

Stephenson County

Freeport, Illinois

Financial Statements

Year Ended November 30, 2012

Stephenson County, Illinois

County Board Members and Elected Officials

Fiscal Year Ending November 30, 2012

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

County Board Members and Elected Officials

Fiscal Year Beginning December 1, 2012

BOARD MEMBERS

Bennie Brown
Sheila Hooper
Jeffrey Mikkelsen
William Hadley, Chairman
Christopher Clukey
Anthony Kuhlemeier
David Schexnayder
Kenneth Ward
Ronald Fluegel
Jim DeMeester
Jerry Clay

Samuel Newton
Edward Mulligan
Charles Hilton
Dan Neal
Donald Parker
Ashley DeMeester
Alvin Wire
James Schultz
Sol Detente
Mark Diddens
David Martindale

ELECTED OFFICIALS

Circuit Clerk
Coroner
County Clerk
Sheriff
State's Attorney
Treasurer

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Tom Leamon
Vici Otte
David Synders
John Vogt
Adrienne Becker

Stephenson County, Illinois

Financial Statements
November 30, 2012

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Stephenson County, Illinois

Financial Statements
November 30, 2012

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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, 2012, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As more fully described in Note 16 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, 2012. 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated July 1, 2013 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 page 44 and the Budgetary Comparison Schedules on pages 45 through 71 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 Supplementary Information on pages 72 - 78 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary 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. Such 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 Supplementary Information is fairly stated in all material respects in relation to the financial statements as a whole.

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 information listed in the table of contents as Other Information on pages 79 - 84 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Wyzali LLP". The signature is written in a cursive, flowing style.

Freeport, Illinois
July 1, 2103

Management Discussion and Analysis

Stephenson County, Illinois

Management Discussion and Analysis

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, 2012.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2012 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, supplementary and other information.

USING THIS FINANCIAL REPORT

The financial section of this annual report consists of: Independent Auditor's Reports, required supplementary information which includes the MD&A (this section), the basic financial statements, supplementary and other 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

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.

Stephenson County, Illinois

Management Discussion and Analysis

These activities are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations.

Condensed Financial Information

Net assets are summarized in the table below.

Condensed Statement of Net Assets as of November 30, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets:						
Current Assets	\$ 19,330,072	\$ 17,357,957	\$3,604,290	\$1,886,658	\$ 22,934,362	\$ 19,244,615
Non-current Assets	<u>156,972,182</u>	<u>189,183,757</u>	<u>1,039,303</u>	<u>1,100,902</u>	<u>158,011,485</u>	<u>190,284,659</u>
Total Assets	<u>176,302,254</u>	<u>206,541,714</u>	<u>4,643,593</u>	<u>2,987,560</u>	<u>180,945,847</u>	<u>209,529,274</u>
Liabilities:						
Current Liabilities	10,057,571	14,425,017	863,322	944,195	10,920,893	15,369,212
Non-current Liabilities	<u>12,367,626</u>	<u>7,422,146</u>	<u>122,264</u>	<u>107,330</u>	<u>12,489,890</u>	<u>7,529,476</u>
Total liabilities	<u>22,425,197</u>	<u>21,847,163</u>	<u>985,586</u>	<u>1,051,525</u>	<u>23,410,783</u>	<u>22,898,688</u>
Net Assets:						
Investments in capital assets, net of debt	144,630,321	172,092,751	1,039,303	1,100,902	145,669,624	173,193,653
Restricted	6,349,828	5,609,061	24,548	26,626	6,374,376	5,635,687
Unrestricted	<u>2,896,908</u>	<u>6,992,739</u>	<u>2,594,156</u>	<u>808,507</u>	<u>5,491,064</u>	<u>7,801,246</u>
Total net assets	<u>\$153,877,057</u>	<u>\$184,694,551</u>	<u>\$3,658,007</u>	<u>\$1,936,035</u>	<u>\$157,535,064</u>	<u>\$186,630,586</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

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, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program:						
Charges for services	\$ 5,179,081	\$ 5,214,661	\$7,347,195	\$5,308,620	\$12,526,276	\$10,523,281
Operating grants & contributions	4,152,543	4,914,380	-	-	4,152,543	4,914,380
General:						
Property & other taxes	12,571,101	12,306,065	498,941	513,917	13,070,042	12,819,982
Other	<u>1,663,465</u>	<u>878,422</u>	<u>22,642</u>	<u>127,176</u>	<u>1,686,107</u>	<u>1,005,598</u>
Total revenue	<u>23,566,190</u>	<u>23,313,528</u>	<u>7,868,778</u>	<u>5,949,713</u>	<u>31,434,968</u>	<u>29,263,241</u>
Expenses:						
General government	4,245,986	3,981,572	-	-	4,245,986	3,981,572
Public safety	5,151,707	5,132,838	-	-	5,151,707	5,132,838
Public works	35,817,000	34,664,323	-	-	35,817,000	34,664,323
Health, sanitation, & Welfare	3,385,346	4,290,449	-	-	3,385,346	4,290,449
Judiciary & court related	5,453,634	5,416,153	-	-	5,453,634	5,416,153
Interest on long-term debt	330,011	390,180	-	-	330,011	390,180
Nursing Center	<u>-</u>	<u>-</u>	<u>6,146,806</u>	<u>5,680,400</u>	<u>6,146,806</u>	<u>5,680,400</u>
Total expenses	<u>54,383,684</u>	<u>53,875,515</u>	<u>6,146,806</u>	<u>5,680,400</u>	<u>60,530,490</u>	<u>59,555,915</u>
Change in net assets	<u>\$(30,817,494)</u>	<u>\$(30,561,987)</u>	<u>\$1,721,972</u>	<u>\$ 269,313</u>	<u>\$(29,095,522)</u>	<u>\$(30,292,674)</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

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 increased \$1,089,132 year over year. The General Fund had a net gain of \$128,658 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 \$149,530 less than budgeted. The largest over budget revenue amount was in State Income Tax of \$189,921; 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 \$380,411 below the allocated expense budget. On the budgetary basis, the General Fund had a net gain of \$199,827 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 \$250,000 was made, reducing the outstanding principal to \$5,500,000. The principal component of the 20-year bonds to build the Highway Buildings has been reduced to \$1,185,000 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 6 for further information on long term debt. Note 5 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 2012, 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, 2012, 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

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 2012 fiscal year, the Nursing Center repaid all of its debt to other County funds.

Contacting the County’s Financial Management

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

Basic Financial Statements

Stephenson County, Illinois

Statement of Net Assets

November 30, 2012

Assets	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and cash equivalents	\$ 4,936,781	\$ 185,664	\$ 5,122,445
Investments	4,453,127	2,114,998	6,568,125
Accounts receivables, net of an allowance for doubtful accounts of \$30,000	1,905,917	803,628	2,709,545
Property tax receivable	8,007,575	500,000	8,507,575
Inventory	26,672	-	26,672
Total current assets	19,330,072	3,604,290	22,934,362
Capital Assets:			
Other assets	4,592,378	-	4,592,378
Not depreciated	288,555	-	288,555
Depreciated (Net of accumulated depreciation)	152,091,249	1,039,303	153,130,552
Total capital assets	156,972,182	1,039,303	158,011,485
Total assets	176,302,254	4,643,593	180,945,847
Liabilities			
Current liabilities:			
Accounts payable	867,690	239,608	1,107,298
Accrued payroll	339,965	123,714	463,679
Accrued interest	164,378	-	164,378
Deferred revenue	8,011,930	500,000	8,511,930
Compensated absences	49,176	-	49,176
Current portion long term debt	624,432	-	624,432
Total current liabilities	10,057,571	863,322	10,920,893
Noncurrent liabilities:			
Compensated absences	453,038	122,264	575,302
Net pension obligation	196,594	-	196,594
Bonds, leases, and other long-term debt	11,717,994	-	11,717,994
Total noncurrent liabilities	12,367,626	122,264	12,489,890
Total liabilities	22,425,197	985,586	23,410,783
Net Assets			
Invested in capital assets, net of related debt	144,630,321	1,039,303	145,669,624
Restricted for:			
Highways and streets	918,206	-	918,206
Health & welfare	1,672,660	24,548	1,697,208
Employee retirement	2,454,761	-	2,454,761
Public safety	1,304,201	-	1,304,201
Unrestricted	2,896,908	2,594,156	5,491,064
Total net assets	\$ 153,877,057	\$ 3,658,007	\$ 157,535,064

See accompanying notes to financial statements.

Stephenson County, Illinois

Statement of Activities

Year ended November 30, 2012

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,245,986	\$ 2,165,517	\$ 174,331	\$ -
Public safety	5,151,707	994,861	290,600	-
Judicial & court related	5,453,634	1,327,125	659,575	-
Public works	35,817,000	325,017	1,197,148	-
Health, welfare, and sanitation	3,385,346	366,561	1,830,889	-
Interest	330,011	-	-	-
Total governmental activities	\$ 54,383,684	\$ 5,179,081	\$ 4,152,543	\$ -
Business-type activities:				
Nursing Center	\$ 6,146,806	\$ 7,347,195	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes				
State taxes				
Other				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets - ending				

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,906,138)	\$ -	\$ (1,906,138)
(3,866,246)	-	(3,866,246)
(3,466,934)	-	(3,466,934)
(34,294,835)	-	(34,294,835)
(1,187,896)	-	(1,187,896)
(330,011)	-	(330,011)
(45,052,060)	-	(45,052,060)
-	1,200,389	1,200,389
7,487,027	498,941	7,985,968
3,361,750	-	3,361,750
1,722,324	-	1,722,324
28,196	3,178	31,374
1,635,269	19,464	1,654,733
14,234,566	521,583	14,756,149
(30,817,494)	1,721,972	(29,095,522)
184,694,551	1,936,035	186,630,586
\$ 153,877,057	\$ 3,658,007	\$ 157,535,064

Stephenson County, Illinois

Balance Sheet - Governmental Funds

November 30, 2012

Assets	General Fund	Illinois Municipal Retirement
Cash and cash equivalents	\$ 584,648	\$ 242,716
Investments	10,736	1,114,325
Accounts receivable	768,289	-
Property tax receivable	3,107,000	1,213,000
Due from other funds	-	300,950
Inventory	26,672	-
Total assets	\$ 4,497,345	\$ 2,870,991
Liabilities and Fund Balance		
Vouchers payable	\$ 128,639	\$ -
Accrued payroll	232,085	-
Compensated absences	31,815	-
Due to other funds	1,724,732	-
Deferred revenue	3,107,000	1,213,000
Total liabilities	5,224,271	1,213,000
Fund balances:		
Nonspendable	26,672	-
Restricted	-	1,657,991
Unassigned	(753,598)	-
Total fund balances	(726,926)	1,657,991
Total liabilities and fund balances	\$ 4,497,345	\$ 2,870,991

County Health Department	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 129,007	\$ 736,528	\$ 2,956,703	\$ 4,649,602
749,650	-	2,578,416	4,453,127
556,010	-	581,618	1,905,917
40,722	-	3,646,853	8,007,575
-	290,000	1,697,866	2,288,816
-	-	-	26,672
<u>\$ 1,475,389</u>	<u>\$ 1,026,528</u>	<u>\$ 11,461,456</u>	<u>\$ 21,331,709</u>
<hr/>			
\$ 50,454	\$ -	\$ 669,165	\$ 848,258
48,168	-	59,712	339,965
-	-	17,361	49,176
-	-	564,084	2,288,816
45,077	-	3,646,853	8,011,930
<u>143,699</u>	<u>-</u>	<u>4,957,175</u>	<u>11,538,145</u>
-	-	-	26,672
1,331,690	1,026,528	6,789,063	10,805,272
-	-	(284,782)	(1,038,380)
<u>1,331,690</u>	<u>1,026,528</u>	<u>6,504,281</u>	<u>9,793,564</u>
<u>\$ 1,475,389</u>	<u>\$ 1,026,528</u>	<u>\$ 11,461,456</u>	<u>\$ 21,331,709</u>

Stephenson County, Illinois

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

November 30, 2012

Total fund balances - governmental funds	\$ 9,793,564
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.	152,379,804
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.	267,747
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(13,156,436)
	<hr/>
Total net assets - governmental activities	<u>\$ 153,877,057</u>

Stephenson County, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year ended November 30, 2012

Revenues	General Fund	Illinois Municipal Retirement
Taxes	\$ 5,697,866	\$ 1,103,903
Fees, licenses, permits, and fines	1,700,951	-
Intergovernmental revenue	996,241	179,877
Sale of goods and services	-	-
Other revenue	169,679	593,041
Total revenues	8,564,737	1,876,821
Expenditures		
Current:		
General government	2,279,653	160,271
Public safety	2,074,712	636,152
Judiciary and court related	3,846,272	424,707
Public works	-	176,838
Health and welfare	-	251,304
Debt service	-	-
Total expenditures	8,200,637	1,649,272
Excess (deficiency) of revenues over expenses	364,100	227,549
Other Financing Sources (Uses)		
Debt Proceeds	-	-
Transfers in	45,222	-
Transfers out	(280,664)	-
Total other financing sources and uses	(235,442)	-
Net change in fund balances	128,658	227,549
Fund balances - beginning	(855,584)	1,430,442
Fund balances - ending	\$ (726,926)	\$ 1,657,991

County Health Department	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 40,633	\$ -	\$ 5,575,239	\$ 12,417,641
148,850	-	1,323,872	3,173,673
1,850,436	-	1,295,168	4,321,722
40,470	-	24,749	65,219
254,840	506	2,127,027	3,145,093
<u>2,335,229</u>	<u>506</u>	<u>10,346,055</u>	<u>23,123,348</u>
-	-	1,287,290	3,727,214
-	-	2,368,954	5,079,818
-	-	802,378	5,073,357
-	-	3,817,418	3,994,256
2,444,782	-	650,649	3,346,735
-	6,306,908	42,167	6,349,075
<u>2,444,782</u>	<u>6,306,908</u>	<u>8,968,856</u>	<u>27,570,455</u>
(109,553)	(6,306,402)	1,377,199	(4,447,107)
-	5,535,000	-	5,535,000
195,300	1,130,291	549,500	1,920,313
(3,500)	-	(1,634,910)	(1,919,074)
<u>191,800</u>	<u>6,665,291</u>	<u>(1,085,410)</u>	<u>5,536,239</u>
82,247	358,889	291,789	1,089,132
1,249,443	667,639	6,212,492	8,704,432
<u>\$ 1,331,690</u>	<u>\$ 1,026,528</u>	<u>\$ 6,504,281</u>	<u>\$ 9,793,564</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, 2012

Excess (deficiency) of revenues and other sources over (under) expenditures and other uses - Governmental funds	\$ 1,089,132
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 (\$32,334,152) and sale of land (\$6,000) exceeds capitalized fixed assets and other assets (\$128,577)	(32,211,575)
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.	(87,861)
Debt proceeds are reported in governmental funds as other financing sources. However, the liability is reported in the statement of net assets. This is the amount of debt proceeds in the period.	(5,535,000)
Debt payments are reported in governmental funds as expenditures. However, only the interest on bonds is recorded in the statement of activities. This is the amount of debt payments in the period.	6,046,943
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.	(27,879)
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.	(91,254)
<u>Change in net assets of governmental activities</u>	<u>\$ (30,817,494)</u>

Stephenson County, Illinois

Statement of Net Assets - Proprietary Funds

November 30, 2012

Assets	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Current assets:		
Cash and cash equivalents	\$ 161,116	\$ 287,179
Investments	2,114,998	-
Receivables, net of a \$30,000 allowance	803,628	180,568
Property tax receivable	500,000	-
Restricted assets	24,548	-
Total current assets	3,604,290	467,747
Noncurrent assets:		
Capital Assets (Net of accumulated depreciation):		
Buildings	920,644	-
Equipment	118,659	-
Total capital assets	1,039,303	-
Total assets	4,643,593	467,747
Liabilities		
Current liabilities:		
Accounts payable	239,608	200,000
Accrued payroll	123,714	-
Deferred revenue	500,000	-
Compensated absences	122,264	-
Total liabilities	985,586	200,000
Net Assets		
Invested in capital assets, net of related debt	1,039,303	-
Restricted	24,548	-
Unrestricted	2,594,156	267,747
Total net assets	\$ 3,658,007	\$ 267,747

Stephenson County, Illinois

Statement of Revenues, Expenses, and Changes in Fund Balances - Proprietary Funds

Year ended November 30, 2012

<i>Operating Revenues</i>	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
Charges for services	\$ 7,347,195	\$ -
Employee contributions	-	473,620
County contributions	-	2,241,700
Reimbursements	-	176,479
Total operating revenues	7,347,195	2,891,799
<i>Operating Expenses</i>		
Nursing Center	6,057,762	-
Depreciation	89,044	-
Administrative fees	-	57,725
Health and life insurance premiums	-	156,873
Health claims	-	2,763,850
Total expenses	6,146,806	2,978,448
Operating income (loss)	1,200,389	(86,649)
<i>Non-Operating Revenue (Expense)</i>		
Property taxes	498,941	-
Interest income	3,178	27
Miscellaneous	19,464	-
Operating transfers out	-	(1,239)
Total non-operating revenue	521,583	(1,212)
Net income (loss)	1,721,972	(87,861)
Net assets - beginning	1,936,035	355,608
Net assets - ending	\$ 3,658,007	\$ 267,747

Stephenson County, Illinois

Statement of Cash Flows - Proprietary Funds

Year ended November 30, 2012

	Business-Type Activities Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Funds
<i>Cash Flows from Operating Activities</i>		
Cash received for services	\$ 7,732,226	\$ -
Cash received for internal services	-	3,030,231
Cash payments to suppliers	(2,999,077)	(3,131,448)
Cash payments to employees	(3,124,624)	-
Net cash provided by operating activities	1,608,525	(101,217)
<i>Cash Flows from Non-Capital Financing Activities</i>		
Property taxes	498,941	-
Miscellaneous	19,464	(1,239)
activities	518,405	(1,239)
<i>Cash Flows from Capital and Related Financing Activities</i>		
Purchase of fixed assets	(27,445)	-
activities	(27,445)	-
<i>Cash Flows from Investing Activities</i>		
Purchase of investments	(1,393,351)	(40,196)
Sale of investments	(691,791)	40,196
Interest income	3,178	27
Increase in restricted assets	2,078	-
Net cash (used in) investing activities	(2,079,886)	27
Net increase in cash and cash equivalents	19,599	(102,429)
Cash and cash equivalents - beginning	141,517	389,608
Cash and cash equivalents - ending	\$ 161,116	\$ 287,179

Stephenson County, Illinois

Statement of Cash Flows - Proprietary Funds (Continued)

Year ended November 30, 2012

<i>Reconciliation of operating income to net cash provided (used) by operating activities:</i>	Business-Type Activities- Enterprise Funds- Nursing Center Fund	Governmental Activities- Internal Service Fund
Operating income (loss)	\$ 1,200,389	\$ (86,649)
Adjustments needed to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	89,044	-
Increase in accounts receivable	385,031	6,432
(Decrease) in due from other funds	-	132,000
(Decrease) increase in vouchers payable	(11,443)	(153,000)
Increase in accrued payroll	30,570	-
Decrease in compensated absences	14,934	-
Decrease in due to other funds	(100,000)	-
Net cash provided by operating activities	\$ 1,608,525	\$ (101,217)

Stephenson County, Illinois

Statement of Fiduciary Net Assets - Fiduciary Funds

November 30, 2012

Assets	Agency
Cash	\$ 1,879,291
Investments, at cost	776,704
Accounts receivable	219,956
Total assets	\$ 2,875,951
Liabilities	
Due to others	\$ 2,875,951
Total liabilities	\$ 2,875,951

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Introduction

The financial statements of Stephenson County, Illinois (the “government”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the government are described below.

Description of Government-wide Financial Statements

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 primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Financial Reporting Entity

The government is a municipal corporation governed by twenty-two member County Board. The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. The County does not have any component units.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Government-wide Financial Statements (Continued)

funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Illinois Municipal Retirement Fund* accounts for tax monies and reimbursements restricted for funding of the county IMRF retirement system.

The *County Health Department Fund* accounts for tax monies, fees, grants and other reimbursements used to operate the County's Health Department.

The *Debt Service Fund* accounts for the accumulation of amounts used to pay the debt of the County.

The government reports the following major enterprise funds:

The *Nursing Center Fund* accounts for the tax monies and charges for services used to operate the County Nursing Home

Additionally, the government reports the following fund types:

Internal service funds account for health insurance provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Statutes authorize the government 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 Compiled 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 November 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.

Investments for the government are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	40
Equipment and vehicles	5-7
Infrastructure	20-50

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

It is the government's intention that property taxes generated from the 2011 property tax levy be used to finance the operating budget of the fiscal year ending November 30, 2012. Therefore, property tax receipts represent the receipts primarily generated by the 2011 property tax levy.

Stephenson County, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property Taxes (Continued)

The 2011 levy was passed by the Board on November 30, 2011. 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 government receives significant distributions of tax receipts within one month of these due dates.

In November 2012, the government levied its 2012 taxes which will be recognized as revenue in 2013. As of November 30, 2012, the government will record the 2012 tax levy as property tax receivable and deferred property taxes on the financial statements.

Compensated Absences

Vacation

The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

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 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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 proprietary and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Stephenson County, Illinois

Notes to Financial Statements

Note 2 Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the year ended November 30, 2012, expenditures exceeded appropriations in the County Highway Fund by \$33,304, the County Motor Fuel Tax Fund by \$708,392, the Mechanical Document Storage Fund by \$9,519, the Employee's Health Insurance Fund by \$243,589, the Law Library Fund by \$925, and the Highway Building Fund by \$71,268.

Deficit Fund Balance

At November 30, 2012, the General Fund had a deficit fund balance of \$726,926, the County Highway Fund had a deficit fund balance of \$166,485, the Coroner's Fund had a deficit fund balance of \$118,297.

Note 3 Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of November 30, 2012, the government's bank balance was \$11,797,895 and \$-0- of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

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

Note 4 Investments

As of November 30, 2012, the government had the following investments:

	<u>Fair Value</u>
Investment in State Investment Pool	<u>\$2,221,229</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 government has no specific policy on the interest rate risk at year-end.

Stephenson County, Illinois

Notes to Financial Statements

Note 4 Investments (Continued)

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

	Remaining Maturity (in Months)			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-60 Months</u>	<u>60+ Months</u>	
External investment pool	<u>\$2,221,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,221,229</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. Investments in U.S. Government obligations are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. Presented below is the actual rating as of year-end for each investment type:

	Total as of	
	<u>November 30, 2012</u>	<u>A1</u>
External investment pool	<u>\$2,221,229</u>	<u>\$2,221,229</u>

Concentration of credit risk. The government's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of November 30, 2012 there are no investments with custodial credit risk in that all of its investments are insured.

Foreign Currency Risk. The government has no foreign currency risk for investments at year end.

Stephenson County, Illinois

Notes to Financial Statements

Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2012 is as follows:

	Balance <u>December 1, 2011</u>	Additions	Deletions	Balance <u>November 30, 2012</u>
Capital assets not being depreciated:				
Land	\$ 294,555	\$ -	\$ 6,000	\$ 288,555
Capital assets being depreciated:				
Infrastructure	654,930,163	-	-	654,930,163
Buildings and Improvements	15,343,509	-	50,457	15,293,052
Equipment and Vehicles	<u>5,673,976</u>	<u>128,577</u>	<u>83,234</u>	<u>5,719,319</u>
Total capital assets being depreciated	<u>675,947,648</u>	<u>128,577</u>	<u>133,691</u>	<u>675,942,534</u>
Less accumulated depreciation for:				
Infrastructure	481,814,244	31,665,364	-	513,479,608
Buildings and Improvements	5,395,884	374,923	50,457	5,720,350
Equipment and Vehicles	<u>4,440,696</u>	<u>293,865</u>	<u>83,234</u>	<u>4,651,327</u>
Total accumulated depreciation	<u>491,650,824</u>	<u>32,334,152</u>	<u>133,691</u>	<u>523,851,285</u>
Total capital assets being depreciated, net:	<u>184,296,824</u>	<u>(32,205,575)</u>	<u>-</u>	<u>152,091,249</u>
Governmental activities capital assets, net	<u>\$184,591,379</u>	<u>\$(32,205,575)</u>	<u>\$ 6,000</u>	<u>\$152,379,804</u>

The business-type activities capital asset activity for the year ended November 30, 2012 is as follows:

	Balance <u>December 1, 2011</u>	Additions	Deletions	Balance <u>November 30, 2012</u>
Capital assets being depreciated:				
Buildings and Improvements	\$3,033,310	27,445	-	3,060,755
Equipment and Vehicles	<u>1,072,744</u>	<u>-</u>	<u>-</u>	<u>1,072,744</u>
Total capital assets being depreciated	<u>4,106,054</u>	<u>27,445</u>	<u>-</u>	<u>4,133,499</u>

Stephenson County, Illinois

Notes to Financial Statements

Note 5 Capital Assets (Continued)

	<u>Balance</u> <u>December 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30, 2012</u>
Less accumulated depreciation for:				
Buildings and Improvements	2,080,665	59,446	-	2,140,111
Equipment and Vehicles	<u>924,487</u>	<u>29,598</u>	<u>-</u>	<u>954,085</u>
Total accumulated depreciation	<u>3,005,152</u>	<u>89,044</u>	<u>-</u>	<u>3,094,196</u>
Business type activities capital assets, net	<u>\$1,100,902</u>	<u>\$(61,599)</u>	<u>\$ -</u>	<u>\$1,039,303</u>

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

Governmental activities:

Public safety	\$ 102,969
Public works	31,876,423
Health, sanitation, and welfare	35,829
Judicial and court related	<u>318,931</u>
Total depreciation expense, governmental activities	<u>\$32,334,152</u>

Business-type activities:

Nursing Center	<u>\$89,044</u>
----------------	-----------------

Note 6 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

Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt (Continued)

Jail Debt Certificates, Series 2007

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>
2013	\$ 260,000	\$ 238,325
2014	270,000	225,075
2015	285,000	211,200
2016	300,000	196,575
2017	315,000	181,200
2018 - 2022	1,825,000	656,413
2023 - 2027	<u>2,245,000</u>	<u>231,500</u>
Total	<u>\$5,500,000</u>	<u>\$1,940,288</u>

Sheriff Radio Equipment Note Payable

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

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	<u>\$12,277</u>	<u>\$650</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. The note was paid off during the fiscal year.

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 June 19, 2013.

Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt (Continued)

Phone System Note Payable (Continued)

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$23,063	\$1,855
2014	24,094	824
2015	<u>5,707</u>	<u>34</u>
Total	<u>\$52,864</u>	<u>\$2,713</u>

Real Estate Mortgage

During the year ended November 30, 1999, the Stephenson County Board of Health entered into a promissory note with State Bank for the renovation of the new Health Department building. The original amount of the note was \$600,000, with a fixed rate of interest of 4.37% to mature August 14, 2004. It was refinanced with a balance of \$559,039 on September 22, 2003 to mature August 14, 2008. On April 25, 2008, an additional \$200,000 was paid to reduce the principal balance and the mortgage was refinanced to be due 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 November 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$29,092	\$1,784
2014	<u>28,193</u>	<u>582</u>
Total	<u>\$57,285</u>	<u>\$2,366</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 were made quarterly at a rate of 4.6% until May 15, 2011. The entire principal of \$6,000,000 was scheduled to be refinanced with TIF Bonds on May 15, 2011. The County received an extension to January 15, 2012 to refinance the Debt Certificates. \$500,000 was paid on May 15, 2012 and the remaining \$5,500,000 was refinanced with Refunding Debt

Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt (Continued)

General Obligation Debt Certificates (Continued)

Certificates on January 5, 2012. Principal payments are due December 1 of each year with final payment on December 1, 2031. Interest payments are made every June 1 and December 1 at rates from 3% to 6.375% with final payment on December 1, 2031.

The following is a repayment schedule for the debt.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 200,000	\$ 259,781
2014	175,000	280,875
2015	180,000	275,625
2016	185,000	270,225
2017	200,000	262,825
2018 - 2022	1,125,000	1,165,510
2023 - 2027	1,485,000	804,378
2028 - 2032	<u>1,985,000</u>	<u>302,138</u>
Total	<u>\$5,535,000</u>	<u>\$3,621,357</u>

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>
2013	\$ 100,000	\$ 53,578
2014	100,000	49,578
2015	105,000	45,478
2016	110,000	41,067
2017	115,000	36,338
2018 - 2022	<u>655,000</u>	<u>97,472</u>
Total	<u>\$1,185,000</u>	<u>\$323,511</u>

Stephenson County, Illinois

Notes to Financial Statements

Note 6 Long-Term Debt (Continued)

Highway Department Building Debt Certificates

The following is a summary of changes in long-term debt for the year ended November 30, 2012:

	Balance <u>December 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>November 30, 2012</u>
Note Payable	\$ 186,887	\$ -	\$ 121,746	\$ 65,141
Mortgage Payable	137,482	-	80,197	57,285
Tax Anticipation				
Warrants	-	2,161,000	2,161,000	-
Debt Certificates	<u>12,530,000</u>	<u>5,535,000</u>	<u>5,845,000</u>	<u>12,220,000</u>
Total	<u>\$12,854,369</u>	<u>\$7,696,000</u>	<u>\$8,207,943</u>	<u>\$12,342,426</u>

The County is subject to a debt limitation of 2.875% of its assessed valuation of \$652,585,852. As of November 30, 2012 the County had \$6,419,417 of remaining legal debt margin.

Note 7 Interfund Receivables and Payables

The following is a summary of interfund receivables and payables due at November 30, 2012.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$1,724,732
Illinois Municipal Retirement	300,950	-
Debt Service	290,000	-
Non-major governmental funds	<u>1,697,866</u>	<u>564,084</u>
Totals	<u>\$2,288,816</u>	<u>\$2,288,816</u>

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

Stephenson County, Illinois

Notes to Financial Statements

Note 8 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.

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 government has no balances that are nonspendable at year end.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The government has the following balances that are restricted at year end.

Stephenson County, Illinois

Notes to Financial Statements

Note 8 Fund Balance Reporting (Continued)

Restricted Fund Balance (Continued)

Restricted for IMRF	\$ 1,657,991
Restricted for Public Health	1,331,690
Restricted for Insurance	1,044,202
Restricted for Bridge	927,352
Restricted for DUI Equipment	11,808
Restricted for Highway	157,339
Restricted for Mental Health	144,512
Restricted for Tuberculosis	25,358
Restricted for Animal Control	263,468
Restricted for Circuit Clerk	17,838
Restricted for Social Security	796,770
Restricted for Education Extension Service	171,100
Restricted for Emergency Service & Disaster	38,094
Restricted for ETSB 911	811,006
Restricted for Drug Funds	63,743
Restricted for Waste Management	144,456
Restricted for Mechanical Document Storage	25,071
Restricted for Public Safety	1,304,201
Restricted for Court Automation	84,052
Restricted for Probation Services	241,849
Restricted for Document Storage Circuit Clerk	83,618
Restricted for Treasurer Automation	76,914
Restricted for Court Supervision	6,576
Restricted for NICAA Small Rental Properties	1,430
Restricted for Geographic Information Systems	111,770
Restricted for Environmental Remediation	2,968
Restricted for Law Library	13,656
Restricted for Debt Service	1,026,528
Restricted for Capital	169,861
Restricted for Mill Race Crossing	565
Restricted for Highway Building	49,486
Total Restricted	\$ 10,805,272

Stephenson County, Illinois

Notes to Financial Statements

Note 8 Fund Balance Reporting (Continued)

Committed Fund Balance

The government commits fund balance by making motions or passing resolution 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 contract requirements. The government has no balances that are committed at year end.

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 nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The government has no balances that are assigned at year end.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund unassigned fund balance was (\$753,598) and Other Governmental Funds unassigned fund balance was (\$284,782).

Note 9 Restricted Net Assets

The Nursing Center has \$24,548 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.

Note 10 Pension Plan

IMRF

Plan Description

The government's defined benefit pension plan for Regular 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.

Stephenson County, Illinois

Notes to Financial Statements

Note 10 Pension Plan (Continued)

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 2011 used by the employer was 9.36 percent (19.28 percent for SLEP members) of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 9.59 percent, (19.68 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, 2011, the County's actual contributions for pension cost for the Regular were \$780,375, (\$533,003 for SLEP members). Its required contribution for calendar year 2011 was \$799,551, (\$544,061 for SLEP members).

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>
12/31/11	\$799,551	98%	\$137,979
12/31/10	810,552	86%	113,477
12/31/09	532,768	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>
12/31/11	\$544,061	98%	\$58,615
12/31/10	493,375	91%	44,404
12/31/09	486,371	100%	0

Stephenson County, Illinois

Notes to Financial Statements

Note 10 Pension Plan (Continued)

Annual Pension Cost (Continued)

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 86.26 percent funded, (66.10 percent for SLEP funded). The actuarial accrued liability for benefits was \$21,783,076 (\$12,435,463 for SLEP) and the actuarial value of assets was \$18,789,849, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,993,227, and (\$8,219,431 for SLEP, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,216,032).

The covered payroll for calendar year 2011 (annual payroll of active employees covered by the Regular plan) was \$8,337,338 and the ratio of the UAAL to the covered payroll was 36 percent. For SLEP members, the covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$2,764,537 and the ratio of the UAAL to the covered payroll was 153 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.

Stephenson County, Illinois

Notes to Financial Statements

Note 11 Interfund Transfers

Below are the interfund transfers as of November 30, 2012:

	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General Fund	\$ 45,222	\$ 280,664
County Health Department	195,300	3,500
Debt Service	1,130,291	-
Non-major funds	<u>549,500</u>	<u>1,636,149</u>
	<u>\$1,920,313</u>	<u>\$1,920,313</u>

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

Note 12 Other Assets

During the years ended November 30, 2006 through 2011, 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.

Note 13 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, 2012 were \$50,000 for liability and \$5,000 for property. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

Note 14 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 County. The health insurance consultant determines premium payments to be made by the County. Annual claims are paid from

Stephenson County, Illinois

Notes to Financial Statements

Note 14 Self-Insurance (Continued)

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 \$130,000 of covered charges per individual per year and an additional aggregating specific deductible of \$65,000 and approximately the first \$3,066,091 of covered charges in aggregate. Health care claims which exceed \$130,000 of covered charges per individual per year and an additional aggregating specific deductible of \$65,000 or which aggregate more than \$3,066,091 are covered by insurance.

Note 15 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.

Note 16 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.

Note 17 Pending GASB Statements

In November 2011, 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.

Stephenson County, Illinois

Notes to Financial Statements

Note 17 Pending GASB Statements (Continued)

In December 2011, 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 2011, 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 2012, 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 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.

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.

Required Supplementary Information (Unaudited)

Stephenson County, Illinois

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
12/31/11	\$18,789,849	\$21,783,076	\$2,993,227	86.26%	\$8,337,338	35.90%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$17,730,602. On a market basis, the funded ratio would be 81.40%.

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
12/31/11	\$8,219,431	\$12,435,463	\$4,216,032	66.10%	\$2,764,537	152.50%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$7,744,202. On a market basis, the funded ratio would be 62.28%.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

Revenues Received	Original Budget	Final Budget	Actual	Over (Under) Budget
Taxes:				
Property taxes	\$ 2,448,000	\$ 2,448,000	\$ 2,442,816	\$ (5,184)
State income tax	1,120,000	1,120,000	1,309,921	189,921
State sales tax	320,000	320,000	376,082	56,082
State supplemental sales tax	995,000	995,000	1,044,147	49,147
State use tax	216,000	216,000	214,184	(1,816)
Replacement tax	210,000	210,000	156,084	(53,916)
Inheritance tax	20,000	20,000	46,760	26,760
Treasurer/tax sale automation	120,000	120,000	136,873	16,873
Total taxes	5,449,000	5,449,000	5,726,867	277,867
Fees, licenses, permits, and fines:				
County clerk fees	190,000	190,000	203,854	13,854
Circuit clerk fees	480,800	480,800	462,767	(18,033)
County sheriff fees	182,700	182,700	149,437	(33,263)
State's attorney fees	44,500	44,500	42,164	(2,336)
County coroner fees	1,800	1,800	1,795	(5)
Supervisor of assessment fees	49,000	49,000	48,350	(650)
Zoning fees	21,188	21,188	25,355	4,167
Licenses	17,345	17,345	14,882	(2,463)
Criminal fines	259,000	259,000	241,042	(17,958)
Jail medical fees	-	-	10,787	10,787
Traffic fines	356,000	356,000	314,874	(41,126)
Cable franchise fees	42,000	42,000	44,451	2,451
Court security fees	130,000	130,000	124,224	(5,776)
County ordinances	500	500	360	(140)
Dependent children fees	13,400	13,400	1,124	(12,276)
Total fees, licenses, permits, and fines	1,788,233	1,788,233	1,685,466	(102,767)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

Revenues Received (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Intergovernmental revenue received:				
State of Illinois salary reimbursements	975,379	975,379	971,043	(4,336)
Other grants	-	5,000	5,000	-
Workforce investment grant	53,952	53,952	43,342	(10,610)
State's attorney grant	17,600	17,600	20,332	2,732
Total intergovernmental revenues received	1,046,931	1,051,931	1,039,717	(12,214)
Other revenue received:				
Interest on investments	2,145	2,145	3,177	1,032
Boarding of Prisoners	1,000	1,000	-	(1,000)
Revenue stamps	50,000	50,000	40,000	(10,000)
Street value	3,000	3,000	2,319	(681)
Probation dept - work release	52,477	52,477	52,689	212
Miscellaneous	383,250	383,250	81,271	(301,979)
Total other revenue received	491,872	491,872	179,456	(312,416)
Total revenues received	\$ 8,776,036	\$ 8,781,036	\$ 8,631,506	\$ (149,530)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government:				
County Properties				
Personnel:				
Salaries - other full time	\$ 36,740	\$ 36,740	\$ 34,772	\$ (1,968)
Salaries - overtime	1,300	1,300	1,226	(74)
Total personnel	38,040	38,040	35,998	(2,042)
Commodities:				
Cleaning supplies	2,000	2,000	1,877	(123)
Paper supplies - towels, etc.	2,700	2,700	2,682	(18)
Electrical supplies	800	800	45	(755)
Hardware supplies	80	80	41	(39)
Plumbing supplies	500	500	110	(390)
Painting supplies	50	50	17	(33)
Salt	750	750	615	(135)
Total commodities	6,880	6,880	5,387	(1,493)
Contractual:				
Advertising and publishing	100	100	-	(100)
Boiler - state inspection	330	330	100	(230)
Gas - natural	12,000	12,000	9,292	(2,708)
Electric	50,000	50,000	48,802	(1,198)
Telephone - alarm system	100	100	-	(100)
Water and sewer	2,675	2,675	2,238	(437)
Garbage disposal	1,871	1,871	1,863	(8)
Pest control	50	50	-	(50)
Maintenance - environmental	7,500	7,500	3,677	(3,823)
Maintenance - painting & decoratin	250	250	8	(242)
Maintenance - elevators	24,710	24,710	19,355	(5,355)
Maintenance - general	4,710	4,710	4,402	(308)
Maintenance - telephone system	800	800	-	(800)
Courthouse building repair	3,100	3,100	816	(2,284)
Janitorial contract	860	860	643	(217)
Total contractual	109,056	109,056	91,196	(17,860)
Capital outlay:				
Equipment	300	300	300	-
Total county properties	154,276	154,276	132,881	(21,395)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
County Clerk and Recorder				
Personnel:				
Salaries - department head	50,000	50,000	50,000	-
Salaries - deputies	95,755	95,755	90,160	(5,595)
Overtime salaries	10	10	-	(10)
Excess sick days	1,868	1,868	1,797	(71)
Total personnel	147,633	147,633	141,957	(5,676)
Commodities:				
Stationery and supplies	10,000	10,000	9,672	(328)
Computerized recording system	10	10	-	(10)
Office equipment (under \$500)	380	380	-	(380)
Books, periodicals, and manuals	10	10	-	(10)
Operational expense	1,000	1,310	1,300	(10)
Total commodities	11,400	11,710	10,972	(738)
Contractual:				
Auto mileage	250	250	-	(250)
Publishing	400	715	711	(4)
Printing, duplicating, and binding	2,000	1,400	438	(962)
Photocopies	10	10	-	(10)
Office equipment repair	2,010	1,400	382	(1,018)
Dues and memberships	500	500	465	(35)
Meetings and seminars	900	900	-	(900)
Miscellaneous fees (register births and deaths)	1,000	1,000	919	(81)
Telephone	70	70	-	(70)
IT Equipment	2,615	3,200	3,200	-
Total contractual	9,755	9,445	6,115	(3,330)
Total county clerk and recorder	168,788	168,788	159,044	(9,744)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
County Treasurer				
Personnel:				
Salaries - department head	47,000	47,000	47,000	-
Salaries - deputies	26,334	26,484	26,481	(3)
Salaries - part-time deputy	14,669	16,334	16,331	(3)
Overtime salaries - deputies	10	10	-	(10)
Total personnel	88,013	89,828	89,812	(16)
Commodities:				
Stationery and supplies	600	600	582	(18)
Computer supplies	3,800	3,300	3,249	(51)
Office equipment	2,000	1,000	985	(15)
Total commodities	6,400	4,900	4,816	(84)
Contractual:				
Mileage	250	250	156	(94)
Advertising and publishing	800	485	-	(485)
Office equipment repair	200	200	-	(200)
Total contractual	1,250	935	156	(779)
Total county treasurer	95,663	95,663	94,784	(879)
County Board Expense Disbursed				
Personnel:				
Salaries - per diem	78,400	78,400	65,600	(12,800)
Chairman	20,725	20,725	20,434	(291)
Total personnel	99,125	99,125	86,034	(13,091)
Contractual:				
Auto mileage	6,000	6,000	5,463	(537)
Dues and memberships	1,988	1,988	1,988	-
Meetings and seminars	3,350	3,350	2,721	(629)
Total contractual	11,338	11,338	10,172	(1,166)
Total county board	110,463	110,463	96,206	(14,257)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Administrative Services				
Personnel:				
Salaries - department head	64,000	64,000	64,000	-
Salaries - secretary	32,265	32,265	32,194	(71)
Excess sick days	2,945	2,945	2,943	(2)
Total personnel	99,210	99,210	99,137	(73)
Commodities:				
Stationery and supplies	170	170	58	(112)
Computer supplies	120	120	45	(75)
Printing paper and supplies	5,000	3,500	2,398	(1,102)
Total commodities	5,290	3,790	2,501	(1,289)
Contractual:				
Auto mileage	100	125	122	(3)
Postage	66,000	73,510	73,509	(1)
Postage presort service	1,000	1,725	1,724	(1)
Printing, duplicating and binding	150	110	-	(110)
Photocopies	1,000	1,260	1,252	(8)
Telephone	62,918	63,633	63,630	(3)
Office equipment repair	720	720	699	(21)
Dues and memberships	285	285	278	(7)
Postage meter rental	1,250	1,250	1,084	(166)
Computer contract	10,500	11,040	11,036	(4)
Total contractual	143,923	153,658	153,334	(324)
Total administrative services	248,423	256,658	254,972	(1,686)
Recreation and Conservation				
Contractual:				
Electric	200	200	175	(25)
Maintenance - Kent Monument	1,320	1,320	2,264	944
Atten Landing	-	5,000	-	(5,000)
Pec prairie path	1,000	1,000	1,000	-
Jane Addams trail	9,030	9,030	9,030	-
Total recreation & conservation	11,550	16,550	12,469	(4,081)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Supervisor of Assessments				
Personnel:				
Salaries - department head	65,600	65,600	65,600	-
Salaries - deputies	59,470	59,475	58,105	(1,370)
Salaries - board of review	10,500	10,500	10,500	-
Excess sick days	3,100	3,100	2,907	(193)
Total personnel	138,670	138,675	137,112	(1,563)
Commodities:				
Stationery and supplies	1,500	1,500	850	(650)
Total commodities	1,500	1,500	850	(650)
Contractual:				
Appraisal Maintenance	38,640	40,090	40,089	(1)
Independent appraisal	10	10	-	(10)
Auto mileage	1,500	1,500	1,455	(45)
Advertising and publishing	12,500	10,735	7,182	(3,553)
Printing, duplicating, and binding	2,500	2,500	1,640	(860)
Photocopies	1,250	1,255	1,254	(1)
Dues and memberships	750	915	915	-
Meetings and seminars	3,500	3,500	1,906	(1,594)
Appraisal software	13,963	14,103	14,102	(1)
Office equipment (over \$500)	10	10	-	(10)
Total contractual	74,623	74,618	68,543	(6,075)
Total supervisor of assessments	214,793	214,793	206,505	(8,288)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Economic Development				
Personnel:				
WIA Grant Administrator	39,635	39,635	39,634	(1)
Enterprise Zone Administrator	1,500	1,500	1,500	-
Total personnel	41,135	41,135	41,134	(1)
Contractual:				
Soil & water conservation	25,000	25,000	25,000	-
Blackhawk Hills-R.C. & D	11,230	11,230	11,229	(1)
Total contractual	36,230	36,230	36,229	(1)
Total economic development	77,365	77,365	77,363	(2)
Facilities Management				
Personnel:				
Salaries - department head	68,900	68,900	68,750	(150)
Salaries - secretary	6,000	6,000	100	(5,900)
Salaries - maintenance	27,289	27,289	27,290	1
Total salaries	102,189	102,189	96,140	(6,049)
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	2,075	(425)
Total contractual	2,500	2,500	2,075	(425)
Total facilities management	104,839	104,839	98,215	(6,624)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Election Expense				
Personnel:				
Salaries - deputies	51,770	51,770	45,453	(6,317)
Salaries - part-time	3,500	3,950	3,943	(7)
Salaries - per diem	45,600	45,600	25,665	(19,935)
Total personnel	100,870	101,320	75,061	(26,259)
Commodities:				
Books, periodicals, and manuals	10	285	281	(4)
Printing paper and supplies	105,000	96,765	87,556	(9,209)
Total commodities	105,010	97,050	87,837	(9,213)
Contractual:				
Auto mileage	850	850	508	(342)
Advertising and publishing	20,000	15,000	14,945	(55)
Photocopies	10	10	-	(10)
Telephone	10	10	-	(10)
Building and rooms	5,020	5,020	3,800	(1,220)
Election software	42,760	46,825	44,643	(2,182)
Office equipment	500	710	709	(1)
Total contractual	69,150	68,425	64,605	(3,820)
Capital outlay:				
Office equipment (over \$500)	10	10	-	(10)
Total election expense	275,040	266,805	227,503	(39,302)
Zoning				
Personnel:				
Salaries - department head	37,681	37,681	37,674	(7)
Salaries - secretary	10,780	10,780	10,760	(20)
Salaries - per diem	1,000	1,000	700	(300)
Excess sick days	943	963	961	(2)
Total personnel	50,404	50,424	50,095	(329)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
General Government (Continued):				
Zoning (Continued):				
Commodities:				
Stationery and supplies	500	500	276	(224)
Office equipment (under \$500)	300	300	145	(155)
Total commodities	800	800	421	(379)
Contractual:				
Auto mileage	2,400	2,400	1,959	(441)
Advertising and publishing	300	300	59	(241)
Photocopies	850	780	136	(644)
Office equipment repairs	500	500	293	(207)
Telephone	1,300	1,350	1,345	(5)
Total contractual	5,350	5,330	3,792	(1,538)
Total zoning	56,554	56,554	54,308	(2,246)
Miscellaneous				
Contractual:				
Annual audit	48,000	48,000	44,500	(3,500)
Special Asst. State's Attorney	12,000	12,000	8,892	(3,108)
Labor attorney fees	60,000	60,000	103,966	43,966
Insurance premiums	698,352	698,352	689,128	(9,224)
N.W. Criminal Justice Commission	3,120	3,120	3,120	-
Department of Veterans' Affairs	1,000	1,000	-	(1,000)
County Code Book	3,000	3,000	3,385	385
Youth diversion program	15,000	15,000	8,754	(6,246)
Peer jury	250	250	-	(250)
Regional office of education	34,650	34,650	34,473	(177)
Stockton School District	5,890	5,890	4,887	(1,003)
Interest expense	20,000	20,000	21,329	1,329
Total miscellaneous	901,262	901,262	922,434	21,172
Total general government	2,419,016	2,424,016	2,336,684	(87,332)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Safety:				
Law Enforcement				
Personnel:				
Salaries - department head	63,000	63,000	63,000	-
Salaries - safety director	2,500	2,500	2,500	-
Salaries - deputies	1,174,155	1,141,055	1,106,949	(34,106)
Salaries - communication	259,000	270,700	270,693	(7)
Salaries - clerical	94,000	94,000	88,529	(5,471)
Salaries - overtime	83,970	84,770	54,739	(30,031)
Salaries - overtime - communicatio	20,000	40,600	40,569	(31)
Salaries - court deputies	125,725	125,725	123,063	(2,662)
Excess sick days	74,800	74,800	39,839	(34,961)
Total personnel	1,897,150	1,897,150	1,789,881	(107,269)
Commodities:				
Crime prevention supplies	250	250	-	(250)
Stationery and supplies	1,800	1,800	2,172	372
Stationery and supplies - communi	280	280	324	44
Office equipment (under \$500)	380	385	381	(4)
Books, periodicals, and manuals	380	380	180	(200)
Gasoline and operating fuel	80,000	84,460	84,453	(7)
Clothing - uniforms	5,000	5,000	3,907	(1,093)
Lubricants	3,600	3,600	1,985	(1,615)
Automotive tires	7,000	7,000	3,539	(3,461)
Automotive accessories	1,000	1,040	1,039	(1)
Sheriff's reserve unit	1,000	1,000	989	(11)
Mounted patrol	800	800	800	-
Total commodities	101,490	105,995	99,769	(6,226)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Safety (Continued):				
Law Enforcement (Continued)				
Contractual:				
Postage	300	300	295	(5)
Travel expense	5,000	5,000	3,984	(1,016)
Advertising and publishing	250	250	-	(250)
Photocopies	1,600	1,600	1,387	(213)
Telephone	11,500	11,500	7,609	(3,891)
Automotive repairs	10,000	11,580	11,571	(9)
Equipment repairs	2,500	2,500	1,374	(1,126)
Ammunition	5,000	5,000	4,993	(7)
Radio and tower	14,691	14,691	14,575	(116)
Machines and equipment	14,800	10,300	9,429	(871)
Office equipment	300	300	42	(258)
Dues and memberships	800	810	810	-
Instruction and schooling	6,000	4,405	2,780	(1,625)
Investigation expense	4,000	4,000	3,994	(6)
Emergency response	500	500	256	(244)
Total contractual	77,241	72,736	63,099	(9,637)
Capital outlay:				
Automotive	85,000	85,000	80,546	(4,454)
Radio	24,000	24,000	21,855	(2,145)
Total capital outlay	109,000	109,000	102,401	(6,599)
Total public safety	2,184,881	2,184,881	2,055,150	(129,731)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related:				
State's Attorney				
Personnel:				
Salaries - department head	166,508	166,508	166,508	-
Salaries - assistants	276,080	275,680	275,509	(171)
Salaries - secretaries	78,764	78,564	78,361	(203)
Salaries - teen court coordinator	5,000	5,000	5,000	-
Salaries - victim coordinator	17,600	18,200	18,167	(33)
Excess sick days	4,341	4,341	4,189	(152)
Total personnel	548,293	548,293	547,734	(559)
Commodities:				
Stationery and supplies	7,500	7,500	6,980	(520)
Office equipment	500	540	539	(1)
Books, periodicals, and manuals	750	750	72	(678)
Peer jury expense	100	100	90	(10)
Total commodities	8,850	8,890	7,681	(1,209)
Contractual:				
Court reporting	1,000	1,150	1,128	(22)
Appellate service	13,000	13,000	13,000	-
Travel expense	500	500	-	(500)
Photocopies	1,200	1,200	828	(372)
Office equipment maintenance	2,000	2,000	1,648	(352)
Dues and memberships	1,500	1,500	1,445	(55)
Meetings and seminars	1,000	810	-	(810)
Sheriff's fees	500	500	86	(414)
Investigation expense	500	500	-	(500)
Educational assistance	200	200	-	(200)
Total contractual	21,400	21,360	18,135	(3,225)
Capital outlay:				
Equipment	2,400	2,400	836	(1,564)
Total state's attorney	580,943	580,943	574,386	(6,557)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Judicial				
Commodities:				
Stationery and supplies	2,600	2,600	2,072	(528)
Office equipment (under \$500)	1,350	1,350	1,261	(89)
Books, periodicals, and manuals	2,500	2,500	1,210	(1,290)
Total commodities	6,450	6,450	4,543	(1,907)
Contractual:				
Office of the Chief Judge	900	900	900	-
Photocopies	250	340	335	(5)
Office equipment repair	6,500	6,410	5,854	(556)
Assessment for judges salaries	2,250	2,250	2,177	(73)
Meetings & seminars	4,900	4,900	3,734	(1,166)
Total contractual	14,800	14,800	13,000	(1,800)
Total judicial	21,250	21,250	17,543	(3,707)
Jury Commission				
Personnel:				
Coroner jurors	200	200	-	(200)
Circuit jurors	22,000	22,000	14,739	(7,261)
Jury commissioners	3,200	3,200	3,200	-
Total personnel	25,400	25,400	17,939	(7,461)
Contractual:				
Juror meals	2,700	2,700	2,179	(521)
Printing, duplicating and binding	800	800	800	-
Total contractual	3,500	3,500	2,979	(521)
Total jury commission	28,900	28,900	20,918	(7,982)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Circuit Clerk				
Personnel:				
Salaries - department head	52,000	52,000	52,000	-
Salaries - deputies	191,000	191,000	190,297	(703)
Total personnel	243,000	243,000	242,297	(703)
Commodities:				
Stationery and supplies	8,000	7,800	7,448	(352)
Total commodities	8,000	7,800	7,448	(352)
Contractual:				
Photocopies	5,000	5,200	5,200	-
Telephone	200	200	99	(101)
Total contractual	5,200	5,400	5,299	(101)
Total circuit clerk	256,200	256,200	255,044	(1,156)
Probation				
Personnel:				
Salaries - department head	93,668	93,668	92,254	(1,414)
Salaries - officers	562,345	562,065	522,972	(39,093)
Salaries - supervisors	79,980	79,980	78,754	(1,226)
Salaries - office manager	33,754	33,754	33,236	(518)
Salaries - secretaries	42,932	43,212	43,206	(6)
Excess sick days	8,500	8,500	7,119	(1,381)
Total personnel	821,179	821,179	777,541	(43,638)
Contractual:				
Youth diversion programs	80,000	80,000	51,091	(28,909)
Medical and dental	400	400	180	(220)
Total contractual	80,400	80,400	51,271	(29,129)
Total probation	901,579	901,579	828,812	(72,767)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Corrections				
Personnel:				
Salaries - jail administrator	57,935	57,935	55,786	(2,149)
Salaries - correction officers	1,134,200	1,128,020	1,098,433	(29,587)
Salaries - clerical	33,725	33,725	32,136	(1,589)
Salaries - transporting inmates	9,000	9,000	4,637	(4,363)
Salaries - overtime	50,000	53,040	53,037	(3)
Excess sick days	6,000	9,140	9,140	-
Total personnel	1,290,860	1,290,860	1,253,169	(37,691)
Commodities:				
Stationery and supplies	3,000	4,045	4,041	(4)
Computer supplies	5,000	6,465	6,460	(5)
Films and tapes	100	100	21	(79)
Books, periodicals, and manuals	100	150	149	(1)
Laundry	7,100	7,100	6,373	(727)
Food-county inmates	235,000	242,100	242,070	(30)
Medical and dental supplies	200	200	-	(200)
Clothing - uniforms	6,000	6,000	3,598	(2,402)
Kitchen	500	500	57	(443)
Total commodities	257,000	266,660	262,769	(3,891)
Contractual:				
Medical, dental and barber	156,600	145,570	136,185	(9,385)
Postage	400	400	338	(62)
Telephone	11,000	11,850	11,840	(10)
Instruction and schooling	5,000	5,000	2,243	(2,757)
Transporting prisoners	2,500	2,500	2,340	(160)
Live scan	4,500	4,500	3,995	(505)
Radio	2,200	2,720	2,716	(4)
Total contractual	182,200	172,540	159,657	(12,883)
Total corrections	1,730,060	1,730,060	1,675,595	(54,465)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Court Ordered Expenses				
Contractual:				
Legal/Guard/Attorney fees	3,000	3,000	2,154	(846)
Legal/Special Defender	18,000	16,400	11,933	(4,467)
Mental examinations	11,000	11,500	11,483	(17)
Interpreter-Transcripts	6,000	6,000	5,027	(973)
Advertising and publishing	4,000	4,000	3,228	(772)
Investigation expense	250	250	167	(83)
Total court ordered expenses	42,250	41,150	33,992	(7,158)
Public Defender				
Personnel:				
Salaries - department head	149,857	149,857	149,857	-
Salaries - assistants	139,816	142,266	142,263	(3)
Salaries - juvenile G.A.L.	32,988	32,500	32,500	-
Salaries - office manager	32,987	33,475	33,475	-
Excess sick days	6,706	6,706	6,701	(5)
Total personnel	362,354	364,804	364,796	(8)
Contractual:				
Books & periodicals	350	350	350	-
Transcripts	500	100	93	(7)
Mileage	500	250	225	(25)
Photocopies	250	100	94	(6)
Office expense	1,750	1,650	1,177	(473)
Meetings & seminars	1,000	550	1,450	900
Office equipment	1,500	1,500	1,493	(7)
Total contractual	5,850	4,500	4,882	382
Total public defender	368,204	369,304	369,678	374

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Jail Building				
Personnel:				
Salaries - maintenance	14,100	14,100	12,232	(1,868)
Commodities:				
Cleaning supplies	300	300	221	(79)
Paper supplies - towels, etc.	150	285	284	(1)
Electrical supplies	250	250	14	(236)
Hardware supplies	50	50	22	(28)
Plumbing supplies	80	80	63	(17)
Painting supplies	50	50	26	(24)
Total commodities	880	1,015	630	(385)
Contractual:				
Boiler - State inspection	70	100	100	-
Gas - natural	5,500	5,335	3,096	(2,239)
Electrical service	10,000	10,000	9,058	(942)
Water and sewer	1,275	1,275	1,040	(235)
Garbage disposal	190	190	-	(190)
Pest control	50	50	-	(50)
Maintenance - environmental	200	200	36	(164)
Maintenance - general	1,500	1,500	546	(954)
Total contractual	18,785	18,650	13,876	(4,774)
Total jail building	33,765	33,765	26,738	(7,027)

Stephenson County, Illinois

Budgetary Comparison Schedule - General Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed (Cont.)</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Judiciary and Court Related (Continued):				
Merit Commission				
Contractual:				
Consultants - testing	2,700	2,700	1,081	(1,619)
Court reporter	100	100	75	(25)
Attorney fees	100	100	-	(100)
Medical and dental	600	600	-	(600)
Witness fees and mileage	100	100	-	(100)
Advertising and publishing	1,000	1,000	541	(459)
Total merit commission	4,600	4,600	1,697	(2,903)
Total judiciary and court related	3,967,751	3,967,751	3,804,403	(163,348)
Total expenditures disbursed	\$ 8,571,648	\$ 8,576,648	\$ 8,196,237	\$ (380,411)
<i>Other financing sources (uses)</i>				
Operating transfers in (out):				
Work Release Fee	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
ETSB 911	23,855	23,855	25,222	(1,367)
Debt service	(52,000)	(52,000)	(85,364)	33,364
County Health Department Fund	(195,300)	(195,300)	(195,300)	-
Total operating transfers out	\$ (203,445)	\$ (203,445)	\$ (235,442)	\$ 31,997

Stephenson County, Illinois

Budgetary Comparison Schedule - Illinois Municipal Retirement Fund (Budgetary Basis)

Year ended November 30, 2012

<i>Revenues Received</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Taxes:				
Property taxes	\$ 1,106,246	\$ 1,106,246	\$ 1,103,903	\$ (2,343)
Intergovernmental revenue:				
Replacement taxes	179,877	179,877	185,778	5,901
Other revenue received:				
Interest on investments	6,530	6,530	4,241	(2,289)
Miscellaneous	906,135	906,135	5,515	(900,620)
Employee contributions	644,160	644,160	583,285	(60,875)
Total other revenue received	1,556,825	1,556,825	593,041	(963,784)
Total revenue received	\$ 2,842,948	\$ 2,842,948	\$ 1,882,722	\$ (960,226)
<i>Expenditures Disbursed</i>				
General government:				
Illinois Municipal Retirement Fund	\$ 2,188,100	\$ 2,188,100	\$ 1,649,272	\$ (538,828)

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2012

Revenues Received	Original Budget	Final Budget	Actual	Over (Under) Budget
Taxes:				
Property taxes	\$ 40,722	\$ 40,722	\$ 40,633	\$ (89)
Fees, licenses, permits, and fines:				
Contractor	4,825	4,825	4,350	(475)
Food permits	53,980	53,980	72,940	18,960
Radon kit	700	700	775	75
Vital records	35,500	35,500	36,270	770
Well and septic	29,330	29,330	32,925	3,595
Food certification	480	480	3,920	3,440
TB	300	300	325	25
Consulting - Jo Daviess County	15,750	15,750	15,094	(656)
W.O.W. participation fees	7,340	7,340	-	(7,340)
Physicals	1,500	1,500	1,210	(290)
Other	300	300	55	(245)
Total fees, licenses, permits, and fines	150,005	150,005	167,864	17,859
Intergovernmental revenue:				
State of IL Grants-Other	9,665	9,665	17,989	8,324
FCM-public health	195,134	195,134	148,161	(46,973)
FCM-federal match	30,000	30,000	40,765	10,765
WIC grant	246,659	246,659	229,372	(17,287)
Health protection	84,500	84,500	84,500	-
Family planning	61,611	61,611	52,155	(9,456)
Adolescent health	9,340	9,340	-	(9,340)
C.A.T.C.H. - IDPH	30,000	30,000	14,771	(15,229)
C.A.T.C.H. - Obesity	15,670	15,670	-	(15,670)
Peer counseling - WIC	23,000	23,000	18,044	(4,956)
Childhood lead	3,000	3,000	2,373	(627)
Women out walking	4,000	4,000	-	(4,000)
Gear Up	24,000	24,000	19,350	(4,650)
HIV testing	2,000	2,000	2,058	58
Ounce of prevention	76,318	76,318	44,531	(31,787)
Healthy families	231,378	231,378	191,577	(39,801)
Breast and cervical cancer	137,070	137,070	144,952	7,882
Breast and cervical-primary care	162,000	162,000	165,504	3,504
Wise women	136,285	136,285	119,567	(16,718)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2012

Revenues Received (Continued):	Original Budget	Final Budget	Actual	Over (Under) Budget
Intergovernmental revenue (continued):				
0 to 3 Assurance Network	103,266	103,266	77,180	(26,086)
Tobacco settlement grant	20,000	20,000	19,718	(282)
Tobacco compliance grant	4,620	4,620	4,840	220
West Nile virus	7,294	7,294	8,254	960
Bioterrorism grant	48,746	48,746	55,730	6,984
VFC - Afix grant	35,000	35,000	36,376	1,376
Radon grant	15,000	15,000	11,714	(3,286)
Freeport Township	3,600	3,600	4,500	900
Brownfield study	22,700	22,700	15,703	(6,997)
Carroll County health admin	22,660	22,660	22,550	(110)
Carroll County tobacco	17,981	17,981	17,216	(765)
Komen Foundation	8,000	8,000	8,090	90
IDPA: Family planning	13,080	13,080	14,460	1,380
IDPA: Lead	500	500	179	(321)
IDPA: FCM	9,000	9,000	10,194	1,194
IDPA: Immunizations	2,240	2,240	3,571	1,331
Medicare	3,500	3,500	2,335	(1,165)
Other grants & contracts	-	-	7,868	7,868
Tuberculosis board	58,665	58,665	58,544	(121)
Total intergovernmental revenue	1,877,482	1,877,482	1,674,691	(202,791)
Sale of goods and services:				
Private pay-family planning	13,500	13,500	10,138	(3,362)
Private pay-flu vaccine	15,000	15,000	17,089	2,089
Private pay-immunizations	13,250	13,250	12,975	(275)
Private pay-records search	200	200	209	9
Private pay-other	-	-	59	59
Total sale of goods and services	41,950	41,950	40,470	(1,480)
Other revenue received:				
Interest	5,200	5,200	4,085	(1,115)
Donations	11,300	11,300	11,105	(195)
Miscellaneous	3,500	3,500	5,503	2,003
County reimbursements	243,096	243,096	207,284	(35,812)
Total other revenue received	263,096	263,096	227,977	(35,119)
Total revenue received	\$ 2,373,255	\$ 2,373,255	\$ 2,151,635	\$ (221,620)

See accompanying notes to required supplementary information.

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Health and welfare:				
Salaries-administrator	\$ 79,485	\$ 86,290	\$ 86,288	\$ (2)
Salaries-full time	1,100,537	1,056,382	1,017,717	(38,665)
Salaries-part time	117,932	154,072	154,072	-
Salaries-overtime	-	1,210	1,209	(1)
Office supplies	74,128	65,128	60,249	(4,879)
Pamphlets	5,166	5,166	2,839	(2,327)
Printing	7,035	7,035	5,126	(1,909)
Medical supplies	70,039	61,039	54,109	(6,930)
Care of patients - TB	500	500	-	(500)
Med/Prof contracts: Other	61,931	35,939	28,349	(7,590)
Subcontract: Teen Reach	-	-	-	-
Subcontract: Gear Up	17,000	17,000	16,716	(284)
Breast & Cervical: Primary Care	170,000	161,000	153,479	(7,521)
Wise women: Primary Care	64,505	22,753	20,328	(2,425)
Travel	48,007	43,107	43,449	342
Postage	6,588	6,965	7,640	675
Advertising and publishing	10,795	10,795	9,399	(1,396)
Health & accident insurance	288,744	285,736	285,736	-
Natural gas	4,900	4,900	2,256	(2,644)
Electricity	17,350	17,350	15,197	(2,153)
Telephone	21,765	21,765	18,751	(3,014)
Water and sewer	1,850	1,850	1,859	9
Garbage disposal	500	500	479	(21)
Equipment repair	22,602	92,602	85,352	(7,250)
Rent	9,040	9,040	1,512	(7,528)
Vehicle lease	3,515	3,515	3,513	(2)
Janitorial service	23,000	23,000	19,759	(3,241)
Dues & memberships	8,400	8,400	8,201	(199)
Meetings & seminars	7,085	7,085	5,043	(2,042)
IDPH-vital records fee	9,030	10,960	10,958	(2)
Software	800	800	738	(62)
Computer service contracts	13,600	13,600	11,465	(2,135)
Flood doors	6,000	-	-	-

Stephenson County, Illinois

Budgetary Comparison Schedule - County Health Department (Budgetary Basis)

Year ended November 30, 2012

<i>Expenditures Disbursed</i>	Original Budget	Final Budget	Actual	Over (Under) Budget
Health and welfare (continued):				
Office equipment	12,750	5,750	3,963	(1,787)
Medical equipment	-	-	-	-
Interest expense	6,400	6,400	2,963	(3,437)
Mortgage payment	34,480	77,825	80,197	2,372
Insurance premiums	21,528	21,528	-	(21,528)
FICA	97,453	97,453	91,459	(5,994)
IMRF	119,236	119,236	115,825	(3,411)
Workers compensation	3,975	3,975	-	(3,975)
Unemployment	904	904	-	(904)
Total health and welfare	\$ 2,568,555	\$ 2,568,555	\$ 2,426,195	\$ (142,360)
<i>Other financing sources (uses)</i>				
Operating transfers in	\$ 195,300	\$ 195,300	\$ 195,300	\$ -
Operating transfers out	-	-	(3,500)	(3,500)
Total other financing sources (uses)	\$ 195,300	\$ 195,300	\$ 191,800	\$ (3,500)

Stephenson County, Illinois

Notes to Required Supplementary Information

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, 2012.

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, 2012

General Fund Revenues	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Taxes	\$ 5,449,000	\$ 5,726,867	\$ (29,001)	\$ 5,697,866
Fees, licenses, permits, and fines	1,788,233	1,685,466	15,485	1,700,951
Intergovernmental revenue	1,051,931	1,039,717	(43,476)	996,241
Other revenue	491,872	179,456	(9,777)	169,679
Total revenue	\$ 8,781,036	\$ 8,631,506	\$ (66,769)	\$ 8,564,737

Expenditures				
General government:				
County Properties	\$ 154,276	\$ 132,881	\$ (14,356)	\$ 118,525
County Board	110,463	96,206	811	97,017
County Treasurer	95,663	94,784	680	95,464
County Clerk and Elections	168,788	159,044	(684)	158,360
Zoning	56,554	54,308	566	54,874
Administrative services	256,658	254,972	1,451	256,423
Facilities Management	104,839	98,215	860	99,075
Election expense	266,805	227,503	3,191	230,694
Assessor	214,793	206,505	(22,621)	183,884
Recreation and conservation	16,550	12,469	(858)	11,611
Economic development	77,365	77,363	305	77,668
Miscellaneous	901,262	922,434	(26,376)	896,058
Public safety:				
Sheriff	2,184,881	2,055,150	19,562	2,074,712
Judiciary and court related:				
State's Attorney	580,943	574,386	3,677	578,063
Public Defender	369,304	369,678	2,642	372,320
Circuit Clerk	256,200	255,044	1,692	256,736
Judiciary	21,250	17,543	-	17,543
Corrections	1,730,060	1,675,595	25,913	1,701,508
Court ordered	41,150	33,992	129	34,121
Jury commission	28,900	20,918	-	20,918
Probation	901,579	828,812	8,361	837,173
Merit commission	4,600	1,697	-	1,697
Jail building	33,765	26,738	(545)	26,193
Total expenditures	\$ 8,576,648	\$ 8,196,237	\$ 4,400	\$ 8,200,637

Other financing sources (uses)				
Operating transfers in	\$ 43,855	\$ 45,222	-	\$ 45,222
Operating transfers out	(247,300)	(280,664)	-	(280,664)
Total other financing (uses)	\$ (203,445)	\$ (235,442)	\$ -	\$ (235,442)

Stephenson County, Illinois

Notes to Required Supplementary Information

Year ended November 30, 2012

Illinois Municipal Retirement Revenues	Budget	Actual on Cash Basis	Adjustments to GAAP Basis	Actual on GAAP Basis
Taxes	\$ 1,106,246	\$ 1,103,903	\$ -	\$ 1,103,903
Intergovernmental revenue	179,877	185,778	(5,901)	179,877
Other revenue	1,556,825	593,041	-	593,041
Total revenue	\$ 2,842,948	\$ 1,882,722	\$ (5,901)	\$ 1,876,821

Expenditures

General government	\$ 2,188,100	\$ 1,649,272	\$ (1,489,001)	\$ 160,271
Public safety	-	-	636,152	636,152
Judiciary and court related	-	-	424,707	424,707
Public works	-	-	176,838	176,838
Health and welfare	-	-	251,304	251,304
Total expenditures	\$ 2,188,100	\$ 1,649,272	\$ -	\$ 1,649,272

County Health Department Revenues

Taxes	\$ 40,722	\$ 40,633	\$ -	\$ 40,633
Fees, licenses, permits, and fines	150,005	167,864	(19,014)	148,850
Intergovernmental revenue	1,877,482	1,674,691	175,745	1,850,436
Sale of goods and services	41,950	40,470	-	40,470
Other revenue	263,096	227,977	26,863	254,840
Total revenue	\$ 2,373,255	\$ 2,151,635	\$ 183,594	\$ 2,335,229

Expenditures

Health and welfare	\$ 2,568,555	\$ 2,426,195	\$ 18,587	\$ 2,444,782
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Other financing sources (uses)

Operating transfers in	\$ 195,300	\$ 195,300	\$ -	\$ 195,300
Operating transfers out	-	(3,500)	-	(3,500)
Total other financing (uses)	\$ 195,300	\$ 191,800	\$ -	\$ 191,800

Supplementary Information

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2012

Assets	Total Nonmajor Governmental Funds	Special		
		County Highway	County Bridge	DUI Equipment
Cash	\$ 2,956,703	\$ 205,172	\$ 486,193	\$ 11,808
Investments, at cost	2,578,416	-	-	-
Accounts receivable	581,618	76	38	-
Property tax receivable	3,646,853	605,000	302,000	-
Due from other funds	1,697,866	-	450,000	-
Total assets	\$ 11,461,456	\$ 810,248	\$ 1,238,231	\$ 11,808
Liabilities				
Vouchers payable	\$ 669,165	\$ 32,936	\$ 8,879	\$ -
Accrued payroll	59,712	21,436	-	-
Compensated absences	17,361	17,361	-	-
Due to other funds	564,084	300,000	-	-
Deferred revenue	3,646,853	605,000	302,000	-
Total liabilities	4,957,175	976,733	310,879	-
Fund Balance				
Fund balances:				
Restricted	6,789,063	-	927,352	11,808
Unassigned	(284,782)	(166,485)	-	-
Total liabilities	6,504,281	(166,485)	927,352	11,808
Total liabilities and fund balances	\$ 11,461,456	\$ 810,248	\$ 1,238,231	\$ 11,808

Revenue

County Matching	County Motor Fuel Tax	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Fees
\$ 214,767	\$ 113,847	\$ 144,512	\$ 25,358	\$ 48,891	\$ -	\$ 17,838
-	404,612	-	-	217,278	-	-
38	62,970	-	-	-	-	-
302,000	-	302,000	58,665	-	186,843	-
-	-	-	-	-	-	-
<hr/>						
\$ 516,805	\$ 581,429	\$ 446,512	\$ 84,023	\$ 266,169	\$ 186,843	\$ 17,838
<hr/>						
\$ 35,313	\$ 439,857	\$ -	\$ -	\$ 902	\$ -	\$ -
2,084	11,591	-	-	1,799	-	-
-	-	-	-	-	-	-
150,000	50	-	-	-	-	-
302,000	-	302,000	58,665	-	186,843	-
<hr/>						
489,397	451,498	302,000	58,665	2,701	186,843	-
<hr/>						
27,408	129,931	144,512	25,358	263,468	-	17,838
-	-	-	-	-	-	-
<hr/>						
27,408	129,931	144,512	25,358	263,468	-	17,838
<hr/>						
\$ 516,805	\$ 581,429	\$ 446,512	\$ 84,023	\$ 266,169	\$ 186,843	\$ 17,838

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2012

Assets	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Cash	\$ 109,097	\$ 1	\$ 43,600	\$ 225,006
Investments, at cost	657,673	171,099	-	588,949
Accounts receivable	-	-	-	37,392
Property tax receivable	820,345	165,000	-	-
Due from other funds	30,000	-	-	-
Total assets	\$ 1,617,115	\$ 336,100	\$ 43,600	\$ 851,347
Liabilities				
Vouchers payable	\$ -	\$ -	\$ 1,283	\$ 38,895
Accrued payroll	-	-	4,223	1,446
Compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	820,345	165,000	-	-
Total liabilities	820,345	165,000	5,506	40,341
Fund Balance				
Fund balances:				
Restricted	796,770	171,100	38,094	811,006
Unassigned	-	-	-	-
Total liabilities	796,770	171,100	38,094	811,006
Total liabilities and fund balances	\$ 1,617,115	\$ 336,100	\$ 43,600	\$ 851,347

Revenue

Drug Funds	Waste Management	Mechan- ical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$ 63,743	\$ -	\$ 2,691	\$ 52,587	\$ -	\$ 80,554	\$ 64,356
-	114,648	25,830	134,793	-	-	175,434
-	30,000	-	411,905	-	7,023	8,407
-	-	-	-	-	-	-
-	-	-	794,189	-	-	-
<u>\$ 63,743</u>	<u>\$ 144,648</u>	<u>\$ 28,521</u>	<u>\$ 1,393,474</u>	<u>\$ -</u>	<u>\$ 87,577</u>	<u>\$ 248,197</u>
\$ -	\$ -	\$ 3,450	\$ 85,599	\$ 3,436	\$ -	\$ 6,348
-	192	-	3,674	827	3,525	-
-	-	-	-	-	-	-
-	-	-	-	114,034	-	-
-	-	-	-	-	-	-
-	192	3,450	89,273	118,297	3,525	6,348
63,743	144,456	25,071	1,304,201	-	84,052	241,849
-	-	-	-	(118,297)	-	-
63,743	144,456	25,071	1,304,201	(118,297)	84,052	241,849
<u>\$ 63,743</u>	<u>\$ 144,648</u>	<u>\$ 28,521</u>	<u>\$ 1,393,474</u>	<u>\$ -</u>	<u>\$ 87,577</u>	<u>\$ 248,197</u>

Stephenson County, Illinois

Combining Balance Sheet - Nonmajor Governmental Funds

November 30, 2012

Assets	Special			
	Document Storage - Circuit Clerk	Treasurer Automation	Court Supervision	NICAA Small Rental Properties Grant
Cash	\$ 82,300	\$ 78,838	\$ 6,576	\$ 1,430
Investments, at cost	-	-	-	-
Accounts receivable	7,051	-	-	-
Property tax receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 89,351	\$ 78,838	\$ 6,576	\$ 1,430
Liabilities				
Vouchers payable	\$ -	\$ 1,924	\$ -	\$ -
Accrued payroll	5,733	-	-	-
Compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	5,733	1,924	-	-
Fund Balance				
Fund balances:				
Restricted	83,618	76,914	6,576	1,430
Total liabilities	83,618	76,914	6,576	1,430
Total liabilities and fund balances	\$ 89,351	\$ 78,838	\$ 6,576	\$ 1,430

	Revenue			Capital Projects			
Geographic Information Systems	Environmental Remediation	Law Library	Liability Insurance	Capital	Mill Race Crossing	Highway Building	
\$ 19,876	\$ 2,968	\$ 13,681	\$ 741,101	\$ 49,861	\$ 565	\$ 49,486	
88,099	-	-	1	-	-	-	
14,976	-	1,742	-	-	-	-	
-	-	-	905,000	-	-	-	
-	-	-	303,677	120,000	-	-	
<u>\$ 122,951</u>	<u>\$ 2,968</u>	<u>\$ 15,423</u>	<u>\$ 1,949,779</u>	<u>\$ 169,861</u>	<u>\$ 565</u>	<u>\$ 49,486</u>	
\$ 8,576	\$ -	\$ 1,767	\$ -	\$ -	\$ -	\$ -	
2,605	-	-	577	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	905,000	-	-	-	
11,181	-	1,767	905,577	-	-	-	
111,770	2,968	13,656	1,044,202	169,861	565	49,486	
111,770	2,968	13,656	1,044,202	169,861	565	49,486	
<u>\$ 122,951</u>	<u>\$ 2,968</u>	<u>\$ 15,423</u>	<u>\$ 1,949,779</u>	<u>\$ 169,861</u>	<u>\$ 565</u>	<u>\$ 49,486</u>	

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended November 30, 2012

Revenues	Total Nonmajor Governmental Funds	Special		
		County Highway	County Bridge	DUI Equipment
Taxes	\$ 5,575,239	\$ 603,726	\$ 301,375	\$ -
Fees	1,323,872	75,641	-	-
Intergovernmental revenue	1,295,168	504	252	-
Sale of goods and services	24,749	11,355	-	13,394
Other revenue	2,127,027	213,100	55,733	-
Total revenues	10,346,055	904,326	357,360	13,394
Expenditures				
General government	1,287,290	-	-	-
Public safety	2,368,954	-	-	9,724
Judiciary and court related	802,378	-	-	-
Public works	3,817,418	974,787	306,817	-
Health and welfare	650,649	-	-	-
Debt service	42,167	-	-	-
Total expenditures	8,968,856	974,787	306,817	9,724
Excess (deficiency) of revenues over (under) expenditures	1,377,199	(70,461)	50,543	3,670
Other financing sources (uses):				
Operating transfers in	549,500	153,500	-	-
Operating transfers out	(1,634,910)	-	-	-
Total other financing sources (uses)	(1,085,410)	153,500	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	291,789	83,039	50,543	3,670
Fund balance (deficit), December 1, 2011	6,212,492	(249,524)	876,809	8,138
Fund balance (deficit), November 30, 2012	\$ 6,504,281	\$ (166,485)	\$ 927,352	\$ 11,808

Revenue

County Matching	County Motor Fuel Tax	Mental Health	Tuberculosis	Animal Control	Veteran's Assistance Commission	Circuit Clerk Fees
\$ 301,375	\$ -	\$ 301,375	\$ 58,544	\$ -	\$ 186,500	\$ -
-	-	-	-	114,726	-	42,879
23,252	967,392	-	-	-	-	-
-	-	-	-	-	-	-
172	1,090,351	4	-	2,449	-	-
324,799	2,057,743	301,379	58,544	117,175	186,500	42,879
-	-	-	-	-	186,500	-
-	-	-	-	-	-	-
-	-	-	-	-	-	48,204
261,611	1,778,744	-	-	-	-	-
-	-	301,342	58,543	73,849	-	-
-	-	-	-	-	-	-
261,611	1,778,744	301,342	58,543	73,849	186,500	48,204
63,188	278,999	37	1	43,326	-	(5,325)
125,000	-	-	-	-	-	-
-	(455,000)	-	-	-	-	-
125,000	(455,000)	-	-	-	-	-
188,188	(176,001)	37	1	43,326	-	(5,325)
(160,780)	305,932	144,475	25,357	220,142	-	23,163
\$ 27,408	\$ 129,931	\$ 144,512	\$ 25,358	\$ 263,468	\$ -	\$ 17,838

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended November 30, 2012

Revenues	Special			
	Social Security Contribution	Educational Extension Service	Emergency Service & Disaster Agency	ETSB 911
Taxes	\$ 818,620	\$ 164,683	\$ -	\$ -
Fees	-	-	-	500,975
Intergovernmental revenue	109,448	-	42,281	-
Sale of goods and services	-	-	-	-
Other revenue	644,971	218	1,761	6,165
Total revenues	1,573,039	164,901	44,042	507,140
Expenditures				
General government	138,340	165,000	-	-
Public safety	549,101	-	164,665	482,676
Judiciary and court related	366,590	-	-	-
Public works	152,640	-	-	-
Health and welfare	216,915	-	-	-
Debt service	-	-	-	-
Total expenditures	1,423,586	165,000	164,665	482,676
Excess (deficiency) of revenues over (under) expenditures	149,453	(99)	(120,623)	24,464
Other financing sources (uses):				
Operating transfers in	-	-	91,000	-
Operating transfers out	-	-	-	(23,983)
Total other financing sources (uses)	-	-	91,000	(23,983)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	149,453	(99)	(29,623)	481
Fund balance (deficit), December 1, 2011	647,317	171,199	67,717	810,525
Fund balance (deficit), November 30, 2012	\$ 796,770	\$ 171,100	\$ 38,094	\$ 811,006

Revenue

Drug Funds	Waste Management	Mechanical Document Storage	Public Safety	Coroner's Fund	Court Automation	Probation Service Fee
\$ -	\$ -	\$ -	\$ 1,675,564	\$ -	\$ -	\$ -
8,433	-	29,848	-	14,210	96,026	123,549
-	-	-	9,627	-	-	-
-	-	-	-	-	-	-
-	513	99	800	-	439	701
8,433	513	29,947	1,685,991	14,210	96,465	124,250
-	5,038	37,969	-	-	-	-
11,019	-	-	954,356	63,250	-	-
-	-	-	-	-	131,879	72,022
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,019	5,038	37,969	954,356	63,250	131,879	72,022
(2,586)	(4,525)	(8,022)	731,635	(49,040)	(35,414)	52,228
-	-	-	-	-	-	-
-	-	-	(595,825)	-	-	-
-	-	-	(595,825)	-	-	-
(2,586)	(4,525)	(8,022)	135,810	(49,040)	(35,414)	52,228
66,329	148,981	33,093	1,168,391	(69,257)	119,466	189,621
\$ 63,743	\$ 144,456	\$ 25,071	\$ 1,304,201	\$ (118,297)	\$ 84,052	\$ 241,849

Stephenson County, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended November 30, 2012

Revenues	Special			
	Document Storage Circuit Clerk	Treasurer Automation	Court Supervision	NICAA Small Rental Properties Grant
Taxes	\$ -	\$ -	\$ -	\$ -
Fees	96,501	9,229	5,759	-
Intergovernmental revenue	-	-	-	-
Sale of goods and services	-	-	-	-
Other revenue	424	113	-	-
Total revenues	96,925	9,342	5,759	-
Expenditures				
General government	-	2,460	-	-
Public safety	-	-	-	-
Judiciary and court related	127,800	-	26,958	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Debt service	-	-	-	-
Total expenditures	127,800	2,460	26,958	-
Excess (deficiency) of revenues over (under) expenditures	(30,875)	6,882	(21,199)	-
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(30,875)	6,882	(21,199)	-
Fund balance (deficit), December 1, 2011	114,493	70,032	27,775	1,430
Fund balance (deficit), November 30, 2012	\$ 83,618	\$ 76,914	\$ 6,576	\$ 1,430

	Revenue			Capital Projects			
Geographic Information Systems	Environmental Remediation	Law Library	Liability Insurance	Capital	Mill Race Crossing	Highway Building	
\$ -	\$ -	\$ -	\$ 1,053,700	\$ -	\$ 109,777	\$ -	
184,441	-	21,655	-	-	-	-	
-	134,163	-	-	8,249	-	-	
-	-	-	-	-	-	-	
6,314	-	1	20,361	121	67,345	14,872	
190,755	134,163	21,656	1,074,061	8,370	177,122	14,872	
-	-	-	751,983	-	-	-	
-	134,163	-	-	-	-	-	
-	-	20,676	-	8,249	-	-	
199,297	-	-	-	-	102,288	41,234	
-	-	-	-	-	-	-	
-	-	-	-	-	42,167	-	
199,297	134,163	20,676	751,983	8,249	144,455	41,234	
(8,542)	-	980	322,078	121	32,667	(26,362)	
-	-	-	-	-	-	180,000	
(20,000)	-	-	-	-	(387,843)	(152,259)	
(20,000)	-	-	-	-	(387,843)	27,741	
(28,542)	-	980	322,078	121	(355,176)	1,379	
140,312	2,968	12,676	722,124	169,740	355,741	48,107	
\$ 111,770	\$ 2,968	\$ 13,656	\$ 1,044,202	\$ 169,861	\$ 565	\$ 49,486	

Stephenson County, Illinois

Assessed Valuations, Tax Rates, Extensions, and Collections

November 30, 2012

	<u>TAX YEAR</u>	
	<u>2011</u>	
Assessed valuation	\$	652,585,852
<hr/>		
Property tax rates and extensions:	Rate	Amount
County General	0.37513	\$ 2,448,045
County Highway	0.09271	605,012
County Bridge	0.04628	302,017
County Matching	0.04628	302,017
Tuberculosis	0.00899	58,667
Mental Health	0.04628	302,017
Illinois Municipal Retirement	0.16952	1,106,264
Educational Extension Service	0.02529	165,039
Liability Insurance	0.16181	1,055,949
County Health Department	0.00624	40,721
Social Security Contribution	0.12571	820,366
Veterans Assistance	0.02864	186,901
Nursing Home	0.07662	500,011
<hr/>		
Total property tax rates and extensions	1.20950	\$ 7,893,026
<hr/>		
Property tax collection:		
County General		\$ 2,442,816
County Highway		603,726
County Bridge		301,375
County Matching		301,375
Tuberculosis		58,544
Mental Health		301,375
Illinois Municipal Retirement		1,103,903
Educational Extension Service		164,683
Liability Insurance		1,053,700
County Health Department		40,633
Social Security Contribution		818,620
Veterans Assistance		186,500
Nursing Home		498,941
<hr/>		
Total property tax collection		\$ 7,876,191
<hr/>		
Percentage collected		99.8%
<hr/>		

TAX YEAR

2010		2009	
\$ 655,127,765		\$ 647,412,274	
Rate	Amount	Rate	Amount
0.35028	\$ 2,294,729	0.25518	\$ 1,652,067
0.09199	602,672	0.09239	598,144
0.04600	301,372	0.04620	299,104
0.04600	301,372	0.04620	299,104
0.00896	58,719	0.00901	58,332
0.04600	301,372	0.04620	299,104
0.17788	1,165,341	0.20618	1,334,835
0.02519	165,020	0.02530	163,795
0.15624	1,023,572	0.16910	1,094,774
0.00610	39,963	0.00625	40,463
0.11816	774,099	0.14039	908,902
0.02852	186,842	0.02865	185,484
0.07827	512,749	0.07861	508,931
1.17959	\$ 7,727,822	1.14966	\$ 7,443,039
	\$ 2,299,974		\$ 1,653,594
	604,043		598,699
	302,056		299,383
	302,056		299,383
	58,850		58,385
	302,056		299,383
	1,167,760		1,336,071
	165,396		163,951
	1,025,905		1,095,788
	40,052		40,498
	775,859		909,741
	187,269		185,652
	513,917		509,404
	\$ 7,745,193		\$ 7,449,932
	100.2%		100.1%

Other Information

Stephenson County, Illinois

Annual Financial Information Disclosure (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 (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</u> <u>Population</u>	<u>2010</u> <u>Population</u>	<u>2010</u> <u>Median</u> <u>Home Value</u> <u>(Owner occupied)</u>	<u>2010</u> <u>Median</u> <u>Family</u> <u>Income</u>	<u>2010</u> <u>Per Capita</u> <u>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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Stephenson County	4.9%	5.2%	8.7%	11.3%	11.6%	9.7%	9.8%
State of Illinois	4.5%	5.0%	7.4%	10.1%	9.4%	9.8%	8.9%

Source: Illinois Bureau of Employment Security

Stephenson County, Illinois

Annual Financial Information Disclosure (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>
2012	199	\$ 4,683,000	\$ 15,879,000
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

Economic and Employment Data

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

<u>Employer</u>	<u>Nature of Business</u>	Approximate Number <u>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 (Unaudited)

The following are the estimated largest taxpayers in the County:

<u>Name</u>	<u>Equalized Assessed Valuation</u>
Titan Tire Co.	\$4,115,605
CJF2, LLC	3,900,000
Micro Switch, Div. Of Honeywell	2,455,340
Wal-Mart Stores	2,263,100
Menards	2,238,170
Pearl City Elevator	2,040,415
Adkins Energy	1,855,301
Meadows LLC	1,690,490
Freeport Farm & Fleet	1,475,800
Residential Alternatives of Illinois, Inc.	1,416,410

Total Equalized Assessed Valuation

2012	\$683,304,092
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

Make-up of 2012 Equalized Assessed Valuation

	<u>Amount</u>	<u>Percentage</u>
Residential	\$396,627,905	58.04%
Farmland	150,502,705	22.03
Commercial	99,022,356	14.49
Industrial	22,500,536	3.29
Mineral	11,603,998	1.70
Railroad	3,046,592	.45

Statutory Debt Margin See page 35.

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Future Financings

None

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>11/30/2012</u>
Direct Debt:	
Stephenson County	<u>\$12,342,426</u>
Overlapping Debt:	
All School Districts	36,589,045
Park Districts	2,803,140
City of Freeport	25,060,000
Fire Districts	<u>1,774,800</u>
OVERLAPPING DEBT	<u>66,226,985</u>
DIRECT AND OVERLAPPING DEBT	<u>\$78,569,411</u>
2012 Estimated Full Valuation	\$2,049,902,276
2012 Equalized Assessed Valuation	683,304,092
Population - Current Estimate	47,711
Full Valuation Per Capita	\$42,965

Stephenson County, Illinois

Annual Financial Information Disclosure (Unaudited)

Debt Ratios

		<u>% EAV</u>	<u>% Full Value</u>	<u>Per Capita</u>
Direct Debt	\$12,342,426	1.81%	.60%	\$ 259
Direct Debt and Overlapping Debt	78,569,411	11.50%	3.83%	1,647

Tax Trend Rate

See page 78.

Sales and Income Tax Trend

	<u>1% Sales Tax</u>	<u>¼% SUP Tax</u>	<u>State Income Tax</u>
FYE 2012	\$355,363	\$1,034,776	\$1,285,236
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

General Fund Summary Fiscal Year Ended 11/30

	<u>FYE 2009</u>	<u>FYE 2010</u>	<u>FYE 2011</u>	<u>FYE 2012</u>
Revenue	\$7,483,213	\$ 7,894,466	\$8,692,836	\$8,564,737
Expenditures	<u>8,923,783</u>	<u>8,158,684</u>	<u>8,343,595</u>	<u>8,200,637</u>
Excess Rev/(Exp.)	(1,440,570)	(264,218)	349,241	364,100
Net Transfers	168,186	(145,114)	(151,317)	(235,442)
Beginning Fund Balance	<u>628,208</u>	<u>(644,176)</u>	<u>(1,053,508)</u>	<u>(855,584)</u>
Ending Fund Balance	<u>\$ (644,176)</u>	<u>\$(1,053,508)</u>	<u>\$ (855,584)</u>	<u>\$ (726,926)</u>