

**STEPHENSON COUNTY, ILLINOIS**

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**ANNUAL FINANCIAL REPORT**

**November 30, 2009**

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STEPHENSON COUNTY, ILLINOIS  
COUNTY BOARD MEMBERS AND  
ELECTED OFFICIALS  
Fiscal year ending November 30, 2009

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BOARD MEMBERS

Lynn Koch  
Sheila Hooper  
George Kinney  
Samuel Newton  
Peter Willging  
Thomas Gilmour  
Vicki Hooper  
Bennie Brown  
Debra DeVine  
James Graham  
Donald Parker

Jeffrey Mikkelsen  
Andy Kuhlemeier  
Todd McKenna  
Brenda Boynton  
John Blum, Chairman  
Jim Kuhlmeier  
Sol Detente  
Linda Dotson  
Forrest J. Senn  
Alvin Wire  
Charles Hilton

ELECTED OFFICIALS

Circuit Clerk  
Coroner  
County Clerk  
Sheriff  
State's Attorney  
Treasurer

Bonnie Curran  
Tom Leamon  
Vici Otte  
David Synders  
John Vogt  
Adrienne Becker

STEPHENSON COUNTY, ILLINOIS  
COUNTY BOARD MEMBERS AND  
ELECTED OFFICIALS  
Fiscal year beginning December 1, 2009

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STEPHENSON COUNTY, ILLINOIS

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STEPHENSON COUNTY, ILLINOIS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members  
Of the County Board  
Stephenson County, Illinois  
Freeport, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Stephenson County, Illinois as of and for the year ended November 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Stephenson County, Illinois' management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note N to the financial statements, the County did not adopt the provisions of Governmental Accounting Standards Board No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for during the year ended November 30, 2009. The effects of that departure on the financial statements are not reasonably determinable.

In our opinion, except for the effects of the omissions described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Stephenson County, Illinois as of November 30, 2009, 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.

In accordance with Government Auditing Standards, we have also issued a report dated August 9, 2010 on our consideration of Stephenson County, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis that precedes the basic financial statements as well as the Schedule of Funding Progress for the Illinois Municipal Retirement Fund listed in the table of contents on page 39 and the Schedule of Revenues and Expenditures Compared with Budget on pages 40 through 69 both of which are listed in the table of contents as required supplementary information, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Stephenson County, Illinois taken as a whole. The schedules listed in the table of contents as "Other Supplementary Information" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Except for the Annual Financial Information Disclosure on pages 77 -82, which is required by bonding companies, as to which we express no opinion, the information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Sindgen, Callahan, Von Dollen & Co., Ltd.*

Freeport, Illinois  
August 9, 2010

## **MANAGEMENT DISCUSSION AND ANALYSIS**



STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2009

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As management of Stephenson County, Illinois, we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Stephenson County, Illinois for the year ended November 30, 2009.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2009 and the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the financial statements, notes to the financial statements, required and other supplementary information.

### **USING THIS FINANCIAL REPORT**

The financial section of this annual report consists of four parts - Independent Auditor's Reports, required supplementary information which includes the MD&A (this section), the basic financial statements, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

#### **Government -Wide Financial Statements**

The first two statements are government-wide financial statements that provide both short term and long term information about the County's overall financial status, similar to a private sector business. In the government-wide financial statements the County's activities are shown in one category - governmental activities. The County's basic services are general government, public safety, public works, health sanitation & welfare, and judiciary & court related. These activities are largely financed with property taxes and state grants.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. To assess the overall health of the County you need to consider additional non-financial factors such as the condition of the County's buildings and facilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. The financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned regardless of when the cash is received and expenditures/expenses and liabilities are recognized when incurred, regardless of when payment is made.

STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2009

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**Fund Financial Statements**

The fund financial statements provide more detailed information about the County's funds - not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the County is properly using certain revenues.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for each. By doing so, readers may better understand the long-term impact of the County'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.

**Governmental Funds** - The County maintains thirty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balances for all these funds. Four of these thirty-six funds are considered major funds of the County. More detail of the individual revenues and expenditures for these funds is presented in the supplementary section of this report.

The County adopts annual budgets for a majority of the governmental funds. A budgetary comparison statement has been provided for the major governmental funds only, which is in compliance with GASB Statement No.34.

**Proprietary Funds** - Stephenson County maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Stephenson County uses an enterprise fund to account for its Nursing Center activities.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nursing Center Fund which is considered a major fund of Stephenson County.

**Fiduciary Funds** - The County is the trustee, or fiduciary, for assets that belong to others or are designated to be used for a specific purpose with the principal left intact. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations.

STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2009

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**Condensed Financial Information**

Net assets are summarized in the table below.

**Condensed Statement of Net Assets as of November 30, 2009 and 2008**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>		<b><u>Business-type</u></b> <b><u>Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Assets:</b>						
Current Assets	\$ 16,857,679	\$ 16,848,542	\$1,762,224	\$1,481,271	\$ 18,619,903	\$ 18,329,813
Non-current Assets	<u>252,199,424</u>	<u>284,057,384</u>	<u>1,233,715</u>	<u>1,314,112</u>	<u>253,433,139</u>	<u>285,371,496</u>
Total Assets	<u>269,057,103</u>	<u>300,905,926</u>	<u>2,995,939</u>	<u>2,795,383</u>	<u>272,053,042</u>	<u>303,701,309</u>
<b>Liabilities:</b>						
Current Liabilities	7,479,094	7,298,886	1,581,652	2,128,494	9,060,746	9,427,380
Non-current Liabilities	<u>14,261,399</u>	<u>14,089,778</u>	<u>92,588</u>	<u>87,218</u>	<u>14,353,987</u>	<u>14,176,996</u>
Total liabilities	<u>21,740,493</u>	<u>21,388,664</u>	<u>1,674,240</u>	<u>2,215,712</u>	<u>23,414,733</u>	<u>23,604,376</u>
<b>Net Assets:</b>						
Investments in capital assets, net of debt	237,586,412	269,393,899	1,233,715	1,314,112	238,820,127	270,708,011
Restricted	5,115,556	4,696,118	10,659	8,928	5,126,215	4,705,046
Unrestricted	<u>4,614,642</u>	<u>5,427,245</u>	<u>77,325</u>	<u>(743,369)</u>	<u>4,691,967</u>	<u>4,683,876</u>
Total net assets	<u>\$247,316,610</u>	<u>\$279,517,262</u>	<u>\$1,321,699</u>	<u>\$ 579,671</u>	<u>\$248,638,309</u>	<u>\$280,096,933</u>

Current assets consist of cash, investments, and receivables.

The County's largest asset group is its capital assets. This includes land, land improvements, buildings, equipment, and infrastructure.

Current liabilities consist of accounts payable and the current portion of long-term debt.

Debt Certificates and Notes Payable constitute the County's long-term debt.

The County's net assets consist of capital assets net of related debt, restricted and unrestricted net assets.

STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2009

**Condensed Financial Information (Continued)**

Revenues, expenses, and changes in net assets are summarized in the table below.

**Condensed Statement of Activities  
For Fiscal Years Ending November 30, 2009 and 2008**

	<b><u>Governmental Activities</u></b>		<b><u>Business-type Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Revenues:</b>						
Program:						
Charges for services	\$ 5,175,781	\$ 6,211,264	\$7,200,825	\$6,029,402	\$12,376,606	\$12,240,666
Operating grants & contributions	2,849,157	3,532,215	-	19,000	2,849,157	3,551,215
General:						
Property & other taxes	12,533,217	12,462,050	513,109	555,663	13,046,326	13,017,713
Other	<u>260,471</u>	<u>817,748</u>	<u>17,763</u>	<u>23,432</u>	<u>278,234</u>	<u>841,180</u>
Total revenue	<u>20,818,626</u>	<u>23,023,277</u>	<u>7,731,697</u>	<u>6,627,497</u>	<u>28,550,323</u>	<u>29,650,774</u>
<b>Expenses:</b>						
General government	2,977,215	7,147,882	-	-	2,977,215	7,147,882
Public safety	5,338,794	3,461,068	-	-	5,338,794	3,461,068
Public works	34,479,652	34,173,993	-	-	34,479,652	34,173,993
Health, sanitation, & Welfare	3,963,482	2,724,162	-	-	3,963,482	2,724,162
Judiciary & court related	5,884,905	4,801,000	-	-	5,884,905	4,801,000
Interest on long-term debt	375,230	431,293	-	-	375,230	431,293
Nursing Center	<u>-</u>	<u>-</u>	<u>6,989,669</u>	<u>6,403,781</u>	<u>6,989,669</u>	<u>6,403,781</u>
Total expenses	<u>53,019,278</u>	<u>52,739,398</u>	<u>6,989,669</u>	<u>6,403,781</u>	<u>60,008,947</u>	<u>59,143,179</u>
Change in net assets	<u>\$(32,200,652)</u>	<u>\$(29,716,121)</u>	<u>\$ 742,028</u>	<u>\$ 223,716</u>	<u>\$(31,458,624)</u>	<u>\$(29,492,405)</u>

Major sources of operating revenues for the County include: Property and state taxes, state/federal grants, charges for services, & fines & fees.

STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2009

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**Management's Analysis of the County's Overall Financial Position and Results of Operations**

GASB Statement No. 34 affects the County's reporting model, but not the day-to-day operations or the budgeting process of the County. The County's total governmental funds fund balances decreased \$84,150 year over year. The General Fund had a net loss of \$1,293,890 on a modified accrual basis. Fund balances in the other fund types are limited in use according to the source of revenue. The current economic recession has caused the State to further delay its distribution of funds supporting various governmental operations, putting additional pressure on the County's funds.

**General Fund Budgetary Comparison**

The General Fund revenues were \$1,647,886 lower than budgeted. This amount includes \$300,000 budgeted as Cash Carry Forward. Including the Cash Carry forward as budgeted revenue is mandated by Illinois statute. However, since the actual cash, being carried forward, was previously recognized as revenue, it was not recognized a second time. There were revenue shortfalls in Zoning Fees of \$349,896, State Income Tax of \$249,590 and Corporate Replacement Tax of \$109,330. General Fund expenditures were \$294,031 below the allocated expense budget. On the budgetary basis, the General Fund had a net loss of \$1,473,067 for the fiscal year, after financing transfers to other County funds.

**Capital Assets/Long term Debt**

The County refinanced, in a prior year, the bonds used to build the jail. These new debt certificates, totaling \$6,395,000, will fully mature in 2026. These bonds are to be repaid from funds generated by the Public Safety Sales Tax. During the fiscal year, a principle payment of \$230,000 was made, reducing the outstanding principal to \$5,990,000. The principal component of the 20-year bonds to build the Highway Buildings has been reduced to \$1,455,000 from \$2,000,000. These bonds are to be repaid from funds generated by the County Consolidated Program in the County Motor Fuel Tax Fund. See Note D for further information on long term debt. Note C contains details of the County's capital assets.

**Factors or Conditions Impacting Future Periods**

Major factors that may impact the County's finances are the unpredictability of Federal and State unfunded mandates, along with a reduction of funding for current programs.

In 2004, the State of Illinois authorized the County to establish a County Economic Development Project Area. In January 2005, the County proceeded to establish a Tax Allocation Finance District for development of an area east of Freeport. In May 2006, the County issued \$6,000,000 of Debt Certificates, through JP Morgan Chase Bank, for five years. The Debt Certificates are to be repaid, in 2011, with funds from the issuance of TIF Bonds, which would be repaid by the real estate property tax increment from the Tax Allocation Finance District. The County continues to negotiate with potential developers.

STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2009

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**Factors or Conditions Impacting Future Periods (Continued)**

Construction has been completed on a project involving 67 wind towers for generating electricity. These towers began generating electricity in 2009. Several other developers are considering projects for late 2010 and 2011.

The Nursing Center's new business model continues to show positive results. Management has reduced expenses to match the reduced revenues caused by a lower census and State of Illinois Public Aid reimbursements that remain below the County's cost of services. During the 2009 fiscal year, the Nursing Center repaid \$561,000 of its debt to other County funds.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Stephenson County Administrator's Office, 50 W. Douglas Street, Suite 1002, Freeport, IL 61032.

## **BASIC FINANCIAL STATEMENTS**

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF NET ASSETS  
November 30, 2009

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,528,011	\$ 31,479	\$ 2,559,490
Investments	5,421,572	575,783	5,997,355
Accounts receivables, net of an allowance for doubtful accounts of \$10,000	1,881,821	642,224	2,524,045
Property tax receivable	6,986,662	512,738	7,499,400
Inventory	39,613	-	39,613
Total current assets	<u>16,857,679</u>	<u>1,762,224</u>	<u>18,619,903</u>
Capital Assets:			
Not depreciated	294,555	-	294,555
Depreciated (Net of accumulated depreciation)	<u>247,312,491</u>	<u>1,233,715</u>	<u>248,546,206</u>
Total capital assets	<u>247,607,046</u>	<u>1,233,715</u>	<u>248,840,761</u>
Other assets	<u>4,592,378</u>	<u>-</u>	<u>4,592,378</u>
Total Assets	<u>269,057,103</u>	<u>2,995,939</u>	<u>272,053,042</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	889,244	368,374	1,257,618
Internal balances	(700,540)	700,540	-
Deferred revenue	7,036,440	512,738	7,549,178
Compensated absences	29,833	-	29,833
Current portion long term debt	224,117	-	224,117
Total current liabilities	<u>7,479,094</u>	<u>1,581,652</u>	<u>9,060,746</u>
Noncurrent liabilities:			
Compensated absences	389,614	92,588	482,202
Bonds, leases, and other long-term debt	<u>13,871,785</u>	<u>-</u>	<u>13,871,785</u>
Total noncurrent liabilities	<u>14,261,399</u>	<u>92,588</u>	<u>14,353,987</u>
Total liabilities	<u>21,740,493</u>	<u>1,674,240</u>	<u>23,414,733</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	237,653,350	1,233,715	238,887,065
Restricted for:			
Highways and streets	911,120	-	911,120
Health & welfare	1,329,174	10,659	1,339,833
Employee retirement	1,333,035	-	1,333,035
Insurance	480,613	-	480,613
Public safety	1,061,614	-	1,061,614
Unrestricted	<u>4,547,704</u>	<u>77,325</u>	<u>4,625,029</u>
Total net assets	<u>\$ 247,316,610</u>	<u>\$ 1,321,699</u>	<u>\$ 248,638,309</u>

See Notes to Financial Statements.



STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the year ended November 30, 2009

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<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,977,215	\$ 1,977,856	\$ 565,759	\$ -
Public safety	5,338,794	923,833	162,015	-
Public works	34,479,652	94,151	14,850	-
Health, welfare, and sanitation	3,963,482	324,440	1,944,376	-
Judicial & court related	5,884,905	1,855,501	162,157	-
Interest	<u>375,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 53,019,278</u>	<u>\$ 5,175,781</u>	<u>\$ 2,849,157</u>	<u>\$ -</u>
Business-type activities:				
Nursing Center	<u>\$ 6,989,669</u>	<u>\$ 7,200,825</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes

State taxes

Other

Unrestricted investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (433,600)	\$ -	\$ (433,600)
(4,252,946)	-	(4,252,946)
(34,370,651)	-	(34,370,651)
(1,694,666)	-	(1,694,666)
(3,867,247)	-	(3,867,247)
<u>(375,230)</u>	<u>-</u>	<u>(375,230)</u>
<u>(44,994,340)</u>	<u>-</u>	<u>(44,994,340)</u>
<u>-</u>	<u>211,156</u>	<u>211,156</u>
6,799,994	513,109	7,313,103
4,007,756	-	4,007,756
1,725,467	-	1,725,467
71,737	3,680	75,417
<u>188,734</u>	<u>14,083</u>	<u>202,817</u>
<u>12,793,688</u>	<u>530,872</u>	<u>13,324,560</u>
(32,200,652)	742,028	(31,458,624)
<u>279,517,262</u>	<u>579,671</u>	<u>280,096,933</u>
<u>\$ 247,316,610</u>	<u>\$ 1,321,699</u>	<u>\$ 248,638,309</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
GOVERNMENTAL FUNDS  
November 30, 2009

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	General Fund	Liability Insurance
	<hr/>	<hr/>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 149,934	\$ 37,728
Investments	864	103,771
Accounts receivable	763,306	-
Property tax receivable	1,665,033	1,103,000
Due from other funds	-	341,036
Inventory	39,613	-
Total assets	<u><u>\$ 2,618,750</u></u>	<u><u>\$ 1,585,535</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Vouchers payable	\$ 152,091	\$ 1,622
Accrued payroll	117,792	300
Compensated absences	17,731	-
Due to other funds	1,448,741	-
Deferred revenue	<u>1,665,033</u>	<u>1,103,000</u>
Total liabilities	<u>3,401,388</u>	<u>1,104,922</u>
 Fund balances:		
Unreserved, reported in:		
General funds	(782,638)	-
Special revenue funds	-	480,613
Capital projects funds	<u>-</u>	<u>-</u>
Total fund balances	<u>(782,638)</u>	<u>480,613</u>
Total liabilities and fund balances	<u><u>\$ 2,618,750</u></u>	<u><u>\$ 1,585,535</u></u>

See Notes to Financial Statements.

Illinois Municipal Retirement	County Health Department	Other Governmental Funds	Total Governmental Funds
\$ 401,856	\$ 139,746	\$ 1,769,146	\$ 2,498,410
251,564	518,666	4,230,848	5,105,713
-	459,944	603,085	1,826,335
1,345,000	40,698	2,832,931	6,986,662
300,949	-	1,709,911	2,351,896
-	-	-	39,613
<u>\$ 2,299,369</u>	<u>\$ 1,159,054</u>	<u>\$ 11,145,921</u>	<u>\$ 18,808,629</u>
\$ 279	\$ 55,860	\$ 236,035	\$ 445,887
-	28,606	43,659	190,357
-	-	12,102	29,833
-	-	629,615	2,078,356
<u>1,345,000</u>	<u>90,476</u>	<u>2,832,931</u>	<u>7,036,440</u>
<u>1,345,279</u>	<u>174,942</u>	<u>3,754,342</u>	<u>9,780,873</u>
-	-	-	(782,638)
954,090	984,112	5,779,450	8,198,265
-	-	1,612,129	1,612,129
<u>954,090</u>	<u>984,112</u>	<u>7,391,579</u>	<u>9,027,756</u>
<u>\$ 2,299,369</u>	<u>\$ 1,159,054</u>	<u>\$ 11,145,921</u>	<u>\$ 18,808,629</u>

See Notes to Financial Statements.

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

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Total fund balances - governmental funds	\$ 9,027,756
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$673,965,467 and the accumulated depreciation is \$362,803,879.	247,607,046
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Other assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. This is the cost of other assets	4,592,378
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An internal service fund is used to charge to costs of gasoline to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	574,946
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Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,485,516)</u>
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Total net assets - governmental activities	<u><u>\$ 247,316,610</u></u>
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STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended November 30, 2009

	General Fund	Liability Insurance
<b>REVENUES</b>		
Taxes	\$ 4,711,167	\$ 1,094,617
Fees, licenses, permits, and fines	1,820,720	-
Intergovernmental revenue	625,410	-
Sale of goods and services	-	-
Other revenue	166,379	20,904
Total revenues	<u>7,323,676</u>	<u>1,115,521</u>
<b>EXPENDITURES</b>		
General government	2,175,469	901,993
Public safety	2,513,858	-
Judiciary and court related	3,806,739	-
Public works	-	-
Health and welfare	-	-
Debt service	-	-
Total expenditures	<u>8,496,066</u>	<u>901,993</u>
Excess (deficiency) of revenues over expenses	<u>(1,172,390)</u>	<u>213,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Debt proceeds	348,000	-
Transfers in	-	-
Transfers out	(469,500)	-
Total other financing sources and uses	<u>(121,500)</u>	<u>-</u>
Net change in fund balances	(1,293,890)	213,528
Fund balances - beginning, as restated	511,252	267,085
Fund balances - ending	<u>\$ (782,638)</u>	<u>\$ 480,613</u>

See Notes to Financial Statements.

<u>Illinois Municipal Retirement</u>	<u>County Health Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,266,329	\$ 40,730	\$ 4,701,006	\$ 11,813,849
-	129,526	1,533,961	3,484,207
-	1,876,238	1,164,324	3,665,972
-	72,166	18,702	90,868
620,178	205,565	1,057,168	2,070,194
<u>1,886,507</u>	<u>2,324,225</u>	<u>8,475,161</u>	<u>21,125,090</u>
73,580	2,278,807	524,260	5,954,109
515,048	-	2,190,515	5,219,421
311,535	-	1,296,040	5,414,314
123,634	-	2,239,126	2,362,760
579,600	-	1,094,757	1,674,357
-	-	932,279	932,279
<u>1,603,397</u>	<u>2,278,807</u>	<u>8,276,977</u>	<u>21,557,240</u>
<u>283,110</u>	<u>45,418</u>	<u>198,184</u>	<u>(432,150)</u>
-	-	-	348,000
-	210,000	1,268,819	1,478,819
-	-	(1,009,319)	(1,478,819)
<u>-</u>	<u>210,000</u>	<u>259,500</u>	<u>348,000</u>
283,110	255,418	457,684	(84,150)
670,980	728,694	6,933,895	9,111,906
<u>\$ 954,090</u>	<u>\$ 984,112</u>	<u>\$ 7,391,579</u>	<u>\$ 9,027,756</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the year ended November 30, 2009

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Excess (deficiency) of revenues and other sources over (under) expenditures and other uses - Governmental funds	\$ (84,150)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense (\$32,288,071) exceeds capitalized fixed assets and other assets (\$430,111)	(31,857,960)
An internal service fund is used to charge to costs of gasoline to individual funds. The net revenue of the internal service fund is reported with governmental activities.	13,661
Debt proceeds are reported in governmental funds as other financing sources. However, the proceeds are not recorded in the statement of activities. This is the amount of debt proceeds in the period.	(348,000)
Debt payments are reported in governmental funds as expenditures. However, only the interest on bonds is recorded in the statement of activities. This is the amount of debt payments in the period.	465,411
Vacation pay for employees is expensed in the statement of activities. However, since these amounts will not be paid from current resources, this expense is not recorded in the governmental funds. This is the amount by which vacation pay increased over the prior period.	<u>(389,614)</u>
Change in net assets of governmental activities	<u>\$ (32,200,652)</u>

See Notes to Financial Statements.



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

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	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
	<u>Fund</u>	<u>Funds</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 20,820	\$ 29,601
Investments	575,783	315,859
Receivables, net of a \$10,000 allowance	642,224	55,485
Property tax receivable	512,738	-
Due from other funds	-	427,000
Restricted assets	10,659	-
Total current assets	<u>1,762,224</u>	<u>827,945</u>
Noncurrent assets:		
Capital Assets (Net of accumulated depreciation):		
Buildings	1,056,404	-
Equipment	177,311	-
Total capital assets	<u>1,233,715</u>	<u>-</u>
Total Assets	<u>2,995,939</u>	<u>827,945</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	298,381	252,999
Accrued payroll	69,993	-
Due to other funds	700,540	-
Deferred revenue	512,738	-
Compensated absences	92,588	-
Total liabilities	<u>1,674,240</u>	<u>252,999</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	1,233,715	-
Restricted	10,659	-
Unrestricted	77,325	574,946
Total net assets	<u>\$ 1,321,699</u>	<u>\$ 574,946</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended November 30, 2009

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<b>Operating Revenues:</b>		
Charges for services	\$ 5,754,142	\$ -
Employee contributions	-	438,110
County contributions	-	2,169,756
Reimbursements	-	228,147
Total operating revenues	<u>5,754,142</u>	<u>2,836,013</u>
<b>Operating Expenses:</b>		
Nursing Center	6,130,662	-
Depreciation	105,072	-
Administrative fees	-	65,859
Health and life insurance premiums	-	183,946
Health claims	-	2,573,597
Total expenses	<u>6,235,734</u>	<u>2,823,402</u>
Operating income (loss)	<u>(481,592)</u>	<u>12,611</u>
<b>Non-Operating Revenue (Expense):</b>		
Property taxes	513,109	-
Interest income	3,680	1,050
Miscellaneous	706,831	-
Total non-operating revenue	<u>1,223,620</u>	<u>1,050</u>
Net income (loss)	742,028	13,661
Net assets - beginning	<u>579,671</u>	<u>561,285</u>
Net assets - ending	<u>\$ 1,321,699</u>	<u>\$ 574,946</u>

See Notes to Financial Statements.

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

	Business-Type Activities Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for services	\$ 5,751,074	\$ -
Cash received for internal services	-	2,802,693
Cash payments to suppliers	(3,439,559)	(2,873,403)
Cash payments to employees	(3,229,723)	-
Net cash (used in) operating activities	<u>(918,208)</u>	<u>(70,710)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Property taxes	513,109	-
Miscellaneous	706,831	-
Net cash provided by non-capital financing activities	<u>1,219,940</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(24,675)	-
Net cash (used in) capital & related financing activities	<u>(24,675)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(4,401,543)	(580,859)
Sale of investments	4,033,291	265,000
Interest income	3,680	1,050
(Increase) decrease in restricted assets	(1,731)	-
Net cash (used in) investing activities	<u>(366,303)</u>	<u>(314,809)</u>
Net increase in cash and cash equivalents	(89,246)	(385,519)
Cash and cash equivalents - beginning	110,066	415,120
Cash and cash equivalents - ending	<u>\$ 20,820</u>	<u>\$ 29,601</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
For the Year Ended November 30, 2009

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Net operating income (loss)	\$ (481,592)	\$ 12,611
Adjustments needed to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	105,072	-
(Increase) decrease in accounts receivable	(3,068)	(33,320)
Increase (decrease) in vouchers payable	8,441	(50,001)
Increase (decrease) in accrued payroll	8,569	-
Increase (decrease) in compensated absences	5,370	-
Increase (decrease) in due to other funds	<u>(561,000)</u>	<u>-</u>
Net cash (used in) operating activities	<u><u>\$ (918,208)</u></u>	<u><u>\$ (70,710)</u></u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
November 30, 2009

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	<u>Agency</u>
 <b><u>ASSETS</u></b>	
Cash	\$ 1,400,799
Investments, at cost	441,854
Accounts receivable	<u>417,125</u>
 Total assets	 <u><u>\$ 2,259,778</u></u>
 <b><u>LIABILITIES</u></b>	
Due to others	<u>\$ 2,259,778</u>
 Total liabilities	 <u><u>\$ 2,259,778</u></u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2009

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A. Summary of Significant Accounting Policies:

**REPORTING ENTITY**

Stephenson County, Illinois was incorporated on March 4, 1837, under the provisions of the State of Illinois. The County operates under a Chairman/Board form of government and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, planning and zoning, maintenance and operation of nursing home facilities, and general administrative services.

The accounting policies of the County conform to generally accepted principles as applicable to governmental units. Stephenson County's basic financial statements include the accounts, of all County operations that are controlled by or dependent on the County. Control or dependence is determined by financial interdependency, selection of governing board, designation of management, accountability for fiscal matters and ability to significantly influence operations.

In evaluating how to define the government, for financial reporting purposes, the County has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the County and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities.

The County is considered to be a primary government pursuant to GASB Statement 14, as amended by GASB 39, since it is legally separate and financially independent. This report includes all of the funds and account groups of the County. It includes all activities considered to be part of (controlled by or dependent on) the County as set forth under the GAAP criteria.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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A. Summary of Significant Accounting Policies (Continued):

**GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING**

The government wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of the interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Earnings on investments are not included among program revenues, but are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Fiduciary funds for which the County maintains a Fiduciary or Agency responsibility are not presented in the government wide financial statements.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the County:

**Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Governmental fund financial

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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A. Summary of Significant Accounting Policies (Continued):

**GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING (CONTINUED)**

**Governmental Funds (Continued)**

statements are reported using the modified accrual basis method of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become 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 generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County has elected to take exception to this assumption for income tax revenue remitted by the State. Due to the State being late with these payments, the County considers those amounts applicable to the current fiscal year to be available if they have been vouchered by the State and will be paid after the 60 day period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The following is a description of the governmental funds of the County:

1. General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a particular purpose.
3. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
4. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business type/proprietary funds).

**Proprietary Fund**

The focus of the proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Proprietary funds have selected to consistently not follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989 as permitted under Governmental Standards Board Statement No. 20.



STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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A. Summary of Significant Accounting Policies (Continued):

**GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING (CONTINUED)**

**Proprietary Fund (Continued)**

A proprietary fund is a fund in which a fee is charged to external users of goods and services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on pricing policy designed to recover similar costs.

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 County's internal service funds are charges to employees for insurance coverage. Operating expenses for internal service funds include the administrative expenses and insurance premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

**General Fund**

The general fund is the general operating fund of the County. It is used to account for all the financial resources except those required to be accounted for in another fund.

**Liability Insurance**

To account for tax monies and reimbursements restricted for liability insurance and related tort expenditures.

**Illinois Municipal Retirement Fund**

To account for tax monies and reimbursements restricted for funding of the county IMRF retirement system.

**County Health Department**

To account for tax monies, fees, grants and other reimbursements used to operate the County's Health Department.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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A. Summary of Significant Accounting Policies (Continued):

**CASH AND INVESTMENTS**

Cash consists of demand deposits and savings accounts, both being easily accessible and with short-term duration. Investments as of November 30, 2009 consist of treasury bills, certificates of deposit, and money market accounts in various financial institutions. Deposits and investments are stated at cost, which approximates market. Statutes authorize the County to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

**PROPERTY TAXES**

It is the County's intention that property taxes generated from the 2008 property tax levy be used to finance the operating budget of the fiscal year ending November 30, 2009. Therefore, property tax receipts represent the receipts primarily generated by the 2008 property tax levy.

The 2008 levy was passed by the Board on November 30, 2008. Property taxes attach as an enforceable lien on property as of January 1 and are generally payable in two installments in June and September. The County receives significant distributions of tax receipts within one month of these due dates.

In November 2009, the County levied its 2009 taxes which will be recognized as revenue in 2010. As of November 30, 2009, the County will record the 2009 tax levy as property tax receivable and deferred property taxes on the financial statements.

**INVENTORY**

Inventory of revenue stamps is carried at cost, based on the first in, first out method.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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A. Summary of Significant Accounting Policies (Continued):

**FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

**COMPENSATED ABSENCES**

Regular full-time and regular part-time employees accrue and receive vested rights in vacation time according to their years of continuous service. Additionally accumulated vacation time which is not subject to forfeiture will be paid to employees upon separation from Stephenson County's service. As a result, these compensated absences are accrued for in the appropriate funds, and are recognized as expenditures when earned. Earned sick days can accumulate to a maximum of 60 days, and at the end of each calendar year, depending on their contract employees may receive one or two working day's pay for every three sick days accumulated above the 60 maximum days. Except in cases of over accumulation, payment is only made for illness.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. Deposits and Investments:

**Deposits.** At year-end, the carrying amount of the County's deposits in checking, money market accounts, savings accounts and certificates of deposit was \$6,933,647 and the bank balance was \$7,313,324. Of the bank balance, \$7,313,324 was covered by Federal Depository Insurance or by collateral held by pledging bank's trust department or by its agent in the County's name and \$0 was uninsured.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. As of November 30, 2009, \$0 of the County's balance was exposed to custodial credit risk and was uninsured and uncollateralized.

For financial statement purposes, the County shows certificates of deposits and money market accounts as temporary cash investments.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

B. Deposits and Investments (Continued):

**Investments.** As of November 30, 2009, the County's investments were as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Investment in state investment pool	\$2,105,841	\$2,105,841
Money market mutual fund	<u>1,360,010</u>	<u>1,360,010</u>
Total	<u>\$3,465,851</u>	<u>\$3,465,851</u>

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. The County has no specific policy on the interest rate risk at year-end.

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

	<u>Remaining Maturity (in Months)</u>			
	<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>Total</u>
External investment pool	\$2,105,841	\$ -	\$ -	\$2,105,841
Money market mutual fund	<u>1,360,010</u>	<u>-</u>	<u>-</u>	<u>1,360,010</u>
Total	<u>\$3,465,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,465,851</u>

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the County's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

B. Deposits and Investments (Continued):

	Total as of <u>November 30, 2009</u>	<u>AAAm</u>	<u>Unrated</u>
External investment pool	\$2,105,841	\$2,105,841	\$ -
Money market mutual fund	<u>1,360,010</u>	<u>-</u>	<u>1,360,010</u>
Total	<u>\$3,465,851</u>	<u>\$2,105,841</u>	<u>\$1,360,010</u>

Concentration of Credit Risk:

The County has no investments, other than mutual funds that are exempted from this requirement, in any one issuer that represent 5% or more of total County's investments.

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of November 30, 2009 there are no investments with custodial credit risk.

Foreign Currency Risk:

The County has no foreign currency risk for investments at year end.

C. Property, Plant and Equipment:

Capital assets, which include buildings, land improvements, construction in progress and equipment are reported in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$5,000 depending on the asset type, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are stated at estimated fair market value as of the date of acquisition. The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except construction in progress, are being depreciated using the straight line method over the following useful lives:

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

C. Property, Plant and Equipment (Continued):

Buildings & Improvements	40 years
Infrastructure	20 - 50 years
Equipment & Vehicles	5 - 7 years

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

The governmental activities capital asset activity for the year ended November 30, 2009 is as follows:

	Balance December 1, 2008	Additions	Deletions	Balance November 30, 2009
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 294,555	\$ -	\$ -	\$ 294,555
Capital assets being depreciated:				
Infrastructure	654,094,867	-	-	654,094,867
Buildings and Improvements	15,161,121	-	-	15,161,121
Equipment and Vehicles	<u>4,983,062</u>	<u>430,111</u>	<u>314,297</u>	<u>5,098,876</u>
Total capital assets being depreciated	<u>674,239,050</u>	<u>430,111</u>	<u>314,297</u>	<u>674,354,864</u>
Less accumulated depreciation for:				
Infrastructure	386,859,916	31,623,600	-	418,483,516
Buildings and Improvements	4,228,691	370,364	-	4,599,055
Equipment and Vehicles	<u>3,979,992</u>	<u>294,107</u>	<u>314,297</u>	<u>3,959,802</u>
Total accumulated depreciation	<u>395,068,599</u>	<u>32,288,071</u>	<u>314,297</u>	<u>427,042,373</u>
Total capital assets being depreciated, net:	<u>279,170,451</u>	<u>(31,857,960)</u>	<u>-</u>	<u>247,312,491</u>
Governmental activities capital assets, net	<u>\$279,465,006</u>	<u>\$(31,857,960)</u>	<u>\$ -</u>	<u>\$247,607,046</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

C. Property, Plant and Equipment (Continued):

The business-type activities capital asset activity for the year ended November 30, 2009 is as follows:

	Balance <u>December 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>November 30, 2009</u>
<b>Business Activities:</b>				
Capital assets being depreciated:				
Buildings and improvements	\$2,979,751	\$24,675	\$ -	\$3,004,426
Equipment and vehicles	<u>1,044,405</u>	<u>-</u>	<u>-</u>	<u>1,044,405</u>
Total capital assets being depreciated	<u>4,024,156</u>	<u>24,675</u>	<u>-</u>	<u>4,048,831</u>
Less accumulated depreciation for:				
Buildings and improvements	1,873,700	74,322	-	1,948,022
Equipment and vehicles	<u>836,344</u>	<u>30,750</u>	<u>-</u>	<u>867,094</u>
Total accumulated depreciation	<u>2,710,044</u>	<u>105,072</u>	<u>-</u>	<u>2,815,116</u>
Business type capital assets, net:	<u>\$1,314,112</u>	<u>\$(80,397)</u>	<u>\$ -</u>	<u>\$1,233,715</u>

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

**Governmental activities:**

General government	\$ 198,187
Public safety	123,799
Public works	31,910,381
Health, sanitation, and welfare	88,615
Judicial and court related	<u>356,703</u>
Total depreciation expense, governmental activities	<u>\$32,677,685</u>

**Business-type activities:**

Nursing Center	<u>\$105,072</u>
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STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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D. Long-Term Debt:

**JAIL DEBT CERTIFICATES, SERIES 2007**

In 1998, the County issued \$11,060,000 of Illinois Rural Bond Bank Revenue Bonds to construct and equip a new County jail through a trustee, who will in turn, lease the jail to the County. The County's lease payments to the trustee will be used to repay the bonds. A referendum was passed during the 1997 fiscal year allowing for a Public Safety sales tax.

On October 1, 2007, the County issued Debt Certificates to refinance the Revenue Bonds and pay off the lease. The Debt Certificates were issued in the amount of \$6,395,000. Principal and interest payments are due annually on December 1 ending December 1, 2026. Interest only payments are due annually on June 1. Interest rates range from 4.0% to 5.0%. The following is a schedule of debt payments due over the life of the certificates:

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ -	\$ 132,213
2011	240,000	259,625
2012	250,000	249,825
2013	260,000	238,325
2014	270,000	225,075
2015 - 2019	1,580,000	902,125
2020 - 2024	1,990,000	489,363
2025 - 2027	<u>1,400,000</u>	<u>85,400</u>
Total	<u>\$5,990,000</u>	<u>\$2,581,951</u>

**JAIL AUDIO SYSTEM NOTE PAYABLE**

On June 1, 2007, the County borrowed \$70,000 through a note payable at a local bank for the purchase of an audio system. The note is payable in 8 semi-annual payments of \$9,825 with an interest rate of 5.2% and final payment June 1, 2011.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$9,091	\$734
2011	<u>18,309</u>	<u>748</u>
Total	<u>\$27,400</u>	<u>\$1,482</u>



STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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D. Long-Term Debt (Continued):

**JAIL VIDEO SYSTEM NOTE PAYABLE**

On December 7, 2007, the County borrowed \$50,000 through a note payable at a local bank for the purchase of a video system. The note is payable in 6 semi-annual payments of \$5,746 with an interest rate of 5.22% and final payment December 7, 2009.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	<u>\$4,774</u>	<u>\$972</u>

**SHERIFF RADIO EQUIPMENT NOTE PAYABLE**

On June 12, 2008, the County borrowed \$56,387 through a note payable at a local bank for the purchase of radio equipment. The note is payable in 5 annual payments of \$12,927 with an interest rate of 4.67% and final payment June 1, 2013.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$10,685	\$2,202
2011	11,195	1,690
2012	11,727	1,156
2013	<u>12,445</u>	<u>590</u>
Total	<u>\$46,052</u>	<u>\$5,638</u>

**SHERIFF SQUAD CAR NOTE PAYABLE**

On December 2, 2008, the County borrowed \$300,000 through a note payable at a local bank for the purchase of 14 squad cars. The note is payable in 8 semi-annual payments of \$40,300 with an interest rate of 3.95% and final payment July 5, 2012.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$72,029	\$8,571
2011	74,926	5,674
2012	<u>86,107</u>	<u>2,661</u>
Total	<u>\$233,062</u>	<u>\$16,906</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

D. Long-Term Debt (Continued):

**PHONE SYSTEM NOTE PAYABLE**

On June 19, 2008, the County borrowed \$150,000 through a note payable at a local bank for the purchase of a phone system. The note is payable in 60 monthly payments of \$2,077 with an interest rate of 4.375% and final payment October 19, 2012.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 20,151	\$ 4,767
2011	21,052	3,866
2012	21,984	2,934
2013	22,976	1,942
2014	24,004	914
2015	<u>7,817</u>	<u>63</u>
Total	<u>\$117,984</u>	<u>\$14,486</u>

**REAL ESTATE MORTGAGE**

During the year ended November 30, 1999, the Stephenson County Board of Health entered into a promissory note with State Bank for the renovation of the new Health Department building. The original amount of the note was \$600,000, with a fixed rate of interest of 4.37% to mature August 14, 2004. It was refinanced with a balance of \$559,039 on September 22, 2003 to mature August 14, 2008. On April 25, 2008, an additional \$200,000 was paid to reduce the principal balance and the mortgage was refinanced to be due April 25, 2018. The debt is secured by the Health Department building. Payments of \$2,573 are due monthly with an interest rate of 4.05%.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 22,387	\$ 8,496
2011	23,311	7,569
2012	24,273	6,607
2013	25,274	5,605
2014	26,317	4,563
2015 - 2018	<u>100,068</u>	<u>8,867</u>
Total	<u>\$221,630</u>	<u>\$41,707</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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D. Long-Term Debt (Continued):

**HIGHWAY DEPARTMENT BUILDING DEBT CERTIFICATES**

In August 2002, the County issued \$2,000,000 of Debt certificates to pay part of the cost of building and equipping a building and related facilities for the County's Highway Department.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 85,000	\$ 63,784
2011	90,000	60,724
2012	95,000	57,258
2013	100,000	53,578
2014	100,000	49,578
2015 - 2019	575,000	179,855
2020 - 2022	<u>410,000</u>	<u>40,500</u>
Total	<u>\$1,455,000</u>	<u>\$505,277</u>

**GENERAL OBLIGATION DEBT CERTIFICATES**

In May 2006, the County issued \$6,000,000 of Debt certificates to pay part of the cost of a public improvement project related to economic development. See Note M for further information. Interest only payments are to be made quarterly at a rate of 4.6%. The entire principal of \$6,000,000 will be refinanced with TIF Bonds on May 15, 2011.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ -	\$276,000
2011	<u>6,000,000</u>	<u>103,500</u>
Total	<u>\$6,000,000</u>	<u>\$379,500</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

D. Long-Term Debt (Continued):

The following is a summary of changes in long-term debt for the year ended November 30, 2009:

	<u>Balance</u> <u>December 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30, 2009</u>
Note Payable	\$ 211,930	\$ 348,000	\$ 130,658	\$ 429,272
Mortgage Payable	241,383	-	19,753	221,630
Tax Anticipation Warrants	-	2,023,000	2,023,000	-
Debt Certificates	<u>13,760,000</u>	<u>-</u>	<u>315,000</u>	<u>13,445,000</u>
Total	<u>\$14,213,313</u>	<u>\$2,371,000</u>	<u>\$2,488,411</u>	<u>\$14,095,902</u>

The County is subject to a debt limitation of 2.875% of its assessed valuation of \$642,931,111. As of November 30, 2009 the County had \$4,388,367 of remaining legal debt margin.

E. Restricted Net Assets:

The Nursing Center has \$10,659 in restricted cash and investments. The monies have been received through donations and bequests. These funds have been committed to future capital additions of the Nursing Center.

F. Pension Plan:

***PLAN DESCRIPTION***

The County's defined benefit pension plan for Regular and SLEP (Sheriff's Law Enforcement Personnel) employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is 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 a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

***FUNDING POLICY***

As set by statute, the County's Regular plan members are required to contribute 4.5 percent (7.5 percent for SLEP members) percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2008 was 6.55 percent (15.70 percent for SLEP members) of annual covered payroll. The

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

F. Pension Plan (Continued):

***FUNDING POLICY (CONTINUED)***

County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

***ANNUAL PENSION COST***

For 2008, the County's **annual pension cost** of \$537,319 for the Regular plan (\$459,206 for SLEP members) was equal to the County's required and actual contributions.

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

**REG:**

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$537,319	100%	\$0
12/31/07	528,258	100%	0
12/31/06	623,739	100%	0

**SLEP:**

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$459,206	100%	\$0
12/31/07	456,380	100%	0
12/31/06	413,815	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the 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. The County's Regular plan's unfunded and (SLEP plan's unfunded) actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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F. Pension Plan (Continued):

***FUNDED STATUS AND FUNDING PROGRESS***

As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 90.64 percent funded, (68.94 percent for SLEP funded). The actuarial accrued liability for benefits was \$19,799,068 (\$11,326,996 for SLEP) and the actuarial value of assets was \$17,945,261, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,853,807, and (\$7,808,511 for SLEP, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,518,485). The covered payroll (annual payroll of active employees covered by the Regular plan) was \$8,203,343 and the ratio of the UAAL to the covered payroll was 23 percent. For SLEP members, the covered payroll (annual payroll of active employees covered by the plan) was \$2,924,879 and the ratio of the UAAL to the covered payroll was 120 percent.

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

G. Self-Insurance:

The County is partially self-insured for health care benefits provided to its own employees. The purpose of this program is to pay medical insurance claims of the County employees and their covered dependents and minimize the total costs of annual insurance to the municipality. The health insurance consultant determines premium payments to be made by the County. Annual claims are paid from accumulated premium payments, and claims exceeding accumulated premium payments are paid by the private insurance carrier. Employee and dependent coverage is partially funded by charges to employees and the remainder by the County.

Under the program, the County is responsible for the first \$100,000 of covered charges per individual per year and approximately the first \$2,424,257 of covered charges in aggregate. Health care claims which exceed \$100,000 of covered charges per individual per year or which aggregate more than \$2,424,257 are covered by insurance.

H. Deficit Fund Balances/Retained Earnings:

The General Fund, had a deficit fund balance of \$785,008 at November 30, 2009. The County Highway Fund, a Special Revenue Fund, had a deficit fund balance of \$120,212. The Dependent Children Fund, a Special Revenue Fund, had a deficit fund balance of \$6,703. The Highway Building Fund, a Capital Projects Fund, had a deficit fund balance of \$135,249.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

I. Interfund Receivables and Payables:

The following is a summary of interfund receivables and payables due at November 30, 2009.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$1,448,741
Liability Insurance	341,036	-
Illinois Municipal Retirement	300,949	-
Non-major governmental funds	1,709,911	629,615
Internal service funds	427,000	-
Enterprise:		
Nursing Center	-	700,540
Totals	<u>\$2,778,896</u>	<u>\$2,778,896</u>

The purpose of the interfund balances is to fund short-term cash shortfalls in the various funds. They will be paid back as cash positions in the borrowing funds improve.

J. Transfers:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General Fund	\$ -	\$ 469,500
County Health Department	210,000	-
Non-major funds	<u>1,268,819</u>	<u>1,009,319</u>
	<u>\$1,478,819</u>	<u>\$1,478,819</u>

All transfers were made for budgeted capital outlays or to subsidize small funds.

K. Other Assets:

During the years ended November 30, 2006, 2007, and 2008, the County purchased land, incurred engineering costs, and made land improvements totaling \$4,592,378 related to the Mill Race Crossing Economic Development Project. With the cooperation of the Northwest Illinois Development Alliance, the County intends to develop infrastructure in the area and use the land for new business development. Any proceeds from the sale of the land will go to the County to offset the cost of the original purchase and further costs the County incurs to develop the land.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2009

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L. Risk Management:

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the County purchases insurance coverage through ICRMT. The deductibles in effect through these policies as of November 30, 2009 were \$50,000 for liability and property. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

M. Prior Period Adjustment:

The Employee Health Insurance Fund was reclassified from a Special Revenue Fund/ Governmental Fund to an Internal Service Fund at the beginning of the year to more accurately reflect the purpose of the fund. Beginning fund balance/net assets was adjusted in the amount of \$560,048 between the two fund types.

N. Other Postemployment Benefits:

In July 2004, the Governmental Accounting Standards Board issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires a systematic, accrual basis measurement and recognition of other postemployment benefit (OPEB) expense over a period that approximates employees' years of service. The Statement also requires the information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The County elected to not adopt the new standards related to other postemployment benefits.

O. Pending Accounting Pronouncements:

Accounting and Financial Reporting for Intangible Assets is effective for the fiscal year ending November 30, 2010. The pronouncement establishes accounting and reporting standards for those entities with intangible assets (such as patents, trademarks, internally developed software).

Accounting and Financial Reporting for Derivative Instruments is effective for the fiscal year ending November 30, 2010. The pronouncement establishes definitions of derivative instruments and establishes accounting, reporting and disclosure requirements for those entities involved with such instruments.

Fund Balance Reporting and Governmental Fund Type Definitions is effective for the fiscal year ending November 30, 2011. The pronouncement significantly changes the reporting and disclosure of "fund balance" information in the financial statements.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

STEPHENSON COUNTY, ILLINOIS  
November 30, 2009

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**Required Supplementary Information  
Schedule of Funding Progress**

**REG:**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/08	\$17,945,261	\$19,799,068	\$1,853,807	90.64%	\$8,203,343	22.60%
12/31/07	22,285,748	19,510,407	(2,775,341)	114.22%	8,065,005	0.00%
12/31/06	20,939,607	18,397,218	(2,542,389)	113.82%	7,835,923	0.00%

**SLEP:**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/08	\$7,808,511	\$11,326,996	\$3,518,485	68.94%	\$2,924,879	120.30%
12/31/07	8,495,144	10,202,750	1,707,606	83.26%	2,857,737	59.75%
12/31/06	7,595,492	9,018,344	1,422,852	84.22%	2,555,994	55.67%

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND  
SCHEDULE OF REVENUES RECEIVED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Revenues Received:</u></b>				
Taxes:				
Property taxes	\$ 1,665,000	\$ 1,665,000	\$ 1,656,239	\$ (8,761)
State income tax	1,430,000	1,430,000	1,180,410	(249,590)
State sales tax	400,000	400,000	375,013	(24,987)
State supplemental sales tax	1,000,000	1,000,000	945,649	(54,351)
State use tax	212,000	212,000	218,004	6,004
Replacement tax	345,860	345,860	236,530	(109,330)
Inheritance tax	20,000	20,000	12,210	(7,790)
Treasurer/tax sale automation	87,000	87,000	250,279	163,279
	<u>5,159,860</u>	<u>5,159,860</u>	<u>4,874,334</u>	<u>(285,526)</u>
Total taxes				
	<u>5,159,860</u>	<u>5,159,860</u>	<u>4,874,334</u>	<u>(285,526)</u>
Fees, licenses, permits, and fines:				
County clerk fees	217,000	217,000	158,293	(58,707)
Circuit clerk fees	516,000	516,000	540,904	24,904
County sheriff fees	327,200	327,200	307,676	(19,524)
State's attorney fees	30,000	30,000	40,710	10,710
County coroner fees	625	625	1,625	1,000
Supervisor of assessment fees	50,000	50,000	30,874	(19,126)
Zoning fees	369,000	369,000	19,104	(349,896)
Licenses	16,000	16,000	16,625	625
Criminal fines	263,000	263,000	263,621	621
Traffic fines	400,000	400,000	320,086	(79,914)
Cable franchise fees	16,900	16,900	21,789	4,889
Court security fees	141,000	141,000	144,624	3,624
County ordinances	700	700	550	(150)
	<u>2,347,425</u>	<u>2,347,425</u>	<u>1,866,481</u>	<u>(480,944)</u>
Total fees, licenses, permits, and fines				
	<u>2,347,425</u>	<u>2,347,425</u>	<u>1,866,481</u>	<u>(480,944)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF REVENUES RECEIVED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Revenues Received (Continued):</u></b>				
Intergovernmental revenue received:				
State of Illinois salary reimbursements	671,220	677,316	669,104	(8,212)
County sheriff reimbursements	-	-	37,225	37,225
State of Illinois grant - Help America Vote	50,000	50,000	24,585	(25,415)
State's attorney grant	-	-	18,500	18,500
Total intergovernmental revenues received	721,220	727,316	749,414	22,098
Other revenue received:				
Interest on investments	20,000	20,000	(547)	(20,547)
Boarding of Prisoners	72,000	72,000	27,555	(44,445)
Revenue stamps	50,000	50,000	101,998	51,998
Street value	2,400	2,400	2,801	401
Miscellaneous	938,185	938,185	47,264	(890,921)
Total other revenue received	1,082,585	1,082,585	179,071	(903,514)
Total revenues received	<u>\$ 9,311,090</u>	<u>\$ 9,317,186</u>	<u>\$ 7,669,300</u>	<u>\$ (1,647,886)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed:</u></b>				
<b><u>General Government:</u></b>				
<b><u>County Properties</u></b>				
Personnel:				
Salaries - other full time	\$ 31,890	\$ 31,890	\$ 32,076	\$ 186
Salaries - overtime	2,000	2,000	717	(1,283)
Total personnel	33,890	33,890	32,793	(1,097)
Commodities:				
Cleaning supplies	2,500	2,500	2,727	227
Paper supplies - towels, etc.	3,500	3,500	4,104	604
Electrical supplies	1,500	1,500	1,165	(335)
Hardware supplies	200	200	62	(138)
Plumbing supplies	1,500	1,500	329	(1,171)
Painting supplies	100	100	4	(96)
Salt	800	800	620	(180)
Total commodities	10,100	10,100	9,011	(1,089)
Contractual:				
Advertising and publishing	300	300	-	(300)
Boiler - state inspection	250	250	300	50
Gas - natural	20,000	20,000	10,322	(9,678)
Electric	50,000	50,000	53,052	3,052
Telephone - alarm system	500	500	22	(478)
Water and sewer	3,200	3,200	2,295	(905)
Garbage disposal	1,723	1,723	1,594	(129)
Pest control	100	100	-	(100)
Maintenance - environmental	16,000	16,000	7,317	(8,683)
Maintenance - painting & decorating	800	800	199	(601)
Maintenance - elevators	12,000	12,000	23,555	11,555
Maintenance - general	2,800	2,800	2,733	(67)
Maintenance - telephone system	2,000	2,000	65	(1,935)
Landscaping	100	100	29	(71)
Courthouse building repair	5,000	5,000	2,192	(2,808)
Janitorial contract	1,500	1,500	520	(980)
Total contractual	116,273	116,273	104,195	(12,078)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>General Government (Continued):</u>				
<u>County Properties (Continued)</u>				
Capital outlay:				
Equipment	1,500	1,500	98	(1,402)
Total county properties	161,763	161,763	146,097	(15,666)
<u>County Board Expense Disbursed</u>				
Personnel:				
Salaries - per diem	78,325	78,325	72,825	(5,500)
Chairman	20,725	20,725	20,600	(125)
Total personnel	99,050	99,050	93,425	(5,625)
Commodities:				
Books, periodicals, and manuals	10	10	-	(10)
Stationery and supplies	50	50	27	(23)
Total contractual	60	60	27	(33)
Contractual:				
Auto mileage	9,000	12,000	12,355	355
Advertising and publishing	1,200	300	275	(25)
Printing, duplicating, and binding	1,000	-	-	-
Photocopies	1,000	500	318	(182)
Telephone	50	50	-	(50)
Dues and memberships	2,200	2,100	1,988	(112)
Meetings and seminars	3,010	2,510	2,098	(412)
Total contractual	17,460	17,460	17,034	(426)
Total county board	116,570	116,570	110,486	(6,084)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>General Government (Continued):</u></b>				
<b><u>County Treasurer</u></b>				
Personnel:				
Salaries - department head	45,000	45,000	45,000	-
Salaries - deputies	25,080	25,080	25,080	-
Salaries - part-time deputy	23,000	23,000	20,169	(2,831)
Overtime salaries - deputies	200	200	193	(7)
Total personnel	93,280	93,280	90,442	(2,838)
Commodities:				
Stationery and supplies	600	600	530	(70)
Computer supplies	3,500	4,650	4,607	(43)
Office equipment	4,800	4,800	3,095	(1,705)
Total commodities	8,900	10,050	8,232	(1,818)
Contractual:				
Mileage	300	300	-	(300)
Advertising and publishing	1,400	250	713	463
Telephone	700	700	16	(684)
Office equipment repair	200	200	195	(5)
Total contractual	2,600	1,450	924	(526)
Total county treasurer	104,780	104,780	99,598	(5,182)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>General Government (Continued):</u></b>				
<b><u>County Clerk and Recorder</u></b>				
Personnel:				
Salaries - department head	48,000	48,000	48,000	-
Salaries - deputies	100,992	100,992	90,041	(10,951)
Overtime salaries	500	75	-	(75)
Excess sick days	1,205	1,630	1,627	(3)
Total personnel	150,697	150,697	139,668	(11,029)
Commodities:				
Stationery and supplies	10,000	10,000	9,544	(456)
Computerized recording system	10	10	-	(10)
Office equipment (under \$500)	400	400	-	(400)
Books, periodicals, and manuals	10	10	-	(10)
Operational expense	2,000	2,000	1,362	(638)
Total commodities	12,420	12,420	10,906	(1,514)
Contractual:				
Auto mileage	600	600	253	(347)
Publishing	400	400	27	(373)
Printing, duplicating, and binding	2,000	2,000	2,000	-
Photocopies	10	10	-	(10)
Office equipment repair	100	100	84	(16)
Dues and memberships	400	400	346	(54)
Meetings and seminars	650	680	678	(2)
Instruction and schooling	20	20	-	(20)
Miscellaneous fees (register births and deaths)	1,200	1,200	1,089	(111)
Telephone	700	670	-	(670)
IT Equipment	4,000	4,000	3,183	(817)
Total contractual	10,080	10,080	7,660	(2,420)
Total county clerk and recorder	173,197	173,197	158,234	(14,963)

See Notes to Required Supplementary Information.



STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>General Government (Continued):</u></b>				
<b><u>Zoning</u></b>				
Personnel:				
Salaries - department head	40,900	42,250	42,231	(19)
Salaries - secretary	12,035	12,035	12,093	58
Salaries - per diem	2,400	2,400	700	(1,700)
Excess sick days	900	900	878	(22)
Total personnel	56,235	57,585	55,902	(1,683)
Commodities:				
Stationery and supplies	1,000	1,000	936	(64)
Office equipment (under \$500)	500	660	651	(9)
Film	-	-	-	-
Total commodities	1,500	1,660	1,587	(73)
Contractual:				
Auto mileage	3,500	3,500	2,370	(1,130)
Advertising and publishing	3,000	2,490	146	(2,344)
Photocopies	1,000	1,000	537	(463)
Office equipment repairs	400	400	281	(119)
Rent	3,500	3,500	3,500	-
Meetings and seminars	400	400	120	(280)
Telephone	2,500	2,500	1,237	(1,263)
Total contractual	14,300	13,790	8,191	(5,599)
Total zoning	72,035	73,035	65,680	(7,355)
<b><u>Administrative Services</u></b>				
Personnel:				
Salaries - department head	61,500	61,500	61,500	-
Salaries - secretary	31,242	31,292	31,291	(1)
Excess sick days	2,735	2,840	2,838	(2)
Total personnel	95,477	95,632	95,629	(3)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>General Government (Continued):</u></b>				
<b><u>Administrative Services (Continued)</u></b>				
Commodities:				
Stationery and supplies	250	250	155	(95)
Computer supplies	150	150	81	(69)
Office equipment (under \$500)	160	5,030	4,959	(71)
Printing paper and supplies	3,000	4,000	3,947	(53)
Total commodities	3,560	9,430	9,142	(288)
Contractual:				
Auto mileage	500	175	92	(83)
Postage	69,000	81,500	81,385	(115)
Postage presort service	3,200	3,200	1,088	(2,112)
Printing, duplicating and binding	200	200	-	(200)
Photocopies	10	10	(43)	(53)
Telephone	25,368	55,368	103,038	47,670
Office equipment repair	750	750	629	(121)
Dues and memberships	290	290	270	(20)
Postage meter rental	1,000	1,000	847	(153)
Meetings and seminars	150	150	8	(142)
Education Assistance	10	10	-	(10)
Computer contract	8,400	9,000	8,979	(21)
Computer instruction	1,000	200	145	(55)
Total contractual	109,878	151,853	196,438	44,585
Total administrative services	208,915	256,915	301,209	44,294

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>General Government (Continued):</u>				
<u>Facilities Management</u>				
Personnel:				
Salaries - department head	130,976	130,976	130,868	(108)
Commodities:				
Stationery and supplies	50	50	-	(50)
Office equipment (under \$500)	3,000	3,050	1,538	(1,512)
Books, periodicals, and manuals	300	300	156	(144)
Total commodities	3,350	3,400	1,694	(1,706)
Contractual:				
Auto mileage	2,000	2,000	1,437	(563)
Telephone	300	300	-	(300)
Meetings and seminars	1,200	1,150	-	(1,150)
Total contractual	3,500	3,450	1,437	(2,013)
Capital outlay:				
Pickup truck	3,500	3,500	-	(3,500)
Total facilities management	141,326	141,326	133,999	(7,327)
<u>Supervisor of Assessments</u>				
Personnel:				
Salaries - department head	61,900	61,900	61,900	-
Salaries - deputies	54,825	54,825	54,821	(4)
Salaries - overtime	1,000	1,000	881	(119)
Salaries - board of review	10,500	10,500	10,500	-
Excess sick days	2,512	2,512	2,360	(152)
Total personnel	130,737	130,737	130,462	(275)
Commodities:				
Stationery and supplies	2,500	2,500	1,370	(1,130)
Total commodities	2,500	2,500	1,370	(1,130)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>General Government (Continued):</u>				
<u>Supervisor of Assessments (Continued)</u>				
Contractual:				
Appraisal Maintenance	38,640	38,640	38,640	-
Independent appraisal	10	10	-	(10)
Auto mileage	3,500	3,500	1,523	(1,977)
Advertising and publishing	16,500	18,900	17,854	(1,046)
Printing, duplicating, and binding	2,500	2,500	1,328	(1,172)
Photocopies	2,400	2,400	2,176	(224)
Dues and memberships	750	750	595	(155)
Meetings and seminars	5,000	2,350	982	(1,368)
Appraisal software	12,500	12,750	12,734	(16)
Office equipment (over \$500)	10	10	-	(10)
Telephone	1,000	1,000	-	(1,000)
Total contractual	82,810	82,810	75,832	(6,978)
Total supervisor of assessments	216,047	216,047	207,664	(8,383)
<u>Recreation and Conservation</u>				
Contractual:				
Electric	275	275	268	(7)
Improvements	10	10	-	(10)
Maintenance - Kent Monument	450	450	368	(82)
Maintenance - Currier Creek	10	10	-	(10)
Pec prairie path	5,000	5,000	3,571	(1,429)
Jane Addams trail	10,000	10,000	9,030	(970)
Total recreation and conservation	15,745	15,745	13,237	(2,508)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>General Government (Continued):</u></b>				
<b><u>Election Expense</u></b>				
Personnel:				
Salaries - deputies	51,010	51,010	47,633	(3,377)
Salaries - part-time	5,000	5,000	2,414	(2,586)
Salaries - per diem	43,000	43,000	17,266	(25,734)
Total personnel	99,010	99,010	67,313	(31,697)
Commodities:				
Books, periodicals, and manuals	10	10	-	(10)
Printing paper and supplies	80,000	52,360	41,405	(10,955)
Total commodities	80,010	52,370	41,405	(10,965)
Contractual:				
Auto mileage	900	900	831	(69)
Advertising and publishing	20,010	41,900	37,046	(4,854)
Photocopies	10	10	-	(10)
Telephone	10	10	-	(10)
Building and rooms	3,350	4,200	4,200	-
Total contractual	24,280	47,020	42,077	(4,943)
Capital outlay:				
Election software	40,000	44,900	44,674	(226)
Office equipment (over \$500)	510	510	-	(510)
Total capital outlay	40,510	45,410	44,674	(736)
Total election expense	243,810	243,810	195,469	(48,341)
<b><u>Economic Development</u></b>				
Contractual:				
Workforce investment	44,475	44,475	23,417	(21,058)
Blackhawk Hills-R.C. & D	11,230	11,230	11,229	(1)
FAEDF membership	100,000	100,000	100,000	-
Total economic development	155,705	155,705	134,646	(21,059)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>General Government (Continued):</u>				
<u>Contingencies</u>	<u>320,000</u>	<u>239,500</u>	<u>-</u>	<u>(239,500)</u>
<u>Miscellaneous</u>				
Contractual:				
Annual audit	40,000	45,500	45,500	-
N.W. Criminal Justice Commission	3,965	3,965	3,965	-
Soil & water conservation	25,000	25,000	25,000	-
Amity Society	1,000	1,000	-	(1,000)
Department of Veterans' Affairs	1,000	1,000	-	(1,000)
Regional office of education	41,100	41,100	40,850	(250)
Stockton School District	4,695	4,695	4,304	(391)
Interest expense	20,000	25,000	22,637	(2,363)
Insurance premiums	573,500	633,500	631,679	(1,821)
Contract grant writer	50,010	25,010	24,476	(534)
County Code Book	<u>10,000</u>	<u>4,000</u>	<u>3,545</u>	<u>(455)</u>
Total miscellaneous	<u>770,270</u>	<u>809,770</u>	<u>801,956</u>	<u>(7,814)</u>
Total general government	<u>2,700,163</u>	<u>2,708,163</u>	<u>2,368,275</u>	<u>(339,888)</u>

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>Public Safety:</u>				
<u>Law Enforcement</u>				
Personnel:				
Salaries - department head	60,000	60,000	60,000	-
Salaries - safety director	2,500	2,500	2,500	-
Salaries - deputies	1,266,500	1,266,500	1,229,537	(36,963)
Salaries - communication	341,600	341,600	315,311	(26,289)
Salaries - clerical	91,000	91,000	88,974	(2,026)
Salaries - overtime	60,000	60,000	65,882	5,882
Salaries - overtime - communication	18,000	18,000	23,926	5,926
Salaries - court deputies	155,000	155,000	148,980	(6,020)
Excess sick days	30,300	30,300	29,895	(405)
Total personnel	2,024,900	2,024,900	1,965,005	(59,895)
Commodities:				
Crime prevention supplies	1,000	1,000	828	(172)
Stationery and supplies	2,000	2,000	1,986	(14)
Stationery and supplies - communication	800	800	591	(209)
Office equipment (under \$500)	380	380	373	(7)
Books, periodicals, and manuals	500	500	-	(500)
K-9 care	1,300	1,300	536	(764)
Gasoline and operating fuel	99,000	99,000	73,224	(25,776)
Clothing - uniforms	8,000	8,000	8,825	825
Lubricants	5,000	5,000	3,575	(1,425)
Automotive tires	8,000	8,000	7,561	(439)
Automotive accessories	2,000	2,000	1,098	(902)
Sheriff's reserve unit	1,500	1,500	1,550	50
Mounted patrol	1,000	1,000	1,000	-
Total commodities	130,480	130,480	101,147	(29,333)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>Public Safety (Continued):</u>				
<u>Law Enforcement (Continued)</u>				
Contractual:				
Postage	500	500	216	(284)
Travel expense	7,500	7,500	2,980	(4,520)
Advertising and publishing	250	250	222	(28)
Photocopies	2,500	2,500	1,487	(1,013)
Telephone	14,000	14,000	12,015	(1,985)
Automotive repairs	12,000	12,000	7,797	(4,203)
Equipment repairs	5,000	5,000	(1,965)	(6,965)
Ammunition	7,700	7,700	6,423	(1,277)
Radio and tower	7,700	7,700	8,487	787
Machines and equipment	22,000	22,000	14,589	(7,411)
Office equipment	500	500	86	(414)
Dues and memberships	800	800	785	(15)
Instruction and schooling	11,000	11,000	8,495	(2,505)
Investigation expense	7,000	7,000	5,926	(1,074)
Emergency response	1,500	1,500	1,430	(70)
Total contractual	99,950	99,950	68,973	(30,977)
Capital outlay:				
Automotive	81,000	81,000	376,911	295,911
Radio	11,800	11,800	8,099	(3,701)
Total capital outlay	92,800	92,800	385,010	292,210
Total public safety	2,348,130	2,348,130	2,520,135	172,005

See Notes to Required Supplementary Information.



STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>Judiciary and Court Related:</u>				
<u>State's Attorney</u>				
Personnel:				
Salaries - department head	160,412	166,508	169,424	2,916
Salaries - assistants	279,550	272,550	271,735	(815)
Salaries - secretaries	98,235	98,235	98,228	(7)
Salaries - victim coordinator	23,500	23,500	21,640	(1,860)
Excess sick days	2,902	2,902	2,901	(1)
Total personnel	564,599	563,695	563,928	233
Commodities:				
Stationery and supplies	8,500	7,840	7,839	(1)
Office equipment	1,000	1,000	978	(22)
Books, periodicals, and manuals	1,000	1,000	920	(80)
Victim coordinator	1,000	1,000	249	(751)
Total commodities	11,500	10,840	9,986	(854)
Contractual:				
Court reporting	2,000	2,450	2,449	(1)
Appellate service	13,000	13,000	13,000	-
Travel expense	1,000	1,000	900	(100)
Photocopies	1,500	1,500	1,236	(264)
Office equipment maintenance	2,400	2,400	1,134	(1,266)
Meetings and seminars	3,500	3,500	2,669	(831)
Sheriff's fees	1,500	1,500	1,532	32
Investigation expense	500	710	707	(3)
Telephone	2,300	2,300	16	(2,284)
Educational assistance	600	600	600	-
Total contractual	28,300	28,960	24,243	(4,717)
Capital outlay:				
Equipment	17,000	17,000	12,219	(4,781)
Total state's attorney	621,399	620,495	610,376	(10,119)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Judiciary and Court Related (Continued):</u></b>				
<b><u>Circuit Clerk</u></b>				
Personnel:				
Salaries - department head	52,000	52,000	52,000	-
Salaries - deputies	210,000	210,000	205,681	(4,319)
Salaries - overtime	1,000	570	-	(570)
Excess sick days	-	430	430	-
Total personnel	263,000	263,000	258,111	(4,889)
Commodities:				
Stationery and supplies	9,000	9,000	8,622	(378)
Books, periodicals, and manuals	250	250	174	(76)
Office equipment (under \$500)	500	500	-	(500)
Total commodities	9,750	9,750	8,796	(954)
Contractual:				
Auto mileage	300	300	-	(300)
Photocopies	-	1,500	1,453	(47)
Telephone	3,000	1,500	143	(1,357)
Office equipment repairs	100	100	-	(100)
Dues and memberships	350	350	350	-
Meetings and seminars	100	100	-	(100)
Total contractual	3,850	3,850	1,946	(1,904)
Total circuit clerk	276,600	276,600	268,853	(7,747)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Judiciary and Court Related (Continued):</u></b>				
<b><u>Judicial</u></b>				
Commodities:				
Stationery and supplies	2,600	2,900	2,890	(10)
Office equipment (under \$500)	1,200	1,300	1,297	(3)
Books, periodicals, and manuals	2,500	3,400	3,355	(45)
Total commodities	6,300	7,600	7,542	(58)
Contractual:				
Office of the Chief Judge	900	900	900	-
Photocopies	250	250	108	(142)
Telephone	1,500	1,500	27	(1,473)
Office equipment repair	4,700	4,700	2,120	(2,580)
Assessment for judges salaries	2,200	2,200	2,237	37
Meetings & seminars	5,000	3,700	2,360	(1,340)
Total contractual	14,550	13,250	7,752	(5,498)
Capital outlay:				
Office equipment (over \$500)	2,500	2,500	3,801	1,301
Total judicial	23,350	23,350	19,095	(4,255)
<b><u>Corrections</u></b>				
Personnel:				
Salaries - jail administrator	51,500	51,500	51,500	-
Salaries - correction officers	1,340,600	1,340,600	1,316,290	(24,310)
Salaries - clerical	31,200	31,200	31,444	244
Salaries - part-time	15,200	15,200	13,785	(1,415)
Salaries - overtime	60,000	60,000	60,248	248
Excess sick days	4,766	4,766	4,428	(338)
Total personnel	1,503,266	1,503,266	1,477,695	(25,571)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Judiciary and Court Related (Continued):</u></b>				
<b><u>Corrections (Continued)</u></b>				
Commodities:				
Stationery and supplies	4,500	4,500	4,206	(294)
Computer supplies	5,500	5,500	4,846	(654)
Films and tapes	100	100	88	(12)
Books, periodicals, and manuals	300	300	221	(79)
Laundry	8,700	8,700	8,438	(262)
Food-county inmates	246,400	246,400	252,147	5,747
Medical and dental supplies	1,000	1,000	492	(508)
Clothing - uniforms	11,000	11,000	10,896	(104)
Kitchen	-	-	224	224
Total commodities	277,500	277,500	281,558	4,058
Contractual:				
Medical, dental and barber	152,000	152,000	152,143	143
Postage	500	500	273	(227)
Telephone	16,000	16,000	12,558	(3,442)
Instruction and schooling	28,000	28,000	18,311	(9,689)
Transporting prisoners	8,000	8,000	3,533	(4,467)
Live scan	4,500	4,500	3,995	(505)
Automotive repair	1,000	1,000	360	(640)
Radio	2,000	2,000	794	(1,206)
Total contractual	212,000	212,000	191,967	(20,033)
Total corrections	1,992,766	1,992,766	1,951,220	(41,546)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Judiciary and Court Related (Continued):</u></b>				
<b><u>Court Ordered Expenses</u></b>				
Contractual:				
Legal-attorney fees, etc.	35,000	33,700	20,093	(13,607)
Mental examinations	28,400	28,400	18,890	(9,510)
Advertising and publishing	5,000	6,300	6,287	(13)
Investigation expense	500	500	130	(370)
Witness	12,000	12,000	7,499	(4,501)
Total court ordered expenses	80,900	80,900	52,899	(28,001)
<b><u>Jury Commission</u></b>				
Personnel:				
Salaries - secretary	10	10	-	(10)
Coroner jurors	400	400	-	(400)
Circuit jurors	40,000	40,000	21,990	(18,010)
Jury commissioners	3,500	3,500	3,500	-
Total personnel	43,910	43,910	25,490	(18,420)
Commodities:				
Stationery and supplies	30	25	-	(25)
Juror meals	5,300	5,300	2,860	(2,440)
Total commodities	5,330	5,325	2,860	(2,465)
Contractual:				
Printing, duplicating and binding	800	805	780	(25)
Total jury commission	50,040	50,040	29,130	(20,910)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Judiciary and Court Related (Continued):</u></b>				
<b><u>Probation</u></b>				
Personnel:				
Salaries - department head	92,623	92,623	89,618	(3,005)
Salaries - officers	532,998	532,998	554,003	21,005
Salaries - supervisors	79,445	79,445	76,503	(2,942)
Salaries - office manager	32,285	32,285	32,286	1
Salaries - secretaries	59,929	59,929	50,865	(9,064)
Excess sick days	8,114	8,114	7,454	(660)
Total personnel	805,394	805,394	810,729	5,335
Contractual:				
Youth Diversion Programs	10,000	10,000	7,584	(2,416)
Total probation	815,394	815,394	818,313	2,919
<b><u>Merit Commission</u></b>				
Commodities:				
Stationery and supplies	150	150	-	(150)
Contractual:				
Consultants - testing	6,010	6,010	2,399	(3,611)
Court reporter	100	100	-	(100)
Attorney fees	100	100	434	334
Medical and dental	1,500	1,500	286	(1,214)
Witness fees and mileage	100	100	-	(100)
Advertising and publishing	2,000	2,000	1,046	(954)
Total contractual	9,810	9,810	4,165	(5,645)
Total merit commission	9,960	9,960	4,165	(5,795)

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Judiciary and Court Related (Continued):</u></b>				
<b><u>Jail Building</u></b>				
Personnel:				
Salaries - maintenance	12,800	12,800	12,411	(389)
Commodities:				
Cleaning supplies	500	500	186	(314)
Paper supplies - towels, etc.	450	450	317	(133)
Electrical supplies	250	250	309	59
Hardware supplies	100	100	-	(100)
Plumbing supplies	500	500	-	(500)
Painting supplies	100	100	22	(78)
Total commodities	1,900	1,900	834	(1,066)
Contractual:				
Boiler - State inspection	250	250	-	(250)
Gas - natural	10,000	10,000	5,144	(4,856)
Electrical service	10,000	10,000	10,259	259
Water and sewer	1,500	1,500	965	(535)
Garbage disposal	300	300	-	(300)
Pest control	100	100	-	(100)
Maintenance - environmental	350	350	-	(350)
Maintenance - general	3,900	3,900	793	(3,107)
Total contractual	26,400	26,400	17,161	(9,239)
Total jail building	41,100	41,100	30,406	(10,694)
Total judiciary and court related	3,911,509	3,910,605	3,784,457	(126,148)
Total expenditures disbursed	<u>\$8,959,802</u>	<u>\$8,966,898</u>	<u>\$8,672,867</u>	<u>\$ (294,031)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF OTHER FINANCING SOURCES  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Other financing sources (uses):</u></b>				
Operating transfers (out):				
Dependent Children Fund	\$ (100,700)	\$ (100,700)	\$ (82,000)	\$ 18,700
County Health Department Fund	(210,000)	(210,000)	(210,000)	-
Public Defender Fund	<u>(150,824)</u>	<u>(160,824)</u>	<u>(177,500)</u>	<u>(16,676)</u>
Total operating transfers out	<u>\$ (461,524)</u>	<u>\$ (471,524)</u>	<u>\$ (469,500)</u>	<u>\$ 2,024</u>



STEPHENSON COUNTY, ILLINOIS  
LIABILITY INSURANCE  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received:</b>				
Taxes:				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,094,617	\$ (5,383)
Other revenue received:				
Interest on investments	\$ 2,000	\$ 2,000	\$ 187	\$ (1,813)
Reimbursements	521,000	521,000	20,717	(500,283)
Total other revenue received	523,000	523,000	20,904	(502,096)
Total revenue received	<u>\$ 1,623,000</u>	<u>\$ 1,623,000</u>	<u>\$ 1,115,521</u>	<u>\$ (507,479)</u>
<b>Expenditures Disbursed:</b>				
General government:				
Salaries	\$ 13,400	\$ 13,400	\$ 13,400	\$ -
General liability	400,000	400,000	375,525	(24,475)
Workers compensation	360,000	310,000	245,264	(64,736)
Unemployment	40,000	47,000	46,685	(315)
Stop-loss premiums	1,000	1,000	970	(30)
Deductibles paid	200,000	235,000	212,581	(22,419)
Administrative	15,000	-	11,319	11,319
Total general government	<u>\$ 1,029,400</u>	<u>\$ 1,006,400</u>	<u>\$ 905,744</u>	<u>\$ (100,656)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received:</b>				
Taxes:				
Property taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,134,373	\$ (5,627)
Replacement taxes	<u>131,955</u>	<u>131,955</u>	<u>137,811</u>	<u>5,856</u>
Total other revenue received	<u>1,271,955</u>	<u>1,271,955</u>	<u>1,272,184</u>	<u>229</u>
Other revenue received:				
Interest on investments	\$ 7,200	\$ 7,200	\$ 1,895	\$ (5,305)
Reimbursements	<u>1,071,925</u>	<u>1,071,925</u>	<u>619,313</u>	<u>(452,612)</u>
Total other revenue received	<u>1,079,125</u>	<u>1,079,125</u>	<u>621,208</u>	<u>(457,917)</u>
Total revenue received	<u>\$ 1,211,080</u>	<u>\$ 1,211,080</u>	<u>\$ 759,019</u>	<u>\$ (452,061)</u>
<b>Expenditures Disbursed:</b>				
General government:				
Illinois Municipal Retirement Fund	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,636,668</u>	<u>\$ (163,332)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
COUNTY HEALTH DEPARTMENT  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received:</b>				
Taxes:				
Property taxes	\$ 40,850	\$ 40,850	\$ 40,730	\$ (120)
Fees, licenses, permits, and fines:				
Contractor	\$ 3,900	\$ 3,900	\$ 5,250	\$ 1,350
Food permits	49,859	49,859	49,593	(266)
Radon kit	385	385	679	294
Vital records	35,000	35,000	30,952	(4,048)
Well and septic	29,980	29,980	41,002	11,022
TB	100	100	360	260
Physicals	3,860	3,860	1,690	(2,170)
Total fees, licenses, permits, and fines	123,084	123,084	129,526	6,442
Intergovernmental revenue:				
State of IL Grants	\$ 5,000	\$ 5,000	\$ 9,799	\$ 4,799
FCM-public health	156,717	156,717	125,017	(31,700)
FCM-public aid	-	-	-	-
FCM-federal match	68,588	68,588	63,040	(5,548)
WIC grant	151,200	151,200	158,000	6,800
Health protection	85,354	85,354	82,793	(2,561)
Family planning	74,000	74,000	86,688	12,688
Aids prevention	10,000	10,000	2,499	(7,501)
Adolescent health	8,000	8,000	8,000	-
Tobacco settlement	19,405	19,405	10,703	(8,702)
Tobacco compliance grant	4,510	4,510	4,510	-
Childhood lead	2,500	2,500	3,799	1,299
IDPH	47,144	47,144	57,634	10,490
FQHC Start Up	79,167	79,167	79,167	-
Gear Up	-	-	8,000	8,000
H1N1	-	-	9,281	9,281
HFI-Mental Health	18,000	18,000	4,500	(13,500)
Freeport township	1,800	1,800	1,950	150
Tuberculosis board	59,000	59,000	59,000	-

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
COUNTY HEALTH DEPARTMENT  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received (Continued):</b>				
Intergovernmental revenue (continued):				
Other grants	141,967	141,967	196,720	54,753
IDPA-family planning	16,500	16,500	21,833	5,333
IDPA-lead	500	500	6,110	5,610
IDPA-immunizations	2,176	2,176	2,066	(110)
IDPA-other	5,000	5,000	11,121	6,121
Medicare	7,500	7,500	7,419	(81)
Breast and cervical cancer	168,380	168,380	170,895	2,515
Breast and cervical-primary care	177,850	177,850	183,593	5,743
Other Grants	20,000	20,000	15,271	(4,729)
Healthy families	231,400	231,400	194,800	(36,600)
0 to 3 Assurance Network	67,844	67,844	56,144	(11,700)
Teen parent services	113,419	113,419	89,719	(23,700)
Wise women	95,200	95,200	81,240	(13,960)
Total intergovernmental revenue	<u>1,838,121</u>	<u>1,838,121</u>	<u>1,811,311</u>	<u>(26,810)</u>
Sale of goods and services:				
Private pay-family planning	\$ 16,500	\$ 16,500	\$ 10,883	\$ (5,617)
Private pay-flu vaccine	25,000	25,000	24,735	(265)
Private pay-immunizations	11,725	11,725	20,275	8,550
Private pay-community clinic	9,236	9,236	9,241	5
Private pay-other	-	-	7	7
Animal Control	5,000	5,000	5,000	-
Total sale of goods and services	<u>67,461</u>	<u>67,461</u>	<u>70,141</u>	<u>2,680</u>
Other revenue received:				
Interest	\$ 12,670	\$ 12,670	\$ 7,157	\$ (5,513)
Donations	22,040	22,040	21,966	(74)
Miscellaneous	23,000	23,000	19,146	(3,854)
County reimbursements	189,856	189,856	153,629	(36,227)
Total other revenue received	<u>247,566</u>	<u>247,566</u>	<u>201,898</u>	<u>(45,668)</u>
Total revenue received	<u>\$2,317,082</u>	<u>\$2,317,082</u>	<u>\$2,253,606</u>	<u>\$ (63,476)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
COUNTY HEALTH DEPARTMENT  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Expenditures Disbursed:</b>				
Health and welfare:				
Salaries-administrator	\$ 77,186	\$ 77,186	\$ 77,927	\$ 741
Salaries-full time	1,041,384	1,041,384	1,014,880	(26,504)
Salaries-overtime	-	-	2,453	2,453
Salaries-part time	67,788	67,788	76,742	8,954
Office supplies	77,316	77,316	60,576	(16,740)
Pamphlets	6,502	6,502	5,488	(1,014)
Printing	3,380	3,380	3,972	592
Medical-clinic	71,305	71,305	60,379	(10,926)
Other	310,519	310,519	264,793	(45,726)
Breast and cervical-primary care	187,750	187,750	183,570	(4,180)
Travel	63,661	63,661	58,598	(5,063)
Postage	5,235	5,235	5,186	(49)
Advertising and publishing	11,107	11,107	7,149	(3,958)
Natural gas	8,700	8,700	2,928	(5,772)
Electricity	15,500	15,500	15,502	2
Telephone	26,735	26,735	17,119	(9,616)
Water and sewer	1,900	1,900	2,166	266
Garbage disposal	3,000	3,000	713	(2,287)
Equipment repair	18,580	18,580	10,301	(8,279)
Janitorial service	22,400	22,400	21,739	(661)
Dues	11,852	11,852	7,725	(4,127)
IDPH-vital records fee	9,000	9,000	9,266	266
Medical equipment	10,516	10,516	9,596	(920)
Office equipment	23,910	23,910	16,311	(7,599)
Interest expense	15,440	15,440	11,127	(4,313)
Mortgage payment	15,440	15,440	19,753	4,313
Insurance premiums	237,727	237,727	227,264	(10,463)
FICA	90,756	90,756	86,016	(4,740)
IMRF	77,706	77,706	67,613	(10,093)
Workers compensation	4,825	4,825	-	(4,825)
Unemployment	2,162	2,162	-	(2,162)
<b>Total health and welfare</b>	<b>\$2,519,282</b>	<b>\$2,519,282</b>	<b>\$2,346,852</b>	<b>\$ (172,430)</b>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2009

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**BUDGETS**

The term "budget" used throughout the financial statements represents the estimated revenues and appropriations as set forth in the County's annual appropriation ordinance adopted for the fiscal year ended November 30, 2009.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. At least 15 days prior to the enactment of the budget, the committee on Finance and Procurement submits to the County Board a proposed means of financing and expenditure appropriations for the fiscal year commencing the following December 1.
- b. Normally on the last Wednesday in November, but no later than November 30, the budget is legally enacted through passage of the appropriation ordinance.
- c. Budgeted amounts are as originally reported or as amended by the County Board. Individual amendments were not material in relation to the original appropriations.
- d. Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Financial statements in this report are prepared on the modified accrual basis while the budget is prepared on the cash basis. Due to this, the amounts shown on the "Combined Statement of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)" do not match the amounts shown on the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types."

The following schedule reconciles the cash basis revenues, expenditures, and other operating sources (uses) and the modified accrual basis.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2009

	<u>Budget</u>	<u>Actual on Cash Basis</u>	<u>Adjustments to GAAP Basis</u>	<u>Actual on GAAP Basis</u>
<b>General Fund:</b>				
Revenues:				
Taxes	\$ 5,159,860	\$ 4,874,334	\$ (163,167)	\$ 4,711,167
Fees, licenses, permits, and fines:	2,347,425	1,866,481	(45,761)	1,820,720
Intergovernmental revenue	727,316	749,414	(124,004)	625,410
Other revenue	1,082,585	179,071	(12,692)	166,379
Total revenues	<u>\$ 9,317,186</u>	<u>\$ 7,669,300</u>	<u>\$ (345,624)</u>	<u>\$ 7,323,676</u>
Expenditures:				
General government:				
County Properties	\$ 161,763	\$ 146,097	\$ (726)	\$ 145,371
County Board	116,570	110,486	-	110,486
County Treasurer	104,780	99,598	457	100,055
County Clerk and Elections	173,197	158,234	1,317	159,551
Zoning	73,035	65,680	7	65,687
Administrative services	256,915	301,209	(4,590)	296,619
Facilities Management	141,326	133,999	(352)	133,647
Election expense	243,810	195,469	6,581	202,050
Assessor	216,047	207,664	(12,943)	194,721
Recreation and conservation	15,745	13,237	-	13,237
Economic development	155,705	134,646	(11)	134,635
Contingencies	239,500	-	-	-
Miscellaneous	809,770	801,956	(182,546)	619,410
Public safety:				
Sheriff	2,348,130	2,520,135	(6,277)	2,513,858
Judiciary and court related:				
State's Attorney	620,495	610,376	(3,713)	606,663
Circuit Clerk	276,600	268,853	4,227	273,080
Judiciary	23,350	19,095	1,964	21,059
Corrections	1,992,766	1,951,220	13,813	1,965,033
Court ordered	80,900	52,899	2,234	55,133
Jury commission	50,040	29,130	-	29,130
Probation	815,394	818,313	3,896	822,209
Merit commission	9,960	4,165	-	4,165
Jail building	41,100	30,406	(139)	30,267
Total expenditures	<u>\$ 8,966,898</u>	<u>\$ 8,672,867</u>	<u>\$ (176,801)</u>	<u>\$ 8,496,066</u>
Other financing (uses):				
Operating transfers out	<u>\$ 471,524</u>	<u>\$ 469,500</u>	<u>\$ -</u>	<u>\$ 469,500</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2009

	<u>Budget</u>	<u>Actual on Cash Basis</u>	<u>Adjustments to GAAP Basis</u>	<u>Actual on GAAP Basis</u>
<b>Liability Insurance Fund:</b>				
Revenues:				
Taxes	\$ 1,100,000	\$ 1,094,617	\$ -	\$ 1,094,617
Other revenue	<u>523,000</u>	<u>20,717</u>	<u>187</u>	<u>20,904</u>
Total revenues	<u>\$ 1,623,000</u>	<u>\$ 1,115,334</u>	<u>\$ 187</u>	<u>\$ 1,115,521</u>
Expenditures:				
General government	<u>\$ 1,006,400</u>	<u>\$ 905,744</u>	<u>\$ (3,751)</u>	<u>\$ 901,993</u>
<b>Illinois Municipal Retirement:</b>				
Revenues:				
Taxes	\$ 1,271,955	\$ 1,272,184	\$ (5,855)	\$ 1,266,329
Other revenue	<u>1,071,925</u>	<u>621,208</u>	<u>(1,030)</u>	<u>620,178</u>
Total revenues	<u>\$ 2,343,880</u>	<u>\$ 1,893,392</u>	<u>\$ (6,885)</u>	<u>\$ 1,886,507</u>
Expenditures:				
General government	\$ 1,800,000	\$ 1,636,668	\$ (1,563,088)	\$ 73,580
Public safety	-	-	515,048	515,048
Judiciary and court related	-	-	311,535	311,535
Public works	-	-	123,634	123,634
Health and welfare	<u>-</u>	<u>-</u>	<u>579,600</u>	<u>579,600</u>
Total revenues	<u>\$ 1,800,000</u>	<u>\$ 1,636,668</u>	<u>\$ (33,271)</u>	<u>\$ 1,603,397</u>
<b>County Health Department</b>				
Revenues:				
Taxes	\$ 40,850	\$ 40,730	\$ -	\$ 40,730
Fees, licenses, permits, and fines	123,084	129,526	-	129,526
Intergovernmental revenue	1,838,121	1,811,311	64,927	1,876,238
Sale of goods and services	67,461	70,141	2,025	72,166
Other revenue	<u>247,566</u>	<u>201,898</u>	<u>3,667</u>	<u>205,565</u>
Total revenues	<u>\$ 2,317,082</u>	<u>\$ 2,253,606</u>	<u>\$ 70,619</u>	<u>\$ 2,324,225</u>
Expenditures:				
Health and welfare	<u>\$ 2,519,282</u>	<u>\$ 2,346,852</u>	<u>\$ (68,045)</u>	<u>\$ 2,278,807</u>
Other financing sources:				
Operating transfers in	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>



## **OTHER SUPPLEMENTARY INFORMATION**

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

	Total Nonmajor Governmental Funds	County Highway	County Bridge	Special DUI Equipment
<b><u>ASSETS</u></b>				
Cash	\$ 1,769,146	\$ 152,782	\$ 188,939	\$ 10,859
Investments, at cost	4,230,848	-	-	-
Accounts receivable	603,085	62	31	-
Property tax receivable	2,832,931	602,619	301,342	-
Due from other funds	1,709,911	-	450,000	-
	<u>1,709,911</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
Total assets	<u>\$ 11,145,921</u>	<u>\$ 755,463</u>	<u>\$ 940,312</u>	<u>\$ 10,859</u>
<b><u>LIABILITIES</u></b>				
Vouchers payable	\$ 236,035	\$ 26,433	\$ 4,065	\$ -
Accrued payroll	43,659	9,521	-	-
Compensated absences	12,102	12,102	-	-
Due to other funds	629,615	225,000	-	-
Deferred revenue	2,832,931	602,619	301,342	-
	<u>2,832,931</u>	<u>602,619</u>	<u>301,342</u>	<u>-</u>
Total liabilities	<u>3,754,342</u>	<u>875,675</u>	<u>305,407</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>				
Fund balances:				
Unreserved, undesignated	<u>7,391,579</u>	<u>(120,212)</u>	<u>634,905</u>	<u>10,859</u>
Total fund balance	<u>7,391,579</u>	<u>(120,212)</u>	<u>634,905</u>	<u>10,859</u>
Total liabilities and fund balances	<u>\$ 11,145,921</u>	<u>\$ 755,463</u>	<u>\$ 940,312</u>	<u>\$ 10,859</u>

Revenue						
County Matching	County Motor Fuel Tax	Mental Health	Tuberculosis	Dependent Children	Animal Control	Child Support Fee
\$ 355,511	\$ 1,671	\$ 148,678	\$ 25,360	\$ 557	\$ 19,475	\$ 9,216
-	252,327	-	-	-	143,736	-
31	76,989	-	-	-	-	-
301,342	-	301,342	58,700	-	-	-
-	-	-	-	-	-	-
<u>\$ 656,884</u>	<u>\$ 330,987</u>	<u>\$ 450,020</u>	<u>\$ 84,060</u>	<u>\$ 557</u>	<u>\$ 163,211</u>	<u>\$ 9,216</u>
\$ -	\$ 54,495	\$ -	\$ (1)	\$ 7,260	\$ 658	\$ -
1,680	8,927	-	-	-	1,020	-
-	-	-	-	-	-	-
225,000	-	-	-	-	-	-
301,342	-	301,342	58,700	-	-	-
<u>528,022</u>	<u>63,422</u>	<u>301,342</u>	<u>58,699</u>	<u>7,260</u>	<u>1,678</u>	<u>-</u>
<u>128,862</u>	<u>267,565</u>	<u>148,678</u>	<u>25,361</u>	<u>(6,703)</u>	<u>161,533</u>	<u>9,216</u>
<u>128,862</u>	<u>267,565</u>	<u>148,678</u>	<u>25,361</u>	<u>(6,703)</u>	<u>161,533</u>	<u>9,216</u>
<u>\$ 656,884</u>	<u>\$ 330,987</u>	<u>\$ 450,020</u>	<u>\$ 84,060</u>	<u>\$ 557</u>	<u>\$ 163,211</u>	<u>\$ 9,216</u>

STEPHENSON COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
November 30, 2009

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
<b><u>ASSETS</u></b>				
Cash	\$ 47,956	\$ 1	\$ 37,456	\$ 88,743
Investments, at cost	365,989	171,022	-	1,257,209
Accounts receivable	-	-	-	37,110
Property tax receivable	915,750	165,000	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 1,329,695</u>	<u>\$ 336,023</u>	<u>\$ 37,456</u>	<u>\$ 1,383,062</u>
<b><u>LIABILITIES</u></b>				
Vouchers payable	\$ -	\$ -	\$ -	\$ 38,995
Accrued payroll	-	-	1,758	868
Compensated absences	-	-	-	-
Due to other funds	35,000	-	-	-
Deferred revenue	915,750	165,000	-	-
Total liabilities	<u>950,750</u>	<u>165,000</u>	<u>1,758</u>	<u>39,863</u>
<b><u>FUND BALANCE</u></b>				
Fund balances:				
Unreserved, undesignated	<u>378,945</u>	<u>171,023</u>	<u>35,698</u>	<u>1,343,199</u>
Total fund balance	<u>378,945</u>	<u>171,023</u>	<u>35,698</u>	<u>1,343,199</u>
Total liabilities and fund balances	<u>\$ 1,329,695</u>	<u>\$ 336,023</u>	<u>\$ 37,456</u>	<u>\$ 1,383,062</u>

Revenue						
Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Court Automation	Public Defender	Probation Service Fee
\$ 45,298	\$ 7,297	\$ 2,966	\$ 9,808	\$ 81,947	\$ 665	\$ 64,399
-	50,217	62,277	38,593	114,319	-	150,650
-	30,000	1,935	404,388	8,834	10,836	8,588
-	-	-	-	-	-	-
-	65,000	-	674,371	-	-	-
<u>\$ 45,298</u>	<u>\$ 152,514</u>	<u>\$ 67,178</u>	<u>\$ 1,127,160</u>	<u>\$ 205,100</u>	<u>\$ 11,501</u>	<u>\$ 223,637</u>
\$ -	\$ 286	\$ 3,450	\$ 61,055	\$ 5,633	\$ -	\$ 7,648
-	-	-	4,491	2,626	8,379	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	286	3,450	65,546	8,259	8,379	7,648
<u>45,298</u>	<u>152,228</u>	<u>63,728</u>	<u>1,061,614</u>	<u>196,841</u>	<u>3,122</u>	<u>215,989</u>
<u>45,298</u>	<u>152,228</u>	<u>63,728</u>	<u>1,061,614</u>	<u>196,841</u>	<u>3,122</u>	<u>215,989</u>
<u>\$ 45,298</u>	<u>\$ 152,514</u>	<u>\$ 67,178</u>	<u>\$ 1,127,160</u>	<u>\$ 205,100</u>	<u>\$ 11,501</u>	<u>\$ 223,637</u>

STEPHENSON COUNTY, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 November 30, 2009

	Special				
	Document Storage - Circuit Clerk	Treasurer Automation	Veteran's Assistance Commission	Court Supervision	NICAA Small Rental Properties Grant
<b><u>ASSETS</u></b>					
Cash	\$ 174,091	\$ 56,520	\$ -	\$ 9,443	\$ 1,430
Investments, at cost	112,056	-	-	-	-
Accounts receivable	8,801	-	-	-	-
Property tax receivable	-	-	186,836	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 294,948</u>	<u>\$ 56,520</u>	<u>\$ 186,836</u>	<u>\$ 9,443</u>	<u>\$ 1,430</u>
<b><u>LIABILITIES</u></b>					
Vouchers payable	\$ 16,544	\$ 1,842	\$ -	\$ -	\$ -
Accrued payroll	2,837	-	-	-	-
Compensated absences	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	186,836	-	-
Total liabilities	<u>19,381</u>	<u>1,842</u>	<u>186,836</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>					
Fund balances:					
Unreserved, undesignated	<u>275,567</u>	<u>54,678</u>	<u>-</u>	<u>9,443</u>	<u>1,430</u>
Total fund balance	<u>275,567</u>	<u>54,678</u>	<u>-</u>	<u>9,443</u>	<u>1,430</u>
Total liabilities and fund balances	<u>\$ 294,948</u>	<u>\$ 56,520</u>	<u>\$ 186,836</u>	<u>\$ 9,443</u>	<u>\$ 1,430</u>

Revenue			Debt Service	Capital Projects		
Geographic Information Systems	Environmental Remediation	Working Cash	Debt Service	Capital	Mill Race Crossing	Highway Building
\$ 39,501	\$ 2,954	\$ 41,503	\$ 266	\$ 50,135	\$ 84,353	\$ 9,366
154,812	-	-	-	-	1,357,641	-
15,480	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	100,540	300,000	120,000	-	-
<u>\$ 209,793</u>	<u>\$ 2,954</u>	<u>\$ 142,043</u>	<u>\$ 300,266</u>	<u>\$ 170,135</u>	<u>\$ 1,441,994</u>	<u>\$ 9,366</u>
\$ 7,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,552	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	144,615
-	-	-	-	-	-	-
9,224	-	-	-	-	-	144,615
200,569	2,954	142,043	300,266	170,135	1,441,994	(135,249)
200,569	2,954	142,043	300,266	170,135	1,441,994	(135,249)
<u>\$ 209,793</u>	<u>\$ 2,954</u>	<u>\$ 142,043</u>	<u>\$ 300,266</u>	<u>\$ 170,135</u>	<u>\$ 1,441,994</u>	<u>\$ 9,366</u>

STEPHENSON COUNTY, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year ended November 30, 2009

	Total Nonmajor Governmental Funds	Special		
		County Highway	County Bridge	DUI Equipment
<b>Revenues:</b>				
Taxes	\$ 4,701,006	\$ 603,760	\$ 301,909	\$ -
Fees	1,533,961	66,944	-	12,620
Intergovernmental revenue	1,164,324	-	-	-
Sale of goods and services	18,702	18,362	-	-
Other revenue	1,057,168	14,984	47,286	-
Total revenues	<u>8,475,161</u>	<u>704,050</u>	<u>349,195</u>	<u>12,620</u>
<b>Expenditures:</b>				
General government	524,260	-	-	-
Public safety	2,190,515	-	-	3,988
Judiciary and court related	1,296,040	-	-	-
Public works	2,239,126	715,914	286,001	-
Health and welfare	1,094,757	-	-	-
Debt service	932,279	-	-	-
Total expenditures	<u>8,276,977</u>	<u>715,914</u>	<u>286,001</u>	<u>3,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>198,184</u>	<u>(11,864)</u>	<u>63,194</u>	<u>8,632</u>
Other financing sources (uses):				
Operating transfers in	1,268,819	95,663	-	-
Operating transfers out	(1,009,319)	-	-	-
Total other financing sources (uses)	<u>259,500</u>	<u>95,663</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	457,684	83,799	63,194	8,632
Fund balance (deficit), December 1, 2008	<u>6,933,895</u>	<u>(204,011)</u>	<u>571,711</u>	<u>2,227</u>
Fund balance (deficit), November 30, 2009	<u>\$ 7,391,579</u>	<u>\$ (120,212)</u>	<u>\$ 634,905</u>	<u>\$ 10,859</u>



Revenue						
County Matching	County Motor Fuel Tax	Mental Health	Tuberculosis	Dependent Children	Animal Control	Child Support Fee
\$ 301,909	\$ -	\$ 301,558	\$ 58,739	\$ -	\$ -	\$ -
-	-	-	-	310	103,209	49,199
-	1,038,054	-	-	-	-	-
-	-	-	-	-	-	-
940	267	22	11	5	814	1
<u>302,849</u>	<u>1,038,321</u>	<u>301,580</u>	<u>58,750</u>	<u>315</u>	<u>104,023</u>	<u>49,200</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	88,091	-	54,566
109,188	687,158	-	-	-	-	-
-	-	303,001	73,322	-	80,010	-
-	-	-	-	-	-	-
<u>109,188</u>	<u>687,158</u>	<u>303,001</u>	<u>73,322</u>	<u>88,091</u>	<u>80,010</u>	<u>54,566</u>
193,661	351,163	(1,421)	(14,572)	(87,776)	24,013	(5,366)
-	-	-	-	82,000	-	-
-	(244,000)	-	-	-	-	-
-	(244,000)	-	-	82,000	-	-
193,661	107,163	(1,421)	(14,572)	(5,776)	24,013	(5,366)
(64,799)	160,402	150,099	39,933	(927)	137,520	14,582
<u>\$ 128,862</u>	<u>\$ 267,565</u>	<u>\$ 148,678</u>	<u>\$ 25,361</u>	<u>\$ (6,703)</u>	<u>\$ 161,533</u>	<u>\$ 9,216</u>

STEPHENSON COUNTY, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year ended November 30, 2009

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
<b>Revenues:</b>				
Taxes	\$ 1,024,242	\$ 170,501	\$ -	\$ -
Fees	-	-	-	500,882
Intergovernmental revenue	-	-	31,763	-
Sale of goods and services	-	-	-	-
Other revenue	902,429	488	1,831	38,801
Total revenues	<u>1,926,671</u>	<u>170,989</u>	<u>33,594</u>	<u>539,683</u>
<b>Expenditures:</b>				
General government	101,062	165,000	-	-
Public safety	567,321	-	114,668	441,512
Judiciary and court related	343,153	-	-	-
Public works	136,181	-	-	-
Health and welfare	638,424	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,786,141</u>	<u>165,000</u>	<u>114,668</u>	<u>441,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>140,530</u>	<u>5,989</u>	<u>(81,074)</u>	<u>98,171</u>
Other financing sources (uses):				
Operating transfers in	-	-	110,000	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>140,530</u>	<u>5,989</u>	<u>28,926</u>	<u>98,171</u>
Fund balance (deficit), December 1, 2008	<u>238,415</u>	<u>165,034</u>	<u>6,772</u>	<u>1,245,028</u>
Fund balance (deficit), November 30, 2009	<u>\$ 378,945</u>	<u>\$ 171,023</u>	<u>\$ 35,698</u>	<u>\$ 1,343,199</u>

Revenue						
Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Court Automation	Public Defender	Probation Service Fee
\$ -	\$ -	\$ -	\$ 1,711,607	\$ -	\$ -	\$ -
8,291	-	37,116	2,550	126,578	111,306	133,854
-	-	-	4,415	-	49,948	-
-	-	-	-	-	-	-
-	247	276	1,401	3,731	27,814	682
<u>8,291</u>	<u>247</u>	<u>37,392</u>	<u>1,719,973</u>	<u>130,309</u>	<u>189,068</u>	<u>134,536</u>
-	6,403	49,054	-	-	-	-
11,627	-	-	1,019,805	-	-	-
-	-	-	-	160,611	339,626	90,561
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,627</u>	<u>6,403</u>	<u>49,054</u>	<u>1,019,805</u>	<u>160,611</u>	<u>339,626</u>	<u>90,561</u>
<u>(3,336)</u>	<u>(6,156)</u>	<u>(11,662)</u>	<u>700,168</u>	<u>(30,302)</u>	<u>(150,558)</u>	<u>43,975</u>
-	-	-	-	-	177,500	-
-	-	-	(613,625)	-	-	-
-	-	-	(613,625)	-	177,500	-
<u>(3,336)</u>	<u>(6,156)</u>	<u>(11,662)</u>	<u>86,543</u>	<u>(30,302)</u>	<u>26,942</u>	<u>43,975</u>
<u>48,634</u>	<u>158,384</u>	<u>75,390</u>	<u>975,071</u>	<u>227,143</u>	<u>(23,820)</u>	<u>172,014</u>
<u>\$ 45,298</u>	<u>\$ 152,228</u>	<u>\$ 63,728</u>	<u>\$ 1,061,614</u>	<u>\$ 196,841</u>	<u>\$ 3,122</u>	<u>\$ 215,989</u>

STEPHENSON COUNTY, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year ended November 30, 2009

	Special				
	Document Storage Circuit Clerk	Treasurer Automation	Veteran's Assistance Commission	Court Supervision	NICAA Small Rental Properties Grant
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 186,975	\$ -	\$ -
Fees	126,837	15,534	-	7,593	-
Intergovernmental revenue	-	-	-	-	-
Sale of goods and services	-	-	-	-	-
Other revenue	5,485	255	-	-	-
Total revenues	<u>132,322</u>	<u>15,789</u>	<u>186,975</u>	<u>7,593</u>	<u>-</u>
<b>Expenditures:</b>					
General government	-	15,766	186,975	-	-
Public safety	-	-	-	6,300	-
Judiciary and court related	219,432	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>219,432</u>	<u>15,766</u>	<u>186,975</u>	<u>6,300</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,110)</u>	<u>23</u>	<u>-</u>	<u>1,293</u>	<u>-</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(87,110)</u>	<u>23</u>	<u>-</u>	<u>1,293</u>	<u>-</u>
Fund balance (deficit), December 1, 2008	<u>362,677</u>	<u>54,655</u>	<u>-</u>	<u>8,150</u>	<u>1,430</u>
Fund balance (deficit), November 30, 2009	<u>\$ 275,567</u>	<u>\$ 54,678</u>	<u>\$ -</u>	<u>\$ 9,443</u>	<u>\$ 1,430</u>

Revenue			Debt Service	Capital Projects		
Geographic Information Systems	Environmental Remediation	Working Cash	Debt Service	Capital	Mill Race Crossing	Highway Building
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,806	\$ -
231,138	-	-	-	-	-	-
-	25,294	-	-	-	14,850	-
-	-	340	-	-	-	-
3,415	8	-	(58)	504	5,496	33
<u>234,553</u>	<u>25,302</u>	<u>340</u>	<u>(58)</u>	<u>504</u>	<u>60,152</u>	<u>33</u>
-	-	-	-	-	-	-
-	25,294	-	-	-	-	-
-	-	-	-	-	-	-
275,480	-	-	-	-	29,204	-
-	-	-	-	-	-	-
-	-	-	656,279	-	276,000	-
<u>275,480</u>	<u>25,294</u>	<u>-</u>	<u>656,279</u>	<u>-</u>	<u>305,204</u>	<u>-</u>
<u>(40,927)</u>	<u>8</u>	<u>340</u>	<u>(656,337)</u>	<u>504</u>	<u>(245,052)</u>	<u>33</u>
-	-	-	655,319	-	-	148,337
-	-	-	-	-	-	(151,694)
-	-	-	655,319	-	-	(3,357)
<u>(40,927)</u>	<u>8</u>	<u>340</u>	<u>(1,018)</u>	<u>504</u>	<u>(245,052)</u>	<u>(3,324)</u>
<u>241,496</u>	<u>2,946</u>	<u>141,703</u>	<u>301,284</u>	<u>169,631</u>	<u>1,687,046</u>	<u>(131,925)</u>
<u>\$ 200,569</u>	<u>\$ 2,954</u>	<u>\$ 142,043</u>	<u>\$ 300,266</u>	<u>\$ 170,135</u>	<u>\$ 1,441,994</u>	<u>\$ (135,249)</u>

STEPHENSON COUNTY, ILLINOIS  
 ASSESSED VALUATIONS, TAX RATES,  
 EXTENSIONS, AND COLLECTIONS

	<b><u>TAX YEAR</u></b>	
	<b><u>2008</u></b>	
<b>Assessed valuation</b>	\$ <u><u>642,931,111</u></u>	
	<b><u>Rate</u></b>	<b><u>Amount</u></b>
<b>Property tax rates and extensions:</b>		
County General	0.25742	\$ 1,655,033
County Highway	0.09373	602,619
County Bridge	0.04687	301,342
County Matching	0.04687	301,342
Tuberculosis	0.00913	58,700
Mental Health	0.04687	301,342
Illinois Municipal Retirement	0.17631	1,133,552
Educational Extension Service	0.02650	170,377
Liability Insurance	0.17013	1,093,819
County Health Department	0.00633	40,698
Social Security Contribution	0.14148	909,619
Veterans Assistance	0.02906	186,836
Nursing Home	<u>0.07975</u>	<u>512,738</u>
	<u>1.13045</u>	<u>\$ 7,268,017</u>
<b>Property tax collection:</b>		
County General		\$ 1,656,239
County Highway		603,058
County Bridge		301,558
County Matching		301,558
Tuberculosis		58,739
Mental Health		301,558
Illinois Municipal Retirement		1,134,373
Educational Extension Service		170,501
Liability Insurance		1,094,617
County Health Department		40,730
Social Security Contribution		910,282
Veterans Assistance		186,975
Nursing Home		<u>513,109</u>
		<u>\$ 7,273,297</u>
<b>Percentage collected</b>		<u>100.1%</u>

**TAX YEAR**

<u>2007</u>		<u>2006</u>	
<u>\$ 619,030,828</u>		<u>\$ 588,487,947</u>	
<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
0.25452	\$ 1,575,557	0.25401	\$ 1,494,818
0.09330	577,556	0.09409	553,709
0.04685	290,016	0.04705	276,884
0.04685	290,016	0.04705	276,884
0.00926	57,322	0.00944	55,553
0.04685	290,016	0.04705	276,884
0.15759	975,531	0.16539	973,300
0.02658	164,538	0.02713	159,657
0.17221	1,066,033	0.19702	1,159,439
0.00641	39,680	0.00613	36,074
0.13142	813,530	0.11850	697,358
0.02915	180,447	0.02991	176,017
<u>0.08966</u>	<u>555,023</u>	<u>0.09431</u>	<u>553,708</u>
<u>1.11065</u>	<u>\$ 6,875,265</u>	<u>1.13708</u>	<u>\$ 6,690,285</u>
	\$ 1,575,357		\$ 1,494,378
	578,219		553,564
	290,352		276,812
	290,352		276,812
	57,385		55,541
	290,352		276,812
	976,650		973,048
	164,728		160,145
	1,067,253		1,159,138
	39,691		36,064
	814,463		697,173
	180,655		175,969
	<u>555,663</u>		<u>553,564</u>
	<u>\$ 6,881,120</u>		<u>\$ 6,689,020</u>
	<u>100.1%</u>		<u>100.0%</u>

STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE  
REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2009

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## **GENERAL INFORMATION CONCERNING THE COUNTY**

### **Site, Location, Organization, and Government**

The County of Stephenson, Illinois (the "County") is located in extreme northern Illinois with its northern boundary bordering Green County, Wisconsin. JoDaviess County borders the County on its west and Winnebago County (Rockford, its County Seat) borders the County on its east. U.S. Route 20 runs east - west through the County, connecting it with Interstate 39 and Interstate 90 (approximately 30 miles to the east). Illinois Routes 26 and 73 run north - south through the County.

The County consists of 568 square miles with a good mix of residential, commercial, and agricultural properties. Freeport, the County Seat, is the largest City in the County and home to its major taxpayers and employers. The County currently has 360 employees.

The County was incorporated on March 4, 1837, under the provisions of the laws of the State of Illinois. The County operates under a Chairman/County Board form of government and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, planning and zoning, maintenance and operation of nursing home facilities and general administrative services.

The County is governed by 22 elected members who make up the County Board. The County Board sets budgets and policies for departments that serve the entire county. The County has 11 incorporated cities and villages, 4 multi-townships, 13 fire districts, 4 library districts, 4 park districts and several special purpose bodies. The County is served by 11 unit school districts and 2 community colleges.

### **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of specified levels.

The County has covenanted that it will take no action, nor fail to take any required action, which in any way would adversely affect the levy and collection of taxes for the payment of the Certificates, and that it will comply with all present and future applicable laws regarding the levy, extension and collection of taxes for the payment of the Certificates.



STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)  
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**Illinois Personal Property Replacement Tax**

The Illinois General Assembly abolished all ad valorem personal property taxes effective January 1, 1979. A Personal Property Replacement Tax was enacted effective July 1, 1979. The constitutionality of this replacement tax has been upheld by the Supreme Court of Illinois and the period of review by the United States Supreme Court has expired. The Personal Property Replacement Tax represents a state-wide, additional income tax for corporations (including certain utilities) at the rate of 2.5% of net taxable income; an additional income tax for trusts at the rate of 1.5% of net taxable income; an income tax for partnerships and S Corporations at the rate of 1.5% of net taxable income; and a tax at the rate of 0.8% of invested capital for public utilities providing gas, communications, electrical and water services. Partnerships and S Corporations previously had not been subject to the Illinois income tax.

Replacement taxes are allocated in accordance with the ratio of local personal property valuation in the year prior to the effective date of the law to total personal property valuation in the State of Illinois. Revenues collected under the Personal Property Replacement Tax are held in a special fund in the State Treasury called the Personal Property Replacement Tax Fund and are allocated to each taxing district.

**Population, Median Home Value, Median Family Income, and Per Capita Income**

	<u>1990</u> <u>Population</u>	<u>2000</u> <u>Population</u>	<u>2000</u> <u>Median</u> <u>Home Value</u> <u>(Owner occupied)</u>	<u>2000</u> <u>Median</u> <u>Family</u> <u>Income</u>	<u>2000</u> <u>Per Capita</u> <u>Income</u>
Stephenson County	48,052	48,979	\$ 81,400	\$48,510	\$19,794
State of Illinois	11,430,602	12,419,293	130,800	55,545	23,104

Source: U.S. Bureau of Census

**Average Unemployment Rates**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Stephenson County	7.1%	6.7%	5.3%	4.9%	5.2%	8.7%	11.3%
State of Illinois	6.6%	6.1%	5.7%	4.5%	5.0%	7.4%	10.1%

Source: Illinois Bureau of Employment Security

STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)  
REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2009

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**Building Permits-Stephenson County**

	Number of Building <u>Permits</u>	Value of Home Building <u>Permits</u>	Value of All Building <u>Permits</u>
2009	162	\$ 4,614,000	\$ 10,080,000
2008	261	3,274,000	119,568,908
2007	214	6,543,000	13,252,000
2006	199	8,255,000	12,989,000
2005	209	10,982,000	17,199,000
2004	254	10,874,000	17,816,000
2003	202	11,578,500	60,085,500
2002	228	10,322,500	14,258,100
2001	224	7,684,000	12,709,850
2000	222	6,559,000	11,198,250

**Economic and Employment Data**

Below is a listing of some major employers located in the County:

<u>Employer</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Freeport Health Network	Acute care hospital	1,300
Titan Tire Co.	Tire manufacturer	725
Honeywell Sensing & Control	Electrical & electronic switches & sensors	700
Newell Rubbermaid	Consumer durable products headquarters	600
Met Life Auto & Home Insurance Co.	Insurance agency	500
Sauer-Danfoss Co.	Hydrostatic pump & motor components	270
Morse Electric	Electrical contractor	265
Berner Foods	Food products	215
Invensys	Valve manufacturer	210
Stewart & Associates	Business services	200

STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)  
REQUIRED SUPPLEMENTARY INFORMATION  
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The following are the estimated largest taxpayers in the County:

<u>Name</u>	2009 Equalized Assessed <u>Valuation</u>
CJF2, LLC	\$4,687,088
Titan Tire Co.	4,217,843
Wal-Mart Stores	2,869,510
Menards	2,828,840
MicroSwitch, Div. Of Honeywell	2,458,331
Pearl City Elevator	2,077,518
Adkins Energy	1,893,164
Meadows LLC	1,690,490
Emster LLC	1,421,650
General Casualty	1,396,680

**Total Equalized Assessed Valuation**

2009	\$676,620,884
2008	645,173,592
2007	612,900,702
2006	587,523,281
2005	565,932,689
2004	556,578,115
2003	566,285,239
2002	551,752,552
2001	524,237,062
2000	511,011,595

**Make-up of 2009 Equalized Assessed Valuation**

	<u>Amount</u>	<u>Percentage</u>
Residential	\$427,889,848	63.24%
Farmland	121,964,123	18.03
Commercial	100,444,042	14.84
Industrial	24,175,086	3.57
Railroad	2,147,785	.32

**Statutory Debt Margin** See page 34.

STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE  
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**Future Financings**

The County does not anticipate any additional borrowings in the near future.

**Default Record**

The County has no record of default and has met its debt repayments promptly.

**Statement of Direct and Overlapping Debt**  
(including this issue)

	Outstanding Debt <u>11/30/09</u>
Direct Debt:	
Stephenson County	<u>\$14,162,840</u>
Overlapping Debt:	
All School Districts	38,721,708
Park Districts	3,759,330
City of Freeport	27,475,000
Fire Districts	<u>2,303,500</u>
OVERLAPPING DEBT	<u>72,259,538</u>
 DIRECT AND OVERLAPPING DEBT	 <u><u>\$86,422,378</u></u>
 2008 Estimated Full Valuation	 \$2,029,862,652
2008 Equalized Assessed Valuation	676,620,884
Population - Current Estimate	46,367
Full Valuation Per Capita	\$43,778

STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)  
REQUIRED SUPPLEMENTARY INFORMATION  
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**Debt Ratios**

		<u>% EAV</u>	<u>% Full Value</u>	<u>Per Capita</u>
Direct Debt	\$14,162,840	2.09%	.70%	\$ 305
Direct Debt and Overlapping Debt	86,422,378	12.77%	4.26%	1,764

**Tax Trend Rate**

See page 76.

**Sales and Income Tax Trend**

	<u>1% State Sales Tax</u>	<u>1/4% State SUP Tax</u>	<u>State Income Tax</u>
FYE 2009	\$334,051	\$921,850	\$1,216,730
FYE 2008	377,222	1,055,281	1,414,280
FYE 2007	485,405	934,397	1,322,349
FYE 2006	418,064	958,839	1,223,242
FYE 2005	477,278	964,535	1,114,886
FYE 2004	415,176	931,849	949,476
FYE 2003	272,796	818,525	925,833
FYE 2002	276,504	851,507	980,019
FYE 2001	456,714	928,368	1,126,225
FYE 2000	278,323	873,365	1,182,430

**General Fund Summary Fiscal Year Ended 11/30**

	<u>FYE 2006</u>	<u>FYE 2007</u>	<u>FYE 2008</u>	<u>FYE 2009</u>
Revenue	\$8,340,835	\$7,623,199	\$8,952,738	\$7,323,676
Expenditures	<u>7,984,135</u>	<u>7,967,429</u>	<u>8,624,242</u>	<u>8,492,521</u>
Excess Rev/(Exp.)	356,700	(344,230)	328,496	(1,168,845)
Net Transfers	(541,300)	(345,400)	(424,000)	(469,500)
Beginning Fund Balance	<u>1,209,325</u>	<u>1,024,725</u>	<u>405,095</u>	<u>511,252</u>
Ending Fund Balance	<u>\$1,024,725</u>	<u>\$405,095</u>	<u>\$511,252</u>	<u>\$ (782,638)</u>