

**STEPHENSON COUNTY**  
**Freeport, Illinois**

**ANNUAL FINANCIAL REPORT**

**November 30, 2010**

STEPHENSON COUNTY, ILLINOIS  
COUNTY BOARD MEMBERS AND  
ELECTED OFFICIALS  
Fiscal year ending November 30, 2010

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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  
Thomas Bicksler  
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, 2010

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BOARD MEMBERS

Lynn Koch  
Sheila Hooper  
George Kinney  
Samuel Newton  
Peter Willging  
Thomas Gilmour  
Chris Clukey  
Bennie Brown  
Rebecca Quiggle  
James Graham  
Donald Parker

Jeffrey Mikkelsen  
Alan Harn  
Edward Mulligan  
Brenda Boynton  
John Blum, Chairman  
Jerry Clay  
Sol Detente  
Linda Dotson  
Forrest J. Senn  
Alvin Wire  
Charles Hilton

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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, 2010, 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 M 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 the year ended November 30, 2010. 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, 2010, 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 24, 2011 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 68 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 76 - 81, which is required by debt issuance institutions, 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.

*Wipfli LLP*

Freeport, Illinois  
August 24, 2011

## **MANAGEMENT DISCUSSION AND ANALYSIS**



STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2010

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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, 2010.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2010 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, 2010

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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, 2010

**Condensed Financial Information**

Net assets are summarized in the table below.

**Condensed Statement of Net Assets as of November 30, 2010 and 2009**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Assets:</b>						
Current Assets	\$ 17,197,976	\$ 16,857,679	\$1,809,609	\$1,762,224	\$ 19,007,585	\$ 18,619,903
Non-current Assets	<u>221,156,353</u>	<u>252,199,424</u>	<u>1,131,204</u>	<u>1,233,715</u>	<u>222,287,557</u>	<u>253,433,139</u>
Total Assets	<u>238,354,329</u>	<u>269,057,103</u>	<u>2,940,813</u>	<u>2,995,939</u>	<u>241,295,142</u>	<u>272,053,042</u>
<b>Liabilities:</b>						
Current Liabilities	15,366,008	7,479,094	1,164,121	1,581,652	16,530,129	9,060,746
Non-current Liabilities	<u>7,747,860</u>	<u>14,261,399</u>	<u>109,970</u>	<u>92,588</u>	<u>7,857,830</u>	<u>14,353,987</u>
Total liabilities	<u>23,113,868</u>	<u>21,740,493</u>	<u>1,274,091</u>	<u>1,674,240</u>	<u>24,387,959</u>	<u>23,414,733</u>
<b>Net Assets:</b>						
Investments in capital assets, net of debt	206,842,266	237,586,412	1,131,204	1,233,715	207,973,470	238,820,127
Restricted	5,302,500	5,115,556	5,899	10,659	5,308,399	5,126,215
Unrestricted	<u>3,095,695</u>	<u>4,614,642</u>	<u>529,619</u>	<u>77,325</u>	<u>3,625,314</u>	<u>4,691,967</u>
Total net assets	<u>\$215,240,461</u>	<u>\$247,316,610</u>	<u>\$1,666,722</u>	<u>\$ 1,321,699</u>	<u>\$216,907,183</u>	<u>\$248,638,309</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, 2010

**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, 2010 and 2009**

	<b><u>Governmental</u></b>		<b><u>Business-type</u></b>		<b><u>Total</u></b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>			
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Revenues:</b>						
Program:						
Charges for services	\$ 5,003,031	\$ 5,175,781	\$5,285,920	\$7,200,825	\$10,288,951	\$12,376,606
Operating grants & contributions	3,687,291	2,849,157	-	-	3,687,291	2,849,157
General:						
Property & other taxes	12,441,771	12,533,217	509,404	513,109	12,951,175	13,046,326
Other	<u>410,110</u>	<u>260,471</u>	<u>25,375</u>	<u>17,763</u>	<u>435,485</u>	<u>278,234</u>
Total revenue	<u>21,542,203</u>	<u>20,818,626</u>	<u>5,820,699</u>	<u>7,731,697</u>	<u>27,362,902</u>	<u>28,550,323</u>
<b>Expenses:</b>						
General government	3,642,555	2,977,215	-	-	3,642,555	2,977,215
Public safety	5,547,200	5,338,794	-	-	5,547,200	5,338,794
Public works	34,548,181	34,479,652	-	-	34,548,181	34,479,652
Health, sanitation, & Welfare	4,270,152	3,963,482	-	-	4,270,152	3,963,482
Judiciary & court related	5,286,415	5,884,905	-	-	5,286,415	5,884,905
Interest on long-term debt	388,225	375,230	-	-	388,225	375,230
Nursing Center	<u>-</u>	<u>-</u>	<u>5,475,676</u>	<u>6,989,669</u>	<u>5,475,676</u>	<u>6,989,669</u>
Total expenses	<u>53,682,728</u>	<u>53,019,278</u>	<u>5,475,676</u>	<u>6,989,669</u>	<u>59,158,404</u>	<u>60,008,947</u>
Change in net assets	<u>\$(32,140,525)</u>	<u>\$(32,200,652)</u>	<u>\$ 345,023</u>	<u>\$ 742,028</u>	<u>\$(31,795,502)</u>	<u>\$(31,458,624)</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, 2010

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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 \$681,630 year over year. The General Fund had a net loss of \$445,101 on a modified accrual basis. Fund balances in the other fund types are limited in use according to the source of revenue. The continuing economic recession has caused the State to further delay its distribution of funds, which support various governmental operations, putting additional pressure on County funds.

**General Fund Budgetary Comparison**

The General Fund revenues were \$373,507 lower than budgeted. The largest revenue shortfall was in State Income Tax of \$243,951; the State was five months delinquent in its distribution of the County's portion of this revenue. General Fund expenditures were \$370,118 below the allocated expense budget. On the budgetary basis, the General Fund had a net loss of \$439,927 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 \$240,000 was made, reducing the outstanding principal to \$5,750,000. The principal component of the 20-year bonds to build the Highway Buildings has been reduced to \$1,370,000 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 were 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 maturity of this debt was extended to January 2012 after the County repaid \$500,000. The County continues to negotiate with potential developers.

STEPHENSON COUNTY, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
November 30, 2010

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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 wind developers have delayed their projects waiting on Federal “green” energy legislation and difficulties within the credit market.

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 2010 fiscal year, the Nursing Center repaid \$400,540 of its debt to other County funds. Nursing Center management anticipates the complete repayment of its remaining debt during 2011.

**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, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,545,533	\$ 156,155	\$ 2,701,688
Investments	5,101,878	676,337	5,778,215
Accounts receivables, net of an allowance for doubtful accounts of \$10,000	1,955,610	464,366	2,419,976
Property tax receivable	7,561,982	512,751	8,074,733
Inventory	32,973	-	32,973
Total current assets	<u>17,197,976</u>	<u>1,809,609</u>	<u>19,007,585</u>
Capital Assets:			
Not depreciated	294,555	-	294,555
Depreciated (Net of accumulated depreciation)	<u>216,269,420</u>	<u>1,131,204</u>	<u>217,400,624</u>
Total capital assets	<u>216,563,975</u>	<u>1,131,204</u>	<u>217,695,179</u>
Other assets	<u>4,592,378</u>	<u>-</u>	<u>4,592,378</u>
Total Assets	<u>238,354,329</u>	<u>2,940,813</u>	<u>241,295,142</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,606,929	351,370	1,958,299
Internal balances	(300,000)	300,000	-
Deferred revenue	7,573,485	512,751	8,086,236
Compensated absences	16,070	-	16,070
Current portion long term debt	<u>6,469,524</u>	<u>-</u>	<u>6,469,524</u>
Total current liabilities	<u>15,366,008</u>	<u>1,164,121</u>	<u>16,530,129</u>
Noncurrent liabilities:			
Compensated absences	353,469	109,970	463,439
Bonds, leases, and other long-term debt	<u>7,394,391</u>	<u>-</u>	<u>7,394,391</u>
Total noncurrent liabilities	<u>7,747,860</u>	<u>109,970</u>	<u>7,857,830</u>
Total liabilities	<u>23,113,868</u>	<u>1,274,091</u>	<u>24,387,959</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	206,842,266	1,131,204	207,973,470
Restricted for:			
Highways and streets	384,652	-	384,652
Health & welfare	1,496,445	5,899	1,502,344
Employee retirement	1,942,777	-	1,942,777
Public safety	1,478,626	-	1,478,626
Unrestricted	<u>3,095,695</u>	<u>529,619</u>	<u>3,625,314</u>
Total net assets	<u>\$ 215,240,461</u>	<u>\$ 1,666,722</u>	<u>\$ 216,907,183</u>

See Notes to Financial Statements.



STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the year ended November 30, 2010

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenue</u></b>		
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Capital Grants and Contributions</u></b>
Governmental activities:				
General government	\$ 3,642,555	\$ 1,821,197	\$ 741,559	\$ -
Public safety	5,547,200	1,022,603	422,848	-
Public works	34,548,181	89,622	-	-
Health, welfare, and sanitation	4,270,152	314,130	2,184,803	-
Judicial & court related	5,286,415	1,755,479	338,081	-
Interest	<u>388,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 53,682,728</u>	<u>\$ 5,003,031</u>	<u>\$ 3,687,291</u>	<u>\$ -</u>
Business-type activities:				
Nursing Center	<u>\$ 5,475,676</u>	<u>\$ 5,285,920</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

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,079,799)	\$ -	\$ (1,079,799)
(4,101,749)	-	(4,101,749)
(34,458,559)	-	(34,458,559)
(1,771,219)	-	(1,771,219)
(3,192,855)	-	(3,192,855)
(388,225)	-	(388,225)
<u>(44,992,406)</u>	<u>-</u>	<u>(44,992,406)</u>
<u>-</u>	<u>(189,756)</u>	<u>(189,756)</u>
7,000,641	509,404	7,510,045
3,793,884	-	3,793,884
1,647,246	-	1,647,246
69,399	1,611	71,010
340,711	23,764	364,475
<u>12,851,881</u>	<u>534,779</u>	<u>13,386,660</u>
(32,140,525)	345,023	(31,795,502)
<u>247,380,986</u>	<u>1,321,699</u>	<u>248,702,685</u>
<u>\$ 215,240,461</u>	<u>\$ 1,666,722</u>	<u>\$ 216,907,183</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
GOVERNMENTAL FUNDS  
November 30, 2010

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	General Fund	Illinois Municipal Retirement
	<u>Fund</u>	<u>Retirement</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 68,058	\$ 98,601
Investments	160	930,948
Accounts receivable	762,844	37,485
Property tax receivable	2,384,475	1,387,537
Due from other funds	-	300,949
Inventory	32,973	-
Total assets	<u>\$ 3,248,510</u>	<u>\$ 2,755,520</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Vouchers payable	\$ 158,765	\$ -
Accrued payroll	127,673	-
Compensated absences	11,055	-
Due to other funds	1,794,281	-
Deferred revenue	2,384,475	1,387,537
Total liabilities	<u>4,476,249</u>	<u>1,387,537</u>
Fund balances:		
Unreserved, reported in:		
General funds	(1,227,739)	-
Special revenue funds	-	1,367,983
Capital projects funds	-	-
Total fund balances	<u>(1,227,739)</u>	<u>1,367,983</u>
Total liabilities and fund balances	<u>\$ 3,248,510</u>	<u>\$ 2,755,520</u>

See Notes to Financial Statements.

County Health Department	Other Governmental Funds	Total Governmental Funds
\$ 193,736	\$ 2,150,317	\$ 2,510,712
571,139	3,500,633	5,002,880
497,439	657,841	1,955,609
40,722	3,749,248	7,561,982
-	1,960,947	2,261,896
-	-	32,973
<u>\$ 1,303,036</u>	<u>\$ 12,018,986</u>	<u>\$ 19,326,052</u>
\$ 61,069	\$ 568,884	\$ 788,718
32,705	52,381	212,759
-	5,015	16,070
-	594,615	2,388,896
52,225	3,749,248	7,573,485
<u>145,999</u>	<u>4,970,143</u>	<u>10,979,928</u>
-	-	(1,227,739)
1,157,037	5,765,345	8,290,365
-	1,283,498	1,283,498
<u>1,157,037</u>	<u>7,048,843</u>	<u>8,346,124</u>
<u>\$ 1,303,036</u>	<u>\$ 12,018,986</u>	<u>\$ 19,326,052</u>

See Notes to Financial Statements.

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

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Total fund balances - governmental funds	\$ 8,346,124
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 \$675,845,476 and the accumulated depreciation is \$459,252,122.	216,563,975
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
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.	107,822
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,369,838)</u>
Total net assets - governmental activities	<u>\$ 215,240,461</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended November 30, 2010

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	General Fund
<b>REVENUES</b>	
Taxes	\$ 4,459,605
Fees, licenses, permits, and fines	2,068,934
Intergovernmental revenue	867,971
Sale of goods and services	-
Other revenue	205,649
Total revenues	<u>7,602,159</u>
<b>EXPENDITURES</b>	
General government	2,175,993
Public safety	2,268,062
Judiciary and court related	3,307,827
Public works	-
Health and welfare	-
Debt service	-
Total expenditures	<u>7,751,882</u>
Excess (deficiency) of revenues over expenses	<u>(149,723)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	85,622
Transfers out	<u>(381,000)</u>
Total other financing sources and uses	<u>(295,378)</u>
Net change in fund balances	(445,101)
Fund balances - beginning	<u>(782,638)</u>
Fund balances - ending	<u>\$ (1,227,739)</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>
\$ 1,537,417	\$ 40,498	\$ 5,726,844	\$ 11,764,364
-	126,087	1,437,959	3,632,980
-	2,024,402	1,251,318	4,143,691
-	64,236	23,220	87,456
578,162	267,335	1,114,982	2,166,128
<u>2,115,579</u>	<u>2,522,558</u>	<u>9,554,323</u>	<u>21,794,619</u>
125,845	2,541,433	1,522,618	6,365,889
500,198	-	2,865,072	5,633,332
316,321	-	1,194,692	4,818,840
134,601	-	3,278,001	3,412,602
624,721	-	1,062,888	1,687,609
-	-	557,977	557,977
<u>1,701,686</u>	<u>2,541,433</u>	<u>10,481,248</u>	<u>22,476,249</u>
<u>413,893</u>	<u>(18,875)</u>	<u>(926,925)</u>	<u>(681,630)</u>
-	195,300	774,597	1,055,519
-	(3,500)	(671,019)	(1,055,519)
-	191,800	103,578	-
413,893	172,925	(823,347)	(681,630)
954,090	984,112	7,872,190	9,027,754
<u>\$ 1,367,983</u>	<u>\$ 1,157,037</u>	<u>\$ 7,048,843</u>	<u>\$ 8,346,124</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, 2010

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Excess (deficiency) of revenues and other sources over (under) expenditures and other uses - Governmental funds	\$ (681,630)
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 (\$32,338,508) exceeds capitalized fixed assets and other assets (\$1,295,436)	(31,043,072)
Disposals of fixed assets are not reported in governmental funds as they are in the statement of activities. This is the amount by which capitalized fixed assets were disposed in the period.	(64,377)
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.	(467,124)
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.	231,987
Accrued interest is expensed in the government-wide funds as an expense when accrued. However, in the governmental funds, interest is expensed when paid. This is the difference in accrued interest at year end compared to the prior year accrual.	(152,454)
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>36,145</u>
Change in net assets of governmental activities	<u>\$ (32,140,525)</u>

See Notes to Financial Statements.



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

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
	<hr/>	<hr/>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 150,256	\$ 34,823
Investments	676,337	98,998
Receivables, net of a \$10,000 allowance	464,366	-
Property tax receivable	512,751	-
Due from other funds	-	427,000
Restricted assets	5,899	-
Total current assets	<hr/> 1,809,609	<hr/> 560,821
Noncurrent assets:		
Capital Assets (Net of accumulated depreciation):		
Buildings	982,410	-
Equipment	148,794	-
Total capital assets	<hr/> 1,131,204	<hr/> -
Total Assets	<hr/> 2,940,813	<hr/> 560,821
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	270,820	452,999
Accrued payroll	80,550	-
Due to other funds	300,000	-
Deferred revenue	512,751	-
Compensated absences	109,970	-
Total liabilities	<hr/> 1,274,091	<hr/> 452,999
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	1,131,204	-
Restricted	5,899	-
Unrestricted	529,619	107,822
Total net assets	<hr/> <u>\$ 1,666,722</u>	<hr/> <u>\$ 107,822</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, 2010

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<b>Operating Revenues:</b>		
Charges for services	\$ 5,285,920	\$ -
Employee contributions	-	421,452
County contributions	-	2,102,362
Reimbursements	-	94,476
Total operating revenues	<u>5,285,920</u>	<u>2,618,290</u>
<b>Operating Expenses:</b>		
Nursing Center	6,030,035	-
Depreciation	102,511	-
Administrative fees	-	68,516
Health and life insurance premiums	-	174,634
Health claims	-	2,858,161
Total expenses	<u>6,132,546</u>	<u>3,101,311</u>
Operating income (loss)	<u>(846,626)</u>	<u>(483,021)</u>
<b>Non-Operating Revenue (Expense):</b>		
Property taxes	509,404	-
Interest income	1,611	15,897
Miscellaneous	680,634	-
Total non-operating revenue	<u>1,191,649</u>	<u>15,897</u>
Net income (loss)	345,023	(467,124)
Net assets - beginning	<u>1,321,699</u>	<u>574,946</u>
Net assets - ending	<u>\$ 1,666,722</u>	<u>\$ 107,822</u>

See Notes to Financial Statements.

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

	Business-Type Activities Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for services	\$ 5,463,778	\$ -
Cash received for internal services	-	2,673,775
Cash payments to suppliers	(3,462,445)	(2,901,311)
Cash payments to employees	(2,967,752)	-
Net cash (used in) operating activities	<u>(966,419)</u>	<u>(227,536)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Property taxes	509,404	-
Miscellaneous	680,634	-
Net cash provided by non-capital financing activities	<u>1,190,038</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Net cash (used in) capital & related financing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(4,401,543)	(580,859)
Sale of investments	4,300,989	797,720
Interest income	1,611	15,897
Decrease in restricted assets	4,760	-
Net cash (used in) investing activities	<u>(94,183)</u>	<u>232,758</u>
Net increase in cash and cash equivalents	129,436	5,222
Cash and cash equivalents - beginning	20,820	29,601
Cash and cash equivalents - ending	<u>\$ 150,256</u>	<u>\$ 34,823</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
For the Year Ended November 30, 2010

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Fund
	<hr/>	<hr/>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Net operating loss	\$ (846,626)	\$ (483,021)
Adjustments needed to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	102,511	-
Decrease in accounts receivable	177,858	55,485
(Decrease) increase in vouchers payable	(27,561)	200,000
Increase in accrued payroll	10,557	-
Increase in compensated absences	17,382	-
Decrease in due to other funds	<u>(400,540)</u>	<u>-</u>
Net cash (used in) operating activities	<u>\$ (966,419)</u>	<u>\$ (227,536)</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
November 30, 2010

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	<u>Agency</u>
 <b><u>ASSETS</u></b>	
Cash	\$ 1,259,023
Investments, at cost	925,935
Accounts receivable	<u>436,121</u>
 Total assets	 <u><u>\$ 2,621,079</u></u>
 <b><u>LIABILITIES</u></b>	
 Due to others	 <u>\$ 2,621,079</u>
 Total liabilities	 <u><u>\$ 2,621,079</u></u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
November 30, 2010

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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, 2010

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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, 2010

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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, 2010

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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.

**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, 2010

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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, 2010 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 2009 property tax levy be used to finance the operating budget of the fiscal year ending November 30, 2010. Therefore, property tax receipts represent the receipts primarily generated by the 2009 property tax levy.

The 2009 levy was passed by the Board on November 30, 2009. 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 2010, the County levied its 2010 taxes which will be recognized as revenue in 2011. As of November 30, 2010, the County will record the 2010 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, 2010

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A. Summary of Significant Accounting Policies (Continued):

**FUND BALANCE**

Reserves represent those portions of fund balance 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 \$8,271,721 and the bank balance was \$8,993,837. Of the bank balance, \$8,993,837 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, 2010, \$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, 2010

B. Deposits and Investments (Continued):

**Investments.** As of November 30, 2010, the County's investments were as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Investment in state investment pool	\$1,405,414	\$1,405,414
Money market mutual fund	<u>987,726</u>	<u>987,726</u>
Total	<u>\$2,393,140</u>	<u>\$2,393,140</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	\$1,405,414	\$ -	\$ -	\$1,405,414
Money market mutual fund	<u>987,726</u>	<u>-</u>	<u>-</u>	<u>987,726</u>
Total	<u>\$2,393,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,393,140</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, 2010

B. Deposits and Investments (Continued):

	Total as of <u>November 30, 2010</u>	<u>AAAm</u>	<u>Unrated</u>
External investment pool	\$1,405,414	\$1,405,414	\$ -
Money market mutual fund	<u>987,726</u>	<u>-</u>	<u>987,726</u>
Total	<u>\$2,393,140</u>	<u>\$1,405,414</u>	<u>\$987,726</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, 2010 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, 2010

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, 2010 is as follows:

	Balance December 1, 2009	Additions	Deletions	Balance November 30, 2010
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 294,555	\$ -	\$ -	\$ 294,555
Capital assets being depreciated:				
Infrastructure	654,094,867	835,296	-	654,930,163
Buildings and Improvements	15,161,121	-	-	15,161,121
Equipment and Vehicles	<u>5,098,876</u>	<u>460,140</u>	<u>64,379</u>	<u>5,494,637</u>
Total capital assets being depreciated	<u>674,354,864</u>	<u>1,295,436</u>	<u>64,379</u>	<u>675,585,921</u>
Less accumulated depreciation for:				
Infrastructure	418,483,516	31,665,364	-	450,148,880
Buildings and Improvements	4,599,055	426,464	-	5,025,519
Equipment and Vehicles	<u>3,959,802</u>	<u>246,679</u>	<u>64,379</u>	<u>4,142,102</u>
Total accumulated depreciation	<u>427,042,373</u>	<u>32,338,507</u>	<u>64,379</u>	<u>459,316,501</u>
Total capital assets being depreciated, net:	<u>247,312,491</u>	<u>(31,043,071)</u>	<u>-</u>	<u>216,269,420</u>
Governmental activities capital assets, net	<u>\$247,607,046</u>	<u>\$(31,043,071)</u>	<u>\$ -</u>	<u>\$216,563,975</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

C. Property, Plant and Equipment (Continued):

The business-type activities capital asset activity for the year ended November 30, 2010 is as follows:

	Balance <u>December 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>November 30, 2010</u>
<b>Business Activities:</b>				
Capital assets being depreciated:				
Buildings and improvements	\$3,004,426	\$ -	\$ -	\$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>4,048,831</u>	<u>-</u>	<u>-</u>	<u>4,048,831</u>
Less accumulated depreciation for:				
Buildings and improvements	1,948,022	73,994	-	2,022,016
Equipment and vehicles	<u>867,094</u>	<u>28,517</u>	<u>-</u>	<u>895,611</u>
Total accumulated depreciation	<u>2,815,116</u>	<u>102,511</u>	<u>-</u>	<u>2,917,627</u>
Business type capital assets, net:	<u>\$1,233,715</u>	<u>\$(102,511)</u>	<u>\$ -</u>	<u>\$1,131,204</u>

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

**Governmental activities:**

General government	\$ 132,143
Public safety	87,233
Public works	31,665,364
Health, sanitation, and welfare	99,330
Judicial and court related	<u>354,438</u>
Total depreciation expense, governmental activities	<u>\$32,338,508</u>

**Business-type activities:**

Nursing Center	<u>\$102,511</u>
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STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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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>
2011	\$ 240,000	\$ 259,625
2012	250,000	249,825
2013	260,000	238,325
2014	270,000	225,075
2015	285,000	211,200
2016 - 2020	1,660,000	822,038
2021 - 2025	2,075,000	405,250
2026 - 2027	<u>950,000</u>	<u>38,400</u>
Total	<u>\$5,990,000</u>	<u>\$2,449,738</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>
2011	<u>\$9,040</u>	<u>\$748</u>



STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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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. The note was paid off during the fiscal year.

**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>
2011	\$11,195	\$1,690
2012	11,727	1,156
2013	<u>12,369</u>	<u>590</u>
Total	<u>\$35,291</u>	<u>\$3,436</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>
2011	\$ 74,926	\$5,674
2012	<u>86,107</u>	<u>2,661</u>
Total	<u>\$161,033</u>	<u>\$8,335</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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>
2011	\$21,052	\$3,866
2012	21,984	2,934
2013	22,976	1,942
2014	24,004	914
2015	<u>7,720</u>	<u>63</u>
Total	<u>\$97,736</u>	<u>\$9,719</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>
2011	\$ 23,311	\$ 7,569
2012	24,273	6,607
2013	25,274	5,605
2014	26,317	4,563
2015	27,403	3,777
2016 - 2018	<u>74,237</u>	<u>3,643</u>
Total	<u>\$200,815</u>	<u>\$31,764</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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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>
2011	\$ 90,000	\$ 60,724
2012	95,000	57,258
2013	100,000	53,578
2014	100,000	49,578
2015	105,000	45,478
2016 - 2020	600,000	154,265
2021 - 2022	<u>280,000</u>	<u>20,612</u>
Total	<u>\$1,370,000</u>	<u>\$441,493</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 was scheduled to be refinanced with TIF Bonds on May 15, 2011. However, the County requested and received an extension to January 15, 2012.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	<u>\$6,000,000</u>	<u>\$103,500</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

D. Long-Term Debt (Continued):

The following is a summary of changes in long-term debt for the year ended November 30, 2010:

	Balance <u>December 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>November 30, 2010</u>
Note Payable	\$ 429,272	\$ -	\$ 126,172	\$ 303,100
Mortgage Payable	221,630	-	20,815	200,815
Tax Anticipation Warrants	-	2,014,900	2,014,900	-
Debt Certificates	<u>13,445,000</u>	<u>-</u>	<u>85,000</u>	<u>13,360,000</u>
Total	<u>\$14,095,902</u>	<u>\$2,014,900</u>	<u>\$2,246,887</u>	<u>\$13,863,915</u>

The County is subject to a debt limitation of 2.875% of its assessed valuation of \$647,412,274. As of November 30, 2010 the County had \$4,749,188 of remaining legal debt margin.

E. Restricted Net Assets:

The Nursing Center has \$5,899 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 2009 was 6.21 percent (16.05 percent for SLEP members) of annual covered payroll. The

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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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 fiscal year ending December 31, 2009, the County's **annual pension cost** of \$532,768 for the Regular plan (\$486,371 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>
12/31/09	\$532,768	100%	\$0
12/31/08	537,319	100%	0
12/31/07	528,258	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>
12/31/09	\$486,371	100%	\$0
12/31/08	459,206	100%	0
12/31/07	456,380	100%	0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of 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 15% 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, 2007, was 23 years.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

F. Pension Plan (Continued):

***FUNDED STATUS AND FUNDING PROGRESS***

As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 91.75 percent funded, (68.56 percent for SLEP funded). The actuarial accrued liability for benefits was \$20,381,980 (\$11,914,532 for SLEP) and the actuarial value of assets was \$18,699,692, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,682,288, and (\$8,168,633 for SLEP, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,745,899). The covered payroll (annual payroll of active employees covered by the Regular plan) was \$8,579,189 and the ratio of the UAAL to the covered payroll was 20 percent. For SLEP members, the covered payroll (annual payroll of active employees covered by the plan) was \$3,030,347 and the ratio of the UAAL to the covered payroll was 124 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets.. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

G. Interfund Receivables and Payables:

The following is a summary of interfund receivables and payables due at November 30, 2010.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$1,794,281
Illinois Municipal Retirement	300,949	-
Non-major governmental funds	1,960,947	594,615
Internal service funds	427,000	-
Enterprise:		
Nursing Center	-	300,000
Totals	<u>\$2,688,896</u>	<u>\$2,688,896</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.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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H. Transfers:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General Fund	\$ 85,622	\$ 381,000
County Health Department	195,300	3,500
Non-major funds	<u>774,597</u>	<u>671,019</u>
	<u>\$1,055,519</u>	<u>\$1,055,519</u>

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

I. Deficit Fund Balances/Retained Earnings:

The General Fund, had a deficit fund balance of \$1,227,739 at November 30, 2010. The County Highway Fund, a Special Revenue Fund, had a deficit fund balance of \$250,552. The Dependent Children Fund, a Special Revenue Fund, had a deficit fund balance of \$7,171. The County Matching Fund, a Special Revenue Fund, had a deficit fund balance of \$142,647. The Coroner's Fund, a Special Revenue Fund, had a deficit fund balance of \$1,155. The Highway Building Fund, a Capital Projects Fund, had a deficit fund balance of \$123,962.

J. Other Assets:

During the years ended November 30, 2006 through 2010, the County purchased land, incurred engineering costs, and made land improvements totaling \$4,824,326 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.

K. 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, 2010 were \$50,000 for liability and property. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
November 30, 2010

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L. 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 \$115,000 of covered charges per individual per year and approximately the first \$2,867,978 of covered charges in aggregate. Health care claims which exceed \$115,000 of covered charges per individual per year or which aggregate more than \$2,867,978 are covered by insurance.

M. 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.

N. Contingencies:

From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

O. Pending Accounting Pronouncements:

*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, 2010

**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
12/31/09	\$18,699,692	\$20,381,980	\$1,682,288	91.75%	\$8,579,189	19.61%
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%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$18,068,350. On a market basis, the funded ratio would be 88.65%.

**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
12/31/09	\$8,168,633	\$11,914,532	\$3,745,899	68.56%	\$3,030,347	123.61%
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%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$7,886,916. On a market basis, the funded ratio would be 66.20%.

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND  
SCHEDULE OF REVENUES RECEIVED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Revenues Received:</u></b>				
Taxes:				
Property taxes	\$ 1,665,033	\$ 1,665,033	\$ 1,653,594	\$ (11,439)
State income tax	1,200,000	1,200,000	956,049	(243,951)
State sales tax	375,000	375,000	334,293	(40,707)
State supplemental sales tax	945,000	945,000	965,789	20,789
State use tax	200,000	200,000	165,852	(34,148)
Replacement tax	145,000	145,000	171,522	26,522
Inheritance tax	20,000	20,000	36,776	16,776
Treasurer/tax sale automation	116,000	116,000	147,663	31,663
Total taxes	4,666,033	4,666,033	4,431,538	(234,495)
Fees, licenses, permits, and fines:				
County clerk fees	214,500	214,500	152,757	(61,743)
Circuit clerk fees	541,000	541,000	507,534	(33,466)
County sheriff fees	289,800	514,800	577,561	62,761
State's attorney fees	40,334	40,334	44,361	4,027
County coroner fees	1,450	1,450	1,750	300
Supervisor of assessment fees	37,500	37,500	43,931	6,431
Zoning fees	113,188	113,188	22,569	(90,619)
Licenses	16,600	16,600	17,683	1,083
Criminal fines	275,000	275,000	264,260	(10,740)
Jail medical fees	15,000	15,000	7,331	(7,669)
Traffic fines	323,850	323,850	270,500	(53,350)
Cable franchise fees	21,900	21,900	31,181	9,281
Court security fees	142,632	142,632	137,254	(5,378)
County ordinances	600	600	485	(115)
Total fees, licenses, permits, and fines	2,033,354	2,258,354	2,079,157	(179,197)

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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Revenues Received (Continued):</u></b>				
Intergovernmental revenue received:				
State of Illinois salary				
reimbursements	785,779	785,779	834,926	49,147
Illinois department of corrections				
reimbursements	2,500	2,500	3,723	1,223
State of Illinois grant - Help America Vote	25,000	25,000	55,587	30,587
State's attorney grant	18,500	18,500	9,250	(9,250)
Total intergovernmental revenues received	831,779	831,779	903,486	71,707
Other revenue received:				
Interest on investments	10,000	10,000	988	(9,012)
Boarding of Prisoners	40,000	40,000	17,130	(22,870)
Revenue stamps	100,000	100,000	68,360	(31,640)
Street value	2,400	2,400	3,615	1,215
Miscellaneous	57,185	57,185	53,640	(3,545)
Total other revenue received	209,585	209,585	143,733	(65,852)
Total revenues received	<u>\$ 7,740,751</u>	<u>\$ 7,965,751</u>	<u>\$ 7,557,914</u>	<u>\$ (407,837)</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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed:</u></b>				
<u>General Government:</u>				
<u>County Properties</u>				
Personnel:				
Salaries - other full time	\$ 34,830	\$ 34,830	\$ 33,102	\$ (1,728)
Salaries - overtime	1,000	1,000	722	(278)
Total personnel	35,830	35,830	33,824	(2,006)
Commodities:				
Cleaning supplies	2,000	2,000	1,622	(378)
Paper supplies - towels, etc.	2,800	2,800	2,927	127
Electrical supplies	956	956	251	(705)
Hardware supplies	100	100	49	(51)
Plumbing supplies	500	500	46	(454)
Painting supplies	50	50	43	(7)
Salt	800	800	501	(299)
Total commodities	7,206	7,206	5,439	(1,767)
Contractual:				
Advertising and publishing	100	100	-	(100)
Boiler - state inspection	300	300	100	(200)
Gas - natural	13,000	13,000	10,379	(2,621)
Electric	53,000	53,000	56,828	3,828
Telephone - alarm system	100	100	-	(100)
Water and sewer	3,000	3,000	2,201	(799)
Garbage disposal	1,760	1,760	1,676	(84)
Pest control	50	50	-	(50)
Maintenance - environmental	9,500	9,500	9,432	(68)
Maintenance - painting & decorating	400	400	7	(393)
Maintenance - elevators	12,000	12,000	14,669	2,669
Maintenance - general	2,500	2,500	1,249	(1,251)
Maintenance - telephone system	1,000	1,000	65	(935)
Courthouse building repair	3,000	3,000	912	(2,088)
Janitorial contract	1,000	1,000	549	(451)
Total contractual	100,710	100,710	98,067	(2,643)

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, 2010

	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	500	500	246	(254)
Total county properties	144,246	144,246	137,576	(6,670)
<u>County Board Expense Disbursed</u>				
Personnel:				
Salaries - per diem	65,130	65,130	58,370	(6,760)
Chairman	20,725	20,725	20,100	(625)
Total personnel	85,855	85,855	78,470	(7,385)
Commodities:				
Stationery and supplies	50	50	-	(50)
Total contractual	50	50	-	(50)
Contractual:				
Auto mileage	4,500	5,540	5,526	(14)
Dues and memberships	2,100	2,100	1,988	(112)
Meetings and seminars	2,000	2,560	2,550	(10)
Total contractual	8,600	10,200	10,064	(136)
Total county board	94,505	96,105	88,534	(7,571)

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, 2010

	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	47,000	47,000	47,000	-
Salaries - deputies	25,080	25,080	25,080	-
Salaries - part-time deputy	7,300	7,300	19,999	12,699
Overtime salaries - deputies	185	185	72	(113)
Total personnel	79,565	79,565	92,151	12,586
Commodities:				
Stationery and supplies	600	600	1,056	456
Computer supplies	3,800	3,800	2,872	(928)
Office equipment	2,000	2,000	1,936	(64)
Total commodities	6,400	6,400	5,864	(536)
Contractual:				
Mileage	250	250	-	(250)
Advertising and publishing	1,400	1,400	-	(1,400)
Office equipment repair	200	200	128	(72)
Total contractual	1,850	1,850	128	(1,722)
Total county treasurer	87,815	87,815	98,143	10,328

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, 2010

	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	50,000	50,000	50,000	-
Salaries - deputies	72,000	81,720	81,719	(1)
Overtime salaries	10	10	-	(10)
Excess sick days	1,886	1,886	1,726	(160)
Total personnel	123,896	133,616	133,445	(171)
Commodities:				
Stationery and supplies	10,000	10,000	8,568	(1,432)
Computerized recording system	10	10	-	(10)
Office equipment (under \$500)	400	400	233	(167)
Books, periodicals, and manuals	10	10	-	(10)
Operational expense	1,000	1,260	1,255	(5)
Total commodities	11,420	11,680	10,056	(1,624)
Contractual:				
Auto mileage	250	250	-	(250)
Publishing	1,100	1,100	491	(609)
Printing, duplicating, and binding	4,000	4,000	3,019	(981)
Photocopies	10	10	-	(10)
Office equipment repair	4,850	3,350	1,584	(1,766)
Dues and memberships	650	680	678	(2)
Meetings and seminars	1,100	1,100	310	(790)
Instruction and schooling	10	10	-	(10)
Miscellaneous fees (register births and deaths)	10	960	957	(3)
Telephone	100	100	-	(100)
IT Equipment	500	500	-	(500)
Total contractual	12,580	12,060	7,039	(5,021)
Total county clerk and recorder	147,896	157,356	150,540	(6,816)

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, 2010

	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	41,650	41,150	41,138	(12)
Salaries - secretary	12,692	13,157	13,156	(1)
Salaries - per diem	1,000	800	800	-
Excess sick days	900	920	920	-
Total personnel	56,242	56,027	56,014	(13)
Commodities:				
Stationery and supplies	500	515	511	(4)
Office equipment (under \$500)	510	510	212	(298)
Total commodities	1,010	1,025	723	(302)
Contractual:				
Auto mileage	2,500	2,500	2,474	(26)
Advertising and publishing	500	650	646	(4)
Photocopies	500	620	619	(1)
Office equipment repairs	400	500	499	(1)
Meetings and seminars	400	230	90	(140)
Telephone	1,500	1,500	1,313	(187)
Total contractual	5,800	6,000	5,641	(359)
Total zoning	63,052	63,052	62,378	(674)
<b><u>Administrative Services</u></b>				
Personnel:				
Salaries - department head	61,500	61,500	61,500	-
Salaries - secretary	31,242	31,242	30,860	(382)
Excess sick days	2,850	2,850	2,837	(13)
Total personnel	95,592	95,592	95,197	(395)

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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<u>General Government (Continued):</u>				
<u>Administrative Services (Continued)</u>				
Commodities:				
Stationery and supplies	200	200	56	(144)
Computer supplies	150	150	28	(122)
Office equipment (under \$500)	60	60	-	(60)
Printing paper and supplies	<u>6,000</u>	<u>6,000</u>	<u>3,130</u>	<u>(2,870)</u>
Total commodities	<u>6,410</u>	<u>6,410</u>	<u>3,214</u>	<u>(3,196)</u>
Contractual:				
Auto mileage	50	50	-	(50)
Postage	75,000	66,630	57,508	(9,122)
Postage presort service	1,500	1,500	478	(1,022)
Printing, duplicating and binding	180	180	-	(180)
Photocopies	750	750	677	(73)
Telephone	54,318	61,618	61,594	(24)
Office equipment repair	700	700	657	(43)
Dues and memberships	290	290	270	(20)
Postage meter rental	1,250	1,250	950	(300)
Meetings and seminars	100	100	-	(100)
Computer contract	9,600	9,620	9,607	(13)
Computer instruction	<u>-</u>	<u>1,050</u>	<u>-</u>	<u>(1,050)</u>
Total contractual	<u>143,738</u>	<u>143,738</u>	<u>131,741</u>	<u>(11,997)</u>
Total administrative services	<u>245,740</u>	<u>245,740</u>	<u>230,152</u>	<u>(15,588)</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, 2010

	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	92,289	92,289	92,290	1
Commodities:				
Stationery and supplies	50	50	-	(50)
Office equipment (under \$500)	1,500	1,500	538	(962)
Books, periodicals, and manuals	250	250	185	(65)
Total commodities	1,800	1,800	723	(1,077)
Contractual:				
Auto mileage	2,000	2,000	1,812	(188)
Meetings and seminars	500	500	-	(500)
Total contractual	2,500	2,500	1,812	(688)
Total facilities management	96,589	96,589	94,825	(1,764)
<u>Supervisor of Assessments</u>				
Personnel:				
Salaries - department head	63,400	63,400	63,400	-
Salaries - deputies	54,825	54,825	54,821	(4)
Salaries - overtime	1,000	1,000	-	(1,000)
Salaries - board of review	10,500	10,500	10,500	-
Excess sick days	2,550	2,550	2,236	(314)
Total personnel	132,275	132,275	130,957	(1,318)
Commodities:				
Stationery and supplies	1,500	1,500	1,450	(50)
Total commodities	1,500	1,500	1,450	(50)

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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>General Government (Continued):</u></b>				
<b><u>Supervisor of Assessments (Continued)</u></b>				
Contractual:				
Appraisal Maintenance	38,640	38,640	38,640	-
Independent appraisal	10	10	-	(10)
Auto mileage	1,500	1,500	849	(651)
Advertising and publishing	12,500	12,500	2,769	(9,731)
Printing, duplicating, and binding	2,500	2,500	6,505	4,005
Photocopies	2,400	2,400	2,355	(45)
Dues and memberships	750	750	735	(15)
Meetings and seminars	5,000	5,000	1,499	(3,501)
Appraisal software	13,500	13,500	13,136	(364)
Office equipment (over \$500)	10	10	-	(10)
Total contractual	76,810	76,810	66,488	(10,322)
Total supervisor of assessments	210,585	210,585	198,895	(11,690)
<b><u>Recreation and Conservation</u></b>				
Contractual:				
Electric	290	290	193	(97)
Maintenance - Kent Monument	300	610	608	(2)
Pec prairie path	3,020	2,710	1,000	(1,710)
Jane Addams trail	9,030	9,030	9,030	-
Total recreation and conservation	12,640	12,640	10,831	(1,809)

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2010

	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	50,010	49,010	48,963	(47)
Salaries - part-time	3,000	1,500	-	(1,500)
Salaries - per diem	55,000	58,510	58,996	486
Total personnel	108,010	109,020	107,959	(1,061)
Commodities:				
Books, periodicals, and manuals	10	10	-	(10)
Printing paper and supplies	75,500	70,500	66,244	(4,256)
Total commodities	75,510	70,510	66,244	(4,266)
Contractual:				
Auto mileage	450	1,120	1,118	(2)
Advertising and publishing	20,000	20,000	18,775	(1,225)
Photocopies	10	10	-	(10)
Telephone	10	10	-	(10)
Building and rooms	5,620	5,620	4,300	(1,320)
Total contractual	26,090	26,760	24,193	(2,567)
Capital outlay:				
Election software	41,050	34,915	39,007	4,092
Office equipment (over \$500)	510	510	407	(103)
Total capital outlay	41,560	35,425	39,414	3,989
Total election expense	251,170	241,715	237,810	(3,905)
<b><u>Economic Development</u></b>				
Contractual:				
Workforce investment	38,500	41,900	39,901	(1,999)
Blackhawk Hills-R.C. & D	11,230	11,230	11,229	(1)
FAEDF membership	80,000	70,000	30,000	(40,000)
Total economic development	129,730	123,130	81,130	(42,000)

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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Expenditures Disbursed (Continued):</u></b>				
<b><u>Miscellaneous</u></b>				
Contractual:				
Annual audit	47,000	47,000	45,500	(1,500)
N.W. Criminal Justice Commission	4,500	4,500	3,965	(535)
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	1,001	1
Regional office of education	40,025	40,025	39,489	(536)
Stockton School District	4,575	4,575	4,767	192
Interest expense	20,000	25,000	12,100	(12,900)
Insurance premiums	631,100	631,100	604,700	(26,400)
Contract grant writer	50,000	50,000	42,849	(7,151)
County Code Book	10,000	10,000	3,885	(6,115)
	<u>834,200</u>	<u>839,200</u>	<u>783,256</u>	<u>(55,944)</u>
Total miscellaneous	<u>834,200</u>	<u>839,200</u>	<u>783,256</u>	<u>(55,944)</u>
 Total general government	 <u>2,318,168</u>	 <u>2,318,173</u>	 <u>2,174,070</u>	 <u>(144,103)</u>

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2010

	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	63,000	63,000	63,000	-
Salaries - safety director	2,500	2,500	2,500	-
Salaries - deputies	1,113,100	1,113,100	1,110,972	(2,128)
Salaries - communication	319,000	319,000	316,808	(2,192)
Salaries - clerical	94,000	94,000	88,300	(5,700)
Salaries - overtime	56,000	56,000	51,109	(4,891)
Salaries - overtime - communication	18,000	18,000	27,729	9,729
Salaries - court deputies	123,600	123,600	117,506	(6,094)
Excess sick days	32,000	32,000	30,028	(1,972)
Total personnel	1,821,200	1,821,200	1,807,952	(13,248)
Commodities:				
Crime prevention supplies	500	500	25	(475)
Stationery and supplies	1,800	1,800	1,808	8
Stationery and supplies - communication	300	300	225	(75)
Office equipment (under \$500)	493	493	484	(9)
Books, periodicals, and manuals	500	500	-	(500)
Gasoline and operating fuel	75,000	75,000	63,007	(11,993)
Clothing - uniforms	7,500	7,500	2,518	(4,982)
Lubricants	4,500	4,500	2,591	(1,909)
Automotive tires	8,000	8,000	6,888	(1,112)
Automotive accessories	1,000	1,000	353	(647)
Sheriff's reserve unit	1,000	1,000	1,000	-
Mounted patrol	800	800	800	-
Total commodities	101,393	101,393	79,699	(21,694)

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, 2010

	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	400	400	212	(188)
Travel expense	6,500	6,500	2,042	(4,458)
Advertising and publishing	250	250	-	(250)
Photocopies	2,000	2,000	1,605	(395)
Telephone	13,000	13,000	10,409	(2,591)
Automotive repairs	8,000	8,000	8,169	169
Equipment repairs	4,500	4,500	2,318	(2,182)
Ammunition	6,000	6,000	5,808	(192)
Radio and tower	8,100	8,100	7,977	(123)
Machines and equipment	20,470	20,470	17,416	(3,054)
Office equipment	400	400	430	30
Dues and memberships	800	800	760	(40)
Instruction and schooling	10,000	10,000	3,548	(6,452)
Investigation expense	4,000	4,000	2,793	(1,207)
Emergency response	1,000	1,000	150	(850)
Total contractual	85,420	85,420	63,637	(21,783)
Capital outlay:				
Automotive	81,000	306,000	294,372	(11,628)
Radio	24,700	24,700	17,593	(7,107)
Total capital outlay	105,700	330,700	311,965	(18,735)
Total public safety	2,113,713	2,338,713	2,263,253	(75,460)

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, 2010

	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	166,508	166,508	166,508	-
Salaries - assistants	279,555	279,555	249,697	(29,858)
Salaries - secretaries	98,236	98,236	73,802	(24,434)
Salaries - teen court coordinator	5,000	5,000	5,002	2
Salaries - victim coordinator	18,500	18,500	18,402	(98)
Excess sick days	3,256	3,256	2,406	(850)
Total personnel	571,055	571,055	515,817	(55,238)
Commodities:				
Stationery and supplies	8,500	8,500	4,905	(3,595)
Office equipment	750	750	-	(750)
Books, periodicals, and manuals	1,000	1,270	(270)	(1,540)
Victim coordinator	500	500	-	(500)
Total commodities	10,750	11,020	4,635	(6,385)
Contractual:				
Court reporting	1,500	1,500	-	(1,500)
Appellate service	13,000	13,000	13,000	-
Travel expense	10	10	-	(10)
Photocopies	1,500	1,500	5	(1,495)
Office equipment maintenance	2,000	2,000	1,328	(672)
Meetings and seminars	10	10	-	(10)
Sheriff's fees	1,000	200	-	(200)
Investigation expense	500	500	78	(422)
Educational assistance	500	500	500	-
Total contractual	20,020	19,220	14,911	(4,309)
Capital outlay:				
Equipment	2,000	660	-	(660)
Total state's attorney	603,825	601,955	535,363	(66,592)

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, 2010

	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	190,000	187,000	157,455	(29,545)
Salaries - overtime	500	500	-	(500)
Excess sick days	500	500	-	(500)
Total personnel	243,000	240,000	209,455	(30,545)
Commodities:				
Stationery and supplies	9,000	10,500	10,220	(280)
Books, periodicals, and manuals	250	250	74	(176)
Office equipment (under \$500)	500	500	-	(500)
Total commodities	9,750	11,250	10,294	(956)
Contractual:				
Auto mileage	150	150	-	(150)
Photocopies	2,500	4,000	3,645	(355)
Telephone	500	500	126	(374)
Office equipment repairs	100	100	-	(100)
Dues and memberships	350	350	325	(25)
Meetings and seminars	100	100	-	(100)
Total contractual	3,700	5,200	4,096	(1,104)
Total circuit clerk	256,450	256,450	223,845	(32,605)

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, 2010

	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	2,600	2,005	(595)
Office equipment (under \$500)	1,200	1,550	1,532	(18)
Books, periodicals, and manuals	2,500	3,100	3,094	(6)
Total commodities	6,300	7,250	6,631	(619)
Contractual:				
Office of the Chief Judge	900	900	900	-
Photocopies	250	250	202	(48)
Telephone	500	-	-	-
Office equipment repair	3,405	3,885	3,876	(9)
Assessment for judges salaries	2,200	2,240	2,239	(1)
Meetings & seminars	2,500	2,500	2,500	-
Total contractual	9,755	9,775	9,717	(58)
Capital outlay:				
Office equipment (over \$500)	2,500	4,000	1,705	(2,295)
Total judicial	18,555	21,025	18,053	(2,972)
<b><u>Corrections</u></b>				
Personnel:				
Salaries - jail administrator	53,100	53,100	53,802	702
Salaries - correction officers	1,089,074	1,089,074	1,081,743	(7,331)
Salaries - clerical	33,500	33,500	30,998	(2,502)
Salaries - part-time	2,808	2,808	2,808	-
Salaries - overtime	50,000	50,000	49,136	(864)
Excess sick days	4,600	4,600	23,624	19,024
Total personnel	1,233,082	1,233,082	1,242,111	9,029

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, 2010

	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	4,000	4,000	3,343	(657)
Computer supplies	6,000	6,000	5,213	(787)
Films and tapes	100	100	60	(40)
Books, periodicals, and manuals	300	300	-	(300)
Laundry	7,000	7,000	6,196	(804)
Food-county inmates	220,000	220,000	242,584	22,584
Medical and dental supplies	500	500	133	(367)
Clothing - uniforms	9,000	9,000	1,705	(7,295)
Kitchen	1,500	1,500	-	(1,500)
Total commodities	248,400	248,400	259,234	10,834
Contractual:				
Medical, dental and barber	155,000	155,000	121,375	(33,625)
Postage	500	500	279	(221)
Telephone	10,000	10,000	11,923	1,923
Instruction and schooling	14,500	14,500	2,661	(11,839)
Transporting prisoners	8,000	8,000	9,266	1,266
Live scan	4,500	4,500	4,494	(6)
Radio	2,000	2,000	850	(1,150)
Total contractual	194,500	194,500	150,848	(43,652)
Total corrections	1,675,982	1,675,982	1,652,193	(23,789)

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, 2010

	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.	21,000	14,500	9,248	(5,252)
Mental examinations	21,000	20,810	12,686	(8,124)
Advertising and publishing	3,559	7,779	7,772	(7)
Investigation expense	250	250	-	(250)
Witness	6,000	6,000	5,375	(625)
Total court ordered expenses	51,809	49,339	35,081	(14,258)
<b><u>Jury Commission</u></b>				
Personnel:				
Salaries - secretary	5	5	-	(5)
Coroner jurors	200	200	-	(200)
Circuit jurors	28,000	28,000	24,199	(3,801)
Jury commissioners	3,200	3,200	3,200	-
Total personnel	31,405	31,405	27,399	(4,006)
Commodities:				
Stationery and supplies	5	5	-	(5)
Juror meals	2,800	2,800	2,790	(10)
Total commodities	2,805	2,805	2,790	(15)
Contractual:				
Printing, duplicating and binding	808	808	780	(28)
Total jury commission	35,018	35,018	30,969	(4,049)

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, 2010

	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	89,618	89,618	89,618	-
Salaries - officers	513,528	513,528	510,818	(2,710)
Salaries - supervisors	76,503	76,503	76,503	-
Salaries - office manager	32,286	32,286	33,666	1,380
Salaries - secretaries	41,721	41,721	43,138	1,417
Excess sick days	8,442	8,442	8,005	(437)
Total personnel	762,098	762,098	761,748	(350)
Contractual:				
Youth Diversion Programs	10,000	10,000	13,000	3,000
Total probation	772,098	772,098	774,748	2,650
<b><u>Merit Commission</u></b>				
Contractual:				
Consultants - testing	2,708	2,708	942	(1,766)
Court reporter	100	100	80	(20)
Attorney fees	100	100	-	(100)
Medical and dental	600	600	-	(600)
Witness fees and mileage	100	100	-	(100)
Advertising and publishing	1,000	1,000	-	(1,000)
Total contractual	4,608	4,608	1,022	(3,586)
Total merit commission	4,608	4,608	1,022	(3,586)

STEPHENSON COUNTY, ILLINOIS  
GENERAL FUND (CONTINUED)  
SCHEDULE OF EXPENDITURES DISBURSED  
COMPARED WITH BUDGET (BUDGETARY BASIS)  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended November 30, 2010

	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	11,650	11,650	11,172	(478)
Commodities:				
Cleaning supplies	250	250	244	(6)
Paper supplies - towels, etc.	100	100	-	(100)
Electrical supplies	250	250	123	(127)
Hardware supplies	50	50	-	(50)
Plumbing supplies	100	100	31	(69)
Painting supplies	50	50	-	(50)
Total commodities	800	800	398	(402)
Contractual:				
Boiler - State inspection	300	300	-	(300)
Gas - natural	7,500	7,500	4,023	(3,477)
Electrical service	10,000	10,000	10,056	56
Water and sewer	1,250	1,250	968	(282)
Garbage disposal	300	300	-	(300)
Pest control	50	50	-	(50)
Maintenance - environmental	200	200	375	175
Maintenance - general	1,500	1,500	1,204	(296)
Total contractual	21,100	21,100	16,626	(4,474)
Total jail building	33,550	33,550	28,196	(5,354)
Total judiciary and court related	3,451,895	3,450,025	3,299,470	(150,555)
Total expenditures disbursed	<u>\$7,883,776</u>	<u>\$8,106,911</u>	<u>\$7,736,793</u>	<u>\$ (370,118)</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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b><u>Other financing sources (uses):</u></b>				
Operating transfers in (out):				
Work Release Fee	\$ 65,622	\$ 65,622	\$ 85,622	\$ 20,000
Dependent Children Fund	(80,290)	(80,290)	(51,700)	28,590
County Health Department Fund	(195,300)	(195,300)	(195,300)	-
Public Defender Fund	<u>(142,140)</u>	<u>(142,140)</u>	<u>(134,000)</u>	<u>8,140</u>
Total operating transfers out	<u>\$ (352,108)</u>	<u>\$ (352,108)</u>	<u>\$ (295,378)</u>	<u>\$ 56,730</u>



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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received:</b>				
Taxes:				
Property taxes	\$ 1,345,000	\$ 1,345,000	\$ 1,336,071	\$ (8,929)
Replacement taxes	<u>158,325</u>	<u>158,325</u>	<u>163,861</u>	<u>5,536</u>
Total other revenue received	<u>1,503,325</u>	<u>1,503,325</u>	<u>1,499,932</u>	<u>(3,393)</u>
Other revenue received:				
Interest on investments	\$ 1,800	\$ 1,800	\$ 5,328	\$ 3,528
Reimbursements	<u>1,111,000</u>	<u>1,111,000</u>	<u>572,834</u>	<u>(538,166)</u>
Total other revenue received	<u>1,112,800</u>	<u>1,112,800</u>	<u>578,162</u>	<u>(534,638)</u>
Total revenue received	<u>\$ 1,271,125</u>	<u>\$ 1,271,125</u>	<u>\$ 742,023</u>	<u>\$ (529,102)</u>
<b>Expenditures Disbursed:</b>				
General government:				
Illinois Municipal Retirement Fund	<u>\$ 2,015,000</u>	<u>\$ 2,015,000</u>	<u>\$ 1,701,686</u>	<u>\$ (313,314)</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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received:</b>				
Taxes:				
Property taxes	\$ 40,698	\$ 40,698	\$ 40,498	\$ (200)
Fees, licenses, permits, and fines:				
Contractor	\$ 5,925	\$ 5,925	\$ 5,425	\$ (500)
Food permits	48,980	48,980	46,947	(2,033)
Radon kit	868	868	466	(402)
Vital records	31,821	31,821	32,135	314
Well and septic	32,000	32,000	38,614	6,614
TB	340	340	310	(30)
Physicals	2,500	2,500	2,190	(310)
Total fees, licenses, permits, and fines	122,434	122,434	126,087	3,653
Intergovernmental revenue:				
State of IL Grants	\$ 9,048	\$ 9,048	\$ 9,580	\$ 532
FCM-public health	156,717	156,717	171,900	15,183
FCM-public aid	-	-	-	-
FCM-federal match	66,000	66,000	25,900	(40,100)
WIC grant	162,400	162,400	165,113	2,713
Health protection	85,354	85,354	85,354	-
Family planning	73,500	73,500	63,800	(9,700)
Aids prevention	-	-	-	-
Adolescent health	4,825	4,825	5,133	308
Tobacco settlement	20,000	20,000	20,000	-
Tobacco compliance grant	4,510	4,510	4,510	-
Childhood lead	2,250	2,250	1,976	(274)
IDPH	55,235	55,235	29,351	(25,884)
FQHC Start Up	-	-	-	-
Gear Up	23,800	23,800	21,800	(2,000)
H1N1	55,000	55,000	145,357	90,357
HFI-Mental Health	4,801	4,801	4,907	106
Freeport township	2,100	2,100	2,550	450
Jo Daviess county	15,000	15,000	15,000	-
ARRA	19,500	19,500	19,500	-
Tuberculosis board	58,665	58,665	58,665	-

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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues Received (Continued):</b>				
Intergovernmental revenue (continued):				
Other grants	278,517	278,517	239,459	(39,058)
IDPA-family planning	23,400	23,400	29,134	5,734
IDPA-lead	3,000	3,000	1,270	(1,730)
IDPA-immunizations	2,560	2,560	1,306	(1,254)
IDPA-other	7,000	7,000	6,008	(992)
Medicare	6,500	6,500	2,397	(4,103)
Breast and cervical cancer	143,230	143,230	145,292	2,062
Breast and cervical-primary care	155,450	155,450	103,975	(51,475)
Other Grants	25,000	25,000	16,641	(8,359)
Healthy families	231,400	231,400	283,287	51,887
0 to 3 Assurance Network	67,844	67,844	106,244	38,400
Teen parent services	100,400	100,400	105,600	5,200
Wise women	95,225	95,225	58,309	(36,916)
Total intergovernmental revenue	<u>1,958,231</u>	<u>1,958,231</u>	<u>1,949,318</u>	<u>(8,913)</u>
Sale of goods and services:				
Private pay-family planning	\$ 11,500	\$ 11,500	\$ 11,734	\$ 234
Private pay-flu vaccine	23,500	23,500	19,400	(4,100)
Private pay-immunizations	17,175	17,175	14,980	(2,195)
Private pay-community clinic	9,021	9,021	8,791	(230)
Private pay-other	3,645	3,645	3,645	-
Animal Control	5,000	5,000	5,000	-
Total sale of goods and services	<u>69,841</u>	<u>69,841</u>	<u>63,550</u>	<u>(6,291)</u>
Other revenue received:				
Interest	\$ 6,500	\$ 6,500	\$ 6,614	\$ 114
Donations	21,900	21,900	23,314	1,414
Miscellaneous	23,000	23,000	22,877	(123)
County reimbursements	<u>206,861</u>	<u>206,861</u>	<u>214,530</u>	<u>7,669</u>
Total other revenue received	<u>258,261</u>	<u>258,261</u>	<u>267,335</u>	<u>9,074</u>
Total revenue received	<u>\$2,449,465</u>	<u>\$2,449,465</u>	<u>\$2,446,788</u>	<u>\$ (2,677)</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, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Expenditures Disbursed:</b>				
Health and welfare:				
Salaries-administrator	\$ 80,262	\$ 80,262	\$ 77,927	\$ (2,335)
Salaries-full time	1,194,033	1,194,033	1,109,761	(84,272)
Salaries-overtime	3,993	3,993	3,993	-
Salaries-part time	63,852	63,852	55,673	(8,179)
Office supplies	52,391	52,391	63,556	11,165
Pamphlets	3,326	3,326	7,707	4,381
Printing	3,310	3,310	4,992	1,682
Medical-clinic	79,075	79,075	73,025	(6,050)
Other	254,290	254,290	220,860	(33,430)
Breast and cervical-primary care	162,250	162,250	201,578	39,328
Travel	67,738	67,738	55,968	(11,770)
Postage	5,859	5,859	5,757	(102)
Advertising and publishing	5,199	5,199	5,990	791
Natural gas	3,200	3,200	3,102	(98)
Electricity	21,080	21,080	16,270	(4,810)
Telephone	29,750	29,750	18,621	(11,129)
Water and sewer	2,350	2,350	1,596	(754)
Garbage disposal	500	500	744	244
Equipment repair	19,715	19,715	10,624	(9,091)
Janitorial service	20,500	20,500	21,961	1,461
Dues	10,515	10,515	8,394	(2,121)
IDPH-vital records fee	8,920	8,920	8,386	(534)
Medical equipment	6,305	6,305	7,905	1,600
Office equipment	27,285	27,285	32,218	4,933
Interest expense	15,440	15,440	10,065	(5,375)
Mortgage payment	15,440	15,440	20,815	5,375
Insurance premiums	282,847	282,847	291,635	8,788
FICA	102,368	102,368	91,215	(11,153)
IMRF	83,099	83,099	96,908	13,809
Workers compensation	4,825	4,825	3,975	(850)
Unemployment	2,162	2,162	904	(1,258)
Total health and welfare	<u>\$2,631,879</u>	<u>\$2,631,879</u>	<u>\$2,532,125</u>	<u>\$ (99,754)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2010

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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, 2010.

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, 2010

	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
<b>General Fund:</b>				
Revenues:				
Taxes	\$ 4,666,033	\$ 4,431,538	\$ 28,067	\$ 4,459,605
Fees, licenses, permits, and fines:	2,258,354	2,079,157	(10,223)	2,068,934
Intergovernmental revenue	831,779	903,486	(35,515)	867,971
Other revenue	209,585	143,733	61,916	205,649
Total revenues	<u>\$ 7,965,751</u>	<u>\$ 7,557,914</u>	<u>\$ 44,245</u>	<u>\$ 7,602,159</u>
Expenditures:				
General government:				
County Properties	\$ 144,246	\$ 137,576	\$ 268	\$ 137,844
County Board	96,105	88,534	1,582	90,116
County Treasurer	87,815	98,143	157	98,300
County Clerk and Elections	157,356	150,540	(1,864)	148,676
Zoning	63,052	62,378	600	62,978
Administrative services	245,740	230,152	4,986	235,138
Facilities Management	96,589	94,825	355	95,180
Election expense	241,715	237,810	(6,249)	231,561
Assessor	210,585	198,895	496	199,391
Recreation and conservation	12,640	10,831	-	10,831
Economic development	123,130	81,130	300	81,430
Miscellaneous	839,200	783,256	1,292	784,548
Public safety:				
Sheriff	2,338,713	2,263,253	4,809	2,268,062
Judiciary and court related:				
State's Attorney	601,955	535,363	5,924	541,287
Circuit Clerk	256,450	223,845	(4,279)	219,566
Judiciary	21,025	18,053	(964)	17,089
Corrections	1,675,982	1,652,193	2,588	1,654,781
Court ordered	49,339	35,081	5,227	40,308
Jury commission	35,018	30,969	-	30,969
Probation	772,098	774,748	(387)	774,361
Merit commission	4,608	1,022	-	1,022
Jail building	33,550	28,196	248	28,444
Total expenditures	<u>\$ 8,106,911</u>	<u>\$ 7,736,793</u>	<u>\$ 15,089</u>	<u>\$ 7,751,882</u>
Other financing (uses):				
Operating transfers in	\$ 65,622	\$ 85,622	-	\$ 85,622
Operating transfers out	(417,730)	(381,000)	-	(381,000)
Total other financing sources (uses)	<u>\$ (352,108)</u>	<u>\$ (295,378)</u>	<u>\$ -</u>	<u>\$ (295,378)</u>

STEPHENSON COUNTY, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2010

	<u>Budget</u>	<u>Actual on Cash Basis</u>	<u>Adjustments to GAAP Basis</u>	<u>Actual on GAAP Basis</u>
<b>Illinois Municipal Retirement:</b>				
Revenues:				
Taxes	\$ 1,503,325	\$ 1,499,932	\$ 37,485	\$ 1,537,417
Other revenue	<u>1,111,000</u>	<u>578,162</u>	<u>-</u>	<u>578,162</u>
Total revenues	<u>\$ 2,614,325</u>	<u>\$ 2,078,094</u>	<u>\$ 37,485</u>	<u>\$ 2,115,579</u>
Expenditures:				
General government	\$ 2,015,000	\$ 1,701,686	\$ (1,575,841)	\$ 125,845
Public safety	-	-	500,198	500,198
Judiciary and court related	-	-	316,321	316,321
Public works	-	-	134,601	134,601
Health and welfare	<u>-</u>	<u>-</u>	<u>624,721</u>	<u>624,721</u>
Total revenues	<u>\$ 2,015,000</u>	<u>\$ 1,701,686</u>	<u>\$ -</u>	<u>\$ 1,701,686</u>
<b>County Health Department</b>				
Revenues:				
Taxes	\$ 40,698	\$ 40,498	\$ -	\$ 40,498
Fees, licenses, permits, and fines	122,434	126,087	-	126,087
Intergovernmental revenue	1,958,231	1,949,318	75,084	2,024,402
Sale of goods and services	69,841	63,550	686	64,236
Other revenue	<u>258,261</u>	<u>267,335</u>	<u>-</u>	<u>267,335</u>
Total revenues	<u>\$ 2,449,465</u>	<u>\$ 2,446,788</u>	<u>\$ 75,770</u>	<u>\$ 2,522,558</u>
Expenditures:				
Health and welfare	<u>\$ 2,631,879</u>	<u>\$ 2,532,125</u>	<u>\$ 9,308</u>	<u>\$ 2,541,433</u>
Other financing sources (uses):				
Operating transfers in	\$ 195,300	\$ 195,300	\$ -	\$ 195,300
Operating transfers out	<u>-</u>	<u>(3,500)</u>	<u>-</u>	<u>(3,500)</u>
Total other financing sources (uses)	<u>\$ 195,300</u>	<u>\$ 191,800</u>	<u>\$ -</u>	<u>\$ 191,800</u>

## **OTHER SUPPLEMENTARY INFORMATION**



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

	Total Nonmajor Governmental Funds	Special		
		County Highway	County Bridge	DUI Equipment
<b><u>ASSETS</u></b>				
Cash	\$ 2,150,317	\$ 56,641	\$ 61,793	\$ 9,932
Investments, at cost	3,500,633	-	-	-
Accounts receivable	657,841	9,575	71	-
Property tax receivable	3,749,248	602,676	301,370	-
Due from other funds	1,960,947	-	450,000	-
	<u>1,960,947</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
Total assets	<u>\$ 12,018,986</u>	<u>\$ 668,892</u>	<u>\$ 813,234</u>	<u>\$ 9,932</u>
<b><u>LIABILITIES</u></b>				
Vouchers payable	\$ 568,884	\$ 74,193	\$ 49,915	\$ -
Accrued payroll	52,381	12,560	-	-
Compensated absences	5,015	5,015	-	-
Due to other funds	594,615	225,000	-	-
Deferred revenue	3,749,248	602,676	301,370	-
	<u>3,749,248</u>	<u>602,676</u>	<u>301,370</u>	<u>-</u>
Total liabilities	<u>4,970,143</u>	<u>919,444</u>	<u>351,285</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>				
Fund balances:				
Unreserved, undesignated	7,048,843	(250,552)	461,949	9,932
	<u>7,048,843</u>	<u>(250,552)</u>	<u>461,949</u>	<u>9,932</u>
Total fund balance	<u>7,048,843</u>	<u>(250,552)</u>	<u>461,949</u>	<u>9,932</u>
Total liabilities and fund balances	<u>\$ 12,018,986</u>	<u>\$ 668,892</u>	<u>\$ 813,234</u>	<u>\$ 9,932</u>

Revenue							
County Matching	County Motor Fuel Tax	Liability Insurance	Mental Health	Tuberculosis	Dependent Children	Animal Control	Circuit Clerk Fees
\$ 353,798	\$ 5,692	\$ 257,748	\$ 143,753	\$ 25,167	\$ 424	\$ 42,115	\$ 390
-	287,844	1	-	-	-	145,180	-
71	71,542	-	-	-	-	-	-
301,370	-	1,043,061	301,370	58,720	-	-	-
-	-	341,036	-	-	-	-	-
<u>\$ 655,239</u>	<u>\$ 365,078</u>	<u>\$ 1,641,846</u>	<u>\$ 445,123</u>	<u>\$ 83,887</u>	<u>\$ 424</u>	<u>\$ 187,295</u>	<u>\$ 390</u>
\$ 268,257	\$ 40,675	\$ 3,599	\$ -	\$ -	\$ 7,595	\$ 658	\$ -
3,259	8,501	350	-	-	-	1,189	-
-	-	-	-	-	-	-	-
225,000	-	-	-	-	-	-	-
301,370	-	1,043,061	301,370	58,720	-	-	-
<u>797,886</u>	<u>49,176</u>	<u>1,047,010</u>	<u>301,370</u>	<u>58,720</u>	<u>7,595</u>	<u>1,847</u>	<u>-</u>
<u>(142,647)</u>	<u>315,902</u>	<u>594,836</u>	<u>143,753</u>	<u>25,167</u>	<u>(7,171)</u>	<u>185,448</u>	<u>390</u>
<u>(142,647)</u>	<u>315,902</u>	<u>594,836</u>	<u>143,753</u>	<u>25,167</u>	<u>(7,171)</u>	<u>185,448</u>	<u>390</u>
<u>\$ 655,239</u>	<u>\$ 365,078</u>	<u>\$ 1,641,846</u>	<u>\$ 445,123</u>	<u>\$ 83,887</u>	<u>\$ 424</u>	<u>\$ 187,295</u>	<u>\$ 390</u>

STEPHENSON COUNTY, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 November 30, 2010

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
<b><u>ASSETS</u></b>				
Cash	\$ 43,040	\$ 1	\$ 42,537	\$ 88,958
Investments, at cost	502,725	170,487	-	562,102
Accounts receivable	26,307	-	29,571	35,775
Property tax receivable	788,813	165,025	-	-
Due from other funds	30,000	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,390,885</u>	<u>\$ 335,513</u>	<u>\$ 72,108</u>	<u>\$ 686,835</u>
<b><u>LIABILITIES</u></b>				
Vouchers payable	\$ 27,278	\$ -	\$ 8,061	\$ 5,934
Accrued payroll	-	-	2,532	1,012
Compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	788,813	165,025	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>816,091</u>	<u>165,025</u>	<u>10,593</u>	<u>6,946</u>
<b><u>FUND BALANCE</u></b>				
Fund balances:				
Unreserved, undesignated	<u>574,794</u>	<u>170,488</u>	<u>61,515</u>	<u>679,889</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>574,794</u>	<u>170,488</u>	<u>61,515</u>	<u>679,889</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 1,390,885</u>	<u>\$ 335,513</u>	<u>\$ 72,108</u>	<u>\$ 686,835</u>

Revenue							
Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Coroner's Fund	Court Automation	Public Defender	Probation Service Fee
\$ 79,957	\$ -	\$ 5,008	\$ 385,481	\$ 174	\$ 42,188	\$ 36,661	\$ 50,070
-	123,196	49,824	137,200	-	115,156	-	152,282
-	30,000	2,232	398,387	-	7,948	11,956	9,172
-	-	-	-	-	-	-	-
-	-	-	619,371	-	-	-	-
<u>\$ 79,957</u>	<u>\$ 153,196</u>	<u>\$ 57,064</u>	<u>\$ 1,540,439</u>	<u>\$ 174</u>	<u>\$ 165,292</u>	<u>\$ 48,617</u>	<u>\$ 211,524</u>
\$ -	\$ 286	\$ -	\$ 58,891	\$ 750	\$ 3,504	\$ -	\$ 5,279
-	135	-	2,922	579	3,223	9,494	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	421	-	61,813	1,329	6,727	9,494	5,279
<u>79,957</u>	<u>152,775</u>	<u>57,064</u>	<u>1,478,626</u>	<u>(1,155)</u>	<u>158,565</u>	<u>39,123</u>	<u>206,245</u>
<u>79,957</u>	<u>152,775</u>	<u>57,064</u>	<u>1,478,626</u>	<u>(1,155)</u>	<u>158,565</u>	<u>39,123</u>	<u>206,245</u>
<u>\$ 79,957</u>	<u>\$ 153,196</u>	<u>\$ 57,064</u>	<u>\$ 1,540,439</u>	<u>\$ 174</u>	<u>\$ 165,292</u>	<u>\$ 48,617</u>	<u>\$ 211,524</u>

STEPHENSON COUNTY, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 November 30, 2010

	Special				
	Document Storage - Circuit Clerk	Treasurer Automation	Veteran's Assistance Commission	Court Supervision	NICAA Small Rental Properties Grant
<b><u>ASSETS</u></b>					
Cash	\$ 59,975	\$ 67,467	\$ -	\$ 22,289	\$ 1,430
Investments, at cost	112,876	-	-	-	-
Accounts receivable	7,908	-	-	-	-
Property tax receivable	-	-	186,843	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 180,759</u>	<u>\$ 67,467</u>	<u>\$ 186,843</u>	<u>\$ 22,289</u>	<u>\$ 1,430</u>
<b><u>LIABILITIES</u></b>					
Vouchers payable	\$ 2,329	\$ 1,921	\$ -	\$ -	\$ -
Accrued payroll	4,815	-	-	-	-
Compensated absences	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	186,843	-	-
Total liabilities	<u>7,144</u>	<u>1,921</u>	<u>186,843</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>					
Fund balances:					
Unreserved, undesignated	<u>173,615</u>	<u>65,546</u>	<u>-</u>	<u>22,289</u>	<u>1,430</u>
Total fund balance	<u>173,615</u>	<u>65,546</u>	<u>-</u>	<u>22,289</u>	<u>1,430</u>
Total liabilities and fund balances	<u>\$ 180,759</u>	<u>\$ 67,467</u>	<u>\$ 186,843</u>	<u>\$ 22,289</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
\$ 22,559	\$ 2,965	\$ 41,739	\$ 186	\$ 50,524	\$ 129,002	\$ 20,653
156,404	-	-	-	-	985,356	-
17,326	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	100,540	300,000	120,000	-	-
<u>\$ 196,289</u>	<u>\$ 2,965</u>	<u>\$ 142,279</u>	<u>\$ 300,186</u>	<u>\$ 170,524</u>	<u>\$ 1,114,358</u>	<u>\$ 20,653</u>
\$ 8,375	\$ -	\$ -	\$ -	\$ 1,384	\$ -	\$ -
1,810	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	144,615
-	-	-	-	-	-	-
<u>10,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,384</u>	<u>-</u>	<u>144,615</u>
<u>186,104</u>	<u>2,965</u>	<u>142,279</u>	<u>300,186</u>	<u>169,140</u>	<u>1,114,358</u>	<u>(123,962)</u>
<u>186,104</u>	<u>2,965</u>	<u>142,279</u>	<u>300,186</u>	<u>169,140</u>	<u>1,114,358</u>	<u>(123,962)</u>
<u>\$ 196,289</u>	<u>\$ 2,965</u>	<u>\$ 142,279</u>	<u>\$ 300,186</u>	<u>\$ 170,524</u>	<u>\$ 1,114,358</u>	<u>\$ 20,653</u>

STEPHENSON COUNTY, ILLINOIS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year ended November 30, 2010

	Total	Special		
	Nonmajor			
	Governmental	County	County	DUI
	Funds	Highway	Bridge	Equipment
<b>Revenues:</b>				
Taxes	\$ 5,726,844	\$ 599,462	\$ 299,765	\$ -
Fees	1,437,959	59,481	-	5,536
Intergovernmental revenue	1,251,318	-	-	-
Sale of goods and services	23,220	22,984	-	-
Other revenue	1,114,982	40,812	1,341	-
Total revenues	<u>9,554,323</u>	<u>722,739</u>	<u>301,106</u>	<u>5,536</u>
<b>Expenditures:</b>				
General government	1,522,618	-	-	-
Public safety	2,865,072	-	-	6,463
Judiciary and court related	1,194,692	-	-	-
Public works	3,278,001	900,079	474,062	-
Health and welfare	1,062,888	-	-	-
Debt service	557,977	-	-	-
Total expenditures	<u>10,481,248</u>	<u>900,079</u>	<u>474,062</u>	<u>6,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(926,925)</u>	<u>(177,340)</u>	<u>(172,956)</u>	<u>(927)</u>
Other financing sources (uses):				
Operating transfers in	774,597	47,000	-	-
Operating transfers out	<u>(671,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>103,578</u>	<u>47,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(823,347)</u>	<u>(130,340)</u>	<u>(172,956)</u>	<u>(927)</u>
Fund balance (deficit), December 1, 2009	<u>7,872,190</u>	<u>(120,212)</u>	<u>634,905</u>	<u>10,859</u>
Fund balance (deficit), November 30, 2010	<u>\$ 7,048,843</u>	<u>\$ (250,552)</u>	<u>\$ 461,949</u>	<u>\$ 9,932</u>

Revenue							
County Matching	County Motor Fuel Tax	Liability Insurance	Mental Health	Tuberculosis	Dependent Children	Animal Control	Circuit Clerk Fees
\$ 299,765	\$ -	\$ 1,095,788	\$ 299,383	\$ 58,385	\$ -	\$ -	\$ -
-	-	-	-	-	440	104,388	32,386
-	1,010,204	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,690	130,821	23,275	34	86	4	2,254	-
<u>308,455</u>	<u>1,141,025</u>	<u>1,119,063</u>	<u>299,417</u>	<u>58,471</u>	<u>444</u>	<u>106,642</u>	<u>32,386</u>
-	-	1,004,838	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	52,612	-	41,212
579,964	892,688	-	-	-	-	-	-
-	-	-	304,342	58,665	-	82,727	-
-	-	-	-	-	-	-	-
<u>579,964</u>	<u>892,688</u>	<u>1,004,838</u>	<u>304,342</u>	<u>58,665</u>	<u>52,612</u>	<u>82,727</u>	<u>41,212</u>
<u>(271,509)</u>	<u>248,337</u>	<u>114,225</u>	<u>(4,925)</u>	<u>(194)</u>	<u>(52,168)</u>	<u>23,915</u>	<u>(8,826)</u>
-	-	-	-	-	51,700	-	-
-	(200,000)	-	-	-	-	-	-
-	(200,000)	-	-	-	51,700	-	-
(271,509)	48,337	114,225	(4,925)	(194)	(468)	23,915	(8,826)
<u>128,862</u>	<u>267,565</u>	<u>480,611</u>	<u>148,678</u>	<u>25,361</u>	<u>(6,703)</u>	<u>161,533</u>	<u>9,216</u>
<u>\$ (142,647)</u>	<u>\$ 315,902</u>	<u>\$ 594,836</u>	<u>\$ 143,753</u>	<u>\$ 25,167</u>	<u>\$ (7,171)</u>	<u>\$ 185,448</u>	<u>\$ 390</u>



STEPHENSON COUNTY, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 Year ended November 30, 2010

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
<b>Revenues:</b>				
Taxes	\$ 1,051,043	\$ 163,951	\$ -	\$ -
Fees	-	-	-	512,149
Intergovernmental revenue	-	-	73,884	-
Sale of goods and services	-	-	-	-
Other revenue	825,880	514	2,189	15,798
Total revenues	<u>1,876,923</u>	<u>164,465</u>	<u>76,073</u>	<u>527,947</u>
<b>Expenditures:</b>				
General government	124,320	165,000	-	-
Public safety	494,140	-	146,756	1,191,257
Judiciary and court related	312,489	-	-	-
Public works	132,971	-	-	-
Health and welfare	617,154	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,681,074</u>	<u>165,000</u>	<u>146,756</u>	<u>1,191,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>195,849</u>	<u>(535)</u>	<u>(70,683)</u>	<u>(663,310)</u>
Other financing sources (uses):				
Operating transfers in	-	-	100,000	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>(3,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>96,500</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>195,849</u>	<u>(535)</u>	<u>25,817</u>	<u>(663,310)</u>
Fund balance (deficit), December 1, 2009	<u>378,945</u>	<u>171,023</u>	<u>35,698</u>	<u>1,343,199</u>
Fund balance (deficit), November 30, 2010	<u>\$ 574,794</u>	<u>\$ 170,488</u>	<u>\$ 61,515</u>	<u>\$ 679,889</u>

Revenue							
Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Coroner's Fund	Court Automation	Public Defender	Probation Service Fee
\$ -	\$ -	\$ -	\$ 1,613,537	\$ -	\$ -	\$ -	\$ -
40,000	-	31,963	1,225	120	115,361	98,955	112,520
-	-	-	-	-	-	117,454	-
-	-	-	-	-	-	-	-
-	682	570	2,892	2,535	1,486	39,782	1,636
<u>40,000</u>	<u>682</u>	<u>32,533</u>	<u>1,617,654</u>	<u>2,655</u>	<u>116,847</u>	<u>256,191</u>	<u>114,156</u>
-	135	39,197	-	-	-	-	-
5,341	-	-	967,529	3,810	-	-	-
-	-	-	-	-	155,123	354,190	58,278
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,341</u>	<u>135</u>	<u>39,197</u>	<u>967,529</u>	<u>3,810</u>	<u>155,123</u>	<u>354,190</u>	<u>58,278</u>
<u>34,659</u>	<u>547</u>	<u>(6,664)</u>	<u>650,125</u>	<u>(1,155)</u>	<u>(38,276)</u>	<u>(97,999)</u>	<u>55,878</u>
-	-	-	-	-	-	134,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,622)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,113)</u>	<u>-</u>	<u>-</u>	<u>134,000</u>	<u>(65,622)</u>
<u>34,659</u>	<u>547</u>	<u>(6,664)</u>	<u>417,012</u>	<u>(1,155)</u>	<u>(38,276)</u>	<u>36,001</u>	<u>(9,744)</u>
<u>45,298</u>	<u>152,228</u>	<u>63,728</u>	<u>1,061,614</u>	<u>-</u>	<u>196,841</u>	<u>3,122</u>	<u>215,989</u>
<u>\$ 79,957</u>	<u>\$ 152,775</u>	<u>\$ 57,064</u>	<u>\$ 1,478,626</u>	<u>\$ (1,155)</u>	<u>\$ 158,565</u>	<u>\$ 39,123</u>	<u>\$ 206,245</u>

STEPHENSON COUNTY, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
Year ended November 30, 2010

	Special				
	Document Storage Circuit Clerk	Treasurer Automation	Veteran's Assistance Commission	Court Supervision	NICAA Small Rental Properties Grant
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 185,652	\$ -	\$ -
Fees	115,275	14,013	-	12,846	-
Intergovernmental revenue	-	-	-	-	-
Sale of goods and services	-	-	-	-	-
Other revenue	2,177	331	-	-	-
Total revenues	<u>117,452</u>	<u>14,344</u>	<u>185,652</u>	<u>12,846</u>	<u>-</u>
<b>Expenditures:</b>					
General government	-	3,476	185,652	-	-
Public safety	-	-	-	-	-
Judiciary and court related	219,404	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>219,404</u>	<u>3,476</u>	<u>185,652</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,952)</u>	<u>10,868</u>	<u>-</u>	<u>12,846</u>	<u>-</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>(101,952)</u>	<u>10,868</u>	<u>-</u>	<u>12,846</u>	<u>-</u>
Fund balance (deficit), December 1, 2009	<u>275,567</u>	<u>54,678</u>	<u>-</u>	<u>9,443</u>	<u>1,430</u>
Fund balance (deficit), November 30, 2010	<u>\$ 173,615</u>	<u>\$ 65,546</u>	<u>\$ -</u>	<u>\$ 22,289</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,113	\$ -
181,301	-	-	-	-	-	-
-	49,776	-	-	-	-	-
-	-	236	-	-	-	-
6,497	11	-	-	389	4,225	71
<u>187,798</u>	<u>49,787</u>	<u>236</u>	<u>-</u>	<u>389</u>	<u>64,338</u>	<u>71</u>
-	-	-	-	-	-	-
-	49,776	-	-	-	-	-
-	-	-	-	1,384	-	-
182,263	-	-	-	-	115,974	-
-	-	-	-	-	-	-
-	-	-	281,977	-	276,000	-
<u>182,263</u>	<u>49,776</u>	<u>-</u>	<u>281,977</u>	<u>1,384</u>	<u>391,974</u>	<u>-</u>
5,535	11	236	(281,977)	(995)	(327,636)	71
-	-	-	281,897	-	-	160,000
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,784)</u>
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>281,897</u>	<u>-</u>	<u>-</u>	<u>11,216</u>
(14,465)	11	236	(80)	(995)	(327,636)	11,287
<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>
<u>\$ 186,104</u>	<u>\$ 2,965</u>	<u>\$ 142,279</u>	<u>\$ 300,186</u>	<u>\$ 169,140</u>	<u>\$ 1,114,358</u>	<u>\$ (123,962)</u>

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

	<b><u>TAX YEAR</u></b>	
	<b><u>2009</u></b>	
<b>Assessed valuation</b>	<b><u>\$ 647,412,274</u></b>	
	<b><u>Rate</u></b>	<b><u>Amount</u></b>
<b>Property tax rates and extensions:</b>		
County General	0.25518	\$ 1,652,067
County Highway	0.09239	598,144
County Bridge	0.04620	299,104
County Matching	0.04620	299,104
Tuberculosis	0.00901	58,332
Mental Health	0.04620	299,104
Illinois Municipal Retirement	0.20618	1,334,835
Educational Extension Service	0.02530	163,795
Liability Insurance	0.16910	1,094,774
County Health Department	0.00625	40,463
Social Security Contribution	0.14039	908,902
Veterans Assistance	0.02865	185,484
Nursing Home	<u>0.07861</u>	<u>508,931</u>
	<u>1.14966</u>	<u>\$ 7,443,039</u>
<b>Property tax collection:</b>		
County General		\$ 1,653,594
County Highway		598,699
County Bridge		299,383
County Matching		299,383
Tuberculosis		58,385
Mental Health		299,383
Illinois Municipal Retirement		1,336,071
Educational Extension Service		163,951
Liability Insurance		1,095,788
County Health Department		40,498
Social Security Contribution		909,741
Veterans Assistance		185,652
Nursing Home		<u>509,404</u>
		<u>\$ 7,449,932</u>
<b>Percentage collected</b>		<u>100.1%</u>

**TAX YEAR**

<u><b>2008</b></u>		<u><b>2007</b></u>	
<u>\$ 642,931,111</u>		<u>\$ 619,030,828</u>	
<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
0.25742	\$ 1,655,033	0.25452	\$ 1,575,557
0.09373	602,619	0.09330	577,556
0.04687	301,342	0.04685	290,016
0.04687	301,342	0.04685	290,016
0.00913	58,700	0.00926	57,322
0.04687	301,342	0.04685	290,016
0.17631	1,133,552	0.15759	975,531
0.02650	170,377	0.02658	164,538
0.17013	1,093,819	0.17221	1,066,033
0.00633	40,698	0.00641	39,680
0.14148	909,619	0.13142	813,530
0.02906	186,836	0.02915	180,447
<u>0.07975</u>	<u>512,738</u>	<u>0.08966</u>	<u>555,023</u>
<u>1.13045</u>	<u>\$ 7,268,017</u>	<u>1.11065</u>	<u>\$ 6,875,265</u>
	\$ 1,656,239		\$ 1,575,357
	603,058		578,219
	301,558		290,352
	301,558		290,352
	58,739		57,385
	301,558		290,352
	1,134,373		976,650
	170,501		164,728
	1,094,617		1,067,253
	40,730		39,691
	910,282		814,463
	186,975		180,655
	<u>513,109</u>		<u>555,663</u>
	<u>\$ 7,273,297</u>		<u>\$ 6,881,120</u>
	<u>100.1%</u>		<u>100.1%</u>

STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE  
REQUIRED SUPPLEMENTARY INFORMATION  
November 30, 2010

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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 280 full-time employees with an additional 108 part-time 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>2000 Population</u>	<u>2010 Population</u>	<u>2010 Median Home Value (Owner occupied)</u>	<u>2010 Median Family Income</u>	<u>2010 Per Capita Income</u>
Stephenson County	48,979	47,711	\$118,328	\$51,162	\$37,426
State of Illinois	12,419,293	12,830,632	145,000	66,806	44,731

Source: U.S. Bureau of Census

**Average Unemployment Rates**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Stephenson County	6.7%	5.3%	4.9%	5.2%	8.7%	11.3%	11.6%
State of Illinois	6.1%	5.7%	4.5%	5.0%	7.4%	10.1%	9.4%

Source: Illinois Bureau of Employment Security



STEPHENSON COUNTY, ILLINOIS  
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)  
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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>
2010	183	\$ 5,093,000	\$ 11,512,000
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

**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	1,400
Titan Tire Co.	Tire manufacturer	550
Honeywell Sensing & Control	Electrical & electronic switches & sensors	985
Newell Rubbermaid	Consumer durable products headquarters	530
Met Life Auto & Home Insurance Co.	Insurance agency	375
Sauer-Danfoss Co.	Hydrostatic pump & motor components	315
Mechanical, Inc.	Plumbing, heating & fabrication	245
HB Plastics, Inc.	Plastic molding	210
Civil Constructors	Heavy & highway contractor	205
Stewart & Associates	Business services	205

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>	2010 Equalized Assessed <u>Valuation</u>
CJF2, LLC	\$4,333,333
Titan Tire Co.	4,218,744
Wal-Mart Stores	2,869,510
Menards	2,828,840
MicroSwitch, Div. Of Honeywell	2,458,331
Pearl City Elevator	2,078,024
Adkins Energy	1,893,164
Meadows LLC	1,690,490
Labor Acres Family Trust	1,431,411
Emster LLC	1,421,650

**Total Equalized Assessed Valuation**

2010	\$702,755,136
2009	688,122,768
2008	676,620,884
2007	645,173,592
2006	612,900,702
2005	587,523,281
2004	565,932,689
2003	556,578,115
2002	566,285,239
2001	551,752,552

**Make-up of 2010 Equalized Assessed Valuation**

	<u>Amount</u>	<u>Percentage</u>
Residential	\$423,998,440	60.33%
Farmland	137,953,483	19.63
Commercial	102,566,676	14.59
Industrial	23,356,284	3.32
Mineral	12,132,025	1.73
Railroad	2,748,228	.39

**Statutory Debt Margin**

See page 34.

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

The County may refinance their General Obligation Debt Certificates in the near future. See page 33.

**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>11/30/10</u>
Direct Debt:	
Stephenson County	<u>\$13,631,785</u>
Overlapping Debt:	
All School Districts	40,770,332
Park Districts	2,282,600
City of Freeport	26,710,000
Fire Districts	<u>2,154,500</u>
OVERLAPPING DEBT	<u>71,917,432</u>
 DIRECT AND OVERLAPPING DEBT	 <u>\$85,549,217</u>
 2009 Estimated Full Valuation	 \$2,108,265,408
2009 Equalized Assessed Valuation	702,755,136
Population - Current Estimate	47,711
Full Valuation Per Capita	\$44,188

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	\$13,631,785	1.94%	.65%	\$ 286
Direct Debt and Overlapping Debt	85,549,217	12.17%	4.06%	1,793

**Tax Trend Rate**

See page 75.

**Sales and Income Tax Trend**

	<u>1% State Sales Tax</u>	<u>¼% State SUP Tax</u>	<u>State Income Tax</u>
FYE 2010	\$340,525	\$ 971,910	\$ 961,983
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

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

	<u>FYE 2007</u>	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>FYE 2010</u>
Revenue	\$7,610,550	\$8,952,738	\$ 7,323,676	\$ 7,590,160
Expenditures	<u>7,967,429</u>	<u>8,624,242</u>	<u>8,492,521</u>	<u>7,747,997</u>
Excess Rev/(Exp.)	(356,879)	328,496	(1,168,845)	(157,837)
Net Transfers	(332,751)	(424,000)	(469,500)	(295,378)
Beginning Fund Balance	<u>1,024,725</u>	<u>405,095</u>	<u>511,252</u>	<u>(782,638)</u>
Ending Fund Balance	<u>\$ 405,095</u>	<u>\$ 511,252</u>	<u>\$ (782,638)</u>	<u>\$ (1,227,739)</u>