125 |
| Equipment | 125 | 125 | - |
| Total microfilm | $ 5,204 | $ 5,204 | $ 5,012 |
| Regional Office Education | | | |
| Personnel services | $ 721,615 | $ 721,615 | $ 1,065,700 |
| Supplies | 5,000 | 5,000 | 2,949 |
| Other services and charges | 80,833 | 80,833 | 109,086 |
| Equipment | 8,000 | 8,000 | 9,257 |
| Total regional office education | $ 815,448 | $ 815,448 | $ 1,186,992 |
| Information Services | | | |
| Personnel services | $ 103,997 | $ 103,997 | $ 100,930 |
| Supplies | 11,000 | 11,000 | 8,436 |
| Other services and charges | 9,625 | 9,625 | 8,652 |
| Computer automation | 147,200 | 154,968 | 151,675 |
| Total information services | $ 271,822 | $ 279,590 | $ 269,693 |
| Voter Registration/Elections | | | |
| Personnel services | $ 121,780 | $ 121,780 | $ 117,311 |
| Supplies | 26,000 | 26,000 | 22,300 |
| Other services and charges | 117,550 | 117,550 | 94,613 |
| Total voter registration/elections | $ 265,330 | $ 265,330 | $ 234,224 |
| General Financial Services | | | |
| Personnel services | $ 101,747 | $ 2,100 | $ 2,035 |
| Supplies | 9,000 | 9,000 | 6,941 |
| Other services and charges | 146,208 | 146,208 | 140,230 |
| Contingency | 25,000 | 25,000 | 2,811 |
| Other | 461,858 | 461,858 | 525,365 |
| Total general financial services | $ 743,813 | $ 644,166 | $ 677,382 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**GENERAL FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **EXPENDITURES - (Continued)** | | | |
| Zoning | | | |
| Personnel services | $ 84,909 | $ 84,909 | $ 82,740 |
| Supplies | 100 | 100 | 129 |
| Other services and charges | 9,975 | 9,975 | 8,483 |
| Total zoning | $ 94,984 | $ 94,984 | $ 91,352 |
| Sheriff | | | |
| Personnel services | $ 3,387,150 | $ 3,611,216 | $ 3,456,580 |
| Supplies | 448,039 | 449,639 | 423,654 |
| Other services and charges | 168,025 | 168,025 | 161,279 |
| Contingency | 600 | 600 | 77 |
| Automobile and equipment | 68,050 | 68,050 | 89,203 |
| Total sheriff | $ 4,071,864 | $ 4,297,530 | $ 4,130,793 |
| Circuit Court | | | |
| Personnel services | $ 405,798 | $ 405,798 | $ 360,998 |
| Supplies | 8,000 | 8,000 | 5,410 |
| Other services and charges | 17,875 | 17,875 | 14,755 |
| Total circuit court | $ 431,673 | $ 431,673 | $ 381,163 |
| Rural Revolving Loan Department | | | |
| Personnel services | $ 13,738 | $ 13,738 | $ 9,536 |
| Supplies | 500 | 500 | 406 |
| Other services and charges | 4,625 | 4,625 | 1,037 |
| Total rural revolving loan department | $ 18,863 | $ 18,863 | $ 10,979 |
| Court Services | | | |
| Personnel services | $ 681,521 | $ 681,521 | $ 637,104 |
| Supplies | 500 | 500 | 497 |
| Other services and charges | 30,600 | 30,600 | 51,815 |
| Total court services | $ 712,621 | $ 712,621 | $ 689,416 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**GENERAL FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **EXPENDITURES - (Continued)** | | | |
| State's Attorney | | | |
| Personnel services | $ 537,274 | $ 537,274 | $ 520,881 |
| Supplies | 5,000 | 5,000 | 3,828 |
| Other services and charges | 41,421 | 41,421 | 37,075 |
| Total state's attorney | $ 583,695 | $ 583,695 | $ 561,784 |
| Coroner | | | |
| Personnel services | $ 44,085 | $ 44,085 | $ 43,414 |
| Supplies | 800 | 800 | 272 |
| Other services and charges | 26,075 | 26,075 | 20,015 |
| Equipment | 1,000 | 1,000 | 224 |
| Total coroner | $ 71,960 | $ 71,960 | $ 63,925 |
| Jury Commission | | | |
| Personnel services | $ 10,344 | $ 10,344 | $ 10,056 |
| Supplies | 500 | 500 | 457 |
| Other services and charges | 53,500 | 53,500 | 23,505 |
| Total jury commission | $ 64,344 | $ 64,344 | $ 34,018 |
| Emergency Management Agency | | | |
| Personnel services | $ 16,463 | $ 16,463 | $ 13,916 |
| Supplies | 125 | 125 | 77 |
| Other services and charges | 2,175 | 2,175 | 2,078 |
| Equipment | - | - | 1,557 |
| Total emergency services and disaster agency | $ 18,763 | $ 18,763 | $ 17,628 |
| Public Defender | | | |
| Personnel services | $ 185,237 | $ 185,237 | $ 178,398 |
| Supplies | 2,200 | 2,200 | 2,278 |
| Other services and charges | 127,242 | 127,242 | 132,708 |
| Total public defender | $ 314,679 | $ 314,679 | $ 313,384 |
| Total expenditures | $ 9,798,886 | $ 9,932,673 | $ 9,918,423 |
| Excess (deficiency) of revenues over (under) expenditures | $ 85,776 | $ (48,011) | $ 649,829 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**GENERAL FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | $ (671,117) | $ (717,111) | $ (494,018) |
| Sale of capital assets | 1,000 | 1,000 | 2,880 |
| Total other financing sources (uses) | $ (670,117) | $ (716,111) | $ (491,138) |
| Net change in fund balances | $ (584,341) | $ (764,122) | $ 158,691 |
| FUND BALANCE - Beginning (Restated) | | | 5,522,626 |
| FUND BALANCE - Ending | | | $ 5,681,317 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**COUNTY HIGHWAY FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 720,000 | $ 720,000 | $ 708,582 |
| Replacement | 42,000 | 42,000 | 42,753 |
| Intergovernmental | 250,000 | 250,000 | - |
| Charges for services | 1,175,000 | 1,175,000 | 1,120,347 |
| Investment income | 12,000 | 12,000 | 15,781 |
| Miscellaneous | 6,000 | 6,000 | 2,173 |
| Total revenues | $ 2,205,000 | $ 2,205,000 | $ 1,889,636 |
| **EXPENDITURES** | | | |
| Salaries and wages: | | | |
| Staff salaries - regular | $ 760,000 | $ 760,000 | $ 700,732 |
| Longevity pay | 9,200 | 9,200 | 7,590 |
| Part time salaries | 34,000 | 34,000 | 28,122 |
| Overtime | 42,000 | 42,000 | 33,709 |
| Insurance | 96,225 | 96,225 | 91,247 |
| Engineering supplies | 9,000 | 9,000 | 8,203 |
| Contractual service | 5,000 | 5,000 | 2,850 |
| Telephone | 3,000 | 3,000 | 2,821 |
| Maintenance of roads: | | | |
| Materials and supplies | 945,000 | 945,000 | 738,408 |
| Other maintenance expense | 91,000 | 91,000 | 74,388 |
| Substance abuse testing | 1,200 | 1,200 | 309 |
| Administrative services | 8,000 | 8,000 | 8,000 |
| Equipment | 285,000 | 285,000 | 264,050 |
| Total expenditures | $ 2,288,625 | $ 2,288,625 | $ 1,960,429 |
| Excess (deficiency) of revenues over (under) expenditures | $ (83,625) | $ (83,625) | $ (70,793) |
| FUND BALANCE – Beginning | | | 2,135,871 |
| FUND BALANCE – Ending | | | $ 2,065,078 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 1,152,069 | $ 1,152,069 | $ 1,231,420 |
| Replacement | 81,564 | 81,564 | 88,427 |
| Investment income | 3,000 | 3,000 | 4,716 |
| Total revenues | $ 1,236,633 | $ 1,236,633 | $ 1,324,563 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Employer's IMRF | 1,394,322 | 1,430,833 | 1,661,127 |
| Excess (deficiency) of revenues over (under) expenditures | $ (157,689) | $ (194,200) | $ (336,564) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | $ 446,706 | $ 446,706 | $ 341,411 |
| Transfers out | - | - | (270,373) |
| Total other financing sources (uses) | $ 446,706 | $ 446,706 | $ 71,038 |
| Net change in fund balances | $ 289,017 | $ 252,506 | $ (265,526) |
| FUND BALANCE – Beginning (Restated) | | | 805,378 |
| FUND BALANCE – Ending | | | $ 539,852 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**COUNTY HEALTH FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 190,000 | $ 190,000 | $ 187,322 |
| Intergovernmental: | | | |
| Illinois Department of Health | 661,904 | 661,904 | 1,021,696 |
| Illinois Department of Aging | 1,594,998 | 1,594,998 | 1,859,061 |
| Illinois Department of Public Aid | 192,000 | 192,000 | 103,002 |
| Charges for service: | | | |
| Health department fees Public Aid | 1,340,522 | 1,340,522 | 1,446,665 |
| Medicare | 540,000 | 540,000 | 411,421 |
| Investment income | 6,000 | 6,000 | 3,776 |
| Miscellaneous | 900 | 900 | 319 |
| Total revenues | $ 4,526,324 | $ 4,526,324 | $ 5,033,262 |
| **EXPENDITURES** | | | |
| Health staff salaries | $ 3,099,499 | $ 3,099,499 | $ 3,263,919 |
| Life and health insurance | 230,256 | 230,256 | 227,276 |
| Commodities | 171,800 | 171,800 | 260,604 |
| Contractual service | 106,700 | 106,700 | 118,076 |
| Personal service | 178,000 | 178,000 | 147,879 |
| Travel expense | 64,000 | 64,000 | 65,475 |
| Meeting expense | 31,855 | 31,855 | 28,746 |
| Clinic expense | 70,000 | 70,000 | 20,586 |
| Insurance | 59,854 | 59,854 | 74,190 |
| Contingencies | 12,000 | 12,000 | 25,827 |
| Automobile | 28,000 | 28,000 | 34,736 |
| Office equipment | 18,845 | 18,845 | 90,382 |
| Building | 48,500 | 48,500 | 47,770 |
| Total expenditures | $ 4,119,309 | $ 4,119,309 | $ 4,405,466 |
| Excess of revenues over expenditures | $ 407,015 | $ 407,015 | $ 627,796 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | $ (488,467) | $ (488,467) | $ (495,076) |
| Total other financing sources (uses) | $ (488,467) | $ (488,467) | $ (495,076) |
| Net change in fund balances | $ (81,452) | $ (81,452) | $ 132,720 |
| FUND BALANCE – Beginning | | | 1,952,431 |
| FUND BALANCE – Ending | | | $ 2,085,151 |

**HENRY COUNTY, ILLINOIS**
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - BUDGET COMPARISONS**
November 30, 2013

I. BUDGETARY BASIS

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

II. BUDGETARY INFORMATION

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

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

III. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following major funds:

| | Amount Over Budget |
|---|---|
| Illinois Municipal Retirement Fund | $ 500,667 |
| County Health Fund | 292,766 |

**HENRY COUNTY, ILLINOIS**
**REQUIRED SUPPLEMENTARY INFORMATION ON**
**PENSION AND OTHER POST EMPLOYMENT**
**BENEFIT PLAN FUNDING PROGRESS**
November 30, 2013

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) |
|---|---|---|---|---|---|---|
| 12/31/12 | $ 17,085,167 | $ 22,138,289 | $ 5,053,122 | 77.17% | $ 7,781,403 | 64.94% |
| 12/31/11 | 19,472,916 | 24,843,959 | 5,371,043 | 78.38 | 8,114,878 | 66.19 |
| 12/31/10 | 18,911,380 | 23,991,165 | 5,079,785 | 78.83 | 8,014,737 | 63.38 |

On a market value basis the actuarial value of assets as of December 31, 2012 is $17,892,162. On a market basis, the funded ratio would be 80.82%.

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) |
|---|---|---|---|---|---|---|
| 12/31/12 | $ 8,327,546 | $ 12,902,216 | $ 4,574,670 | 64.54% | $ 3,172,491 | 144.20% |
| 12/31/11 | 8,182,322 | 11,991,897 | 3,809,575 | 68.23 | 2,915,826 | 130.65 |
| 12/31/10 | 7,744,858 | 11,264,227 | 3,519,369 | 68.76 | 2,920,144 | 120.52 |

On a market value basis the actuarial value of assets as of December 31, 2012 is $8,644,435. On a market basis, the funded ratio would be 67.00%.

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) |
|---|---|---|---|---|---|---|
| 12/31/12 | $ 576,526 | $ 544,686 | $ (31,840) | 105.85% | $ 577,903 | 0.00% |
| 12/31/11 | 506,147 | 517,423 | 11,276 | 97.82 | 508,419 | 2.22 |
| 12/31/10 | 433,552 | 462,778 | 29,226 | 93.68 | 474,232 | 6.16 |

On a market value basis the actuarial value of assets as of December 31, 2012 is $591,500. On a market basis, the funded ratio would be 108.59%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Henry County and Bureau/Henry/Stark ROE #28. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

(Continued)

**HENRY COUNTY, ILLINOIS**
**REQUIRED SUPPLEMENTARY INFORMATION ON**
**PENSION AND OTHER POST EMPLOYMENT**
**BENEFIT PLAN FUNDING PROGRESS**
November 30, 2013

Other Postemployment Benefit Plan:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)— Entry Age (b) | Unfunded (Overfunded) AAL (UAAL) (OAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| 11/30/13 | $ - - - | $ 1,140,058 | $ 1,140,058 | 0.00% | $ 11,550,515 | 9.87% |
| 11/30/12 | - - - | 1,140,058 | 1,140,058 | 0.00 | 10,757,811 | 10.60 |
| 11/30/11 | - - - | 964,712 | 964,712 | 0.00 | 10,332,840 | 9.34 |

**HENRY COUNTY, ILLINOIS**
**REQUIRED SUPPLEMENTARY INFORMATION ON**
**PENSION AND OTHER POST EMPLOYMENT**
**BENEFIT PLAN EMPLOYER CONTRIBUTIONS**
November 30, 2013

IMRF Trend Information – Regular members:

| Actuarial Valuation Date | Annual Required Contribution (ARC) | Total Contributions | Percentage of ARC Contributed |
|---|---|---|---|
| 12/31/12 | $ 924,431 | $ 798,372 | 86% |
| 12/31/11 | 927,531 | 757,118 | 82 |
| 12/31/10 | 847,959 | 679,650 | 80 |

IMRF Trend Information – SLEP members:

| Actuarial Valuation Date | Annual Required Contribution (ARC) | Total Contributions | Percentage of ARC Contributed |
|---|---|---|---|
| 12/31/12 | $ 616,415 | $ 616,415 | 100% |
| 12/31/11 | 555,173 | 533,888 | 96 |
| 12/31/10 | 530,006 | 488,540 | 92 |

IMRF Trend Information – Bureau/Henry/Stark ROE #28 members:

| Actuarial Valuation Date | Annual Required Contribution (ARC) | Total Contributions | Percentage of ARC Contributed |
|---|---|---|---|
| 12/31/12 | $ 53,572 | $ 53,572 | 100% |
| 12/31/11 | 47,486 | 47,486 | 100 |
| 12/31/10 | 47,518 | 47,518 | 100 |

Other Postemployment Benefit Plan:

| Fiscal Year Ended | Annual Required Contribution (ARC) | Employer Contributions | Percentage Contributed |
|---|---|---|---|
| 11/30/13 | $ 89,474 | $ 91,598 | 102% |
| 11/30/12 | 74,421 | 64,089 | 86 |
| 11/30/11 | 74,366 | 64,089 | 86 |

# OTHER SUPPLEMENTARY INFORMATION

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**HENRY COUNTY, ILLINOIS**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
November 30, 2013

| | | | | Special |
|---|---|---|---|---|
| | **Totals** | **Federal Aid Matching Fund** | **County Joint Bridge Fund** | **Motor Fuel Tax Fund** |
| **ASSETS** | | | | |
| Cash and investments | $ 11,169,749 | $ 657,834 | $ 1,384,433 | $ 1,538,240 |
| Receivables: | | | | |
| Accounts | 67,021 | - | 14,359 | - |
| Property tax | 1,766,765 | 230,000 | 250,000 | - |
| Other taxes | 79,948 | 2,925 | 3,180 | 62,015 |
| Loans | 573,380 | - | - | - |
| Total assets | $ 13,656,863 | $ 890,759 | $ 1,651,972 | $ 1,600,255 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| LIABILITIES | | | | |
| Accounts payable | $ 231,202 | $ 138,312 | $ 20,663 | $ 55,377 |
| Accrued liabilities | 434 | - | - | - |
| Unearned revenues | 1,766,765 | 230,000 | 250,000 | - |
| Due to other funds | 183,531 | - | - | - |
| Total liabilities | $ 2,181,932 | $ 368,312 | $ 270,663 | $ 55,377 |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Maintenance of roadways | $ 4,190,020 | $ 522,447 | $ 1,381,309 | $ 1,544,878 |
| Loans | 1,106,366 | - | - | - |
| FICA | 230,762 | - | - | - |
| Tort | 2,399,701 | - | - | - |
| Health | 167,112 | - | - | - |
| Probation | 907,021 | - | - | - |
| Other purposes | 1,635,502 | - | - | - |
| Committed to capital building | 885,275 | - | - | - |
| Unassigned | (46,828) | - | - | - |
| Total fund balances | $ 11,474,931 | $ 522,447 | $ 1,381,309 | $ 1,544,878 |
| Total liabilities and fund balances | $ 13,656,863 | $ 890,759 | $ 1,651,972 | $ 1,600,255 |

**Revenue Funds**

| Windtower Highway Restoration Fund | FICA Fund | Tort Judge and Liability Insurance Fund | Mentally Deficient Persons Fund | 708 Mental Health Fund | Veterans' Assistance Commission Fund |
|---|---|---|---|---|---|
| $ 741,386 | $ 348,616 | $ 2,405,230 | $ - | $ 165,845 | $ 43,234 |
| - | - | - | - | - | - |
| - | 710,723 | - | 99,417 | 351,692 | 55,803 |
| - | 9,039 | 1,522 | 1,267 | - | - |
| - | - | - | - | - | - |
| $ 741,386 | $ 1,068,378 | $ 2,406,752 | $ 100,684 | $ 517,537 | $ 99,037 |
| | | | | | |
| $ - | $ - | $ 7,051 | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | 710,723 | - | 99,417 | 351,692 | 55,803 |
| - | 126,893 | - | - | - | - |
| $ - | $ 837,616 | $ 7,051 | $ 99,417 | $ 351,692 | $ 55,803 |
| | | | | | |
| $ 741,386 | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | 230,762 | - | - | - | - |
| - | - | 2,399,701 | - | - | - |
| - | - | - | 1,267 | 165,845 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 43,234 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 741,386 | $ 230,762 | $ 2,399,701 | $ 1,267 | $ 165,845 | $ 43,234 |
| | | | | | |
| $ 741,386 | $ 1,068,378 | $ 2,406,752 | $ 100,684 | $ 517,537 | $ 99,037 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
November 30, 2013

| | Extension Fund | State's Attorney Forfeited Drug Fund | Circuit Clerk Op/Admin Fund | Special Animal Control Fund |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ - | $ 67,083 | $ 50,964 | $ 39,085 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Property tax | 69,130 | - | - | - |
| Other taxes | - | - | - | - |
| Loans | - | - | - | - |
| Total assets | $ 69,130 | $ 67,083 | $ 50,964 | $ 39,085 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| LIABILITIES | | | | |
| Accounts payable | $ - | $ - | $ - | $ - |
| Accrued liabilities | - | - | - | 434 |
| Unearned revenues | 69,130 | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | $ 69,130 | $ - | $ - | $ 434 |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Maintenance of roadways | $ - | $ - | $ - | $ - |
| Loans | - | - | - | - |
| FICA | - | - | - | - |
| Tort | - | - | - | - |
| Health | - | - | - | - |
| Probation | - | - | - | - |
| Other purposes | - | 67,083 | 50,964 | 38,651 |
| Committed to capital building | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | $ - | $ 67,083 | $ 50,964 | $ 38,651 |
| Total liabilities and fund balances | $ 69,130 | $ 67,083 | $ 50,964 | $ 39,085 |

**Revenue Funds**

| Vital Records Automation Fund | Court Security System Fund | Probation Service Fees Fund | Treasurer Automation Fund | Sheriff's Drug Fund | Law Library Fund |
|---|---|---|---|---|---|
| $ 22,649 | $ - | $ 899,766 | $ 65,998 | $ 62,449 | $ - |
| - | 7,081 | 9,445 | - | - | 2,877 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 22,649 | $ 7,081 | $ 909,211 | $ 65,998 | $ 62,449 | $ 2,877 |
| | | | | | |
| $ - | $ - | $ 2,190 | $ - | $ - | $ 1,885 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 4,080 | - | - | - | 41,424 |
| $ - | $ 4,080 | $ 2,190 | $ - | $ - | $ 43,309 |
| | | | | | |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 907,021 | - | - | - |
| 22,649 | 3,001 | - | 65,998 | 62,449 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | (40,432) |
| $ 22,649 | $ 3,001 | $ 907,021 | $ 65,998 | $ 62,449 | $ (40,432) |
| | | | | | |
| $ 22,649 | $ 7,081 | $ 909,211 | $ 65,998 | $ 62,449 | $ 2,877 |

**HENRY COUNTY, ILLINOIS**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
November 30, 2013

| | Circuit Clerk Trust Fund | Circuit Clerk Court Automation Fund | Recorder Automation Fund | Special Court Document Storage Fund |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ 92,054 | $ 131,747 | $ 143,806 | $ 398,904 |
| Receivables: | | | | |
| Accounts | 15,109 | 3,988 | - | 3,973 |
| Property tax | - | - | - | - |
| Other taxes | - | - | - | - |
| Loans | - | - | - | - |
| Total assets | $ 107,163 | $ 135,735 | $ 143,806 | $ 402,877 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| LIABILITIES | | | | |
| Accounts payable | $ - | $ - | $ 579 | $ - |
| Accrued liabilities | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | $ - | $ - | $ 579 | $ - |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Maintenance of roadways | $ - | $ - | $ - | $ - |
| Loans | - | - | - | - |
| FICA | - | - | - | - |
| Tort | - | - | - | - |
| Health | - | - | - | - |
| Probation | - | - | - | - |
| Other purposes | 107,163 | 135,735 | 143,227 | 402,877 |
| Committed to capital building | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | $ 107,163 | $ 135,735 | $ 143,227 | $ 402,877 |
| Total liabilities and fund balances | $ 107,163 | $ 135,735 | $ 143,806 | $ 402,877 |

**Revenue Funds**

| Orion Law Enforcement Fund | Revolving Loan Fund | Cambridge Law Enforcement Fund | Sheriff's Crime Lab Fund | Capital Building Fund | Solid Waste Management Fund |
|---|---|---|---|---|---|
| $ - | $ 535,251 | $ - | $ 47,086 | $ 880,275 | $ 42,378 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 573,380 | - | - | - | - |
| $ - | $ 1,108,631 | $ - | $ 47,086 | $ 880,275 | $ 42,378 |
| $ - | $ - | $ - | $ - | $ - | $ 4,605 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 2,265 | 5,131 | - | - | - |
| $ - | $ 2,265 | $ 5,131 | $ - | $ - | $ 4,605 |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | 1,106,366 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 47,086 | - | 37,773 |
| - | - | - | - | 880,275 | - |
| - | - | (5,131) | - | - | - |
| $ - | $ 1,106,366 | $ (5,131) | $ 47,086 | $ 880,275 | $ 37,773 |
| $ - | $ 1,108,631 | $ - | $ 47,086 | $ 880,275 | $ 42,378 |

**HENRY COUNTY, ILLINOIS**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
November 30, 2013

| | Soil Survey Fund | Rural Housing Fund | DUI Equipment Fund | Special Community Programs Fund |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ 127,933 | $ 2,736 | $ 43,943 | $ 8,321 |
| Receivables: | | | | |
| Accounts | - | - | 831 | - |
| Property tax | - | - | - | - |
| Other taxes | - | - | - | - |
| Loans | - | - | - | - |
| Total assets | $ 127,933 | $ 2,736 | $ 44,774 | $ 8,321 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| LIABILITIES | | | | |
| Accounts payable | $ - | $ - | $ - | $ - |
| Accrued liabilities | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | $ - | $ - | $ - | $ - |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Maintenance of roadways | $ - | $ - | $ - | $ - |
| Loans | - | - | - | - |
| FICA | - | - | - | - |
| Tort | - | - | - | - |
| Health | - | - | - | - |
| Probation | - | - | - | - |
| Other purposes | 127,933 | 2,736 | 44,774 | 8,321 |
| Committed to capital building | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | $ 127,933 | $ 2,736 | $ 44,774 | $ 8,321 |
| Total liabilities and fund balances | $ 127,933 | $ 2,736 | $ 44,774 | $ 8,321 |

**Revenue Funds**

| Camera Account | Sheriff Drug Enforcement Fund | Coroner Equipment Grant | Property/ Building Fund | Election Assistance Grant | Coroner Fees Fund |
|---|---|---|---|---|---|
| $ 2,609 | $ 61,474 | $ 9,932 | $ 5,000 | $ 1,341 | $ 2,331 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 2,609 | $ 61,474 | $ 9,932 | $ 5,000 | $ 1,341 | $ 2,331 |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ - | $ - | $ - | $ - | $ - | $ - |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,609 | 61,474 | 9,932 | - | 1,341 | 2,331 |
| - | - | - | 5,000 | - | - |
| - | - | - | - | - | - |
| $ 2,609 | $ 61,474 | $ 9,932 | $ 5,000 | $ 1,341 | $ 2,331 |
| $ 2,609 | $ 61,474 | $ 9,932 | $ 5,000 | $ 1,341 | $ 2,331 |

**HENRY COUNTY, ILLINOIS**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
November 30, 2013

| | Federal Forfeited Drug Fund | Police Vehicle Fund | Special Organized Crime Drug Fund |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and investments | $ 30,417 | $ 9,961 | $ - |
| Receivables: | | | |
| Accounts | - | 480 | - |
| Property tax | - | - | - |
| Other taxes | - | - | - |
| Loans | - | - | - |
| Total assets | $ 30,417 | $ 10,441 | $ - |
| **LIABILITIES AND FUND BALANCES** | | | |
| LIABILITIES | | | |
| Accounts payable | $ - | $ - | $ - |
| Accrued liabilities | - | - | - |
| Unearned revenues | - | - | - |
| Due to other funds | - | - | 1,265 |
| Total liabilities | $ - | $ - | $ 1,265 |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Maintenance of roadways | $ - | $ - | $ - |
| Loans | - | - | - |
| FICA | - | - | - |
| Tort | - | - | - |
| Health | - | - | - |
| Probation | - | - | - |
| Other purposes | 30,417 | 10,441 | - |
| Committed to capital building | - | - | - |
| Unassigned | - | - | (1,265) |
| Total fund balances | $ 30,417 | $ 10,441 | $ (1,265) |
| Total liabilities and fund balances | $ 30,417 | $ 10,441 | $ - |

**Revenue Funds**

| County Pet Population Fund | Sheriff Off-Duty Work Fund | States Attorney Money Laundering Fund | Hazard Mitigation Plan Grant Fund | States Attorney Records Automation Fund | Debt Service Fund |
|---|---|---|---|---|---|
| $ 1,998 | $ - | $ 88,721 | $ - | $ 4,507 | $ 4,212 |
| - | 8,338 | - | 540 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 1,998 | $ 8,338 | $ 88,721 | $ 540 | $ 4,507 | $ 4,212 |
| $ - | $ - | $ - | $ 540 | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 2,473 | - | - | - | - |
| $ - | $ 2,473 | $ - | $ 540 | $ - | $ - |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,998 | 5,865 | 88,721 | - | 4,507 | 4,212 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 1,998 | $ 5,865 | $ 88,721 | $ - | $ 4,507 | $ 4,212 |
| $ 1,998 | $ 8,338 | $ 88,721 | $ 540 | $ 4,507 | $ 4,212 |

**HENRY COUNTY, ILLINOIS**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended November 30, 2013

| | | Special | | |
|---|---|---|---|---|
| | **Totals** | **Federal Aid Matching Fund** | **County Joint Bridge Fund** | **Motor Fuel Tax Fund** |
| **REVENUES** | | | | |
| Taxes: | | | | |
| Property | $ 2,929,878 | $ 227,025 | $ 246,130 | $ - |
| Tax increment | 8,518 | - | - | - |
| Replacement | 134,611 | 13,632 | 14,931 | - |
| Fines and fees | 391,296 | - | - | - |
| Intergovernmental | 1,560,510 | 240,877 | - | 1,203,248 |
| Charges for services | 1,981,286 | - | 83,769 | - |
| Investment income | 59,200 | 1,470 | 6,216 | 6,130 |
| Miscellaneous | 38,837 | - | - | - |
| Total revenues | $ 7,104,136 | $ 483,004 | $ 351,046 | $ 1,209,378 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | $ 1,810,686 | $ - | $ - | $ - |
| Public Safety | 752,436 | - | - | - |
| Education | 97,756 | - | - | - |
| Judiciary | 114,362 | - | - | - |
| Highways and streets | 2,890,681 | 331,515 | 260,413 | 1,122,324 |
| Health | 704,438 | - | - | - |
| Capital expenditures | 151,604 | - | - | - |
| Debt service: | | | | |
| Principal | 452,496 | - | - | - |
| Interest | 57,435 | - | - | - |
| Total expenditures | $ 7,031,894 | $ 331,515 | $ 260,413 | $ 1,122,324 |
| Excess (deficiency) of revenues over (under) expenditures | $ 72,242 | $ 151,489 | $ 90,633 | $ 87,054 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ 1,258,023 | $ - | $ - | $ - |
| Transfers out | (1,021,672) | - | - | - |
| Total other financing sources (uses) | $ 236,351 | $ - | $ - | $ - |
| Net change in fund balances | $ 308,593 | $ 151,489 | $ 90,633 | $ 87,054 |
| FUND BALANCES – Beginning (Restated) | 11,166,338 | 370,958 | 1,290,676 | 1,457,824 |
| FUND BALANCES – Ending | $11,474,931 | $ 522,447 | $ 1,381,309 | $ 1,544,878 |

| Revenue Funds | | | | | |
|---|---|---|---|---|---|
| Windtower Highway Restoration Fund | FICA Fund | Tort Judge and Liability Insurance Fund | Mentally Deficient Persons Fund | 708 Mental Health Fund | Veterans' Assistance Commission Fund |
| $ - | $ 706,289 | $ 1,184,792 | $ 97,842 | $ 344,735 | $ 54,269 |
| - | - | - | - | - | - |
| - | 42,481 | 57,667 | 5,900 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,005,300 | - | - | - | - | - |
| 4,135 | 1,734 | 9,313 | 29 | 516 | 187 |
| - | - | - | - | - | - |
| $ 1,009,435 | $ 750,504 | $ 1,251,772 | $ 103,771 | $ 345,251 | $ 54,456 |
| $ - | $ 89,795 | $ 942,263 | $ - | $ - | $ 52,053 |
| - | 254,985 | - | - | - | - |
| - | 70,311 | - | - | - | - |
| - | 114,362 | - | - | - | - |
| 1,109,506 | 66,923 | - | - | - | - |
| - | 250,750 | - | 103,596 | 350,092 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 1,109,506 | $ 847,126 | $ 942,263 | $ 103,596 | $ 350,092 | $ 52,053 |
| $ (100,071) | $ (96,622) | $ 309,509 | $ 175 | $ (4,841) | $ 2,403 |
| $ - | $ 282,454 | $ - | $ - | $ - | $ - |
| - | (226,715) | (209,895) | - | - | - |
| $ - | $ 55,739 | $ (209,895) | $ - | $ - | $ - |
| $ (100,071) | $ (40,883) | $ 99,614 | $ 175 | $ (4,841) | $ 2,403 |
| 841,457 | 271,645 | 2,300,087 | 1,092 | 170,686 | 40,831 |
| $ 741,386 | $ 230,762 | $ 2,399,701 | $ 1,267 | $ 165,845 | $ 43,234 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended November 30, 2013

| | Extension Fund | State's Attorney Forfeited Drug Fund | Circuit Clerk Op/Admin Fund | Special Animal Control Fund |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes: | | | | |
| Property | $ 68,796 | $ - | $ - | $ - |
| Tax increment | - | - | - | - |
| Replacement | - | - | - | - |
| Fines and fees | - | - | 8,173 | 96,110 |
| Intergovernmental | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment income | 17 | 446 | 47 | - |
| Miscellaneous | - | 5,519 | - | - |
| Total revenues | $ 68,813 | $ 5,965 | $ 8,220 | $ 96,110 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | $ 68,813 | $ - | $ 845 | $ - |
| Public Safety | - | 48,943 | - | 79,585 |
| Education | - | - | - | - |
| Judiciary | - | - | - | - |
| Highways and streets | - | - | - | - |
| Health | - | - | - | - |
| Capital expenditures | - | - | - | 21,557 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | $ 68,813 | $ 48,943 | $ 845 | $ 101,142 |
| Excess (deficiency) of revenues over (under) expenditures | $ - | $ (42,978) | $ 7,375 | $ (5,032) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ - | $ - | $ - | $ - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | $ - | $ - | $ - | $ - |
| Net change in fund balances | $ - | $ (42,978) | $ 7,375 | $ (5,032) |
| FUND BALANCES – Beginning | - | 110,061 | 43,589 | 43,683 |
| FUND BALANCES – Ending | $ - | $ 67,083 | $ 50,964 | $ 38,651 |

| Revenue Funds | Vital Records Automation Fund | Court Security System Fund | Probation Service Fees Fund | Treasurer Automation Fund | Sheriff's Drug Fund | Law Library Fund |
|---|---|---|---|---|---|---|
| | $ - | $ - | $ - | $ - | $ - | $ - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | 3,353 | - |
| | - | - | - | - | - | - |
| | 7,250 | 81,119 | 169,983 | 10,758 | - | 31,675 |
| | 101 | 26 | - | 329 | 307 | - |
| | - | - | - | - | - | - |
| | $ 7,351 | $ 81,145 | $ 169,983 | $ 11,087 | $ 3,660 | $ 31,675 |
| | $ 2,082 | $ 83,859 | $ 139,277 | $ 6,399 | $ - | $ - |
| | - | - | - | - | 1,353 | - |
| | - | - | - | - | - | 27,445 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | $ 2,082 | $ 83,859 | $ 139,277 | $ 6,399 | $ 1,353 | $ 27,445 |
| | $ 5,269 | $ (2,714) | $ 30,706 | $ 4,688 | $ 2,307 | $ 4,230 |
| | $ - | $ - | $ - | $ - | $ - | $ - |
| | - | (17,662) | - | (881) | - | - |
| | $ - | $ (17,662) | $ - | $ (881) | $ - | $ - |
| | $ 5,269 | $ (20,376) | $ 30,706 | $ 3,807 | $ 2,307 | $ 4,230 |
| | 17,380 | 23,377 | 876,315 | 62,191 | 60,142 | (44,662) |
| | $ 22,649 | $ 3,001 | $ 907,021 | $ 65,998 | $ 62,449 | $ (40,432) |

(Continued)

**HENRY COUNTY, ILLINOIS**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended November 30, 2013

| | Circuit Clerk Trust Fund | Circuit Clerk Court Automation Fund | Recorder Automation Fund | Special Court Document Storage Fund |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes: | | | | |
| Property | $ - | $ - | $ - | $ - |
| Tax increment | - | - | - | - |
| Replacement | - | - | - | - |
| Fines and fees | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for services | 34,017 | 51,737 | 127,534 | 51,853 |
| Investment income | 185 | 723 | 676 | 1,924 |
| Miscellaneous | - | - | - | - |
| Total revenues | $ 34,202 | $ 52,460 | $ 128,210 | $ 53,777 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | $ 22,613 | $ 91,028 | $ 79,091 | $ 26,136 |
| Public Safety | - | - | - | - |
| Education | - | - | - | - |
| Judiciary | - | - | - | - |
| Highways and streets | - | - | - | - |
| Health | - | - | - | - |
| Capital expenditures | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | 22,496 | - |
| Interest | - | - | 5,884 | - |
| Total expenditures | $ 22,613 | $ 91,028 | $ 107,471 | $ 26,136 |
| Excess (deficiency) of revenues over (under) expenditures | $ 11,589 | $ (38,568) | $ 20,739 | $ 27,641 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ - | $ - | $ - | $ - |
| Transfers out | - | (11,435) | - | (1,817) |
| Total other financing sources (uses) | $ - | $ (11,435) | $ - | $ (1,817) |
| Net change in fund balances | $ 11,589 | $ (50,003) | $ 20,739 | $ 25,824 |
| FUND BALANCES – Beginning | 95,574 | 185,738 | 122,488 | 377,053 |
| FUND BALANCES – Ending | $ 107,163 | $ 135,735 | $ 143,227 | $ 402,877 |

**Revenue Funds**

| Orion Law Enforcement Fund | Revolving Loan Fund | Cambridge Law Enforcement Fund | Sheriff's Crime Lab Fund | Capital Building Fund | Solid Waste Management Fund |
|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | 8,518 | - |
| - | - | - | - | - | - |
| - | - | - | 1,477 | - | - |
| - | - | - | - | 30,000 | - |
| 211,429 | - | 63,464 | - | - | 13,199 |
| - | 23,399 | - | 234 | - | 234 |
| - | - | - | - | 19,785 | - |
| $ 211,429 | $ 23,399 | $ 63,464 | $ 1,711 | $ 58,303 | $ 13,433 |
| $ - | $ 11,683 | $ - | $ - | $ 2,586 | $ 24,767 |
| 169,107 | - | 51,218 | 465 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 110,547 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 169,107 | $ 11,683 | $ 51,218 | $ 465 | $ 113,133 | $ 24,767 |
| $ 42,322 | $ 11,716 | $ 12,246 | $ 1,246 | $ (54,830) | $ (11,334) |
| $ - | $ - | $ - | $ - | $ 494,018 | $ - |
| (31,920) | - | (14,999) | - | (481,551) | - |
| $ (31,920) | $ - | $ (14,999) | $ - | $ 12,467 | $ - |
| $ 10,402 | $ 11,716 | $ (2,753) | $ 1,246 | $ (42,363) | $ (11,334) |
| (10,402) | 1,094,650 | (2,378) | 45,840 | 922,638 | 49,107 |
| $ - | $ 1,106,366 | $ (5,131) | $ 47,086 | $ 880,275 | $ 37,773 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended November 30, 2013

| | Soil Survey Fund | Rural Housing Fund | DUI Equipment Fund | Special Community Programs Fund |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes: | | | | |
| Property | $ - | $ - | $ - | $ - |
| Tax increment | - | - | - | - |
| Replacement | - | - | - | - |
| Fines and fees | 239,005 | - | 13,420 | - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | 2,736 | - | - |
| Investment income | - | - | 190 | 42 |
| Miscellaneous | - | - | - | 1,428 |
| Total revenues | $ 239,005 | $ 2,736 | $ 13,610 | $ 1,470 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | $ 166,734 | $ - | $ - | $ 662 |
| Public Safety | - | - | 1,310 | - |
| Education | - | - | - | - |
| Judiciary | - | - | - | - |
| Highways and streets | - | - | - | - |
| Health | - | - | - | - |
| Capital expenditures | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | $ 166,734 | $ - | $ 1,310 | $ 662 |
| Excess (deficiency) of revenues over (under) expenditures | $ 72,271 | $ 2,736 | $ 12,300 | $ 808 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ - | $ - | $ - | $ - |
| Transfers out | (24,797) | - | - | - |
| Total other financing sources (uses) | $ (24,797) | $ - | $ - | $ - |
| Net change in fund balances | $ 47,474 | $ 2,736 | $ 12,300 | $ 808 |
| FUND BALANCES – Beginning | 80,459 | - | 32,474 | 7,513 |
| FUND BALANCES – Ending | $ 127,933 | $ 2,736 | $ 44,774 | $ 8,321 |

**Revenue Funds**

| Camera Account | Sheriff Drug Enforcement Fund | Coroner Equipment Grant | Property/ Building Fund | Election Assistance Grant | Coroner Fees Fund |
|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 7,720 |
| - | - | 8,625 | - | - | - |
| - | - | - | - | - | - |
| 12 | 135 | 56 | - | 7 | 85 |
| - | 12,105 | - | - | - | - |
| $ 12 | $ 12,240 | $ 8,681 | $ - | $ 7 | $ 7,805 |
| $ - | $ - | $ - | $ - | $ - | $ - |
| 124 | 11,000 | 3,870 | - | - | 1,579 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 19,500 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| $ 124 | $ 11,000 | $ 3,870 | $ - | $ - | $ 21,079 |
| $ (112) | $ 1,240 | $ 4,811 | $ - | $ 7 | $ (13,274) |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| $ - | $ - | $ - | $ - | $ - | $ - |
| $ (112) | $ 1,240 | $ 4,811 | $ - | $ 7 | $ (13,274) |
| 2,721 | 60,234 | 5,121 | 5,000 | 1,334 | 15,605 |
| $ 2,609 | $ 61,474 | $ 9,932 | $ 5,000 | $ 1,341 | $ 2,331 |

(Continued)

**HENRY COUNTY, ILLINOIS**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended November 30, 2013

| | Special Revenue | | | |
|---|---|---|---|---|
| | Federal Forfeited Drug Fund | Police Vehicle Fund | Organized Crime Drug Fund | County Pet Population Fund |
| **REVENUES** | | | | |
| Taxes: | | | | |
| Property | $ - | $ - | $ - | $ - |
| Tax increment | - | - | - | - |
| Replacement | - | - | - | - |
| Fines and fees | - | 6,699 | - | 11,610 |
| Intergovernmental | 21,620 | - | - | - |
| Charges for services | - | - | - | - |
| Investment income | 47 | 35 | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | $ 21,667 | $ 6,734 | $ - | $ 11,610 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | $ - | $ - | $ - | $ - |
| Public Safety | 16,929 | - | - | 21,238 |
| Education | - | - | - | - |
| Judiciary | - | - | - | - |
| Highways and streets | - | - | - | - |
| Health | - | - | - | - |
| Capital expenditures | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | $ 16,929 | $ - | $ - | $ 21,238 |
| Excess (deficiency) of revenues over (under) expenditures | $ 4,738 | $ 6,734 | $ - | $ (9,628) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $ - | $ - | $ - | $ - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | $ - | $ - | $ - | $ - |
| Net change in fund balances | $ 4,738 | $ 6,734 | $ - | $ (9,628) |
| FUND BALANCES – Beginning | 25,679 | 3,707 | (1,265) | 11,626 |
| FUND BALANCES – Ending | $ 30,417 | $ 10,441 | $ (1,265) | $ 1,998 |

| Sheriff Off-Duty Work Fund | States Attorney Money Laundering Fund | Hazard Mitigation Plan Grant Fund | States Attorney Records Automation Fund | Debt Service Fund |
|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | 3,729 | - |
| 7,450 | 19,923 | 28,767 | - | - |
| 35,463 | - | - | - | - |
| 4 | 208 | - | - | 1 |
| - | - | - | - | - |
| $ 42,917 | $ 20,131 | $ 28,767 | $ 3,729 | $ 1 |
| | | | | |
| $ - | $ - | $ - | $ - | $ - |
| 42,634 | 19,329 | 28,767 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 430,000 |
| - | - | - | - | 51,551 |
| $ 42,634 | $ 19,329 | $ 28,767 | $ - | $ 481,551 |
| $ 283 | $ 802 | $ - | $ 3,729 | $ (481,550) |
| $ - | $ - | $ - | $ - | $ 481,551 |
| - | - | - | - | - |
| $ - | $ - | $ - | $ - | $ 481,551 |
| $ 283 | $ 802 | $ - | $ 3,729 | $ 1 |
| 5,582 | 87,919 | - | 778 | 4,211 |
| $ 5,865 | $ 88,721 | $ - | $ 4,507 | $ 4,212 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 230,000 | $ 230,000 | $ 227,025 |
| Replacement | 12,000 | 12,000 | 13,632 |
| Intergovernmental | - | - | 240,877 |
| Investment income | 1,200 | 1,200 | 1,470 |
| Total revenues | $ 243,200 | $ 243,200 | $ 483,004 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Engineering | $ 3,000 | $ 3,000 | $ - |
| Highway construction | 250,000 | 250,000 | 331,515 |
| Total expenditures | $ 253,000 | $ 253,000 | $ 331,515 |
| Excess (deficiency) of revenues over (under) expenditures | $ (9,800) | $ (9,800) | $ 151,489 |
| FUND BALANCE – Beginning | | | 370,958 |
| FUND BALANCE – Ending | | | $ 522,447 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 250,000 | $ 250,000 | $ 246,130 |
| Replacement | 15,000 | 15,000 | 14,931 |
| Charges for services | 1,550,000 | 1,550,000 | 83,769 |
| Investment income | 12,000 | 12,000 | 6,216 |
| Total revenues | $ 1,827,000 | $ 1,827,000 | $ 351,046 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Bridge construction | $ 1,815,000 | $ 1,815,000 | $ 135,215 |
| Engineering expense | 215,000 | 215,000 | 125,198 |
| Total expenditures | $ 2,030,000 | $ 2,030,000 | $ 260,413 |
| Excess (deficiency) of revenues over (under) expenditures | $ (203,000) | $ (203,000) | $ 90,633 |
| FUND BALANCE – Beginning | | | 1,290,676 |
| FUND BALANCE – Ending | | | $ 1,381,309 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 1,100,000 | $ 1,100,000 | $ 1,150,079 |
| Salary reimbursement | 53,200 | 53,200 | 53,169 |
| Investment income | 10,000 | 10,000 | 6,130 |
| Total revenues | $ 1,163,200 | $ 1,163,200 | $ 1,209,378 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Salaries | $ 106,399 | $ 106,399 | $ 106,339 |
| Insurance | 43,115 | 43,115 | 43,115 |
| IMRF reimbursement | 45,930 | 45,930 | 40,918 |
| Construction and maintenance | 1,002,500 | 1,002,500 | 931,952 |
| Total expenditures | $ 1,197,944 | $ 1,197,944 | $ 1,122,324 |
| Excess (deficiency) of revenues over (under) expenditures | $ (34,744) | $ (34,744) | $ 87,054 |
| FUND BALANCE – Beginning | | | 1,457,824 |
| FUND BALANCE – Ending | | | $ 1,544,878 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**WINDTOWER HIGHWAY RESTORATION**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Windfarm revenue | $ - | $ - | $ 1,005,300 |
| Investment income | - | - | 4,135 |
| Total revenues | $ - | $ - | $ 1,009,435 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Maintenance | $ 100,000 | $ 100,000 | $ 1,109,506 |
| Total expenditures | $ 100,000 | $ 100,000 | $ 1,109,506 |
| Excess (deficiency) of revenues over (under) expenditures | $ (100,000) | $ (100,000) | $ (100,071) |
| FUND BALANCE – Beginning | | | 841,457 |
| FUND BALANCE – Ending | | | $ 741,386 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**FICA FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 700,192 | $ 700,192 | $ 706,289 |
| Replacement | 46,876 | 46,876 | 42,481 |
| Investment income | 1,500 | 1,500 | 1,734 |
| Total revenues | $ 748,568 | $ 748,568 | $ 750,504 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Employer's FICA | 793,478 | 802,961 | 847,126 |
| Excess (deficiency) of revenues over (under) expenditures | $ (44,910) | $ (54,393) | $ (96,622) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | $ 322,555 | $ 322,555 | $ 282,454 |
| Transfers out | - | - | (226,715) |
| Total other financing sources (uses) | $ 322,555 | $ 322,555 | $ 55,739 |
| Net change in fund balances | $ 277,645 | $ 268,162 | $ (40,883) |
| FUND BALANCE – Beginning (Restated) | | | 271,645 |
| FUND BALANCE – Ending | | | $ 230,762 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 1,204,370 | $ 1,204,370 | $ 1,184,792 |
| Replacement | 70,291 | 70,291 | 57,667 |
| Investment income | 10,000 | 10,000 | 9,313 |
| Miscellaneous | 84,857 | 84,857 | - |
| Total revenues | $ 1,369,518 | $ 1,369,518 | $ 1,251,772 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Unemployment insurance | $ 85,000 | $ 85,000 | $ 28,745 |
| Workers compensation | 519,534 | 519,534 | 346,438 |
| Property/casualty insurance | 394,694 | 394,694 | 204,278 |
| Insurance deductible/claims | 32,000 | 32,000 | 13,984 |
| Health care plan | 340,290 | 340,290 | 348,818 |
| Total expenditures | $ 1,371,518 | $ 1,371,518 | $ 942,263 |
| Excess (deficiency) of revenues over (under) expenditures | $ (2,000) | $ (2,000) | $ 309,509 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | - | - | (209,895) |
| Net change in fund balances | $ (2,000) | $ (2,000) | $ 99,614 |
| FUND BALANCE – Beginning | | | 2,300,087 |
| FUND BALANCE – Ending | | | $ 2,399,701 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes: | | | |
| Property | $ 99,352 | $ 99,352 | $ 97,842 |
| Replacement | 6,648 | 6,648 | 5,900 |
| Investment income | 50 | 50 | 29 |
| Total revenues | $ 106,050 | $ 106,050 | $ 103,771 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Mental health | 106,000 | 106,000 | 103,596 |
| Excess of revenues over expenditures | $ 50 | $ 50 | $ 175 |
| FUND BALANCE – Beginning | | | 1,092 |
| FUND BALANCE – Ending | | | $ 1,267 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 350,257 | $ 350,257 | $ 344,735 |
| Investment income | 500 | 500 | 516 |
| Total revenues | $ 350,757 | $ 350,757 | $ 345,251 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Mental health | 350,092 | 350,092 | 350,092 |
| Excess (deficiency) of revenues over (under) expenditures | $ 665 | $ 665 | $ (4,841) |
| FUND BALANCE – Beginning | | | 170,686 |
| FUND BALANCE – Ending | | | $ 165,845 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 54,806 | $ 54,806 | $ 54,269 |
| Investment income | 100 | 100 | 187 |
| Total revenues | $ 54,906 | $ 54,906 | $ 54,456 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Supplies | $ 350 | $ 350 | $ 196 |
| Contractual service | 26,269 | 26,269 | 22,692 |
| Other service and charges | 28,157 | 28,157 | 29,165 |
| Total expenditures | $ 54,776 | $ 54,776 | $ 52,053 |
| Excess of revenues over expenditures | $ 130 | $ 130 | $ 2,403 |
| FUND BALANCE – Beginning | | | 40,831 |
| FUND BALANCE – Ending | | | $ 43,234 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**EXTENSION FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 69,170 | $ 69,170 | $ 68,796 |
| Investment income | 20 | 20 | 17 |
| Total revenues | $ 69,190 | $ 69,190 | $ 68,813 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Extension | 69,140 | 69,140 | 68,813 |
| Excess of revenues over expenditures | $ 50 | $ 50 | $ - |
| FUND BALANCE – Beginning | | | - |
| FUND BALANCE – Ending | | | $ - |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Investment income | $ 1,000 | $ 1,000 | $ 446 |
| Miscellaneous: | | | |
| Seizures/drugs | 30,000 | 30,000 | 5,519 |
| Total revenues | $ 31,000 | $ 31,000 | $ 5,965 |
| **EXPENDITURES** | | | |
| Current - education: | | | |
| Office supplies | $ 2,500 | $ 2,500 | $ 959 |
| Other service and charges | 9,300 | 9,300 | 6,654 |
| Equipment | 20,000 | 20,000 | 41,330 |
| Total expenditures | $ 31,800 | $ 31,800 | $ 48,943 |
| Excess (deficiency) of revenues over (under) expenditures | $ (800) | $ (800) | $ (42,978) |
| FUND BALANCE – Beginning | | | 110,061 |
| FUND BALANCE – Ending | | | $ 67,083 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**ANIMAL CONTROL FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fines and fees | $ 96,000 | $ 96,000 | $ 96,110 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Officer salary | $ 33,610 | $ 33,610 | $ 32,396 |
| Staff salaries | 19,440 | 19,440 | 19,035 |
| Longevity | 80 | 80 | 140 |
| Life and health insurance | 12,318 | 12,318 | 12,318 |
| Office supplies | 4,000 | 4,000 | 3,801 |
| Uniforms | 900 | 900 | 389 |
| Contractual service | 200 | 200 | 301 |
| Travel and meeting | 3,800 | 3,800 | 4,144 |
| Education and training | 500 | 500 | 142 |
| Fuel and power | 2,300 | 2,300 | 1,487 |
| Water | 300 | 300 | - |
| Telephone | 1,500 | 1,500 | 900 |
| Postage | 2,700 | 2,700 | 2,736 |
| Dues | 120 | 120 | 120 |
| Maintenance | 200 | 200 | 234 |
| Laboratory expense | 200 | 200 | 223 |
| Veterinary assistance | 500 | 500 | 565 |
| Dead animal claims | 500 | 500 | 288 |
| Animal disposal | 300 | 300 | 124 |
| Other service and charges | 1,300 | 1,300 | 242 |
| Building | 200 | 31,950 | 21,557 |
| Total expenditures | $ 84,968 | $ 116,718 | $ 101,142 |
| Excess (deficiency) of revenues over (under) expenditures | $ 11,032 | $ (20,718) | $ (5,032) |
| FUND BALANCE – Beginning | | | 43,683 |
| FUND BALANCE – Ending | | | $ 38,651 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 7,000 | $ 7,000 | $ 7,250 |
| Investment income | 100 | 100 | 101 |
| Total revenues | $ 7,100 | $ 7,100 | $ 7,351 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Part time salaries | $ 3,000 | $ 3,000 | $ - |
| Death certificate surcharge | 1,000 | 1,000 | 872 |
| Domestic violence surcharge | 1,300 | 1,300 | 1,210 |
| Total expenditures | $ 5,300 | $ 5,300 | $ 2,082 |
| Excess of revenues over expenditures | $ 1,800 | $ 1,800 | $ 5,269 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (230) | (230) | - |
| Net change in fund balances | $ 1,570 | $ 1,570 | $ 5,269 |
| FUND BALANCE – Beginning | | | 17,380 |
| FUND BALANCE – Ending | | | $ 22,649 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 90,000 | $ 90,000 | $ 81,119 |
| Investment income | 500 | 500 | 26 |
| Total revenues | $ 90,500 | $ 90,500 | $ 81,145 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Staff salaries | $ 48,955 | $ 48,955 | $ 48,878 |
| Longevity | - | - | 109 |
| Part time salaries | 28,400 | 28,400 | 27,119 |
| Overtime | 4,000 | 4,000 | 764 |
| Life and health insurance | 6,159 | 6,159 | 6,159 |
| Uniforms | 600 | 600 | 379 |
| Education and training | 1,000 | 1,000 | 16 |
| Equipment | 1,000 | 1,000 | 435 |
| Total expenditures | $ 90,114 | $ 90,114 | $ 83,859 |
| Excess (deficiency) of revenues over (under) expenditures | $ 386 | $ 386 | $ (2,714) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (16,749) | (16,749) | (17,662) |
| Net change in fund balances | $ (16,363) | $ (16,363) | $ (20,376) |
| FUND BALANCE – Beginning | | | 23,377 |
| FUND BALANCE – Ending | | | $ 3,001 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Substance abuse testing | $ 15,000 | $ 15,000 | $ 16,878 |
| Probation service fees | 160,000 | 160,000 | 134,064 |
| Electronic monitoring | 2,000 | 2,000 | 15,355 |
| Partner abuse intervention | 500 | 500 | 330 |
| Reimbursements | 1,350 | 1,350 | 3,356 |
| Total revenues | $ 178,850 | $ 178,850 | $ 169,983 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Office supplies | $ 4,000 | $ 4,000 | $ 3,083 |
| Document preservation | 11,500 | 11,500 | 8,794 |
| Travel and meeting | 1,500 | 1,500 | 1,150 |
| Fuel expense | 5,000 | 5,000 | 4,788 |
| Education and training | 5,500 | 5,500 | 5,782 |
| Public relation/education | 2,500 | 2,500 | 2,156 |
| Partner abuse intervention group | 10,000 | 10,000 | 605 |
| Leads 2000 | 5,500 | 5,500 | 4,010 |
| Postage | 4,000 | 4,000 | 3,214 |
| Dues | 600 | 600 | 600 |
| Service contracts | 6,360 | 6,360 | 5,669 |
| Maintenance | 6,000 | 6,000 | 5,283 |
| Juvenile psychological | 1,300 | 1,300 | 675 |
| Substance abuse testing | 10,000 | 10,000 | 12,287 |
| Sex offender evaluations | 10,000 | 10,000 | 4,203 |
| Medical tests | 1,500 | 1,500 | 693 |
| DNA collection fee | 300 | 300 | 40 |
| Victim impact panel program | - | 500 | 175 |
| Equipment | 15,000 | 15,000 | 6,435 |
| Reimbursements | 60,000 | 60,000 | 41,277 |
| Delinquency diversion program | 7,500 | 7,500 | 1,675 |
| Computer automation | 40,000 | 40,000 | 26,683 |
| Total expenditures | $ 208,060 | $ 208,560 | $ 139,277 |
| Excess (deficiency) of revenues over (under) expenditures | $ (29,210) | $ (29,710) | $ 30,706 |
| FUND BALANCE – Beginning | | | 876,315 |
| FUND BALANCE – Ending | | | $ 907,021 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**TREASURER AUTOMATION FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Automation fees | $ 10,800 | $ 10,800 | $ 10,758 |
| Investment income | 150 | 150 | 329 |
| Total revenues | $ 10,950 | $ 10,950 | $ 11,087 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Staff salaries | $ 3,920 | $ 3,920 | $ 3,203 |
| Part time salaries | 3,000 | 3,000 | 2,373 |
| Contingencies | 1,500 | 1,500 | 823 |
| Total expenditures | $ 8,420 | $ 8,420 | $ 6,399 |
| Excess of revenues over expenditures | $ 2,530 | $ 2,530 | $ 4,688 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (973) | (973) | (881) |
| Net change in fund balances | $ 1,557 | $ 1,557 | $ 3,807 |
| FUND BALANCE – Beginning | | | 62,191 |
| FUND BALANCE – Ending | | | $ 65,998 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fines and fees: | | | |
| Street value fines | $ 7,000 | $ 7,000 | $ 3,353 |
| Investment income | 500 | 500 | 307 |
| Total revenues | $ 7,500 | $ 7,500 | $ 3,660 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Contingencies | $ 5,100 | $ 5,100 | $ 1,353 |
| Total expenditures | $ 5,100 | $ 5,100 | $ 1,353 |
| Excess of revenues over expenditures | $ 2,400 | $ 2,400 | $ 2,307 |
| FUND BALANCE – Beginning | | | 60,142 |
| FUND BALANCE – Ending | | | $ 62,449 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**LAW LIBRARY FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Reimbursements | $ 9,135 | $ 9,135 | $ 8,772 |
| Law library fees | 23,000 | 23,000 | 22,903 |
| Total revenues | $ 32,135 | $ 32,135 | $ 31,675 |
| **EXPENDITURES** | | | |
| Current - education: | | | |
| Law books and subscriptions | $ 7,649 | $ 7,649 | $ 8,852 |
| Computer automation | 15,000 | 15,000 | 18,593 |
| Total expenditures | $ 22,649 | $ 22,649 | $ 27,445 |
| Excess of revenues over expenditures | $ 9,486 | $ 9,486 | $ 4,230 |
| FUND BALANCE – Beginning | | | (44,662) |
| FUND BALANCE – Ending | | | $ (40,432) |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Automation fees | $ 70,000 | $ 70,000 | $ 51,737 |
| Investment income | 1,500 | 1,500 | 723 |
| Total revenues | $ 71,500 | $ 71,500 | $ 52,460 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Staff salaries | $ 57,165 | $ 57,165 | $ 55,230 |
| Longevity pay | 990 | 990 | 1,080 |
| Life and health insurance | 12,318 | 12,318 | 12,318 |
| Office supplies | 10,000 | 10,000 | 3,888 |
| Travel and meeting | 1,000 | 1,000 | 368 |
| Telephone | 3,000 | 3,000 | 2,100 |
| Maintenance | 20,000 | 20,000 | 16,044 |
| Equipment | 25,000 | 25,000 | - |
| Total expenditures | $ 129,473 | $ 129,473 | $ 91,028 |
| Excess (deficiency) of revenues over (under) expenditures | $ (57,973) | $ (57,973) | $ (38,568) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (11,711) | (11,711) | (11,435) |
| Net change in fund balances | $ (69,684) | $ (69,684) | $ (50,003) |
| FUND BALANCE – Beginning | | | 185,738 |
| FUND BALANCE – Ending | | | $ 135,735 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**RECORDER AUTOMATION FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Automation fees | $ 42,000 | $ 42,000 | $ 56,650 |
| Rural housing fund | 72,000 | 72,000 | 70,884 |
| Investment income | 1,000 | 1,000 | 676 |
| Total revenues | $ 115,000 | $ 115,000 | $ 128,210 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Office supplies | $ 1,000 | $ 1,000 | $ 155 |
| Contractual service | 47,030 | 47,030 | 11,998 |
| Maintenance | 4,800 | 4,800 | 4,334 |
| Rural housing surcharge payment | 72,000 | 72,000 | 62,604 |
| Debt service: | | | |
| Principal | - | - | 22,496 |
| Interest | - | - | 5,884 |
| Total expenditures | $ 124,830 | $ 124,830 | $ 107,471 |
| Excess (deficiency) of revenues over (under) expenditures | $ (9,830) | $ (9,830) | $ 20,739 |
| FUND BALANCE – Beginning | | | 122,488 |
| FUND BALANCE – Ending | | | $ 143,227 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Court document storage fee | $ 70,000 | $ 70,000 | $ 51,853 |
| Investment income | 1,500 | 1,500 | 1,924 |
| Total revenues | $ 71,500 | $ 71,500 | $ 53,777 |
| **EXPENDITURES** | | | |
| Part time salaries and overtime | $ 12,000 | $ 12,000 | $ 14,789 |
| Life and health insurance | - | - | 474 |
| Office supplies | 10,000 | 10,000 | 8,024 |
| Travel and meeting | 1,000 | 1,000 | 782 |
| Service contracts | 15,000 | 15,000 | 1,950 |
| Equipment | 25,000 | 25,000 | 117 |
| Total expenditures | $ 63,000 | $ 63,000 | $ 26,136 |
| Excess of revenues over expenditures | $ 8,500 | $ 8,500 | $ 27,641 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (918) | (918) | (1,817) |
| Net change in fund balances | $ 7,582 | $ 7,582 | $ 25,824 |
| FUND BALANCE – Beginning | | | 377,053 |
| FUND BALANCE – Ending | | | $ 402,877 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 264,297 | $ 264,297 | $ 211,429 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Staff salaries | $ 154,873 | $ 154,873 | $ 113,859 |
| Part time salaries | 2,000 | 2,000 | 3,501 |
| Overtime | 1,500 | 1,500 | 290 |
| Holiday pay | 5,690 | 5,690 | 6,578 |
| Life and health insurance | 18,477 | 18,477 | 14,213 |
| Unemployment insurance | 985 | 985 | 750 |
| Re-insurance reimbursement | 5,731 | 5,731 | 5,070 |
| Workers compensation | 10,665 | 10,665 | 8,168 |
| Office supplies | 500 | 500 | - |
| Uniforms | 1,800 | 1,800 | 1,007 |
| Education and training | 1,000 | 1,000 | 150 |
| Telephone | 2,000 | 2,000 | 1,837 |
| Service contracts | 457 | 457 | 912 |
| Maintenance | 10,000 | 10,000 | 9,622 |
| Administrative fees | 800 | 800 | 800 |
| Insurance | 2,350 | 2,350 | 2,350 |
| Equipment | 500 | 500 | - |
| Contingencies | 250 | 250 | - |
| Total expenditures | $ 219,578 | $ 219,578 | $ 169,107 |
| Excess of revenues over expenditures | $ 44,719 | $ 44,719 | $ 42,322 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (44,719) | (44,719) | (31,920) |
| Net change in fund balances | $ - | $ - | $ 10,402 |
| FUND BALANCE – Beginning | | | (10,402) |
| FUND BALANCE – Ending | | | $ - |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services | $ 71,717 | $ 71,717 | $ 63,464 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Staff salaries | $ 48,155 | $ 48,155 | $ 47,286 |
| Overtime | 1,500 | 1,500 | 1,119 |
| Holiday pay | 1,756 | 1,756 | 2,780 |
| Life and health insurance | 6,159 | 6,159 | 33 |
| Total expenditures | $ 57,570 | $ 57,570 | $ 51,218 |
| Excess of revenues over expenditures | $ 14,147 | $ 14,147 | $ 12,246 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (14,147) | (14,147) | (14,999) |
| Net change in fund balances | $ - | $ - | $ (2,753) |
| FUND BALANCE – Beginning | | | (2,378) |
| FUND BALANCE – Ending | | | $ (5,131) |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fines and fees | $ 2,500 | $ 2,500 | $ 1,477 |
| Investment income | 500 | 500 | 234 |
| Total revenues | $ 3,000 | $ 3,000 | $ 1,711 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Equipment | 5,000 | 5,000 | 465 |
| Excess (deficiency) of revenues over (under) expenditures | $ (2,000) | $ (2,000) | $ 1,246 |
| FUND BALANCE – Beginning | | | 45,840 |
| FUND BALANCE – Ending | | | $ 47,086 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**CAPITAL BUILDING FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Tax increment | $ 4,000 | $ 4,000 | $ 8,518 |
| Intergovernmental | 30,000 | 30,000 | 30,000 |
| Donations | - | - | 19,785 |
| Total revenues | $ 34,000 | $ 34,000 | $ 58,303 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Improvements and fees | $ - | $ - | $ 2,586 |
| Capital improvement | 245,000 | 245,000 | 110,547 |
| Total expenditures | $ 245,000 | $ 245,000 | $ 113,133 |
| Excess (deficiency) of revenues over (under) expenditures | $ (211,000) | $ (211,000) | $ (54,830) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | $ 494,018 | $ 494,018 | $ 494,018 |
| Transfers out | (490,598) | (490,598) | (481,551) |
| Total other financing sources (uses) | $ 3,420 | $ 3,420 | $ 12,467 |
| Net change in fund balances | $ (207,580) | $ (207,580) | $ (42,363) |
| FUND BALANCE – Beginning | | | 922,638 |
| FUND BALANCE – Ending | | | $ 880,275 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Tipping fees | $ 40,000 | $ 40,000 | $ 2,723 |
| Host fees | 16,800 | 16,800 | 10,476 |
| Investment income | 183 | 183 | 234 |
| Total revenues | $ 56,983 | $ 56,983 | $ 13,433 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Department head salary | $ 500 | $ 500 | $ 46 |
| Contractual service | 35,230 | 35,230 | 24,721 |
| Travel and meeting | 500 | 500 | - |
| Total expenditures | $ 36,230 | $ 36,230 | $ 24,767 |
| Excess (deficiency) of revenues over (under) expenditures | $ 20,753 | $ 20,753 | $ (11,334) |
| FUND BALANCE – Beginning | | | 49,107 |
| FUND BALANCE – Ending | | | $ 37,773 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**SOIL SURVEY FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fees | $ 260,000 | $ 260,000 | $ 239,005 |
| **EXPENDITURES** | | | |
| Current - general government: | | | |
| Officer/department head salary | $ 33,655 | $ 33,655 | $ 33,655 |
| Staff salaries | 98,498 | 98,498 | 95,763 |
| Longevity | 1,065 | 1,065 | 1,175 |
| Part time salaries | 15,000 | 15,000 | - |
| Life and health insurance | 15,400 | 15,400 | 15,397 |
| Office supplies | 1,000 | 1,000 | 861 |
| Education and training | 1,000 | 1,000 | 171 |
| Postage | 200 | 200 | 40 |
| Maintenance | 1,000 | 1,000 | - |
| Computer system support | 22,100 | 22,100 | 12,180 |
| Computer automation | 5,000 | 5,000 | 7,492 |
| Total expenditures | $ 193,918 | $ 193,918 | $ 166,734 |
| Excess of revenues over expenditures | $ 66,082 | $ 66,082 | $ 72,271 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | (27,138) | (27,138) | (24,797) |
| Net change in fund balances | $ 38,944 | $ 38,944 | $ 47,474 |
| FUND BALANCE – Beginning | | | 80,459 |
| FUND BALANCE – Ending | | | $ 127,933 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**DUI EQUIPMENT FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fees | $ 4,700 | $ 4,700 | $ 13,420 |
| Investment income | 250 | 250 | 190 |
| Total revenues | $ 4,950 | $ 4,950 | $ 13,610 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Equipment | 5,000 | 5,000 | 1,310 |
| Excess (deficiency) of revenues over (under) expenditures | $ (50) | $ (50) | $ 12,300 |
| FUND BALANCE – Beginning | | | 32,474 |
| FUND BALANCE – Ending | | | $ 44,774 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**COMMUNITY PROGRAMS FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Investment income | $ 100 | $ 100 | $ 42 |
| Contributions and donations | 100 | 100 | 1,428 |
| Total revenues | $ 200 | $ 200 | $ 1,470 |
| **EXPENDITURES** | | | |
| Office supplies and contingencies | 600 | 600 | 662 |
| Excess (deficiency) of revenues over (under) expenditures | $ (400) | $ (400) | $ 808 |
| FUND BALANCE – Beginning | | | 7,513 |
| FUND BALANCE – Ending | | | $ 8,321 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**CAMERA ACCOUNT**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Investment income | $ 40 | $ 40 | $ 12 |
| Miscellaneous | - | - | - |
| Total revenues | $ 40 | $ 40 | $ 12 |
| **EXPENDITURES** | | | |
| Office supplies | $ 500 | $ 500 | $ 124 |
| Publication notices | 50 | 50 | - |
| Total expenditures | $ 550 | $ 550 | $ 124 |
| Excess (deficiency) of revenues over (under) expenditures | $ (510) | $ (510) | $ (112) |
| FUND BALANCE – Beginning | | | 2,721 |
| FUND BALANCE – Ending | | | $ 2,609 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**CORONER EQUIPMENT GRANT**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 4,000 | $ 4,000 | $ 8,625 |
| Investment income | - | - | 56 |
| Total revenues | $ 4,000 | $ 4,000 | $ 8,681 |
| **EXPENDITURES** | | | |
| Maintenance and equipment | - | - | 3,870 |
| Excess of revenues over expenditures | $ 4,000 | $ 4,000 | $ 4,811 |
| FUND BALANCE – Beginning | | | 5,121 |
| FUND BALANCE – Ending | | | $ 9,932 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**PROPERTY/BUILDING FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Reimbursements | $ - | $ - | $ - |
| **EXPENDITURES** | | | |
| 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**
**CORONER'S FEES FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Coroner's fees | $ 5,000 | $ 5,000 | $ 7,720 |
| Investment income | - | - | 85 |
| Total revenues | $ 5,000 | $ 5,000 | $ 7,805 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Office supplies | $ 5,000 | $ 5,000 | $ - |
| Travel and meeting | - | - | 1,579 |
| Vehicle purchase | - | - | 19,500 |
| Total expenditures | $ 5,000 | $ 5,000 | $ 21,079 |
| Excess (deficiency) of revenues over (under) expenditures | $ - | $ - | $ (13,274) |
| FUND BALANCE – Beginning | | | 15,605 |
| FUND BALANCE – Ending | | | $ 2,331 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 30,000 | $ 30,000 | $ 21,620 |
| Investment income | 500 | 500 | 47 |
| Total revenues | $ 30,500 | $ 30,500 | $ 21,667 |
| **EXPENDITURES** | | | |
| Education and training | $ 6,000 | $ 6,000 | $ 2,359 |
| Equipment | 44,000 | 44,000 | 14,570 |
| Total expenditures | $ 50,000 | $ 50,000 | $ 16,929 |
| Excess (deficiency) of revenues over (under) expenditures | $ (19,500) | $ (19,500) | $ 4,738 |
| FUND BALANCE – Beginning | | | 25,679 |
| FUND BALANCE – Ending | | | $ 30,417 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fines and fees | $ 8,000 | $ 8,000 | $ 6,699 |
| Investment income | 120 | 120 | 35 |
| Total revenues | $ 8,120 | $ 8,120 | $ 6,734 |
| **EXPENDITURES** | | | |
| Equipment | - | - | - |
| Excess of revenues over expenditures | $ 8,120 | $ 8,120 | $ 6,734 |
| FUND BALANCE – Beginning | | | 3,707 |
| FUND BALANCE – Ending | | | $ 10,441 |

**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, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Reimbursements | $ 5,000 | $ 5,000 | $ - |
| **EXPENDITURES** | | | |
| Overtime | 5,000 | 5,000 | - |
| Excess of revenues over expenditures | $ - | $ - | $ - |
| FUND BALANCE – Beginning | | | (1,265) |
| FUND BALANCE – Ending | | | $ (1,265) |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**COUNTY PET POPULATION**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fines and fees | $ 12,500 | $ 12,500 | $ 11,610 |
| **EXPENDITURES** | | | |
| Adopted animal program reimbursements | 12,000 | 12,000 | 21,238 |
| Excess (deficiency) of revenues over (under) expenditures | $ 500 | $ 500 | $ (9,628) |
| FUND BALANCE – Beginning | | | 11,626 |
| FUND BALANCE – Ending | | | $ 1,998 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**SHERIFF OFF-DUTY WORK FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for services: | | | |
| Special detail reimbursement | $ 29,490 | $ 29,490 | $ 35,463 |
| Intergovernmental | 7,694 | 7,694 | 7,450 |
| Investment income | 25 | 25 | 4 |
| Total revenues | $ 37,209 | $ 37,209 | $ 42,917 |
| **EXPENDITURES** | | | |
| Current - public safety: | | | |
| Special detail pay | $ 23,000 | $ 23,000 | $ 27,800 |
| Intergovernmental agreement | 6,000 | 6,000 | 5,359 |
| FICA | 2,219 | 2,219 | 2,571 |
| IMRF | 5,965 | 5,965 | 6,904 |
| Total expenditures | $ 37,184 | $ 37,184 | $ 42,634 |
| Excess of revenues over expenditures | $ 25 | $ 25 | $ 283 |
| FUND BALANCE – Beginning | | | 5,582 |
| FUND BALANCE – Ending | | | $ 5,865 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**STATES ATTORNEY MONEY LAUNDERING FUND**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 30,000 | $ 30,000 | $ 19,923 |
| Investment income | 200 | 200 | 208 |
| Total revenues | $ 30,200 | $ 30,200 | $ 20,131 |
| **EXPENDITURES** | | | |
| Education and training | $ 2,000 | $ 2,000 | $ 2,502 |
| Equipment | 10,000 | 10,000 | 16,827 |
| Total expenditures | $ 12,000 | $ 12,000 | $ 19,329 |
| Excess of revenues over expenditures | $ 18,200 | $ 18,200 | $ 802 |
| FUND BALANCE – Beginning | | | 87,919 |
| FUND BALANCE – Ending | | | $ 88,721 |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**HAZARD MITIGATION PLANNING GRANT**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental | $ 36,346 | $ 36,346 | $ 28,767 |
| **EXPENDITURES** | | | |
| Contractual service | 30,357 | 30,357 | 28,767 |
| Excess of revenues over expenditures | $ 5,989 | $ 5,989 | $ - |
| FUND BALANCE – Beginning | | | - |
| FUND BALANCE – Ending | | | $ - |

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL**
**STATES ATTORNEY RECORDS AUTOMATION**
For the Year Ended November 30, 2013

| | Original Budget | Final Budget | Actual Amounts |
|---|---|---|---|
| **REVENUES** | | | |
| Fees | $ 3,000 | $ 3,000 | $ 3,729 |
| **EXPENDITURES** | | | |
| Office supplies | - | - | - |
| Excess of revenues over expenditures | $ 3,000 | $ 3,000 | $ 3,729 |
| FUND BALANCE – Beginning | | | 778 |
| FUND BALANCE – Ending | | | $ 4,507 |

**HENRY COUNTY, ILLINOIS**
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**
**AGENCY FUNDS**
For the Year Ended November 30, 2013

| | Balances December 1, 2012 | Additions | Deductions | Balances November 30, 2013 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash, cash equivalents and investments: | | | | |
| County Collector's Fund | $ 201,714 | $69,974,719 | $69,938,125 | $ 238,308 |
| Drainage District Funds | 557,629 | 395,423 | 639,822 | 313,230 |
| Trust Fund to Heirs | 28,676 | 25,000 | 25,000 | 28,676 |
| State's Attorney's Office Trust Fund | 46,117 | 150,547 | 160,453 | 36,211 |
| Delinquent Tax Program | 1,128 | 1,712 | 1,814 | 1,026 |
| County Clerk | 102,836 | 1,078,313 | 1,030,541 | 150,608 |
| Circuit Clerk | 809,877 | 3,843,426 | 3,863,900 | 789,403 |
| Prisoner Commissary | 44,610 | 710,008 | 652,367 | 102,251 |
| Sheriff's Special Account | 10 | 8,250 | 8,250 | 10 |
| Township Bridges | 147,971 | 226,013 | 331,577 | 42,407 |
| Township Motor Fuel Tax | 530,946 | 1,645,036 | 1,564,963 | 611,019 |
| Total cash, cash equivalents and investments | $ 2,471,514 | $78,058,447 | $78,216,812 | $ 2,313,149 |
| Accounts receivable: | | | | |
| Township Motor Fuel Tax | 114,472 | 99,402 | 114,472 | 99,402 |
| Total assets | $ 2,585,986 | $78,157,849 | $78,331,284 | $ 2,412,551 |
| **LIABILITIES** | | | | |
| Due to others: | | | | |
| County Collector's Fund | $ 201,714 | $69,974,719 | $69,938,125 | $ 238,308 |
| Drainage District Funds | 557,629 | 395,423 | 639,822 | 313,230 |
| Trust Fund to Heirs | 28,676 | 25,000 | 25,000 | 28,676 |
| State's Attorney's Office Trust Fund | 46,117 | 150,547 | 160,453 | 36,211 |
| Delinquent Tax Program | 1,128 | 1,712 | 1,814 | 1,026 |
| County Clerk | 102,836 | 1,078,313 | 1,030,541 | 150,608 |
| Circuit Clerk | 809,877 | 3,843,426 | 3,863,900 | 789,403 |
| Prisoner Commissary | 44,610 | 710,008 | 652,367 | 102,251 |
| Sheriff's Special Account | 10 | 8,250 | 8,250 | 10 |
| Township Bridges | 147,971 | 226,013 | 331,577 | 42,407 |
| Township Motor Fuel Tax | 645,418 | 1,744,438 | 1,679,435 | 710,421 |
| Total funds due to others | $ 2,585,986 | $78,157,849 | $78,331,284 | $ 2,412,551 |

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# SINGLE AUDIT SECTION

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
For the Year Ended November 30, 2013

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|---|---|---|
| **U.S. Department of Agriculture** | | | |
| Passed-through Illinois Department of Human Services | | | |
| Special Supplemental Food Program for Women-Infants-Children | 10.557 | FCSRE01167 | $ 7,244 |
| Special Supplemental Food Program for Women-Infants-Children | 10.557 | FCSRE00886 | 92,884 |
| Special Supplemental Food Program for Women-Infants-Children | 10.557 | FCSSQ00886 | 95,698 |
| Special Supplemental Food Program for Women-Infants-Children | 10.557 | FCSSQ01167 | 4,046 |
| Special Supplemental Food Program for Women-Infants-Children - noncash | 10.557 | noncontract | 511,445 |
| | | | $ 711,317 |
| Passed-through Illinois Department of Public Health | | | |
| Child Nutrition Cluster | | | |
| Summer Food Service Program for Children | 10.559 | 7740 | $ 800 |
| Total Child Nutrition Cluster | | | $ 800 |
| Subtotal U.S. Department of Agriculture | | | $ 712,117 |
| **U.S. Department of Commerce** | | | |
| Direct Program: | | | |
| Economic Development Cluster | | | |
| Economic Adjustment Assistance - Revolving Loan Funds | 11.307 * | 06-39-02319-01 | $ 840,235 |
| Subtotal U.S. Department of Commerce | | | $ 840,235 |
| **U.S. Department of Justice** | | | |
| Direct Program: | | | |
| Federal Equitable Sharing Agreement | 16.922 | IL037013A | $ 16,930 |
| Subtotal U.S. Department of Justice | | | $ 16,930 |
| **U.S. Department of Transportation** | | | |
| Passed-through Illinois Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Highway Planning and Construction | 20.205 * | 4000AL14009 | $ 216,789 |
| Total Highway Planning and Construction Cluster | | | $ 216,789 |
| Formula Grants for Other than Urbanized Areas | 20.509 | 40OP-14-18-FED | $ 125,312 |
| Formula Grants for Other than Urbanized Areas | 20.509 | 300RPT-13-008 | 23,575 |
| | | | $ 148,887 |
| Subtotal U.S. Department of Transportation | | | $ 365,676 |
| **U.S. Environmental Protection Agency** | | | |
| Passed-through Illinois Department of Public Health | | | |
| Performance Partnership Grants | 66.605 | 4740 | $ 1,013 |
| Subtotal U.S. Environmental Protection Agency | | | $ 1,013 |

*Major Program

(Continued)

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
For the Year Ended November 30, 2013

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|---|---|---|
| **U.S. Department of Health and Human Services** | | | |
| Passed-through Illinois Department of Public Health | | | |
| Public Health Emergency Preparedness | 93.069 | 37180037A | $ 3,371 |
| Hospital Preparedness Program (HPP) and Public Health Emergency | 93.074 | 37180037A | $ 49,126 |
| Hospital Preparedness Program (HPP) and Public Health Emergency | 93.074 | 47180037B | 7,058 |
| | | | $ 56,184 |
| Immunization - noncash | 93.268 | 001187 | $ 101,298 |
| Passed-through Illinois Department of Human Services | | | |
| Social Services Block Grant - Title XX | 93.667 | FCSRE01255 | $ 16,289 |
| Social Services Block Grant - Title XX | 93.667 | FCSSU03085 | 13,900 |
| | | | $ 30,189 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | FCSRE01255 | $ 1,559 |
| Passed-through Illinois Department of Healthcare and Family Services | | | |
| Child Support Enforcement | 93.563 | 31KCC000036 | $ 6,874 |
| Child Support Enforcement | 93.563 | 41KCC000036 | 4,109 |
| | | | $ 10,983 |
| Medicaid Cluster | | | |
| Medical Assistance Program | 93.778 | HNC | $ 108,176 |
| Total Medicaid Cluster | | | $ 108,176 |
| Passed-through Illinois Department of Public Health | | | |
| PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds | 93.531 | 32180018A | $ 37,776 |
| Passed-through Western Illinois Area Agency on Aging | | | |
| National Family Caregiver Support-Title III-E | 93.052 | R-20130805507003 | $ 10,106 |
| | | | $ 10,106 |
| Subtotal U.S. Department of Health and Human Services | | | $ 359,642 |
| **Department of Homeland Security** | | | |
| Passed-through Illinois Emergency Management Agency | | | |
| Hazard Mitigation Grant | 97.039 | 30HM12HENRY | $ 28,228 |
| Hazard Mitigation Grant | 97.039 | 40HM12HENRY | 540 |
| | | | $ 28,768 |
| Emergency Management Performance Grants | 97.067 | 312EMAHENRY | $ 2,341 |
| Emergency Management Performance Grants | 97.067 | 413EMAHENRY | 8,831 |
| | | | $ 11,172 |
| Subtotal Department of Homeland Security | | | $ 39,940 |
| Total Federal Financial Awards | | | $ 2,335,553 |

*Major Program

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, 2013

## NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") includes the federal grant activity of Henry County, Illinois for the year ended November 30, 2013. 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. Because the Schedule presents only a selected portion of the operations of Henry County, Illinois, it is not intended to and does not present the financial position, changes in net assets or cash flows of Henry County, Illinois.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual or accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

## NOTE 3 – SUBRECIPIENTS

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

| Program Title | Federal CFDA # | Amount Provided |
|---|---|---|
| Formula Grants for Other than Urbanized Areas | 20.509 | $ 148,887 |

## NOTE 4 – NON-CASH TRANSACTIONS

The County received $101,298 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 $511,445 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 5 – INSURANCE AND LOAN GUARANTEES

Henry County, Illinois had no insurance in effect, relating to federal funds, for the year ending November 30, 2013.

Henry County, Illinois had $573,379 of loans outstanding at November 30, 2013 through the Economic Adjustment Assistance Revolving Loan Fund.

## NOTE 6 – 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, plus | $ 573,379 |
| 2. Cash and investment balance in the RLF at the end of the recipient's fiscal year, plus | 535,251 |
| 3. Administrative expenses paid out of RLF income during the recipient's fiscal year; plus | 11,683 |
| 4. The unpaid principal of all loans written off during the recipient's fiscal year | - - - |
| Total | $ 1,120,313 |
| The Federal share of the RLF | 75% |
| Total | $ 840,235 |

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

Members of the County Board
Henry County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Henry County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise Henry County, Illinois' basic financial statements and have issued our report thereon dated June 12, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Henry County, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Henry County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Henry County, Illinois' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Findings 2013-1 and 2013-2.

**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 Findings**

Henry County, Illinois' response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Henry County, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Moline, Illinois
June 12, 2014

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Members of the County Board
Henry County, Illinois

### Report on Compliance for Each Major Federal Program

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, Illinois' major federal programs for the year ended November 30, 2013. Henry County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Henry County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Henry County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Henry County, Illinois' compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, Henry County, Illinois complied, in all material respects, with the types of 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, 2013.

**Report on Internal Control Over Compliance**

Management of Henry County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Henry County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, Illinois' 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Moline, Illinois
June 12, 2014

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
For the Year Ended November 30, 2013

I. Summary of Independent Auditor's Results

**Financial Statements**

| | | | | |
|---|---|---|---|---|
| Type of auditor's report issued: | *unmodified* | | | |
| 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: | *unmodified* | | | |
| 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:

| CFDA Number(s) | Name of Federal Program or Cluster | Amount Expended |
|---|---|---|
| 11.307 | Economic Adjustment Assistance – Revolving Loan Funds | $ 840,235 |
| | Highway Planning and Construction Cluster | |
| 20.205 | Highway Planning and Construction | $ 216,789 |

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

Auditee qualified as low-risk auditee? X yes _____ no

**HENRY COUNTY, ILLINOIS**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
For the Year Ended November 30, 2013

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

*2013-1* - 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.

*2013-2* - Preparation of the 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, 2013

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

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 concur with the recommendation. The County will recommend that the grant revenue and expenditures be tracked properly by each department, and that the County Administrator will accumulate and review all expenditures of federal funds. These controls will be implemented by November 30, 2014.

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

C. Internal Control

None reported

D. Instance of Noncompliance

None reported

**HENRY COUNTY, ILLINOIS**
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
For the Year Ended November 30, 2013

| Number | Comment | Status | Corrective Action Number Comment Status or Other Explanation |
|---|---|---|---|
| Significant Deficiency in Internal Control: | | | |
| 2012-1 | Financial statement preparation | Uncorrected | At this time current software is unable to generate financial statements and related notes. See 2013-1. |
| 2012-2 | Preparation of the Schedule of Expenditures of Federal Awards | Uncorrected | The County will recommend that the grant revenue and expenditures be tracked properly by each department, and that the County Administrator will accumulate and review all expenditures of federal funds. See 2013-2. |

**HENRY COUNTY, ILLINOIS**
**CORRECTIVE ACTION PLAN**
For the Year Ended November 30, 2013

| Number | Comment | Corrective Action Plan | Anticipated Date of Completion | Contact Person |
|---|---|---|---|---|
| Significant Deficiencies in Internal Control: | | | | |
| 2013-1 | Financial statement preparation | See corrective action plan at 2013-1 | - - - | Colleen Gillaspie County Administrator |
| 2013-2 | Preparation of Schedule of Expenditures of Federal Awards | See corrective action plan at 2013-2 | November 30, 2014 | Colleen Gillaspie County Administrator |

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