

STEPHENSON COUNTY
Freeport, Illinois

ANNUAL FINANCIAL REPORT

November 30, 2011

STEPHENSON COUNTY, ILLINOIS
COUNTY BOARD MEMBERS AND
ELECTED OFFICIALS
Fiscal year ending November 30, 2011

BOARD MEMBERS

Bennie Brown
Jeffrey Mikkelsen
Sheila Hooper
Peter Willging
John Blum, Chairman
Robert Smith
Linda Dotson
Thomas Gilmour
Ronald Fluegel
Gregory Ludwig
Forrest J. Senn

Samuel Newton
Charles Hilton
Rebecca Quiggle
Edward Mulligan
Donald Parker
Christopher Clukey
Alvin Wire
Jerry Clay
Alan Harn
Brenda Boynton
Sol Detente

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
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Fiscal year beginning December 1, 2011

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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, 2011, 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 O 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, 2011. 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, 2011, 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.

As described in Note F, the County adopted the provision of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective November 30, 2011. As described in Note P, the county has restated fund balances as a result of this adoption.

In accordance with Government Auditing Standards, we have also issued a report dated August 7, 2012 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.

Accounting principles generally accepted in the United States of America require that 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 pages 44 and the Schedule of Revenues and Expenditures Compared with Budget on pages 45 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Except for the Annual Financial Information Disclosure on pages 83 - 88, 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Freeport, Illinois
August 7, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

STEPHENSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
November 30, 2011

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, 2011.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2011 and the results of operations for the year. This summary should not be taken as a replacement for the annual financial 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 two categories - governmental activities and business-type 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 County's business-type activities include the County Nursing Center. This activity is largely financed with charges for services.

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, 2011

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 generally accepted accounting principles.

Proprietary Funds - Stephenson County maintains two types of proprietary funds, an enterprise fund and an internal service 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. Internal service funds are used to report internal revenues and expenses of the County. Stephenson County uses an internal service fund to account for its health insurance activities.

The proprietary funds provide 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, 2011

Condensed Financial Information

Net assets are summarized in the table below.

Condensed Statement of Net Assets as of November 30, 2011 and 2010

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets:						
Current Assets	\$ 17,357,957	\$ 17,197,976	\$1,886,658	\$1,809,609	\$ 19,244,615	\$ 19,007,585
Non-current Assets	<u>189,183,757</u>	<u>221,156,353</u>	<u>1,100,902</u>	<u>1,131,204</u>	<u>190,284,659</u>	<u>222,287,557</u>
Total Assets	<u>206,541,714</u>	<u>238,354,329</u>	<u>2,987,560</u>	<u>2,940,813</u>	<u>209,529,274</u>	<u>241,295,142</u>
Liabilities:						
Current Liabilities	14,425,017	15,366,008	944,195	1,164,121	15,369,212	16,530,129
Non-current Liabilities	<u>7,422,146</u>	<u>7,747,860</u>	<u>107,330</u>	<u>109,970</u>	<u>7,529,476</u>	<u>7,857,830</u>
Total liabilities	<u>21,847,163</u>	<u>23,113,868</u>	<u>1,051,525</u>	<u>1,274,091</u>	<u>22,898,688</u>	<u>24,387,959</u>
Net Assets:						
Investments in capital assets, net of debt	172,092,751	206,842,266	1,100,902	1,131,204	173,193,653	207,973,470
Restricted	5,609,061	5,302,500	26,626	5,899	5,635,687	5,308,399
Unrestricted	<u>6,992,739</u>	<u>3,095,695</u>	<u>808,507</u>	<u>529,619</u>	<u>7,801,246</u>	<u>3,625,314</u>
Total net assets	<u>\$184,694,551</u>	<u>\$215,240,461</u>	<u>\$1,936,035</u>	<u>\$1,666,722</u>	<u>\$186,630,586</u>	<u>\$216,907,183</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, accrued payroll, accrued interest, deferred revenue, compensated absences, and the current portion of long-term debt.

Debt Certificates, Notes Payable, compensated absences and net pension obligation 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, 2011

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, 2011 and 2010**

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program:						
Charges for services	\$ 5,214,661	\$ 5,003,031	\$5,308,620	\$5,285,920	\$10,523,281	\$10,288,951
Operating grants & contributions	4,914,380	3,687,291	-	-	4,914,380	3,687,291
General:						
Property & other taxes	12,306,065	12,441,771	513,917	509,404	12,819,982	12,951,175
Other	<u>878,422</u>	<u>410,110</u>	<u>127,176</u>	<u>25,375</u>	<u>1,005,598</u>	<u>435,485</u>
Total revenue	<u>23,313,528</u>	<u>21,542,203</u>	<u>5,949,713</u>	<u>5,820,699</u>	<u>29,263,241</u>	<u>27,362,902</u>
Expenses:						
General government	3,981,572	3,642,555	-	-	3,981,572	3,642,555
Public safety	5,132,838	5,547,200	-	-	5,132,838	5,547,200
Public works	34,664,323	34,548,181	-	-	34,664,323	34,548,181
Health, sanitation, & Welfare	4,290,449	4,270,152	-	-	4,290,449	4,270,152
Judiciary & court related	5,416,153	5,286,415	-	-	5,416,153	5,286,415
Interest on long-term debt	390,180	388,225	-	-	390,180	388,225
Nursing Center	<u>-</u>	<u>-</u>	<u>5,680,400</u>	<u>5,475,676</u>	<u>5,680,400</u>	<u>5,475,676</u>
Total expenses	<u>53,875,515</u>	<u>53,682,728</u>	<u>5,680,400</u>	<u>5,475,676</u>	<u>59,555,915</u>	<u>59,158,404</u>
Change in net assets	<u>\$(30,561,987)</u>	<u>\$(32,140,525)</u>	<u>\$ 269,313</u>	<u>\$ 345,023</u>	<u>\$(30,292,674)</u>	<u>\$(31,795,502)</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, 2011

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

Generally accepted accounting principles affect 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 \$137,846 year over year. The General Fund had a net gain of \$197,924 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 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 \$305,596 higher than budgeted. The largest over budget revenue amount was in State Income Tax of \$173,735; the State made 13 monthly payments, but remains four months delinquent in its distribution of the County's portion of this revenue. General Fund expenditures were \$84,827 below the allocated expense budget. On the budgetary basis, the General Fund had a net gain of \$210,623 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 \$1,260,000 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. In December, 2011, the County, through R. W. Baird, secured a 20-year "A" rated bond for the remaining \$5.5 million.

STEPHENSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
November 30, 2011

Factors or Conditions Impacting Future Periods (Continued)

Construction was 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 2011 fiscal year, the Nursing Center repaid all but \$100,000 of its debt to other County funds. Nursing Center management completed repayment of its remaining debt early in 2012.

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, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,065,660	\$ 168,143	\$ 4,233,803
Investments	3,909,085	29,856	3,938,941
Accounts receivables, net of an allowance for doubtful accounts of \$30,000	1,958,053	1,188,659	3,146,712
Property tax receivable	7,392,743	500,000	7,892,743
Inventory	32,416	-	32,416
Total current assets	<u>17,357,957</u>	<u>1,886,658</u>	<u>19,244,615</u>
Capital Assets:			
Not depreciated	294,555	-	294,555
Depreciated (Net of accumulated depreciation)	184,296,824	1,100,902	185,397,726
Total capital assets	<u>184,591,379</u>	<u>1,100,902</u>	<u>185,692,281</u>
Other assets	4,592,378	-	4,592,378
Total Assets	<u>206,541,714</u>	<u>2,987,560</u>	<u>209,529,274</u>
LIABILITIES			
Current liabilities:			
Accounts payable	678,800	251,051	929,851
Accrued payroll	270,032	93,144	363,176
Accrued interest	136,499	-	136,499
Internal balances	(100,000)	100,000	-
Deferred revenue	7,395,448	500,000	7,895,448
Compensated absences	53,637	-	53,637
Current portion long term debt	5,990,601	-	5,990,601
Total current liabilities	<u>14,425,017</u>	<u>944,195</u>	<u>15,369,212</u>
Noncurrent liabilities:			
Compensated absences	400,497	107,330	507,827
Net pension obligation	157,881	-	157,881
Bonds, leases, and other long-term debt	6,863,768	-	6,863,768
Total noncurrent liabilities	<u>7,422,146</u>	<u>107,330</u>	<u>7,529,476</u>
Total liabilities	<u>21,847,163</u>	<u>1,051,525</u>	<u>22,898,688</u>
NET ASSETS			
Invested in capital assets, net of related debt	172,092,751	1,100,902	173,193,653
Restricted for:			
Highways and streets	772,437	-	772,437
Health & welfare	1,590,474	26,626	1,617,100
Employee retirement	2,077,759	-	2,077,759
Public safety	1,168,391	-	1,168,391
Unrestricted	6,992,739	808,507	7,801,246
Total net assets	<u>\$ 184,694,551</u>	<u>\$ 1,936,035</u>	<u>\$ 186,630,586</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year ended November 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 3,981,572	\$ 2,179,650	\$ 167,984	\$ -
Public safety	5,132,838	1,037,156	362,987	-
Judicial & court related	5,416,153	1,450,024	912,612	-
Public works	34,664,323	256,986	1,484,302	-
Health, welfare, and sanitation	4,290,449	290,845	1,986,495	-
Interest	<u>390,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 53,875,515</u>	<u>\$ 5,214,661</u>	<u>\$ 4,914,380</u>	<u>\$ -</u>
Business-type activities:				
Nursing Center	<u>\$ 5,680,400</u>	<u>\$ 5,308,620</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

- Taxes:
 - Property taxes
 - State taxes
 - Other
- Unrestricted investment earnings
- Miscellaneous
- Total general revenues
- Change in net assets
- Net assets - beginning
- Net assets - ending

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,633,938)	\$ -	\$ (1,633,938)
(3,732,695)	-	(3,732,695)
(3,053,517)	-	(3,053,517)
(32,923,035)	-	(32,923,035)
(2,013,109)	-	(2,013,109)
(390,180)	-	(390,180)
<u>(43,746,474)</u>	<u>-</u>	<u>(43,746,474)</u>
 -	 (371,780)	 (371,780)
 7,322,835	 513,917	 7,836,752
3,255,613	-	3,255,613
1,727,617	-	1,727,617
38,222	2,090	40,312
840,200	125,086	965,286
<u>13,184,487</u>	<u>641,093</u>	<u>13,825,580</u>
(30,561,987)	269,313	(30,292,674)
<u>215,256,538</u>	<u>1,666,722</u>	<u>216,923,260</u>
<u>\$ 184,694,551</u>	<u>\$ 1,936,035</u>	<u>\$ 186,630,586</u>

STEPHENSON COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2011

	General Fund	Illinois Municipal Retirement
	<u>Fund</u>	<u>Retirement</u>
ASSETS		
Cash and cash equivalents	\$ 368,904	\$ 91,455
Investments	45,675	1,032,136
Accounts receivable	834,650	5,901
Property tax receivable	2,448,000	1,106,246
Due from other funds	-	300,950
Inventory	32,416	-
Total assets	<u>\$ 3,729,645</u>	<u>\$ 2,536,688</u>
 LIABILITIES AND FUND BALANCES		
Vouchers payable	\$ 181,776	\$ -
Accrued payroll	182,217	-
Compensated absences	23,738	-
Due to other funds	1,749,498	-
Deferred revenue	2,448,000	1,106,246
Total liabilities	<u>4,585,229</u>	<u>1,106,246</u>
 Fund balances:		
Nonspendable	32,416	-
Restricted	-	1,430,442
Unassigned	(888,000)	-
Total fund balances	<u>(855,584)</u>	<u>1,430,442</u>
Total liabilities and fund balances	<u>\$ 3,729,645</u>	<u>\$ 2,536,688</u>

See Notes to Financial Statements.

County Health Department	Liability Insurance	Other Governmental Funds	Total Governmental Funds
\$ 208,340	\$ 427,042	\$ 2,580,311	\$ 3,676,052
753,077	1	2,078,196	3,909,085
370,766	-	747,436	1,958,753
40,722	1,055,922	2,741,853	7,392,743
-	296,393	1,637,994	2,235,337
-	-	-	32,416
<u>\$ 1,372,905</u>	<u>\$ 1,779,358</u>	<u>\$ 9,785,790</u>	<u>\$ 19,204,386</u>
\$ 42,397	\$ 850	\$ 288,477	\$ 513,500
37,638	462	49,715	270,032
-	-	29,899	53,637
-	-	517,839	2,267,337
43,427	1,055,922	2,741,853	7,395,448
<u>123,462</u>	<u>1,057,234</u>	<u>3,627,783</u>	<u>10,499,954</u>
-	-	-	32,416
1,249,443	722,124	6,637,568	10,039,577
-	-	(479,561)	(1,367,561)
<u>1,249,443</u>	<u>722,124</u>	<u>6,158,007</u>	<u>8,704,432</u>
<u>\$ 1,372,905</u>	<u>\$ 1,779,358</u>	<u>\$ 9,785,790</u>	<u>\$ 19,204,386</u>

STEPHENSON COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
November 30, 2011

Total fund balances - governmental funds	\$ 8,704,432
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.	184,591,379
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 health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	355,608
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,549,246)</u>
Total net assets - governmental activities	<u>\$ 184,694,551</u>

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended November 30, 2011

	General Fund
REVENUES	
Taxes	\$ 5,405,216
Fees, licenses, permits, and fines	1,735,767
Intergovernmental revenue	1,364,540
Sale of goods and services	-
Other revenue	211,296
Total revenues	<u>8,716,819</u>
EXPENDITURES	
General government	2,301,289
Public safety	2,252,563
Judiciary and court related	3,789,743
Public works	-
Health and welfare	-
Debt service	-
Total expenditures	<u>8,343,595</u>
Excess (deficiency) of revenues over expenses	<u>373,224</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	20,000
Transfers out	<u>(195,300)</u>
Total other financing sources and uses	<u>(175,300)</u>
Net change in fund balances	197,924
Fund balances - beginning as restated	<u>(1,053,508)</u>
Fund balances - ending	<u>\$ (855,584)</u>

See Notes to Financial Statements.

<u>Illinois Municipal Retirement</u>	<u>County Health Department</u>	<u>Liability Insurance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,167,760	\$ 40,052	\$ 1,025,905	\$ 4,516,761	\$ 12,155,694
-	109,096	-	1,351,633	3,196,496
168,729	1,989,211	-	1,548,873	5,071,353
-	41,017	-	15,831	56,848
<u>607,602</u>	<u>240,110</u>	<u>23,431</u>	<u>1,424,621</u>	<u>2,507,060</u>
<u>1,944,091</u>	<u>2,419,486</u>	<u>1,049,336</u>	<u>8,857,719</u>	<u>22,987,451</u>
130,604	-	922,048	524,124	3,878,065
555,764	-	-	2,166,115	4,974,442
348,507	-	-	916,315	5,054,565
157,837	-	-	2,974,781	3,132,618
688,920	2,518,880	-	982,049	4,189,849
-	-	-	1,415,681	1,415,681
<u>1,881,632</u>	<u>2,518,880</u>	<u>922,048</u>	<u>8,979,065</u>	<u>#NAME?</u>
<u>62,459</u>	<u>(99,394)</u>	<u>127,288</u>	<u>(121,346)</u>	<u>#NAME?</u>
-	195,300	-	1,593,262	1,808,562
-	(3,500)	-	(1,609,762)	(1,808,562)
-	191,800	-	(16,500)	-
62,459	92,406	127,288	(137,846)	#NAME?
<u>1,367,983</u>	<u>1,157,037</u>	<u>594,836</u>	<u>6,295,853</u>	<u>8,362,201</u>
<u>\$ 1,430,442</u>	<u>\$ 1,249,443</u>	<u>\$ 722,124</u>	<u>\$ 6,158,007</u>	<u>#NAME?</u>

STEPHENSON COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended November 30, 2011

Excess (deficiency) of revenues and other sources over (under) expenditures and other uses - Governmental funds	#NAME?
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 (\$32,334,323) exceeds capitalized fixed assets and other assets (\$361,727)	(31,972,596)
An internal service fund is used to charge to costs of health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.	247,786
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.	1,009,546
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.	15,955
Vacation pay and net pension obligation 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 these liabilities increased over the prior period.	<u>(204,909)</u>
Change in net assets of governmental activities	<u><u>#NAME?</u></u>

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2011

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 141,517	\$ 389,608
Investments	29,856	-
Receivables, net of a \$30,000 allowance	1,188,659	187,000
Property tax receivable	500,000	-
Due from other funds	-	132,000
Restricted assets	26,626	-
Total current assets	<u>1,886,658</u>	<u>708,608</u>
Noncurrent assets:		
Capital Assets (Net of accumulated depreciation):		
Buildings	952,645	-
Equipment	148,257	-
Total capital assets	<u>1,100,902</u>	<u>-</u>
Total Assets	<u>2,987,560</u>	<u>708,608</u>
LIABILITIES		
Current liabilities		
Accounts payable	251,051	353,000
Accrued payroll	93,144	-
Due to other funds	100,000	-
Deferred revenue	500,000	-
Compensated absences	107,330	-
Total liabilities	<u>1,051,525</u>	<u>353,000</u>
NET ASSETS		
Invested in capital assets, net of related debt	1,100,902	-
Restricted	26,626	-
Unrestricted	808,507	355,608
Total net assets	<u>\$ 1,936,035</u>	<u>\$ 355,608</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year ended November 30, 2011

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Operating Revenues:		
Charges for services	\$ 5,308,620	\$ -
Employee contributions	-	444,987
County contributions	-	2,407,830
Reimbursements	-	76,756
Total operating revenues	<u>5,308,620</u>	<u>2,929,573</u>
Operating Expenses:		
Nursing Center	5,592,875	-
Depreciation	87,525	-
Administrative fees	-	64,367
Health and life insurance premiums	-	147,177
Health claims	-	2,470,445
Total expenses	<u>5,680,400</u>	<u>2,681,989</u>
Operating income (loss)	<u>(371,780)</u>	<u>247,584</u>
Non-Operating Revenue (Expense):		
Property taxes	513,917	-
Interest income	2,090	202
Miscellaneous	125,086	-
Total non-operating revenue	<u>641,093</u>	<u>202</u>
Net income (loss)	269,313	247,786
Net assets - beginning	<u>1,666,722</u>	<u>107,822</u>
Net assets - ending	<u>\$ 1,936,035</u>	<u>\$ 355,608</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended November 30, 2011

	Business-Type Activities Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
	<u>Fund</u>	<u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for services	\$ 4,564,327	\$ -
Cash received for internal services	-	3,037,573
Cash payments to suppliers	(2,790,463)	(2,781,988)
Cash payments to employees	<u>(3,012,227)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(1,238,363)</u>	<u>255,585</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Property taxes	513,917	-
Miscellaneous	<u>125,086</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>639,003</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of fixed assets	<u>(57,223)</u>	<u>-</u>
Net cash (used in) capital & related financing activities	<u>(57,223)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,393,351)	(40,196)
Sale of investments	2,039,832	139,194
Interest income	2,090	202
Increase in restricted assets	<u>(20,727)</u>	<u>-</u>
Net cash provided by investing activities	<u>627,844</u>	<u>99,200</u>
Net increase in cash and cash equivalents	(28,739)	354,785
Cash and cash equivalents - beginning	<u>150,256</u>	<u>34,823</u>
Cash and cash equivalents - ending	<u><u>\$ 121,517</u></u>	<u><u>\$ 389,608</u></u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended November 30, 2011

	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (371,780)	\$ 247,584
Adjustments needed to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	87,525	-
Bad debt expense	20,000	-
Increase in accounts receivable	(744,293)	(187,000)
(Decrease) in due from other funds	-	295,000
(Decrease) increase in vouchers payable	(19,769)	(99,999)
Increase in accrued payroll	12,594	-
Decrease in compensated absences	(2,640)	-
Decrease in due to other funds	<u>(200,000)</u>	<u>-</u>
Net cash (used in) operating activities	<u>\$ (1,218,363)</u>	<u>\$ 255,585</u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2011

	<u>Agency</u>
 <u>ASSETS</u>	
Cash	\$ 1,163,716
Investments, at cost	981,768
Accounts receivable	<u>331,030</u>
 Total assets	 <u><u>\$ 2,476,514</u></u>
 <u>LIABILITIES</u>	
 Due to others	 <u>\$ 2,476,514</u>
 Total liabilities	 <u><u>\$ 2,476,514</u></u>

See Notes to Financial Statements.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2011

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, 2011

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 net activity of Internal Service funds are included as governmental activities on the Statement of Net Assets.

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, 2011

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 elected 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, 2011

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.

Liability Insurance

To account for tax monies and reimbursements restricted for liability insurance.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

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, 2011 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 2010 property tax levy be used to finance the operating budget of the fiscal year ending November 30, 2011. Therefore, property tax receipts represent the receipts primarily generated by the 2010 property tax levy.

The 2010 levy was passed by the Board on November 30, 2010. 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 2011, the County levied its 2011 taxes which will be recognized as revenue in 2012. As of November 30, 2011, the County will record the 2011 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, 2011

A. Summary of Significant Accounting Policies (Continued):

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.

INTERFUND ACTIVITY

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government wide financial statements.

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 \$9,150,743 and the bank balance was \$9,097,950. Of the bank balance, \$9,097,950 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, 2011, \$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, 2011

B. Deposits and Investments (Continued):

Investments. As of November 30, 2011, the County's investments were as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Investment in state investment pool	<u>\$788,782</u>	<u>\$788,782</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	<u>\$788,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$788,782</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:

	<u>Total as of November 30, 2011</u>	<u>AAAm</u>	<u>Unrated</u>
External investment pool	<u>\$788,782</u>	<u>\$788,782</u>	<u>\$ -</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

B. Deposits and Investments (Continued):

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, 2011 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:

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.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

C. Property, Plant and Equipment (Continued):

The governmental activities capital asset activity for the year ended November 30, 2011 is as follows:

	<u>Balance</u> <u>December 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30, 2011</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 294,555	\$ -	\$ -	\$ 294,555
Capital assets being depreciated:				
Infrastructure	654,930,163	-	-	654,930,163
Buildings and Improvements	15,161,121	182,388	-	15,343,509
Equipment and Vehicles	<u>5,494,637</u>	<u>179,339</u>	<u>-</u>	<u>5,673,976</u>
Total capital assets being depreciated	<u>675,585,921</u>	<u>361,727</u>	<u>-</u>	<u>675,947,648</u>
Less accumulated depreciation for:				
Infrastructure	450,148,880	31,665,364	-	481,814,244
Buildings and Improvements	5,025,519	370,365	-	5,395,884
Equipment and Vehicles	<u>4,142,102</u>	<u>298,594</u>	<u>-</u>	<u>4,440,696</u>
Total accumulated depreciation	<u>459,316,501</u>	<u>32,334,323</u>	<u>-</u>	<u>491,650,824</u>
Total capital assets being depreciated, net:	<u>216,269,420</u>	<u>(31,972,596)</u>	<u>-</u>	<u>184,296,824</u>
Governmental activities capital assets, net	<u>\$216,563,975</u>	<u>\$(31,976,596)</u>	<u>\$ -</u>	<u>\$184,591,379</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

C. Property, Plant and Equipment (Continued):

The business-type activities capital asset activity for the year ended November 30, 2011 is as follows:

	Balance <u>December 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>November 30, 2011</u>
Business Activities:				
Capital assets being depreciated:				
Buildings and improvements	\$3,004,426	\$28,884	\$ -	\$3,033,310
Equipment and vehicles	<u>1,044,405</u>	<u>28,339</u>	<u>-</u>	<u>1,072,744</u>
Total capital assets being depreciated	<u>4,048,831</u>	<u>57,223</u>	<u>-</u>	<u>4,106,054</u>
Less accumulated depreciation for:				
Buildings and improvements	2,022,016	58,649	-	2,080,665
Equipment and vehicles	<u>895,611</u>	<u>28,876</u>	<u>-</u>	<u>924,487</u>
Total accumulated depreciation	<u>2,917,627</u>	<u>87,525</u>	<u>-</u>	<u>3,005,152</u>
Business type capital assets, net:	<u>\$1,131,204</u>	<u>\$(30,302)</u>	<u>\$ -</u>	<u>\$1,100,902</u>

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

Governmental activities:

Public safety	\$ 107,248
Public works	31,872,315
Health, sanitation, and welfare	35,829
Judicial and court related	<u>318,931</u>
Total depreciation expense, governmental activities	<u>\$32,334,323</u>

Business-type activities:

Nursing Center	<u>\$87,525</u>
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STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

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>
2012	\$ 250,000	\$ 249,825
2013	260,000	238,325
2014	270,000	225,075
2015	285,000	211,200
2016	300,000	196,575
2017 - 2021	1,740,000	739,813
2022 - 2026	2,160,000	319,600
2027	<u>485,000</u>	<u>9,700</u>
Total	<u>\$5,750,000</u>	<u>\$2,190,113</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. The note was paid off during the fiscal year.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

D. Long-Term Debt (Continued):

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>
2012	\$11,727	\$1,156
2013	<u>12,369</u>	<u>590</u>
Total	<u>\$24,096</u>	<u>\$1,746</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>
2012	<u>\$86,107</u>	<u>\$2,661</u>

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>
2012	\$21,984	\$2,934
2013	22,976	1,942
2014	24,004	914
2015	<u>7,720</u>	<u>63</u>
Total	<u>\$76,684</u>	<u>\$5,853</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

D. Long-Term Debt (Continued):

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 October 25, 2016. 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</u> <u>November 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 25,783	\$ 5,093
2013	26,847	4,029
2014	27,955	2,921
2015	29,108	1,768
2016	<u>27,789</u>	<u>567</u>
Total	<u>\$137,482</u>	<u>\$14,378</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 K 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. \$500,000 was paid on that date. However, the County requested and received an extension to January 15, 2012.

The following is a repayment schedule for the debt.

<u>Year Ending</u> <u>November 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	<u>\$5,500,000</u>	<u>\$168,667</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

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>
2012	\$ 95,000	\$ 57,258
2013	100,000	53,578
2014	100,000	49,578
2015	105,000	45,478
2016	110,000	41,067
2017 - 2021	625,000	126,778
2022	<u>145,000</u>	<u>7,032</u>
Total	<u>\$1,280,000</u>	<u>\$380,769</u>

The following is a summary of changes in long-term debt for the year ended November 30, 2011:

	<u>Balance December 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance November 30, 2011</u>
Note Payable	\$ 303,100	\$ -	\$ 116,213	\$ 186,887
Mortgage Payable	200,815	-	63,333	137,482
Tax Anticipation Warrants	-	1,852,000	1,852,000	-
Debt Certificates	<u>13,360,000</u>	<u>-</u>	<u>830,000</u>	<u>12,530,000</u>
Total	<u>\$13,863,915</u>	<u>\$1,852,000</u>	<u>\$2,861,546</u>	<u>\$12,854,369</u>

The County is subject to a debt limitation of 2.875% of its assessed valuation of \$655,127,765. As of November 30, 2011 the County had \$5,980,554 of remaining legal debt margin.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

E. Interfund Receivables and Payables:

The following is a summary of interfund receivables and payables due at November 30, 2011.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$1,749,498
Illinois Municipal Retirement	300,950	-
Liability Insurance	296,393	-
Non-major governmental funds	1,637,994	517,839
Internal service funds	132,000	-
Enterprise:		
Nursing Center	<u>-</u>	<u>100,000</u>
Totals	<u>\$2,367,337</u>	<u>\$2,637,337</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.

F. Fund Balance Reporting:

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

1. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The County reports prepaid expenses as nonspendable fund balance.

2. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The County has several revenue sources received within different funds that are restricted for the following purposes:

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

F. Fund Balance Reporting (Continued):

2. Restricted Fund Balance (Continued)

Restricted for IMRF	\$ 1,430,442
Restricted for Public Health	1,249,443
Restricted for Insurance	722,124
Restricted for Bridge	876,809
Restricted for DUI Equipment	8,138
Restricted for Highway	305,932
Restricted for Mental Health	144,475
Restricted for Tuberculosis	25,357
Restricted for Animal Control	220,142
Restricted for Circuit Clerk	23,163
Restricted for Social Security	647,317
Restricted for Education Extension Service	171,199
Restricted for Emergency Service & Disaster	67,717
Restricted for ETSB 911	810,525
Restricted for Drug Funds	66,329
Restricted for Waste Management	148,981
Restricted for Mechanical Document Storage	33,093
Restricted for Public Safety	1,168,391
Restricted for Court Automation	119,466
Restricted for Probation Services	189,621
Restricted for Document Storage Circuit Clerk	114,493
Restricted for Treasurer Automation	70,032
Restricted for Court Supervision	27,775
Restricted for NICAA Small Rental Properties	1,430
Restricted for Geographic Information Systems	140,312
Restricted for Environmental Remediation	2,968
Restricted for Law Library	12,676
Restricted for Debt Service	667,639
Restricted for Capital	169,740
Restricted for Mill Race Crossing	355,741
Restricted for Highway Building	<u>48,107</u>
 Total Restricted	 <u>\$ 10,039,577</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

F. Fund Balance Reporting (Continued):

3. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the County Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The County Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The County has no balances that are committed at year end.

4. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the County Board itself or (b) the finance committee when the County Board has delegated the authority to assign amounts to be used for specific purposes. The County has no balances that are assigned at year end.

5. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

6. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

G. Restricted Net Assets:

The Nursing Center has \$26,626 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.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

H. Deficit Fund Balances:

The General Fund, had a deficit fund balance of \$855,584 at November 30, 2011. The County Highway Fund, a Special Revenue Fund, had a deficit fund balance of \$249,524. The County Matching Fund, a Special Revenue Fund, had a deficit fund balance of \$160,780. The Coroner's Fund, a Special Revenue Fund, had a deficit fund balance of \$69,257.

I. 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.

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 2010 used by the employer was 8.51 percent (17.56 percent for SLEP members) of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 9.85 percent, (19.22 percent for SLEP members). The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

ANNUAL PENSION COST

For calendar year ending December 31, 2010, the County's actual contributions for pension cost for the Regular were \$700,284, (\$450,763 for SLEP members). Its required contribution for calendar year 2010 was \$810,552, (\$493,375 for SLEP members).

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

I. Pension Plan (Continued):

ANNUAL PENSION COST (CONTINUED)

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>
12/31/10	\$810,552	86%	\$113,477
12/31/09	532,768	100%	0
12/31/08	537,319	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>
12/31/10	\$493,375	91%	\$44,404
12/31/09	486,371	100%	0
12/31/08	459,206	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 20% corridor between the actuarial and market value of assets. The County's Regular plan's unfunded and (SLEP plan's unfunded) actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 90.10 percent funded, (68.62 percent for SLEP funded). The actuarial accrued liability for benefits was \$21,373,269 (\$11,683,330 for SLEP) and the actuarial value of assets was \$19,257,143, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,116,126, and (\$8,017,426 for SLEP, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,665,904). The

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

I. Pension Plan (Continued):

FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)

covered payroll for calendar year 2010 (annual payroll of active employees covered by the Regular plan) was \$8,228,958 and the ratio of the UAAL to the covered payroll was 26 percent. For SLEP members, the covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$2,566,988 and the ratio of the UAAL to the covered payroll was 143 percent.

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

J. Transfers:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General Fund	\$ 123,000	\$ 298,300
County Health Department	195,300	3,500
Non-major funds	<u>1,593,262</u>	<u>1,609,762</u>
	<u>\$1,911,562</u>	<u>\$1,911,562</u>

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

K. 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.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

L. Risk Management:

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the County purchases insurance coverage through ICRMT. The deductibles in effect through these policies as of November 30, 2011 were \$50,000 for liability and property. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

M. 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 \$125,000 of covered charges per individual per year and approximately the first \$3,290,910 of covered charges in aggregate. Health care claims which exceed \$125,000 of covered charges per individual per year or which aggregate more than \$3,290,910 are covered by insurance.

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. 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.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

P. Restatement:

Fund balance has been restated due to the implementation of GASB Statement No. 54. The Public Defender, Dependent Children and Working Cash fund previously reported as special revenue funds have been combined with the General Fund for financial reporting purposes under the new fund-type definitions described under GASB Statement No. 54.

	<u>General Fund</u>	<u>Public Defender</u>	<u>Dependent Children</u>	<u>Working Cash</u>
Fund balance as previously reported, November 30, 2010	\$(1,227,739)	\$39,123	\$(7,171)	\$142,279
Adjustment to include Public Defender fund balance as of November 30, 2010	39,123	(39,123)	-	-
Adjustment to include Dependent Children fund balance as of November 30, 2010	(7,171)	-	7,171	-
Adjustment to include Working Cash fund balance as of November 30, 2010	<u>142,279</u>	<u>-</u>	<u>-</u>	<u>(142,279)</u>
Fund balance as restated, November 30, 2010	<u>\$(1,053,508)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Law Library fund was previously recorded as an Agency Fund. \$16,077 was reclassified as a Special Revenue Fund as of November 30, 2010. In a prior fiscal year, a transfer between the Highway Building fund, the Debt Service fund and the Public Safety fund was recorded as an interfund loan. The amount should have been recorded as a transfer so the beginning balances in those funds were restated. The Highway Building fund balance was increased \$144,615, the Debt Service fund was decreased \$10,000, and the Public Safety fund was decreased \$134,615.

Q. Pending GASB Statements:

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement 57 "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." The County is required to implement this standard for the fiscal year ending November 30, 2012.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

Q. Pending GASB Statements (Continued):

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement 60 “Accounting and Financial Reporting for Service Concession Arrangements.” The County is required to implement this standard for the fiscal year ending November 30, 2013.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement 61 “The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34.” The County is required to implement this standard for the fiscal year ending November 30, 2013.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” The County is required to implement this standard for the fiscal year ending November 30, 2013.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” The County is required to implement this standard for the fiscal year ending November 30, 2013.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement 64 “Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53.” The County is required to implement this standard for the fiscal year ending November 30, 2012.

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement 65 “Items Previously Reported as Assets and Liabilities” The County is required to implement this standard for the fiscal year ending November 30, 2014.

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement 66 “Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62” The County is required to implement this standard for the fiscal year ending November 30, 2014.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement 67 “Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25” The County is required to implement this standard for the fiscal year ending November 30, 2014.

STEPHENSON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2011

Q. Pending GASB Statements (Continued):

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement 68 “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27” The County is required to implement this standard for the fiscal year ending November 30, 2015.

The County has not yet determined the full impact that adoption of these GASB Statements will have on the financial statements.

STEPHENSON COUNTY, ILLINOIS
November 30, 2011

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)
12/31/10	\$19,257,143	\$21,373,269	\$2,116,126	90.10%	\$8,228,958	25.72%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$20,703,975. On a market basis, the funded ratio would be 96.87%.

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)
12/31/10	\$8,017,426	\$11,683,330	\$3,665,904	68.62%	\$2,566,988	\$142.81%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$8,669,030. On a market basis, the funded ratio would be 74.20%.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

STEPHENSON COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES RECEIVED
COMPARED WITH BUDGET (BUDGETARY BASIS)
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Revenues Received:</u>				
Taxes:				
Property taxes	\$ 2,384,475	\$ 2,384,475	\$ 2,299,974	\$ (84,501)
State income tax	1,100,000	1,100,000	1,273,735	173,735
State sales tax	330,000	330,000	350,935	20,935
State supplemental sales tax	969,000	969,000	999,812	30,812
State use tax	180,000	180,000	234,461	54,461
Replacement tax	171,525	171,525	211,660	40,135
Inheritance tax	20,000	20,000	-	(20,000)
Treasurer/tax sale automation	116,000	116,000	131,658	15,658
Total taxes	5,271,000	5,271,000	5,502,235	231,235
Fees, licenses, permits, and fines:				
County clerk fees	197,320	197,320	189,439	(7,881)
Circuit clerk fees	469,360	469,360	497,584	28,224
County sheriff fees	178,700	184,625	186,588	1,963
State's attorney fees	44,500	44,500	44,873	373
County coroner fees	1,400	1,400	1,625	225
Supervisor of assessment fees	37,500	37,500	41,959	4,459
Zoning fees	26,688	26,688	20,386	(6,302)
Licenses	17,345	17,345	16,100	(1,245)
Criminal fines	257,360	257,360	259,221	1,861
Jail medical fees	-	-	11,044	11,044
Traffic fines	374,000	374,000	354,165	(19,835)
Cable franchise fees	38,800	38,800	43,794	4,994
Court security fees	140,161	140,161	127,198	(12,963)
County ordinances	500	500	325	(175)
Dependent children fees	400	400	3,425	3,025
Total fees, licenses, permits, and fines	1,784,034	1,789,959	1,797,726	7,767

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Revenues Received (Continued):</u>				
Intergovernmental revenue received:				
State of Illinois salary				
reimbursements	940,944	972,379	1,022,478	50,099
Help America Vote grant	-	-	56,098	56,098
Workforce investment grant	53,952	53,952	46,465	(7,487)
State's attorney grant	17,600	17,600	17,600	-
	<u>1,012,496</u>	<u>1,043,931</u>	<u>1,142,641</u>	<u>98,710</u>
Total intergovernmental revenues received				
Other revenue received:				
Interest on investments	2,230	2,230	101	(2,129)
Boarding of Prisoners	16,500	16,500	4,785	(11,715)
Revenue stamps	50,000	50,000	40,000	(10,000)
Street value	3,700	3,700	3,797	97
Probation dept - work release	89,178	89,178	75,639	(13,539)
Miscellaneous	93,685	93,685	98,855	5,170
	<u>255,293</u>	<u>255,293</u>	<u>223,177</u>	<u>(32,116)</u>
Total other revenue received				
	<u>\$ 8,322,823</u>	<u>\$ 8,360,183</u>	<u>\$ 8,665,779</u>	<u>\$ 305,596</u>
Total revenues received				

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed:</u>				
<u>General Government:</u>				
<u>County Properties</u>				
Personnel:				
Salaries - other full time	\$ 35,880	\$ 35,880	\$ 34,521	\$ (1,359)
Salaries - overtime	1,000	1,000	1,122	122
Total personnel	36,880	36,880	35,643	(1,237)
Commodities:				
Cleaning supplies	1,800	1,800	1,881	81
Paper supplies - towels, etc.	2,500	2,500	2,474	(26)
Electrical supplies	800	800	635	(165)
Hardware supplies	80	80	36	(44)
Plumbing supplies	500	500	117	(383)
Painting supplies	50	50	50	-
Salt	750	750	460	(290)
Total commodities	6,480	6,480	5,653	(827)
Contractual:				
Advertising and publishing	100	100	-	(100)
Boiler - state inspection	300	300	330	30
Gas - natural	11,000	11,000	12,957	1,957
Electric	45,000	45,000	55,083	10,083
Telephone - alarm system	99	99	-	(99)
Water and sewer	2,650	2,650	2,216	(434)
Garbage disposal	1,790	1,790	1,754	(36)
Pest control	50	50	50	-
Maintenance - environmental	7,500	7,500	4,548	(2,952)
Maintenance - painting & decorating	250	250	230	(20)
Maintenance - elevators	12,000	12,000	14,767	2,767
Maintenance - general	2,000	2,000	1,987	(13)
Maintenance - telephone system	800	800	-	(800)
Courthouse building repair	3,000	3,000	1,871	(1,129)
Janitorial contract	800	800	800	-
Total contractual	87,339	87,339	96,593	9,254

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>County Properties (Continued)</u>				
Capital outlay:				
Equipment	300	300	283	(17)
Total county properties	130,999	130,999	138,172	7,173
<u>County Treasurer</u>				
Personnel:				
Salaries - department head	47,000	47,000	47,000	-
Salaries - deputies	25,080	25,080	25,080	-
Salaries - part-time deputy	14,200	14,850	14,837	(13)
Overtime salaries - deputies	185	185	127	(58)
Total personnel	86,465	87,115	87,044	(71)
Commodities:				
Stationery and supplies	600	600	492	(108)
Computer supplies	3,800	3,800	3,537	(263)
Office equipment	2,000	2,050	2,026	(24)
Total commodities	6,400	6,450	6,055	(395)
Contractual:				
Mileage	250	250	230	(20)
Advertising and publishing	1,400	700	(187)	(887)
Office equipment repair	200	200	36	(164)
Total contractual	1,850	1,150	79	(1,071)
Total county treasurer	94,715	94,715	93,178	(1,537)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>County Clerk and Recorder</u>				
Personnel:				
Salaries - department head	50,000	50,000	50,000	-
Salaries - deputies	86,101	86,101	85,638	(463)
Overtime salaries	10	10	-	(10)
Excess sick days	1,726	1,886	1,885	(1)
Total personnel	137,837	137,997	137,523	(474)
Commodities:				
Stationery and supplies	10,000	10,000	9,823	(177)
Computerized recording system	10	10	-	(10)
Office equipment (under \$500)	390	415	403	(12)
Books, periodicals, and manuals	10	10	-	(10)
Operational expense	1,000	1,000	544	(456)
Total commodities	11,410	11,435	10,770	(665)
Contractual:				
Auto mileage	250	250	-	(250)
Publishing	500	525	515	(10)
Printing, duplicating, and binding	2,000	2,000	700	(1,300)
Photocopies	10	10	-	(10)
Office equipment repair	2,000	1,790	84	(1,706)
Dues and memberships	500	500	465	(35)
Meetings and seminars	900	900	78	(822)
Instruction and schooling	10	10	-	(10)
Miscellaneous fees (register births and deaths)	1,000	1,000	886	(114)
Telephone	70	70	-	(70)
IT Equipment	2,615	2,615	-	(2,615)
Total contractual	9,855	9,670	2,728	(6,942)
Total county clerk and recorder	159,102	159,102	151,021	(8,081)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>Administrative Services</u>				
Personnel:				
Salaries - department head	61,500	61,500	61,500	-
Salaries - secretary	30,752	30,752	30,742	(10)
Excess sick days	2,850	2,850	2,838	(12)
Total personnel	95,102	95,102	95,080	(22)
Commodities:				
Stationery and supplies	180	180	34	(146)
Computer supplies	140	140	-	(140)
Printing paper and supplies	5,000	4,775	2,584	(2,191)
Total commodities	5,320	5,095	2,618	(2,477)
Contractual:				
Postage	64,000	68,300	68,241	(59)
Postage presort service	1,150	1,150	685	(465)
Printing, duplicating and binding	150	150	-	(150)
Photocopies	750	975	951	(24)
Telephone	62,718	62,718	62,617	(101)
Office equipment repair	700	700	687	(13)
Dues and memberships	285	285	270	(15)
Postage meter rental	1,250	1,250	1,077	(173)
Computer contract	10,200	11,200	11,186	(14)
Computer instruction	1,050	50	-	(50)
Total contractual	142,253	146,778	145,714	(1,064)
Total administrative services	242,675	246,975	243,412	(3,563)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>County Board Expense Disbursed</u>				
Personnel:				
Salaries - per diem	77,875	77,875	61,850	(16,025)
Chairman	20,725	20,725	18,050	(2,675)
Total personnel	98,600	98,600	79,900	(18,700)
Contractual:				
Auto mileage	5,500	5,600	5,591	(9)
Dues and memberships	2,000	2,000	1,613	(387)
Meetings and seminars	3,300	3,200	3,004	(196)
Total contractual	10,800	10,800	10,208	(592)
Total county board	109,400	109,400	90,108	(19,292)
<u>Facilities Management</u>				
Personnel:				
Salaries - department head	65,000	65,000	65,000	-
Salaries - secretary	10,500	10,500	2,232	(8,268)
Salaries - maintenance	27,289	27,289	27,290	1
Total salaries	102,789	102,789	94,522	(8,267)
Commodities:				
Stationery and supplies	50	50	-	(50)
Books, periodicals, and manuals	100	100	-	(100)
Total commodities	150	150	-	(150)
Contractual:				
Auto mileage	2,500	2,500	1,892	(608)
Total contractual	2,500	2,500	1,892	(608)
Total facilities management	105,439	105,439	96,414	(9,025)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>Supervisor of Assessments</u>				
Personnel:				
Salaries - department head	63,400	63,400	63,400	-
Salaries - deputies	54,825	54,827	54,821	(6)
Salaries - board of review	10,500	10,500	9,827	(673)
Excess sick days	2,905	2,925	2,918	(7)
Total personnel	131,630	131,652	130,966	(686)
Commodities:				
Stationery and supplies	1,500	1,500	502	(998)
Total commodities	1,500	1,500	502	(998)
Contractual:				
Appraisal Maintenance	38,640	38,640	38,640	-
Independent appraisal	10	10	-	(10)
Auto mileage	1,500	1,500	1,284	(216)
Advertising and publishing	12,500	12,500	1,532	(10,968)
Printing, duplicating, and binding	2,500	2,500	1,256	(1,244)
Photocopies	2,400	2,400	2,167	(233)
Dues and memberships	700	700	325	(375)
Meetings and seminars	3,400	3,378	2,543	(855)
Appraisal software	13,500	13,500	13,481	(19)
Office equipment (over \$500)	10	10	-	(10)
Total contractual	75,160	75,138	61,228	(13,910)
Total supervisor of assessments	208,290	208,290	192,696	(15,594)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>Election Expense</u>				
Personnel:				
Salaries - deputies	49,010	49,010	49,200	190
Salaries - part-time	3,000	3,000	-	(3,000)
Salaries - per diem	46,580	46,580	23,130	(23,450)
Total personnel	98,590	98,590	72,330	(26,260)
Commodities:				
Books, periodicals, and manuals	10	10	-	(10)
Printing paper and supplies	75,500	75,500	51,412	(24,088)
Total commodities	75,510	75,510	51,412	(24,098)
Contractual:				
Auto mileage	850	850	247	(603)
Advertising and publishing	20,000	13,800	5,427	(8,373)
Photocopies	10	10	-	(10)
Telephone	10	10	-	(10)
Building and rooms	4,370	4,370	2,300	(2,070)
Total contractual	25,240	19,040	7,974	(11,066)
Capital outlay:				
Election software	40,760	46,960	45,870	(1,090)
Office equipment (over \$500)	510	510	-	(510)
Total capital outlay	41,270	47,470	45,870	(1,600)
Total election expense	240,610	240,610	177,586	(63,024)
<u>Economic Development</u>				
Contractual:				
Workforce investment	41,135	41,135	41,134	(1)
Blackhawk Hills-R.C. & D	11,230	11,230	11,229	(1)
Total economic development	52,365	52,365	52,363	(2)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>Zoning</u>				
Personnel:				
Salaries - department head	36,750	37,368	37,357	(11)
Salaries - secretary	10,788	10,916	11,240	324
Salaries - per diem	1,000	1,000	1,000	-
Excess sick days	920	944	944	-
Total personnel	49,458	50,228	50,541	313
Commodities:				
Stationery and supplies	500	510	503	(7)
Office equipment (under \$500)	300	130	129	(1)
Total commodities	800	640	632	(8)
Contractual:				
Auto mileage	2,400	2,100	2,096	(4)
Advertising and publishing	300	300	257	(43)
Photocopies	850	350	343	(7)
Office equipment repairs	500	535	532	(3)
Meetings and seminars	-	75	74	(1)
Telephone	1,300	1,380	1,377	(3)
Total contractual	5,350	4,740	4,679	(61)
Total zoning	55,608	55,608	55,852	244
<u>Recreation and Conservation</u>				
Contractual:				
Electric	200	200	189	(11)
Maintenance - Kent Monument	420	420	255	(165)
Pec prairie path	1,000	1,000	-	(1,000)
Jane Addams trail	9,030	9,030	9,030	-
Total recreation and conservation	10,650	10,650	9,474	(1,176)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>General Government (Continued):</u>				
<u>Miscellaneous</u>				
Contractual:				
Annual audit	48,000	50,500	50,500	-
N.W. Criminal Justice Commission	3,185	3,185	3,185	-
Soil & water conservation	25,000	25,000	25,000	-
Department of Veterans' Affairs	1,000	1,000	-	(1,000)
Regional office of education	34,650	34,650	33,832	(818)
Stockton School District	5,890	5,890	4,942	(948)
Interest expense	20,000	20,000	19,109	(891)
Insurance premiums	743,000	712,780	688,228	(24,552)
Contract grant writer	50,000	68,100	68,072	(28)
Youth diversion program	10,000	13,800	13,798	(2)
Peer jury	250	250	-	(250)
County Code Book	8,000	9,520	9,517	(3)
	<u>948,975</u>	<u>944,675</u>	<u>916,183</u>	<u>(28,492)</u>
Total miscellaneous				
	<u>948,975</u>	<u>944,675</u>	<u>916,183</u>	<u>(28,492)</u>
Total general government	<u>2,358,828</u>	<u>2,358,828</u>	<u>2,216,459</u>	<u>(142,369)</u>

STEPHENSON COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES DISBURSED
COMPARED WITH BUDGET (BUDGETARY BASIS)
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<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	1,146,121	1,146,121	1,213,012	66,891
Salaries - communication	167,500	256,250	282,982	26,732
Salaries - clerical	94,000	94,000	89,573	(4,427)
Salaries - overtime	66,400	66,400	64,338	(2,062)
Salaries - overtime - communication	10,000	10,000	49,855	39,855
Salaries - court deputies	124,000	124,000	121,657	(2,343)
Excess sick days	36,000	36,000	50,453	14,453
Total personnel	1,709,521	1,798,271	1,937,370	139,099
Commodities:				
Crime prevention supplies	250	250	250	-
Stationery and supplies	1,800	1,800	1,729	(71)
Stationery and supplies - communication	280	280	244	(36)
Office equipment (under \$500)	380	380	326	(54)
Books, periodicals, and manuals	380	380	280	(100)
Gasoline and operating fuel	64,500	64,500	68,570	4,070
Clothing - uniforms	6,000	6,000	2,676	(3,324)
Lubricants	3,600	3,600	1,944	(1,656)
Automotive tires	7,400	7,400	6,671	(729)
Automotive accessories	1,000	1,000	1,006	6
Sheriff's reserve unit	1,000	1,000	1,000	-
Mounted patrol	800	800	800	-
Total commodities	87,390	87,390	85,496	(1,894)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Public Safety (Continued):</u>				
<u>Law Enforcement (Continued)</u>				
Contractual:				
Postage	300	300	285	(15)
Travel expense	4,000	4,000	3,301	(699)
Advertising and publishing	250	250	-	(250)
Photocopies	1,500	1,500	1,482	(18)
Telephone	11,500	11,500	10,479	(1,021)
Automotive repairs	8,000	8,000	9,147	1,147
Equipment repairs	2,500	2,500	828	(1,672)
Ammunition	5,000	5,000	4,873	(127)
Radio and tower	8,800	8,800	8,696	(104)
Machines and equipment	14,800	14,800	10,343	(4,457)
Office equipment	200	200	188	(12)
Dues and memberships	800	800	762	(38)
Instruction and schooling	6,000	6,000	4,759	(1,241)
Investigation expense	4,000	4,000	3,607	(393)
Legal services	-	-	26,024	26,024
Interest - court order	-	-	22,851	22,851
Dispatching services	88,750	-	-	-
Emergency response	500	500	28	(472)
Total contractual	156,900	68,150	107,653	39,503
Capital outlay:				
Automotive	81,000	86,925	96,168	9,243
Radio	24,000	24,000	17,943	(6,057)
Total capital outlay	105,000	110,925	114,111	3,186
Total public safety	2,058,811	2,064,736	2,244,630	179,894

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related:</u>				
<u>State's Attorney</u>				
Personnel:				
Salaries - department head	166,508	166,508	166,508	-
Salaries - assistants	290,000	290,000	277,717	(12,283)
Salaries - secretaries	77,600	77,600	74,524	(3,076)
Salaries - teen court coordinator	5,000	5,000	5,000	-
Salaries - victim coordinator	17,600	17,675	17,673	(2)
Excess sick days	2,526	2,526	2,526	-
Total personnel	559,234	559,309	543,948	(15,361)
Commodities:				
Stationery and supplies	7,500	7,700	7,617	(83)
Office equipment	220	220	-	(220)
Books, periodicals, and manuals	750	750	500	(250)
Total commodities	8,470	8,670	8,117	(553)
Contractual:				
Court reporting	1,500	1,500	114	(1,386)
Appellate service	13,000	13,000	13,000	-
Photocopies	1,200	925	-	(925)
Office equipment maintenance	2,000	2,000	1,629	(371)
Meetings and seminars	500	500	-	(500)
Sheriff's fees	300	300	31	(269)
Investigation expense	500	500	94	(406)
Educational assistance	200	200	200	-
Total contractual	19,200	18,925	15,068	(3,857)
Capital outlay:				
Equipment	1,200	1,200	849	(351)
Total state's attorney	588,104	588,104	567,982	(20,122)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related (Continued):</u>				
<u>Circuit Clerk</u>				
Personnel:				
Salaries - department head	52,000	52,000	52,000	-
Salaries - deputies	190,000	190,000	189,106	(894)
Excess sick days	500	500	-	(500)
Total personnel	242,500	242,500	241,106	(1,394)
Commodities:				
Stationery and supplies	69,000	69,000	43,550	(25,450)
Books, periodicals, and manuals	20,879	20,879	4,941	(15,938)
Office equipment (under \$500)	3,000	3,000	3,358	358
Total commodities	92,879	92,879	51,849	(41,030)
Contractual:				
Photocopies	4,800	4,800	3,906	(894)
Telephone	360	360	115	(245)
Office equipment repairs	21,000	21,000	21,461	461
Dues and memberships	325	325	-	(325)
Meetings and seminars	3,559	3,559	4,856	1,297
Total contractual	30,044	30,044	30,338	294
Total circuit clerk	365,423	365,423	323,293	(42,130)
<u>Court Ordered Expenses</u>				
Contractual:				
Dependent children - medical & dental	400	400	275	(125)
Dependent children - child care	80,000	80,000	75,659	(4,341)
Mental examinations	11,000	11,000	10,875	(125)
Investigation expense	250	250	120	(130)
Witness	6,000	6,000	5,038	(962)
Total court ordered expenses	97,650	97,650	91,967	(5,683)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related (Continued):</u>				
<u>Judicial</u>				
Commodities:				
Stationery and supplies	2,600	2,600	2,479	(121)
Office equipment (under \$500)	1,350	1,350	2,237	887
Books, periodicals, and manuals	2,500	2,500	2,602	102
Total commodities	6,450	6,450	7,318	868
Contractual:				
Office of the Chief Judge	4,100	4,100	4,100	-
Photocopies	250	250	160	(90)
Telephone	2,700	2,700	5,635	2,935
Office equipment repair	6,500	6,500	7,016	516
Assessment for judges salaries	2,250	2,250	2,239	(11)
Meetings & seminars	4,900	4,900	4,778	(122)
Total contractual	20,700	20,700	23,928	3,228
Total judicial	27,150	27,150	31,246	4,096
<u>Jury Commission</u>				
Personnel:				
Coroner jurors	200	200	-	(200)
Circuit jurors	22,000	22,000	23,069	1,069
Total personnel	22,200	22,200	23,069	869
Contractual:				
Printing, duplicating and binding	800	800	800	-
Total jury commission	23,000	23,000	23,869	869

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related (Continued):</u>				
<u>Corrections</u>				
Personnel:				
Salaries - jail administrator	55,790	55,790	55,404	(386)
Salaries - correction officers	1,117,943	1,117,943	1,113,879	(4,064)
Salaries - clerical	32,136	32,136	32,111	(25)
Total personnel	1,205,869	1,205,869	1,201,394	(4,475)
Commodities:				
Computer supplies	5,000	5,000	5,109	109
Films and tapes	100	100	45	(55)
Books, periodicals, and manuals	100	100	26	(74)
Laundry	7,100	7,100	7,171	71
Food-county inmates	234,000	234,000	239,441	5,441
Medical and dental supplies	200	200	-	(200)
Clothing - uniforms	8,000	8,000	7,500	(500)
Kitchen	1,000	1,000	401	(599)
Total commodities	255,500	255,500	259,693	4,193
Contractual:				
Medical, dental and barber	152,300	152,300	149,976	(2,324)
Postage	500	500	195	(305)
Telephone	10,000	10,000	11,905	1,905
Instruction and schooling	7,000	7,000	2,405	(4,595)
Transporting prisoners	8,500	8,500	8,928	428
Live scan	4,500	4,500	3,995	(505)
Radio	1,000	1,000	306	(694)
Total contractual	183,800	183,800	177,710	(6,090)
Total corrections	1,645,169	1,645,169	1,638,797	(6,372)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related (Continued):</u>				
<u>Probation</u>				
Personnel:				
Salaries - department head	89,596	92,306	92,306	-
Salaries - officers	513,528	537,192	488,735	(48,457)
Salaries - supervisors	76,503	78,818	78,815	(3)
Salaries - office manager	32,286	33,255	33,254	(1)
Salaries - secretaries	41,721	43,498	43,441	(57)
Excess sick days	8,000	8,000	7,662	(338)
Total probation	761,634	793,069	744,213	(48,856)
<u>Public Defender</u>				
Personnel:				
Salaries - department head	149,857	149,857	149,857	-
Salaries - assistants	137,750	137,750	137,750	-
Salaries - juvenile G.A.L.	32,500	32,500	32,500	-
Salaries - office manager	32,500	32,500	32,500	-
Excess sick days	7,003	7,003	7,003	-
Total personnel	359,610	359,610	359,610	-
Contractual:				
Books & periodicals	350	350	342	(8)
Transcripts	500	500	405	(95)
Mileage	500	500	479	(21)
Photocopies	250	250	128	(122)
Office expense	1,750	1,750	1,693	(57)
Meetings & seminars	1,000	1,000	996	(4)
Office equipment	1,500	1,500	1,272	(228)
Total contractual	5,850	5,850	5,315	(535)
Total public defender	365,460	365,460	364,925	(535)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related (Continued):</u>				
<u>Jail Building</u>				
Personnel:				
Salaries - maintenance	12,464	12,464	11,992	(472)
Commodities:				
Cleaning supplies	250	250	250	-
Paper supplies - towels, etc.	100	100	484	384
Electrical supplies	250	250	54	(196)
Hardware supplies	50	50	-	(50)
Plumbing supplies	80	80	-	(80)
Painting supplies	50	50	13	(37)
Total commodities	780	780	801	21
Contractual:				
Boiler - State inspection	70	70	-	(70)
Gas - natural	5,000	5,000	3,942	(1,058)
Electrical service	10,000	10,000	10,902	902
Water and sewer	1,250	1,250	1,008	(242)
Garbage disposal	180	180	-	(180)
Pest control	50	50	-	(50)
Maintenance - environmental	200	200	58	(142)
Maintenance - general	1,500	1,500	998	(502)
Total contractual	18,250	18,250	16,908	(1,342)
Total jail building	31,494	31,494	29,701	(1,793)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Expenditures Disbursed (Continued):</u>				
<u>Judiciary and Court Related (Continued):</u>				
<u>Merit Commission</u>				
Contractual:				
Consultants - testing	2,700	2,700	2,700	-
Court reporter	100	100	74	(26)
Attorney fees	100	100	-	(100)
Medical and dental	600	600	-	(600)
Witness fees and mileage	100	100	-	(100)
Advertising and publishing	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total merit commission	<u>4,600</u>	<u>4,600</u>	<u>2,774</u>	<u>(1,826)</u>
Total judiciary and court related	<u>3,909,684</u>	<u>3,941,119</u>	<u>3,818,767</u>	<u>(122,352)</u>
Total expenditures disbursed	<u>\$ 8,327,323</u>	<u>\$ 8,364,683</u>	<u>\$8,279,856</u>	<u>\$ (84,827)</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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
<u>Other financing sources (uses):</u>				
Operating transfers in (out):				
Work Release Fee	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
County Health Department Fund	<u>(195,300)</u>	<u>(195,300)</u>	<u>(195,300)</u>	<u>-</u>
Total operating transfers out	<u>\$ (175,300)</u>	<u>\$ (175,300)</u>	<u>\$ (175,300)</u>	<u>\$ -</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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues Received:				
Taxes:				
Property taxes	<u>\$1,187,537</u>	<u>\$1,187,537</u>	<u>\$1,167,760</u>	<u>\$ (19,777)</u>
Intergovernmental revenue:				
Replacement taxes	<u>162,677</u>	<u>162,677</u>	<u>200,313</u>	<u>37,636</u>
Other revenue received:				
Interest on investments	4,000	4,000	6,788	2,788
Miscellaneous	1,100	2,498	7,814	5,316
Employee contributions	<u>612,500</u>	<u>612,500</u>	<u>593,000</u>	<u>(19,500)</u>
Total other revenue received	<u>617,600</u>	<u>618,998</u>	<u>607,602</u>	<u>(11,396)</u>
Total revenue received	<u><u>\$1,967,814</u></u>	<u><u>\$1,969,212</u></u>	<u><u>\$1,975,675</u></u>	<u><u>\$ 6,463</u></u>
Expenditures Disbursed:				
General government:				
Illinois Municipal Retirement Fund	<u><u>\$1,967,800</u></u>	<u><u>\$1,969,198</u></u>	<u><u>\$1,881,632</u></u>	<u><u>\$ (87,566)</u></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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues Received:				
Taxes:				
Property taxes	\$ 40,722	\$ 40,722	\$ 40,052	\$ (670)
Fees, licenses, permits, and fines:				
Contractor	5,525	5,525	4,650	(875)
Food permits	51,205	51,205	43,515	(7,690)
Radon kit	570	570	557	(13)
Vital records	33,850	33,850	32,734	(1,116)
Well and septic	34,191	34,191	25,325	(8,866)
Food certification	5,000	5,000	480	(4,520)
TB	325	325	405	80
Consulting - Jo Daviess County	15,000	15,000	15,563	563
W.O.W. participation fees	3,600	3,600	2,000	(1,600)
Physicals	2,000	2,000	1,145	(855)
Other	300	300	765	465
Total fees, licenses, permits, and fines	151,566	151,566	127,139	(24,427)
Intergovernmental revenue:				
State of IL Grants-Other	4,825	4,825	17,336	12,511
FCM-public health	149,846	149,846	174,530	24,684
FCM-federal match	26,900	26,900	25,391	(1,509)
WIC grant	160,600	160,600	160,528	(72)
Health protection	85,354	85,354	85,354	-
Family planning	62,900	62,900	62,299	(601)
Adolescent health	9,340	9,340	9,340	-
C.A.T.C.H. - Obesity	15,670	15,670	15,670	-
Peer counseling - WIC	18,000	18,000	18,556	556
Childhood lead	3,000	3,000	3,000	-
Women out walking	4,000	4,000	8,000	4,000
Gear Up	23,800	23,800	20,300	(3,500)
State of IL Grants-New	-	-	15,000	15,000
Teen parent services	91,000	91,000	74,195	(16,805)
Teen reach	110,606	110,606	73,806	(36,800)
Ounce of prevention	76,318	76,318	108,305	31,987
Healthy families	211,037	211,037	218,263	7,226
Breast and cervical cancer	151,130	151,130	153,368	2,238
Breast and cervical-primary care	202,950	202,950	276,483	73,533
Wise women	97,635	97,635	152,418	54,783
Ticket for the cure	12,500	12,500	11,253	(1,247)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues Received (Continued):				
Intergovernmental revenue (continued):				
0 to 3 Assurance Network	67,844	67,844	94,244	26,400
Tobacco settlement grant	20,000	20,000	24,850	4,850
Tobacco compliance grant	4,510	4,510	4,620	110
West Nile virus	8,250	8,250	4,000	(4,250)
Bioterrorism grant	54,075	54,075	65,645	11,570
VFC - Afix grant	35,000	35,000	31,049	(3,951)
Radon grant	16,200	16,200	6,291	(9,909)
Freeport Township	3,000	3,000	3,300	300
Brownfield study	21,988	21,988	16,604	(5,384)
Carroll County health admin	22,000	22,000	22,000	-
Carroll County tobacco	18,039	18,039	18,697	658
Komen Foundation	10,000	10,000	8,000	(2,000)
IDPA: Family planning	25,000	25,000	11,781	(13,219)
IDPA; Lead	2,000	2,000	418	(1,582)
IDPA: FCM	7,000	7,000	8,928	1,928
IDPA: Immunizations	2,240	2,240	1,702	(538)
Medicare	4,100	4,100	1,788	(2,312)
Other grants & contracts	-	-	39,160	39,160
Crusader clinic	8,873	8,873	7,078	(1,795)
Animal control fund	10,000	10,000	-	(10,000)
Tuberculosis board	58,665	58,665	58,665	-
Total intergovernmental revenue	<u>1,916,195</u>	<u>1,916,195</u>	<u>2,112,215</u>	<u>196,020</u>
Sale of goods and services:				
Private pay-family planning	12,500	12,500	12,013	(487)
Private pay-flu vaccine	22,875	22,875	13,473	(9,402)
Private pay-immunizations	18,333	18,333	15,035	(3,298)
Private pay-records search	200	200	229	29
Private pay-other	-	-	210	210
Total sale of goods and services	<u>53,908</u>	<u>53,908</u>	<u>40,960</u>	<u>(12,948)</u>
Other revenue received:				
Interest	7,400	7,400	5,189	(2,211)
Donations	13,500	13,500	10,839	(2,661)
Miscellaneous	1,000	1,000	1,891	891
County reimbursements	213,454	213,454	195,868	(17,586)
Total other revenue received	<u>235,354</u>	<u>235,354</u>	<u>213,787</u>	<u>(21,567)</u>
Total revenue received	<u>\$2,397,745</u>	<u>\$2,397,745</u>	<u>\$2,534,153</u>	<u>\$ 136,408</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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures Disbursed:				
Health and welfare:				
Salaries-administrator	\$ 80,270	\$ 80,270	\$ 78,356	\$ (1,914)
Salaries-full time	1,166,632	1,166,632	1,040,657	(125,975)
Salaries-part time	34,222	34,222	99,268	65,046
Salaries-overtime	-	-	1,116	1,116
Office supplies	49,108	49,108	86,437	37,329
Pamphlets	18,581	18,581	20,250	1,669
Printing	6,775	6,775	5,237	(1,538)
Medical supplies	69,859	69,859	52,417	(17,442)
Care of patients - TB	500	500	-	(500)
Med/Prof contracts: Other	41,361	41,361	57,938	16,577
Subcontract: Teen Reach	70,848	70,848	59,655	(11,193)
Subcontract: Gear Up	18,079	18,079	20,169	2,090
Breast & Cervical: Primary Care	212,750	212,750	211,032	(1,718)
Wise women: Primary Care	30,705	30,705	30,138	(567)
Travel	61,408	61,408	52,276	(9,132)
Postage	6,618	6,618	6,768	150
Advertising and publishing	9,544	9,544	9,592	48
Health & accident insurance	328,512	328,512	272,426	(56,086)
Natural gas	3,220	3,220	3,377	157
Electricity	14,321	14,321	17,103	2,782
Telephone	20,360	20,360	20,531	171
Water and sewer	1,961	1,961	2,004	43
Garbage disposal	468	468	680	212
Equipment repair	20,975	20,975	32,926	11,951
Rent	6,020	6,020	3,048	(2,972)
Vehicle lease	3,515	3,515	3,806	291
Janitorial service	20,400	20,400	22,908	2,508
Dues & memberships	6,910	6,910	8,957	2,047
Meetings & seminars	7,120	7,120	5,141	(1,979)
IDPH-vital records fee	8,600	8,600	8,628	28
Software	1,850	1,850	605	(1,245)
Computer service contracts	13,695	13,695	11,625	(2,070)
Flood doors	3,000	3,000	560	(2,440)

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, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures Disbursed (Continued):				
Health and welfare (continued):				
Office equipment	9,500	9,500	15,819	6,319
Medical equipment	-	-	4,421	4,421
Interest expense	10,190	10,190	7,547	(2,643)
Mortgage payment	20,690	20,690	63,333	42,643
Insurance premiums	14,407	14,407	-	(14,407)
FICA	97,740	97,740	88,803	(8,937)
IMRF	108,727	108,727	107,065	(1,662)
Workers compensation	4,825	4,825	-	(4,825)
Unemployment	2,162	2,162	-	(2,162)
Total health and welfare	<u>\$2,606,428</u>	<u>\$2,606,428</u>	<u>\$2,532,619</u>	<u>\$ (73,809)</u>
<u>Other financing sources (uses):</u>				
Operating transfers in	\$ 195,300	\$ 195,300	\$ 195,300	\$ -
Operating transfers out	<u>-</u>	<u>-</u>	<u>(3,500)</u>	<u>(3,500)</u>
Total other financing sources (uses)	<u>\$ 195,300</u>	<u>\$ 195,300</u>	<u>\$ 191,800</u>	<u>\$ (3,500)</u>

See Notes to Required Supplementary Information.

STEPHENSON COUNTY, ILLINOIS
LIABILITY INSURANCE
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
COMPARED WITH BUDGET (BUDGETARY BASIS)
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues Received:				
Taxes:				
Property taxes	\$1,043,061	\$1,043,061	\$1,025,905	\$ (17,156)
Other revenue received:				
Interest on investments	50	50	26	(24)
Miscellaneous	310,000	310,000	21,783	(288,217)
Employee contributions	-	-	-	-
Total other revenue received	310,050	310,050	21,809	(288,241)
Total revenue received	<u>\$1,353,111</u>	<u>\$1,353,111</u>	<u>\$1,047,714</u>	<u>\$ (305,397)</u>
Expenditures Disbursed:				
General government:				
Liability insurance	<u>\$1,074,400</u>	<u>\$1,074,400</u>	<u>\$ 923,063</u>	<u>\$ (151,337)</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2011

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, 2011.

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
Year ended November 30, 2011

	<u>Budget</u>	<u>Actual on Cash Basis</u>	<u>Adjustments to GAAP Basis</u>	<u>Actual on GAAP Basis</u>
General Fund:				
Revenues:				
Taxes	\$ 5,271,000	\$ 5,502,235	\$ (97,019)	\$ 5,405,216
Fees, licenses, permits, and fines:	1,789,959	1,797,726	(61,959)	1,735,767
Intergovernmental revenue	1,043,931	1,142,641	221,899	1,364,540
Other revenue	255,293	223,177	(11,881)	211,296
Total revenues	<u>\$ 8,360,183</u>	<u>\$ 8,665,779</u>	<u>\$ 51,040</u>	<u>\$ 8,716,819</u>
Expenditures:				
General government:				
County Properties	\$ 130,999	\$ 138,172	\$ 14,920	\$ 153,092
County Board	109,400	90,108	8,518	98,626
County Treasurer	94,715	93,178	393	93,571
County Clerk and Elections	159,102	151,021	5,129	156,150
Zoning	55,608	55,852	98	55,950
Administrative services	246,975	243,412	(4,029)	239,383
Facilities Management	105,439	96,414	355	96,769
Election expense	240,610	177,586	5,112	182,698
Assessor	208,290	192,696	14,609	207,305
Recreation and conservation	10,650	9,474	858	10,332
Economic development	52,365	52,363	152	52,515
Miscellaneous	944,675	916,183	38,715	954,898
Public safety:				
Sheriff	2,064,736	2,244,630	7,933	2,252,563
Judiciary and court related:				
State's Attorney	588,104	567,982	4,050	572,032
Public Defender	365,460	364,925	1,449	366,374
Circuit Clerk	365,423	323,293	(6,383)	316,910
Judiciary	27,150	31,246	(1,000)	30,246
Corrections	1,645,169	1,638,797	(26,324)	1,612,473
Court ordered	97,650	91,967	(6,949)	85,018
Jury commission	23,000	23,869	-	23,869
Probation	793,069	744,213	6,136	750,349
Merit commission	4,600	2,774	-	2,774
Jail building	31,494	29,701	(3)	29,698
Total expenditures	<u>\$ 8,364,683</u>	<u>\$ 8,279,856</u>	<u>\$ 63,739</u>	<u>\$ 8,343,595</u>
Other financing (uses):				
Operating transfers in	\$ 20,000	\$ 20,000	-	\$ 20,000
Operating transfers out	(195,300)	(195,300)	-	(195,300)
Total other financing sources (uses)	<u>\$ (175,300)</u>	<u>\$ (175,300)</u>	<u>\$ -</u>	<u>\$ (175,300)</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2011

	<u>Budget</u>	<u>Actual on Cash Basis</u>	<u>Adjustments to GAAP Basis</u>	<u>Actual on GAAP Basis</u>
Illinois Municipal Retirement:				
Revenues:				
Taxes	\$ 1,187,537	\$ 1,167,760	\$ -	\$ 1,167,760
Intergovernmental revenue	162,677	200,313	(31,584)	168,729
Other revenue	617,600	607,602	-	607,602
Total revenues	<u>\$ 1,967,814</u>	<u>\$ 1,975,675</u>	<u>\$ (31,584)</u>	<u>\$ 1,944,091</u>
Expenditures:				
General government	\$ 1,969,198	\$ 1,881,632	\$ (1,751,028)	\$ 130,604
Public safety	-	-	555,764	555,764
Judiciary and court related	-	-	348,507	348,507
Public works	-	-	157,837	157,837
Health and welfare	-	-	688,920	688,920
Total expenditures	<u>\$ 1,969,198</u>	<u>\$ 1,881,632</u>	<u>\$ -</u>	<u>\$ 1,881,632</u>
County Health Department				
Revenues:				
Taxes	\$ 40,722	\$ 40,052	\$ -	\$ 40,052
Fees, licenses, permits, and fines	151,566	127,139	(18,043)	109,096
Intergovernmental revenue	1,916,195	2,112,215	(123,004)	1,989,211
Sale of goods and services	53,908	40,960	57	41,017
Other revenue	235,354	213,787	26,323	240,110
Total revenues	<u>\$ 2,397,745</u>	<u>\$ 2,534,153</u>	<u>\$ (114,667)</u>	<u>\$ 2,419,486</u>
Expenditures:				
Health and welfare	<u>\$ 2,606,428</u>	<u>\$ 2,532,619</u>	<u>\$ (13,739)</u>	<u>\$ 2,518,880</u>
Other financing sources (uses):				
Operating transfers in	\$ 195,300	\$ 195,300	\$ -	\$ 195,300
Operating transfers out	-	(3,500)	-	(3,500)
Total other financing sources (uses)	<u>\$ 195,300</u>	<u>\$ 191,800</u>	<u>\$ -</u>	<u>\$ 191,800</u>

STEPHENSON COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2011

	<u>Budget</u>	<u>Actual on Cash Basis</u>	<u>Adjustments to GAAP Basis</u>	<u>Actual on GAAP Basis</u>
Liability Insurance:				
Revenues:				
Taxes	\$ 1,043,061	\$ 1,025,905	\$ -	\$ 1,025,905
Other revenue	<u>310,050</u>	<u>21,809</u>	<u>1,622</u>	<u>23,431</u>
Total revenues	<u>\$ 1,353,111</u>	<u>\$ 1,047,714</u>	<u>\$ 1,622</u>	<u>\$ 1,049,336</u>
Expenditures:				
General government	<u>\$ 1,074,400</u>	<u>\$ 923,063</u>	<u>\$ (1,015)</u>	<u>\$ 922,048</u>

OTHER SUPPLEMENTARY INFORMATION

STEPHENSON COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2011

	Total Nonmajor Governmental Funds	Special	County Highway	County Bridge	DUI Equipment
<u>ASSETS</u>					
Cash	\$ 2,580,311	\$ 59,900	\$ 460,444	\$ 8,138	
Investments, at cost	2,078,196	-	-	-	
Accounts receivable	747,436	25	13	-	
Property tax receivable	2,741,853	605,000	302,000	-	
Due from other funds	1,637,994	-	450,000	-	
	<u>9,785,790</u>	<u>664,925</u>	<u>1,212,457</u>	<u>8,138</u>	
Total assets	<u>\$ 9,785,790</u>	<u>\$ 664,925</u>	<u>\$ 1,212,457</u>	<u>\$ 8,138</u>	
<u>LIABILITIES</u>					
Vouchers payable	\$ 288,477	\$ 37,295	\$ 33,648	\$ -	
Accrued payroll	49,715	17,255	-	-	
Compensated absences	29,899	29,899	-	-	
Due to other funds	517,839	225,000	-	-	
Deferred revenue	2,741,853	605,000	302,000	-	
	<u>3,627,783</u>	<u>914,449</u>	<u>335,648</u>	<u>-</u>	
Total liabilities	<u>3,627,783</u>	<u>914,449</u>	<u>335,648</u>	<u>-</u>	
<u>FUND BALANCE</u>					
Fund balances:					
Restricted	6,637,568	-	876,809	8,138	
Unassigned	(479,561)	(249,524)	-	-	
	<u>6,158,007</u>	<u>(249,524)</u>	<u>876,809</u>	<u>8,138</u>	
Total fund balance	<u>6,158,007</u>	<u>(249,524)</u>	<u>876,809</u>	<u>8,138</u>	
Total liabilities and fund balances	<u>\$ 9,785,790</u>	<u>\$ 664,925</u>	<u>\$ 1,212,457</u>	<u>\$ 8,138</u>	

Revenue					
County Matching	County Motor Fuel Tax	Mental Health	Tuberculosis	Animal Control	Circuit Clerk Fees
\$ 65,784	\$ 190,139	\$ 144,475	\$ 25,357	\$ 35,202	\$ 23,163
-	118,107	-	-	186,378	-
13	68,911	-	-	-	-
302,000	-	302,000	58,665	-	-
-	-	-	-	-	-
<u>\$ 367,797</u>	<u>\$ 377,157</u>	<u>\$ 446,475</u>	<u>\$ 84,022</u>	<u>\$ 221,580</u>	<u>\$ 23,163</u>
\$ 507	\$ 60,997	\$ -	\$ -	\$ -	\$ -
1,070	10,228	-	-	1,438	-
-	-	-	-	-	-
225,000	-	-	-	-	-
302,000	-	302,000	58,665	-	-
<u>528,577</u>	<u>71,225</u>	<u>302,000</u>	<u>58,665</u>	<u>1,438</u>	<u>-</u>
-	305,932	144,475	25,357	220,142	23,163
<u>(160,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(160,780)</u>	<u>305,932</u>	<u>144,475</u>	<u>25,357</u>	<u>220,142</u>	<u>23,163</u>
<u>\$ 367,797</u>	<u>\$ 377,157</u>	<u>\$ 446,475</u>	<u>\$ 84,022</u>	<u>\$ 221,580</u>	<u>\$ 23,163</u>

STEPHENSON COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 November 30, 2011

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
<u>ASSETS</u>				
Cash	\$ 27,591	\$ 1	\$ 71,388	\$ 97,999
Investments, at cost	585,815	171,198	-	589,207
Accounts receivable	3,911	-	-	126,622
Property tax receivable	820,345	165,000	-	-
Due from other funds	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,467,662</u>	<u>\$ 336,199</u>	<u>\$ 71,388</u>	<u>\$ 813,828</u>
<u>LIABILITIES</u>				
Vouchers payable	\$ -	\$ -	\$ 901	\$ 2,146
Accrued payroll	-	-	2,770	1,157
Compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	<u>820,345</u>	<u>165,000</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>820,345</u>	<u>165,000</u>	<u>3,671</u>	<u>3,303</u>
<u>FUND BALANCE</u>				
Fund balances:				
Restricted	647,317	171,199	67,717	810,525
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>647,317</u>	<u>171,199</u>	<u>67,717</u>	<u>810,525</u>
Total liabilities and fund balances	<u>\$ 1,467,662</u>	<u>\$ 336,199</u>	<u>\$ 71,388</u>	<u>\$ 813,828</u>

Revenue						
Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$ 66,329	\$ -	\$ 3,496	\$ 7,990	\$ -	\$ 117,014	\$ 59,593
-	119,135	27,752	28,284	-	-	124,740
-	30,000	1,845	453,777	-	6,435	6,976
-	-	-	-	-	-	-
-	-	-	747,994	-	-	-
<u>\$ 66,329</u>	<u>\$ 149,135</u>	<u>\$ 33,093</u>	<u>\$ 1,238,045</u>	<u>\$ -</u>	<u>\$ 123,449</u>	<u>\$ 191,309</u>
\$ -	\$ -	\$ -	\$ 66,029	\$ 756	\$ -	\$ 1,688
-	154	-	3,625	662	3,983	-
-	-	-	-	-	-	-
-	-	-	-	67,839	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>154</u>	<u>-</u>	<u>69,654</u>	<u>69,257</u>	<u>3,983</u>	<u>1,688</u>
66,329	148,981	33,093	1,168,391	-	119,466	189,621
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,257)</u>	<u>-</u>	<u>-</u>
<u>66,329</u>	<u>148,981</u>	<u>33,093</u>	<u>1,168,391</u>	<u>(69,257)</u>	<u>119,466</u>	<u>189,621</u>
<u>\$ 66,329</u>	<u>\$ 149,135</u>	<u>\$ 33,093</u>	<u>\$ 1,238,045</u>	<u>\$ -</u>	<u>\$ 123,449</u>	<u>\$ 191,309</u>

STEPHENSON COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 November 30, 2011

	Special				
	Document Storage - Circuit Clerk	Treasurer Automation	Veteran's Assistance Commission	Court Supervision	NICAA Small Rental Properties Grant
<u>ASSETS</u>					
Cash	\$ 113,354	\$ 71,932	\$ -	\$ 27,775	\$ 1,430
Investments, at cost	-	-	-	-	-
Accounts receivable	6,320	-	-	-	-
Property tax receivable	-	-	186,843	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 119,674</u>	<u>\$ 71,932</u>	<u>\$ 186,843</u>	<u>\$ 27,775</u>	<u>\$ 1,430</u>
<u>LIABILITIES</u>					
Vouchers payable	\$ -	\$ 1,900	\$ -	\$ -	\$ -
Accrued payroll	5,181	-	-	-	-
Compensated absences	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	186,843	-	-
Total liabilities	<u>5,181</u>	<u>1,900</u>	<u>186,843</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>					
Fund balances:					
Restricted	<u>114,493</u>	<u>70,032</u>	<u>-</u>	<u>27,775</u>	<u>1,430</u>
Total fund balance	<u>114,493</u>	<u>70,032</u>	<u>-</u>	<u>27,775</u>	<u>1,430</u>
Total liabilities and fund balances	<u>\$ 119,674</u>	<u>\$ 71,932</u>	<u>\$ 186,843</u>	<u>\$ 27,775</u>	<u>\$ 1,430</u>

Revenue			Debt Service	Capital Projects		
Geographic Information Systems	Environmental Remediation	Law Library	Debt Service	Capital	Mill Race Crossing	Highway Building
\$ 9,334	\$ 2,968	\$ 17,871	\$ 377,639	\$ 49,740	\$ 355,741	\$ 88,524
127,580	-	-	-	-	-	-
14,760	-	1,430	-	-	-	26,398
-	-	-	-	-	-	-
-	-	-	290,000	120,000	-	-
<u>\$ 151,674</u>	<u>\$ 2,968</u>	<u>\$ 19,301</u>	<u>\$ 667,639</u>	<u>\$ 169,740</u>	<u>\$ 355,741</u>	<u>\$ 114,922</u>
\$ 9,170	\$ -	\$ 6,625	\$ -	\$ -	\$ -	\$ 66,815
2,192	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,362</u>	<u>-</u>	<u>6,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,815</u>
<u>140,312</u>	<u>2,968</u>	<u>12,676</u>	<u>667,639</u>	<u>169,740</u>	<u>355,741</u>	<u>48,107</u>
<u>140,312</u>	<u>2,968</u>	<u>12,676</u>	<u>667,639</u>	<u>169,740</u>	<u>355,741</u>	<u>48,107</u>
<u>\$ 151,674</u>	<u>\$ 2,968</u>	<u>\$ 19,301</u>	<u>\$ 667,639</u>	<u>\$ 169,740</u>	<u>\$ 355,741</u>	<u>\$ 114,922</u>

STEPHENSON COUNTY, ILLINOIS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended November 30, 2011

	Total	Special		
	Nonmajor			
	Governmental	County	County	DUI
	Funds	Highway	Bridge	Equipment
Revenues:				
Taxes	\$ 4,516,761	\$ 604,043	\$ 302,056	\$ -
Fees	1,351,633	57,056	-	-
Intergovernmental revenue	1,548,873	734	368	-
Sale of goods and services	15,831	10,255	-	5,576
Other revenue	<u>1,424,621</u>	<u>97,252</u>	<u>249,565</u>	<u>-</u>
Total revenues	<u>8,857,719</u>	<u>769,340</u>	<u>551,989</u>	<u>5,576</u>
Expenditures:				
General government	524,124	-	-	-
Public safety	2,166,115	-	-	7,370
Judiciary and court related	916,315	-	-	-
Public works	2,974,781	1,081,812	137,129	-
Health and welfare	982,049	-	-	-
Debt service	<u>1,415,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,979,065</u>	<u>1,081,812</u>	<u>137,129</u>	<u>7,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(121,346)</u>	<u>(312,472)</u>	<u>414,860</u>	<u>(1,794)</u>
Other financing sources (uses):				
Operating transfers in	1,593,262	313,500	-	-
Operating transfers out	<u>(1,609,762)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,500)</u>	<u>313,500</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(137,846)</u>	<u>1,028</u>	<u>414,860</u>	<u>(1,794)</u>
Fund balance (deficit), November 30, 2010	<u>6,295,853</u>	<u>(250,552)</u>	<u>461,949</u>	<u>9,932</u>
Fund balance (deficit), November 30, 2011	<u>\$ 6,158,007</u>	<u>\$ (249,524)</u>	<u>\$ 876,809</u>	<u>\$ 8,138</u>

Revenue					
County Matching	County Motor Fuel Tax	Mental Health	Tuberculosis	Animal Control	Circuit Clerk Fees
\$ 302,056	\$ -	\$ 302,056	\$ 58,850	\$ -	\$ -
-	-	-	-	100,854	66,020
124,996	1,018,437	-	-	-	-
-	-	-	-	-	-
20,954	126,344	8	5	2,143	-
<u>448,006</u>	<u>1,144,781</u>	<u>302,064</u>	<u>58,855</u>	<u>102,997</u>	<u>66,020</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	43,247
466,139	684,751	-	-	-	-
-	-	301,342	58,665	68,303	-
-	-	-	-	-	-
<u>466,139</u>	<u>684,751</u>	<u>301,342</u>	<u>58,665</u>	<u>68,303</u>	<u>43,247</u>
<u>(18,133)</u>	<u>460,030</u>	<u>722</u>	<u>190</u>	<u>34,694</u>	<u>22,773</u>
-	-	-	-	-	-
-	(470,000)	-	-	-	-
-	(470,000)	-	-	-	-
(18,133)	(9,970)	722	190	34,694	22,773
<u>(142,647)</u>	<u>315,902</u>	<u>143,753</u>	<u>25,167</u>	<u>185,448</u>	<u>390</u>
<u>\$ (160,780)</u>	<u>\$ 305,932</u>	<u>\$ 144,475</u>	<u>\$ 25,357</u>	<u>\$ 220,142</u>	<u>\$ 23,163</u>

STEPHENSON COUNTY, ILLINOIS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year ended November 30, 2011

	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Revenues:				
Taxes	\$ 775,859	\$ 165,396	\$ -	\$ -
Fees	-	-	-	545,606
Intergovernmental revenue	111,830	-	45,077	-
Sale of goods and services	-	-	-	-
Other revenue	697,249	315	12	12,171
Total revenues	<u>1,584,938</u>	<u>165,711</u>	<u>45,089</u>	<u>557,777</u>
Expenditures:				
General government	104,976	165,000	-	-
Public safety	446,711	-	129,887	427,141
Judiciary and court related	280,123	-	-	-
Public works	126,866	-	-	-
Health and welfare	553,739	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,512,415</u>	<u>165,000</u>	<u>129,887</u>	<u>427,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,523</u>	<u>711</u>	<u>(84,798)</u>	<u>130,636</u>
Other financing sources (uses):				
Operating transfers in	-	-	91,000	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>91,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	72,523	711	6,202	130,636
Fund balance (deficit), November 30, 2010	<u>574,794</u>	<u>170,488</u>	<u>61,515</u>	<u>679,889</u>
Fund balance (deficit), November 30, 2011	<u>\$ 647,317</u>	<u>\$ 171,199</u>	<u>\$ 67,717</u>	<u>\$ 810,525</u>

Revenue						
Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$ -	\$ -	\$ -	\$ 1,727,617	\$ -	\$ -	\$ -
3,814	-	30,723	-	2,415	98,972	126,831
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,225	231	1,107	3,211	1,703	4,475
<u>3,814</u>	<u>1,225</u>	<u>30,954</u>	<u>1,728,724</u>	<u>5,626</u>	<u>100,675</u>	<u>131,306</u>
-	5,019	54,925	-	-	-	-
17,442	-	-	935,306	73,728	-	-
-	-	-	-	-	139,774	147,930
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>17,442</u>	<u>5,019</u>	<u>54,925</u>	<u>935,306</u>	<u>73,728</u>	<u>139,774</u>	<u>147,930</u>
<u>(13,628)</u>	<u>(3,794)</u>	<u>(23,971)</u>	<u>793,418</u>	<u>(68,102)</u>	<u>(39,099)</u>	<u>(16,624)</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(969,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(969,038)	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(969,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(13,628)	(3,794)	(23,971)	(175,620)	(68,102)	(39,099)	(16,624)
<u>79,957</u>	<u>152,775</u>	<u>57,064</u>	<u>1,344,011</u>	<u>(1,155)</u>	<u>158,565</u>	<u>206,245</u>
<u>\$ 66,329</u>	<u>\$ 148,981</u>	<u>\$ 33,093</u>	<u>\$ 1,168,391</u>	<u>\$ (69,257)</u>	<u>\$ 119,466</u>	<u>\$ 189,621</u>

STEPHENSON COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year ended November 30, 2011

	Special				
	Document Storage Circuit Clerk	Treasurer Automation	Veteran's Assistance Commission	Court Supervision	NICAA Small Rental Properties Grant
Revenues:					
Taxes	\$ -	\$ -	\$ 187,269	\$ -	\$ -
Fees	99,910	11,134	-	5,458	-
Intergovernmental revenue	-	-	-	-	-
Sale of goods and services	-	-	-	-	-
Other revenue	1,738	287	-	28	-
Total revenues	<u>101,648</u>	<u>11,421</u>	<u>187,269</u>	<u>5,486</u>	<u>-</u>
Expenditures:					
General government	-	6,935	187,269	-	-
Public safety	-	-	-	-	-
Judiciary and court related	160,770	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>160,770</u>	<u>6,935</u>	<u>187,269</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,122)</u>	<u>4,486</u>	<u>-</u>	<u>5,486</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	(59,122)	4,486	-	5,486	-
Fund balance (deficit), November 30, 2010	<u>173,615</u>	<u>65,546</u>	<u>-</u>	<u>22,289</u>	<u>1,430</u>
Fund balance (deficit), November 30, 2011	<u>\$ 114,493</u>	<u>\$ 70,032</u>	<u>\$ -</u>	<u>\$ 27,775</u>	<u>\$ 1,430</u>

Revenue			Debt Service	Capital Projects		
Geographic Information Systems	Environmental Remediation	Law Library	Debt Service	Capital	Mill Race Crossing	Highway Building
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,559	\$ -
180,259	-	22,581	-	-	-	-
-	128,530	-	-	118,901	-	-
-	-	-	-	-	-	-
9,423	3	2	-	186	4,275	190,709
<u>189,682</u>	<u>128,533</u>	<u>22,583</u>	<u>-</u>	<u>119,087</u>	<u>95,834</u>	<u>190,709</u>
-	-	-	-	-	-	-
-	128,530	-	-	-	-	-
-	-	25,984	-	118,487	-	-
215,474	-	-	-	-	90,079	172,531
-	-	-	-	-	-	-
-	-	-	651,309	-	764,372	-
<u>215,474</u>	<u>128,530</u>	<u>25,984</u>	<u>651,309</u>	<u>118,487</u>	<u>854,451</u>	<u>172,531</u>
<u>(25,792)</u>	<u>3</u>	<u>(3,401)</u>	<u>(651,309)</u>	<u>600</u>	<u>(758,617)</u>	<u>18,178</u>
-	-	-	1,028,762	-	-	160,000
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,724)</u>
<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>1,028,762</u>	<u>-</u>	<u>-</u>	<u>9,276</u>
(45,792)	3	(3,401)	377,453	600	(758,617)	27,454
<u>186,104</u>	<u>2,965</u>	<u>16,077</u>	<u>290,186</u>	<u>169,140</u>	<u>1,114,358</u>	<u>20,653</u>
<u>\$ 140,312</u>	<u>\$ 2,968</u>	<u>\$ 12,676</u>	<u>\$ 667,639</u>	<u>\$ 169,740</u>	<u>\$ 355,741</u>	<u>\$ 48,107</u>

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

	<u>TAX YEAR</u>	
	<u>2010</u>	
Assessed valuation	<u>\$ 655,127,765</u>	
	<u>Rate</u>	<u>Amount</u>
Property tax rates and extensions:		
County General	0.35028	\$ 2,294,729
County Highway	0.09199	602,672
County Bridge	0.04600	301,372
County Matching	0.04600	301,372
Tuberculosis	0.00896	58,719
Mental Health	0.04600	301,372
Illinois Municipal Retirement	0.17788	1,165,341
Educational Extension Service	0.02519	165,020
Liability Insurance	0.15624	1,023,572
County Health Department	0.00610	39,963
Social Security Contribution	0.11816	774,099
Veterans Assistance	0.02852	186,842
Nursing Home	<u>0.07827</u>	<u>512,749</u>
	<u>1.17959</u>	<u>\$ 7,727,822</u>
Property tax collection:		
County General		\$ 2,299,974
County Highway		604,043
County Bridge		302,056
County Matching		302,056
Tuberculosis		58,850
Mental Health		302,056
Illinois Municipal Retirement		1,167,760
Educational Extension Service		165,396
Liability Insurance		1,025,905
County Health Department		40,052
Social Security Contribution		775,859
Veterans Assistance		187,269
Nursing Home		<u>513,917</u>
		<u>\$ 7,745,193</u>
Percentage collected		<u>100.2%</u>

TAX YEAR

2009

2008

\$ 647,412,274

\$ 642,931,111

<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
0.25518	\$ 1,652,067	0.25742	\$ 1,655,033
0.09239	598,144	0.09373	602,619
0.04620	299,104	0.04687	301,342
0.04620	299,104	0.04687	301,342
0.00901	58,332	0.00913	58,700
0.04620	299,104	0.04687	301,342
0.20618	1,334,835	0.17631	1,133,552
0.02530	163,795	0.02650	170,377
0.16910	1,094,774	0.17013	1,093,819
0.00625	40,463	0.00633	40,698
0.14039	908,902	0.14148	909,619
0.02865	185,484	0.02906	186,836
<u>0.07861</u>	<u>508,931</u>	<u>0.07975</u>	<u>512,738</u>
<u>1.14966</u>	<u>\$ 7,443,039</u>	<u>1.13045</u>	<u>\$ 7,268,017</u>

\$ 1,653,594	\$ 1,656,239
598,699	603,058
299,383	301,558
299,383	301,558
58,385	58,739
299,383	301,558
1,336,071	1,134,373
163,951	170,501
1,095,788	1,094,617
40,498	40,730
909,741	910,282
185,652	186,975
<u>509,404</u>	<u>513,109</u>
<u>\$ 7,449,932</u>	<u>\$ 7,273,297</u>

100.1%

100.1%

STEPHENSON COUNTY, ILLINOIS
ANNUAL FINANCIAL INFORMATION DISCLOSURE
November 30, 2011
(Unaudited)

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)
November 30, 2011
(Unaudited)

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Stephenson County	5.3%	4.9%	5.2%	8.7%	11.3%	11.6%	9.7%
State of Illinois	5.7%	4.5%	5.0%	7.4%	10.1%	9.4%	9.8%

Source: Illinois Bureau of Employment Security

STEPHENSON COUNTY, ILLINOIS
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)
November 30, 2011
(Unaudited)

Building Permits-Stephenson County

	Number of Building <u>Permits</u>	Value of Home Building <u>Permits</u>	Value of All Building <u>Permits</u>
2011	133	\$ 1,237,000	\$ 5,702,000
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

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)
November 30, 2011
(Unaudited)

The following are the estimated largest taxpayers in the County:

<u>Name</u>	<u>Equalized Assessed Valuation</u>
Titan Tire Co.	\$4,219,735
CJF2, LLC	4,000,000
Wal-Mart Stores	2,869,510
Menards	2,828,840
Micro Switch, Div. Of Honeywell	2,458,331
Pearl City Elevator	2,077,545
Adkins Energy	1,893,164
Meadows LLC	1,690,490
Residential Alternatives of Illinois, Inc.	1,416,410
Labor Acres Family Trust	1,411,879

Total Equalized Assessed Valuation

2011	\$696,600,226
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

Make-up of Equalized Assessed Valuation

	<u>Amount</u>	<u>Percentage</u>
Residential	\$411,662,518	59.10%
Farmland	145,749,139	20.91
Commercial	101,878,293	14.63
Industrial	23,027,444	3.31
Mineral	11,789,923	1.69
Railroad	2,492,909	.36

Statutory Debt Margin See page 33.

STEPHENSON COUNTY, ILLINOIS
ANNUAL FINANCIAL INFORMATION DISCLOSURE
November 30, 2011
(Unaudited)

Future Financings

The County refinanced their General Obligation Debt Certificates in December 2011.

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>11/30/2011</u>
Direct Debt:	
Stephenson County	<u>\$12,604,369</u>
Overlapping Debt:	
All School Districts	39,872,113
Park Districts	3,116,580
City of Freeport	25,905,000
Fire Districts	<u>2,000,100</u>
OVERLAPPING DEBT	<u>70,893,792</u>
 DIRECT AND OVERLAPPING DEBT	 <u>\$83,498,162</u>
 2011 Estimated Full Valuation	 \$2,089,800,678
2011 Equalized Assessed Valuation	696,600,226
Population - Current Estimate	47,711
Full Valuation Per Capita	\$43,801

STEPHENSON COUNTY, ILLINOIS
ANNUAL FINANCIAL INFORMATION DISCLOSURE (CONTINUED)
November 30, 2011
(Unaudited)

Debt Ratios

		<u>% EAV</u>	<u>% Full Value</u>	<u>Per Capita</u>
Direct Debt	\$12,604,369	1.81%	.60%	\$ 264
Direct Debt and Overlapping Debt	83,498,162	11.99%	4.00%	1,750

Tax Trend Rate

See page 75.

Sales and Income Tax Trend

	<u>1% Sales Tax</u>	<u>¼% SUP Tax</u>	<u>State Income Tax</u>
FYE 2011	\$381,077	\$1,025,334	\$1,167,534
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

General Fund Summary Fiscal Year Ended 11/30

	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>FYE 2010</u>	<u>FYE 2011</u>
Revenue	\$9,188,482	\$7,513,399	\$ 7,924,652	\$ 8,716,819
Expenditures	<u>9,088,445</u>	<u>8,923,783</u>	<u>8,158,684</u>	<u>8,343,595</u>
Excess Rev/(Exp.)	100,037	(1,410,384)	(234,032)	373,224
Net Transfers	5,201	138,000	(175,300)	(175,300)
Beginning Fund Balance	<u>522,970</u>	<u>628,208</u>	<u>(644,176)</u>	<u>(1,053,508)</u>
Ending Fund Balance	<u>\$ 628,208</u>	<u>\$ (644,176)</u>	<u>\$(1,053,508)</u>	<u>\$ (855,584)</u>