

# Adams County, Illinois

Annual Financial Report  
Year Ended November 30, 2011

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## Adams County, Illinois

### **County Board**

Michael K. McLaughlin, Chairman

District 1	Nick Peters Connie Sparks Richard C. Reis	District 5	Mathias R. Obert Mark Peter Rick Gengenbacher
District 2	Joe Holtschlag. Randall K. Reis Steve Schutte	District 6	Seldon R. Totsch John Brady Les Post
District 3	Michael K. McLaughlin Todd W. Duesterhaus Kevin J. Rankin	District 7	Theresa Bockhold Duane Venvertloh Robert L. Scott
District 4	John C. Johnson Joseph Wand John A. Heidbreder		

### **County Officials**

County Clerk/Recorder  
Georgia Volm

State's Attorney  
Jonathan H. Barnard

County Treasurer  
Terry Asher

Sheriff  
Brent A. Fischer

Circuit Clerk  
Randy E. Frese

Coroner  
James Keller

### **Appointed Officials**

County Engineer  
James R. Frankenhoff

Public Health Administrator  
Nancy A. Bluhm

Supervisor of Assessments  
Georgene Zimmerman

Animal Warden  
Jennifer L. Benjamin

Emergency Management Director  
John W. Simon, II

Juvenile Detention Center Superintendent  
John Jones

Director of Court Services  
Michael A. Hancox

Chief Probation Officer  
Charles V. Otte Jr.

Public Defender  
Edward K. Downey

Ambulance and E.M.S. Director  
J. Paul Davis

911 Director Quincy/Adams County  
Steve Rolands

## Financial Section



## Independent Auditor's Report

To the Adams County Board  
Adams County, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of and for the year ended November 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Adams 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 the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Adams County, Illinois, as of November 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2012, on our consideration of Adams County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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, budgetary comparison information and schedule of funding progress on pages 3 through 11 and 44 through 59 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 the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Independent Auditor's Report (Concluded)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adams County, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have 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 them.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

July 26, 2012  
Quincy, Illinois

# County of Adams

TERRY ASHER  
County Treasurer

Adams County Treasurer  
507 Vermont Street  
Quincy, Illinois 62301

Telephone: (217)-277-2245  
www.co.adams.il.us/treasurer

## Management's Discussion and Analysis

As Treasurer of Adams County, we present the following overview and analysis of the financial activities of Adams County for the fiscal year ended November 30, 2011. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- The County's total net assets decreased \$1.4 million (or nearly 1.8%) over the course of this year's operations. Unrestricted net assets (those available to pay for the day-to-day operations of the County) *increased* by \$1.9 million and net assets invested in capital assets (net of related long-term debt) *decreased* by \$3.7 million.
- The assets of Adams County exceeded its liabilities at the close of the fiscal year 2011 by \$75.6 million (net assets). Of this amount, \$3.5 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Adams County's total assets were \$86.1 million at November 30, 2011.
- As of the close of the 2011 fiscal year, Adams County governmental funds ending fund balances were \$17.1 million, compared to \$14.3 million in 2010.
- Adams County's total long term debt decreased by \$353 thousand during the year.

### Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to Adams County's basic financial statements. Adams County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Reporting Adams County as a Whole.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

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.

The *Statement of Activities* presents information showing how Adams County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the *timing of related cash flows*. Thus, revenues and expense reported in this statement for some items that will result in cash flow in future fiscal periods (e.g., accrued interest expense).

Both of the government-wide financial statements distinguish functions of Adams County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). Adams County does not operate other functions that are intended to recover all or significant portions of their costs through user fees and charges (*business-type activities*). The governmental activities of Adams County include general government, public safety, public works, judicial and courts, health, recreation and education.

The government-wide financial statements may be found on pages 16 - 17 of this report.

**Reporting Adams County's Most Significant Funds.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Adams County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three broad categories: *governmental funds, proprietary funds and fiduciary funds*.



## Management's Discussion and Analysis (Continued)

### Governmental Funds

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirement.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information present for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Within the governmental funds, Adams County maintains four fund types: General, Special Revenue, Capital Projects and Debt Service. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, IMRF and Social Security, Liability Insurance, Ambulance, Health Department, Tuberculosis Treatment, County Highway, County Bridge and Motor Fuel Tax Funds, all of which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Adams County adopts an annual budget for each of its funds. Budgetary comparison statements have been provided for the major funds to demonstrate compliance with their budgets.

The fund financial statements may be found on pages 18 - 27 of this report.

*General Fund.* The general fund is used to account for all financial resources not required to be accounted for in another fund.

*Special Revenue Funds.* Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes.

*Capital Projects Fund.* Capital projects funds are used to account for the accumulation of funds or debt proceeds for large capital projects, such as construction of a new facility.

*Debt Service Fund.* Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

### Proprietary Funds

*Internal Service Funds.* Internal service funds account for the financing of goods or services provided by such departments to other departments or agencies of the County on a cost-reimbursement basis. The County's Internal Service Fund includes the Medical Insurance Fund. This fund is included in the governmental activities for government-wide reporting purposes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The excess revenue or expenses for the funds are allocated to the appropriate functional activity.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Adams County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements may be found on page 27 of this report.

## Management's Discussion and Analysis (Continued)

**Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents combining statements and schedules which begin on page 60 of this report.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Adams County, assets exceeded liabilities by \$75.6 million at the close of the most recent fiscal year, which is a decrease of \$1.4 million from 2010. Net capital assets of Adams County at November 30, 2011 were \$66,802,031.

78% of Adams County's non-capital net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$3.5 million) may be used to meet Adams County's ongoing obligations to citizens and creditors.

Table 1 provides a summary of the County's net assets for 2011 and 2010.

Table 1  
**Net Assets (in Thousands)**

	Governmental Activities	
	2011	2010
<b>Assets</b>		
Current & Other Assets	\$ 19,292	\$ 16,725
Capital Assets, net	66,802	70,490
<b>Total Assets</b>	<b>\$ 86,094</b>	<b>\$ 87,215</b>
<b>Liabilities</b>		
Current & Other Liabilities	\$ 2,180	\$ 2,122
Long-Term Liabilities		
Due Within One Year	385	353
Due in More Than One Year	7,919	7,200
<b>Total Liabilities</b>	<b>\$ 10,484</b>	<b>\$ 9,675</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	\$ 59,602	\$ 63,290
Restricted:		
Streets and Highways	9,071	7,640
Equipment and GIS	254	210
Employee Benefits	1,732	1,512
Liability Insurance	653	516
Probation and Court Services	454	286
Health and Sanitation	203	162
Other Purposes	150	2,326
Unrestricted	3,491	1,598
<b>Total Net Assets</b>	<b>\$ 75,610</b>	<b>\$ 77,540</b>

During the year ended November 30, 2011, Net Assets decreased \$1.4 million.

## Management's Discussion and Analysis (Continued)

### Government-wide Financial Analysis (Continued)

Table 2 below provides a summary of the changes in net assets for 2011 and 2010.

Table 2  
Changes in Net Assets (In Thousands)

	Governmental Activities	
	2011	2010
<b>Program Revenues:</b>		
Charges for Services	\$ 9,907	\$ 7,322
Operating Grants & Contributions	3,769	2,947
Capital Grants and Contributions	1,365	5,801
<b>General Revenues:</b>		
Property Taxes	8,659	7,453
Sales and Use Taxes	3,178	2,654
Income and Other Taxes	4,706	4,148
Investment Earnings	166	189
Other	15	-
<b>Total Revenues</b>	<b>\$ 31,765</b>	<b>\$ 30,514</b>
<b>Program Expenses:</b>		
General Government	\$ 8,827	\$ 6,343
Public Safety	4,652	5,282
Public Works	7,451	8,838
Judicial and Courts	4,501	3,449
Health	7,097	7,216
Community Development	121	139
Education	200	191
Interest on Long-Term Debt	296	308
<b>Total Expenses</b>	<b>\$ 33,145</b>	<b>\$ 31,766</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (1,380)</b>	<b>\$ (1,252)</b>

#### Governmental Activities

The general government programs of the County represent the activities related to the governing body and other elected officials in the performance of their primary duties and subsidiary activities. These activities directly support other programs of the County and service its citizens. This represented 26.6% and 20.0% of the County's total expenses in 2011 and 2010, respectively.

For the year ended November 30, 2011, the County has considered all funds in which taxes are levied to be major reporting funds.

Under authority granted by state statute, the County is allowed to levy taxes on real estate to pay for its contribution to the Illinois Municipal Retirement Fund (IMRF) as well as its share of Social Security and Medicare taxes. As more fully described in Note 5 to the financial statements, the County is required to contribute a percentage of each covered employee's salary or wages to IMRF. The County is required to pay Social Security and Medicare taxes at a rate of 7.65% of employee salaries, subject to certain limitations in Federal payroll law. The County's contribution to IMRF and Social Security represented 7.46% and 7.73% of total expenditures for the years ended November 30, 2011 and 2010, respectively.

## Management's Discussion and Analysis (Continued)

### Government-wide Financial Analysis (Concluded)

#### *Governmental Activities (Concluded)*

The County levies a tax on real estate to pay for liability and workers compensation insurance. Insurance expenditures amounted to 1.5% and 1.6% of total expenditures for the years ended November 30, 2011 and 2010, respectively.

The Ambulance service provides emergency medical services throughout Adams County. The ambulance fund is supported by private, insurance and federal (Medicare and Medicaid) payments for services provided, supplemented by a tax levy on real estate. During the years ended November 30, 2011 and 2010, ambulance operating expenditures represented 9.3% and 9.0% of County-Wide expenditures, respectively.

The County's Health Department provides a variety of services designed to benefit individuals both socially and economically. In 2011, program expenditures decreased approximately 7.7%, when compared to 2010, and the overall program represented 11.2% (vs. 12.6% in 2010) of expenditures for governmental activities. A decrease in expenditures due to the elimination of some state-funded programs accounted for nearly all of the decrease in expenditures.

As provided by statute, the County provides tuberculosis treatment to its residents. Expenditures amounted to only 0.2% and 0.3% of county-wide expenditures in 2011 and 2010, respectively.

The Adams County Highway Department provides engineering, construction, maintenance and fiscal services to county townships and road districts, as well as infrastructure assets owned by the County itself. These services are accounted for in several funds, including County Highway and County Bridge. Combined, these funds accounted for 82.7% of public works expenditures in 2011 and 18.6% of overall expenditures, compared to 29.6% in 2010.

Adams County receives Motor Fuel Tax from the State of Illinois for use in constructing and maintaining streets, highways and bridges throughout the County. Motor fuel tax expenditures represented 15.0% of total public works expenditures and 4.6% of county-wide governmental activity expenses for the year ended November 30, 2011. These expenditures represented 8.3% and 2.3% of public works and total expenditures in 2010.

### Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds.* The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17.1 million. The bulk of the governmental fund balances are restricted in the governmental fund statements, and they lead to restricted net assets on the Statement of Net Assets due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state or federal governments or a tax levy.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned and total fund balance of the general fund was \$2.6 million. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 21.3% of the total general fund expenditures and other financing uses (roughly 11 weeks of expenditures).

The fund balance of the County's general fund increased in size from 2010 with revenues exceeding expenditures by \$478 thousand. The key factor in this increase was the decrease in all expenditure categories in the general fund this year.

## Management's Discussion and Analysis (Continued)

### General Fund Budgetary Highlights

For the fiscal year ending November 30, 2011, actual expenditures on a budgetary basis were \$12.2 million compared to the budget amount of \$13.0 million. The \$0.8 million positive variance was mainly due to spending less in the County Administration and transfers to other funds.

The County's actual revenues on a budgetary basis were \$12.7 million as compared to the budget amount of \$12.0 million. This resulted in a positive variance of \$0.7 million. Much of this variance is due to grants and reimbursements of \$1.5 million compared to the budget amount of \$1.2 million for a positive variance of \$300 thousand and tax fees of \$175 thousand compared to the budget amount of \$20 thousand for a positive variance of \$155 thousand.

### CAPITAL ASSETS AND DEBT

#### Capital Assets

At the end of the fiscal year, the County had \$66.8 million invested in its funds for land, buildings, automobiles, furniture/fixtures/equipment and roads/bridges. This amount represents an decrease of \$3,7 million or 5.2%. Due to budget constraints on purchasing new capital assets, depreciation far outweighed capital outlay this year.

Table 3  
Capital Assets & Infrastructure

	Balance 11/30/2010	Additions	Retirements	Balance 11/30/2011
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 669,633	\$ -	\$ -	\$ 669,633
Capital Assets being depreciated:				
Buildings	\$ 19,996,568	\$ 16,120	\$ -	\$ 20,012,688
Roads and bridges	97,841,912	1,347,747	-	99,189,659
Automotive	4,596,385	237,497	-	4,833,882
Furniture, fixtures and equipment	4,280,678	182,490	-	4,463,168
	<u>\$ 126,715,543</u>	<u>\$ 1,783,854</u>	<u>\$ -</u>	<u>\$ 128,499,397</u>
Less Accumulated Depreciation:				
Buildings	\$ (6,366,139)	\$ (447,916)	\$ -	\$ (6,814,055)
Roads and bridges	(44,380,358)	(4,373,155)	-	(48,753,513)
Automotive	(3,239,163)	(334,667)	-	(3,573,830)
Furniture, fixtures and equipment	(2,909,952)	(315,649)	-	(3,225,601)
	<u>\$ (56,895,612)</u>	<u>\$ (5,471,387)</u>	<u>\$ -</u>	<u>\$ (62,366,999)</u>

## Management's Discussion and Analysis (Continued)

### Debt

At year-end, the County had \$7.2 million in long-term debt. The County did not issue any long-term debt during the fiscal year. The County made principal payments on its debt of \$353,433 and interest payments totaling \$295,551 for the year ended November 30, 2011.

Table 4  
Outstanding Debt

\$8,180,000 General Obligation Bonds, Series 2008, Dated September 25, 2008, due in annual installments ranging from \$300,000 to \$575,000 through 2028, with interest from 3.250% to 4.375%, payable February 15 and August 15.

\$ 7,200,000

### Economic Factors and Next Year's Budgets and Rates

On November 15, 2011 the Adams County Board approved the Adams County's Government budget for the 2011-2012 fiscal year. All of the factors discussed above were considered in preparing the budget.

**REVENUE.** The General Fund's projected revenue budget increased by \$254,993 to \$12,351,710. This reflects a 2.1% increase compared to 2010-2011.

The revenue structure of the General Fund is diversified so that the operation of the county is not overly dependent on any one source. Over 63% of all projected revenue will come from State-shared sources and real estate property taxes. State-shared sources that include sales tax, use tax, income tax, retailers occupational tax, and personal property replacement tax will account for 41% of the total revenue. Real estate property taxes will provide an additional 22% of revenue. Licenses and fees, interest, grants and other state and federal reimbursements make up the remaining revenue.

Revenue from State-shared sources is expected to increase 1.0% to \$5,120,000. Real estate property tax revenue is expected to increase 2.2% to \$2,715,000.

**EXPENSES.** The General Fund's projected expense budget increased by \$286,109 to \$13,298,573. This reflects a 2.2% increase over the FY 2010-2011 budget.

Although the expense budget includes a 2% salary increase for most employees, the County Board directed officeholders to offset these increases with decreases elsewhere in their respective budgets.

The Capital Expense budget was limited to the bare essentials. It contains only \$94,000 to purchase six vehicles for the Sheriff's Department.

**LEVY.** On December 13, 2011 the Adams County Board approved a 2011 property tax levy of 0.90173 per equalized assessed valuation (EAV). This levy is 4.9% lower than the 2010 property tax levy of 0.94816.

The total real estate EAV increased by \$22,955,716 to \$1,006,241,751, or 2.3% for the 2011 tax year. However, the lower levy rate will decrease total tax collections by \$252,981 to \$9,072,953, which is 2.7% less than last year.

## Management's Discussion and Analysis (Continued)

The table below lists the budget amounts for 2011, the change for each fund compared to the 2010 tax year, and the levy rate:

FUND	2010	2011	CHANGE	% CHANGE	LEVY
General	2,656,654	2,715,960	59,306	2.23%	0.26992
Bonds and Interest	0	0	0		0.00000
Pension/IMRF	1,409,878	1,588,003	178,125	12.63%	0.15782
County Highway	983,946	905,320	(78,626)	-7.99%	0.08998
County Bridge/Joint Bridge	491,973	452,660	(39,314)	-7.99%	0.04499
TB Care & Treatment	74,000	70,648	(3,352)	-4.53%	0.00703
Federal Aid Matching	491,973	452,660	(39,314)	-7.99%	0.04499
County Health Department	420,000	250,000	(170,000)	-40.48%	0.02485
Tort Judgment/Liability	618,048	465,922	(152,126)	-24.61%	0.04631
Social Security	996,062	987,782	(8,280)	-0.83%	0.09817
Extension Education	134,000	134,000	-	0.00%	0.01332
Ambulance	500,000	500,000	0	0.00%	0.04969
Developmental Disability	549,400	550,000	600	0.11%	0.05466
<b>TOTAL:</b>	<b>9,325,934</b>	<b>9,072,953</b>	<b>(252,981)</b>	<b>-2.71%</b>	<b>0.90173</b>

The following discusses selected funds:

**General Fund.** Although the County General Fund revenue increased slightly, the increased EAV allowed the levy rate to drop slightly from its maximum allowable rate (0.27000).

**Bonds and Interest.** The County has a General Obligation Bond that was issued in 2008. Principal and interest payments totaling approximately \$590,000 are paid from the General Fund and are not levied for separately.

**Pension/IMRF.** Pension/IMRF expenses increased to offset a continued loss of earnings during the market downturn.

**County Health Department.** The County Health Fund was reduced by \$170,000 to spend down reserve funds and to keep the tax rate as low as possible.

**Tort Judgment/Liability.** The Tort and Liability expenses was reduced to better reflect the actual workers compensation and liability premium. Claims have been much lower than expected.

### Economic Factors.

Although the general economic outlook is slowly improving, the general financial outlook remains challenging. State finances continue to negatively impact the County. Delays in receiving state payments are increasing due to the state backlog of unpaid bills. Across-the-board cuts expected in most state programs will reduce the money available. Even if funds are budgeted, there is a high risk that the State may not make payments if funds run out before the end of their fiscal year. The County revenue budget should assume that the state will not pay reimbursements and revenues as promised.

## **Management's Discussion and Analysis (Concluded)**

Initiatives are also expected to try to shift costs of other programs from the state to local governments with little or no notice. Examples include last year's cut of state support for Regional Superintendents of Schools and recent attempts by the state to redirect Personal Property Replacement Tax to the Teacher Pension Fund. If passed, the redirection of Personal Property Replacement Tax funds would have reduced county revenue by over \$1 million and represented approximately 8% of the total county revenue budget. The State recently also began using Personal Property Replacement Tax funds to pay for reimbursements and stipends of county officers, further decreasing the amount of funds available to the County. A recent change in collecting estate taxes has eliminated a 6% reimbursement to the County which will reduce average annual revenue from this source by \$66,000.

The finance committee will closely monitor revenue shortfalls and take necessary action to adjust the spending if necessary.

### **Requests for Information**

This financial report is designed to provide a general overview of Adams County's finances for all those with an interest in the Government's finances. Address questions concerning any of the information provided in this report or requests for additional financial information to the Adams County Treasurer:

Adams County Treasurer  
507 Vermont St Ste G12  
Quincy, IL 62301-2998  
(217) 277-2245  
e-mail: [treasurer@adams.co.il.us](mailto:treasurer@adams.co.il.us)

Audit reports are available in the County Clerk's Office at (217) 277-2150.





**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards***

To the Adams County Board  
Adams County, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of and for the year ended November 30, 2011, which collectively comprise Adams County, Illinois' basic financial statements and have issued our report thereon dated July 26, 2012. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Adams County, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adams County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Adams County, Illinois' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Findings 2011-01 and 2011-02.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. Findings 2011-03 through 2011-05.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Adams County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 2011-03.

**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards*  
(Concluded)**

We noted certain matters that we reported to management of Adams County, Illinois, in a separate letter dated July 26, 2012.

Adams County, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Adams County, Illinois' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the finance committee, management, the Adams County Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

July 26, 2012  
Quincy, Illinois



**Independent Auditor's Report on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control  
over Compliance in Accordance With OMB Circular A-133**

To the Adams County Board  
Adams County, Illinois

**Compliance**

We have audited Adams County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Adams County, Illinois' major federal programs for the year ended November 30, 2011. Adams County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Adams County, Illinois' management. Our responsibility is to express an opinion on Adams County, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adams County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Adams County, Illinois' compliance with those requirements.

In our opinion, Adams County, Illinois, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2011.

**Internal Control over Compliance**

The management of Adams County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Adams County, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Adams County, Illinois' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

**Independent Auditor's Report on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control  
over Compliance in Accordance With OMB Circular A-133 (Concluded)**

This report is intended solely for the information and use of the finance committee, management, the Adams County Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

July 26, 2012  
Quincy, Illinois

*Wade Stables P.C.*

**Wade Stables P.C.**  
*Certified Public Accountants*

Adams County, Illinois  
Statement of Net Assets  
November 30, 2011

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<b>Assets</b>	
Cash and cash equivalents	\$ 17,206,828
Other receivables	1,943,066
Inventory	141,805
Capital assets, net of accumulated depreciation	66,802,031
<b>Total Assets</b>	<b>\$ 86,093,730</b>
<b>Liabilities</b>	
Accounts payable	\$ 512,700
Salaries and benefits payable	523,424
Deferred revenues	9,972
Held in trust of others	1,133,731
Long term liabilities	
Net pension obligation	205,207
OPEB liability	18,682
Compensated absences	795,018
Accrued interest payable	85,342
Portion of bonds payable due within one year	300,000
Portion of bonds payable due after one year	6,900,000
<b>Total Liabilities</b>	<b>\$ 10,484,076</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	\$ 59,602,031
Restricted for:	
Streets and highways	9,070,983
Equipment and GIS	253,829
Employee benefits	1,731,817
Liability insurance	652,857
Probation and court services	454,600
Health and sanitation	202,667
Other purposes	149,646
Unrestricted	3,491,224
<b>Total Net Assets</b>	<b>\$ 75,609,654</b>

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

Adams County, Illinois  
Statement of Activities  
For the Year Ended November 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total (Governmental Activities)
Governmental Activities:					
General government	\$ 8,827,436	\$ 3,046,704	\$ 75,301	\$ 21,931	\$ (5,683,500)
Public safety	4,645,639	206,557	201,482	86,775	(4,150,825)
Public works	7,451,235	2,274,779	1,406,139	-	(3,770,317)
Judicial and courts	4,500,511	630,112	253,636	1,256,082	(2,360,681)
Health	7,097,057	3,741,075	1,832,224	-	(1,523,758)
Community development	121,252	7,610	-	-	(113,642)
Education	199,839	-	-	-	(199,839)
Interest on long-term debt	295,551	-	-	-	(295,551)
<b>Total Governmental Activities</b>	<b>\$ 33,138,520</b>	<b>\$ 9,906,837</b>	<b>\$ 3,768,782</b>	<b>\$ 1,364,788</b>	<b>\$ (18,098,113)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					\$ 2,660,731
Property taxes, levied for special purposes					5,998,010
General sales and use taxes					3,177,985
Income and inheritance taxes					2,709,954
Motor fuel taxes					1,995,840
Investment earnings					166,337
Miscellaneous					15,285
Total general revenues and transfers					<u>\$ 16,724,142</u>
<b>Change in Net Assets</b>					<b>\$ (1,373,971)</b>
Net Assets - December 1, 2010					77,539,634
Prior period adjustment					<u>(556,009)</u>
Net Assets - November 30, 2011					<u><u>\$ 75,609,654</u></u>

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

	General Fund	IMRF and Social Security	Liability Insurance	Ambulance	Health Department
<b>Assets</b>					
Cash and cash equivalents	\$ 3,209,157	\$ 1,812,034	\$ 653,926	\$ (35,705)	\$ 971,038
Other receivables	916,893	10,999	-	237,092	493,325
Inventory	-	-	-	-	141,805
Internal receivables	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,126,050</b>	<b>\$ 1,823,033</b>	<b>\$ 653,926</b>	<b>\$ 201,387</b>	<b>\$ 1,606,168</b>
<b>Liabilities</b>					
Accounts payable	\$ 90,747	\$ 4,147	\$ 1,069	\$ 31,778	\$ 18,042
Salaries and benefits payable	257,704	87,069	-	75,833	72,384
Internal payables	29,832	-	-	-	-
Held in trust of others	1,129,198	-	-	-	-
Deferred revenues	-	-	-	-	9,972
<b>Total Liabilities</b>	<b>\$ 1,507,481</b>	<b>\$ 91,216</b>	<b>\$ 1,069</b>	<b>\$ 107,611</b>	<b>\$ 100,398</b>
<b>Fund Balances/Net Assets</b>					
<i>Fund Balances:</i>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 141,805
Restricted	-	1,731,817	652,857	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	93,776	1,363,965
Unassigned	2,618,569	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 2,618,569</b>	<b>\$ 1,731,817</b>	<b>\$ 652,857</b>	<b>\$ 93,776</b>	<b>\$ 1,505,770</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,126,050</b>	<b>\$ 1,823,033</b>	<b>\$ 653,926</b>	<b>\$ 201,387</b>	<b>\$ 1,606,168</b>

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

Adams County, Illinois  
Balance Sheet-Governmental Funds  
November 30, 2011

Tuberculosis Treatment	County Highway	County Bridge	Motor Fuel Tax	Other Funds	Total
\$ 63,288	\$ 3,320,199	\$ 1,209,026	\$ 4,493,838	\$ 1,382,082	\$ 17,078,883
-	-	-	98,398	28,458	1,785,165
-	-	-	-	-	141,805
-	-	-	-	29,832	29,832
<u>\$ 63,288</u>	<u>\$ 3,320,199</u>	<u>\$ 1,209,026</u>	<u>\$ 4,592,236</u>	<u>\$ 1,440,372</u>	<u>\$ 19,035,685</u>
\$ 1,204	\$ 30,998	\$ 12,723	\$ -	\$ 23,297	\$ 214,005
1,222	11,650	-	17,562	-	523,424
-	-	-	-	-	29,832
-	-	-	-	4,533	1,133,731
-	-	-	-	-	9,972
<u>\$ 2,426</u>	<u>\$ 42,648</u>	<u>\$ 12,723</u>	<u>\$ 17,562</u>	<u>\$ 27,830</u>	<u>\$ 1,910,964</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,805
60,862	3,277,551	1,196,303	4,574,674	880,530	12,374,594
-	-	-	-	532,012	532,012
-	-	-	-	-	1,457,741
-	-	-	-	-	2,618,569
<u>\$ 60,862</u>	<u>\$ 3,277,551</u>	<u>\$ 1,196,303</u>	<u>\$ 4,574,674</u>	<u>\$ 1,412,542</u>	<u>\$ 17,124,721</u>
<u>\$ 63,288</u>	<u>\$ 3,320,199</u>	<u>\$ 1,209,026</u>	<u>\$ 4,592,236</u>	<u>\$ 1,440,372</u>	<u>\$ 19,035,685</u>



Adams County, Illinois  
Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
November 30, 2011

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<b>Total Governmental Fund Balances</b>	\$ 17,124,721
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	66,802,031
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	
Current assets	127,945
Current liabilities	(298,695)
Other long-term assets are not available to pay for the current period expenditures and, therefore, they are not reported in the governmental funds balance sheet.	157,901
Long term liabilities including bonds payable with related interest and deferred compensation are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(8,304,249)</u>
<b>Net Assets of Governmental Activities</b>	<u><u>\$ 75,609,654</u></u>

	General Fund	IMRF and Social Security	Liability Insurance	Ambulance	Health Department
<b>Revenues</b>					
Property taxes	\$ 2,660,731	\$ 2,411,326	\$ 619,461	\$ 501,104	\$ 420,992
Sales and use taxes	3,177,985	-	-	-	-
Licenses and permits	43,702	-	-	-	-
Fees and fines	1,837,300	-	-	-	-
Charges for services	601,177	-	-	2,476,672	1,249,510
Intergovernmental	3,952,498	313,790	-	-	1,894,162
Miscellaneous	32,769	-	-	3,640	11,253
Investment earnings	106,080	1,508	387	1,131	3,384
Total Revenues	<u>\$ 12,412,242</u>	<u>\$ 2,726,624</u>	<u>\$ 619,848</u>	<u>\$ 2,982,547</u>	<u>\$ 3,579,301</u>
<b>Expenditures</b>					
<i>Current:</i>					
General government	\$ 2,993,736	\$ 2,473,365	\$ 482,994	\$ -	\$ -
Public safety	4,319,247	-	-	-	-
Public works	-	-	-	-	-
Judicial and courts	4,038,475	-	-	-	-
Health and sanitation	-	-	-	3,066,638	3,704,021
Community development	121,252	-	-	-	-
Education	199,839	-	-	-	-
<i>Debt Service:</i>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Capital Outlay</i>	7,683	-	-	173,000	-
Total Expenditures	<u>\$ 11,680,232</u>	<u>\$ 2,473,365</u>	<u>\$ 482,994</u>	<u>\$ 3,239,638</u>	<u>\$ 3,704,021</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 732,010</u>	<u>\$ 253,259</u>	<u>\$ 136,854</u>	<u>\$ (257,091)</u>	<u>\$ (124,720)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 336,214	\$ -	\$ -	\$ -	\$ -
Transfers out	(590,000)	-	-	-	-
Total Other Financing Sources and Uses	<u>\$ (253,786)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net change in Fund Balances</b>	<u>\$ 478,224</u>	<u>\$ 253,259</u>	<u>\$ 136,854</u>	<u>\$ (257,091)</u>	<u>\$ (124,720)</u>
<b>Fund Balances:</b>					
December 1, 2010	2,162,743	1,511,549	516,003	307,096	1,499,664
Prior Period Adjustment	(22,398)	(32,991)	-	43,771	130,826
<b>November 30, 2011</b>	<u><u>\$ 2,618,569</u></u>	<u><u>\$ 1,731,817</u></u>	<u><u>\$ 652,857</u></u>	<u><u>\$ 93,776</u></u>	<u><u>\$ 1,505,770</u></u>

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

Adams County, Illinois  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended November 30, 2011

Tuberculosis Treatment	County Highway	County Bridge	Motor Fuel Tax	Other Funds	Total
\$ 74,209	\$ 1,478,187	\$ 492,731	\$ -	\$ -	\$ 8,658,741
-	-	-	-	-	3,177,985
-	-	-	-	18,798	62,500
-	-	-	-	944,371	2,781,671
-	380,170	-	-	157,577	4,865,106
-	1,289,111	142,308	1,995,840	251,655	9,839,364
-	-	-	-	46,770	94,432
46	10,964	308	30,371	10,348	164,527
<u>\$ 74,255</u>	<u>\$ 3,158,432</u>	<u>\$ 635,347</u>	<u>\$ 2,026,211</u>	<u>\$ 1,429,519</u>	<u>\$ 29,644,326</u>
\$ -	\$ -	\$ -	\$ -	\$ 49,586	\$ 5,999,681
-	-	-	-	102,190	4,421,437
-	1,342,122	236,102	1,117,444	184,463	2,880,131
-	-	-	-	265,291	4,303,766
82,420	-	-	-	-	6,853,079
-	-	-	-	-	121,252
-	-	-	-	-	199,839
-	-	-	-	300,000	300,000
-	-	-	-	298,386	298,386
-	987,479	184,224	393,657	37,811	1,783,854
<u>\$ 82,420</u>	<u>\$ 2,329,601</u>	<u>\$ 420,326</u>	<u>\$ 1,511,101</u>	<u>\$ 1,237,727</u>	<u>\$ 27,161,425</u>
<u>\$ (8,165)</u>	<u>\$ 828,831</u>	<u>\$ 215,021</u>	<u>\$ 515,110</u>	<u>\$ 191,792</u>	<u>\$ 2,482,901</u>
\$ -	\$ -	\$ -	\$ -	\$ 590,000	\$ 926,214
-	-	-	-	(336,214)	(926,214)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,786</u>	<u>\$ -</u>
<u>\$ (8,165)</u>	<u>\$ 828,831</u>	<u>\$ 215,021</u>	<u>\$ 515,110</u>	<u>\$ 445,578</u>	<u>\$ 2,482,901</u>
70,973	2,358,916	981,282	4,072,729	769,119	14,250,074
(1,946)	89,804	-	(13,165)	197,845	391,746
<u>\$ 60,862</u>	<u>\$ 3,277,551</u>	<u>\$ 1,196,303</u>	<u>\$ 4,574,674</u>	<u>\$ 1,412,542</u>	<u>\$ 17,124,721</u>

Adams County, Illinois  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended November 30, 2011

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**Net change in fund balances - total governmental funds** \$ 2,482,901

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (3,687,533)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. This amount is the net effect of these differences in the treatment of long-term debt and related items. 300,000

Compensated absences do not require the use of current financial resources, as they are considered long-term liabilities. Therefore, the change in compensated absences liability is not included as an expenditure in governmental funds. (39,065)

Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (287,679)

Some expenses reported in the statement of net activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (142,595)

**Change in net assets of governmental activities** \$ (1,373,971)

Adams County, Illinois  
**Statement of Net Assets**  
**Proprietary Funds**  
November 30, 2011

	Governmental Activities- Internal Service Funds- Medical Insurance
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 127,945
Total Current Assets	\$ 127,945
<b>Total Assets</b>	\$ 127,945
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 298,695
<b>Total Liabilities</b>	\$ 298,695
<b>Net Assets</b>	
Unrestricted	\$ (170,750)
<b>Total Net Assets</b>	\$ (170,750)

Adams County, Illinois  
**Statement of Revenues, Expenses and  
Changes in Net Assets - Proprietary Funds**  
For the Year Ended November 30, 2011

	<u>Governmental Activities- Internal Service Funds- Medical Insurance</u>
<b>Operating Revenues</b>	
Charges for services	\$ 2,165,183
<b>Total Operating Revenues</b>	<u>\$ 2,165,183</u>
<b>Operating Expenses</b>	
Claims and judgments	\$ 2,349,377
Other objects	105,295
<b>Total Operating Expenses</b>	<u>\$ 2,454,672</u>
<b>Operating Income (Loss)</b>	\$ (289,489)
<b>Non-Operating Revenues (Expenses)</b>	
Interest and investment income	\$ 1,810
<b>Total Non-operating Revenues (Expenses)</b>	<u>\$ 1,810</u>
<b>Change in Net Assets</b>	\$ (287,679)
<b>Net Assets at beginning of year</b>	<u>116,929</u>
<b>Net Assets at year end</b>	<u><u>\$ (170,750)</u></u>

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

Adams County, Illinois  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended November 30, 2011

	<b>Governmental Activities- Internal Service Funds- Medical Insurance</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from customers	\$ 634,451
Payments to suppliers	(105,295)
Internal activity - payments to other funds	1,810,155
Claims paid	(2,480,378)
Net Cash Provided (Used) by Operating Activities	<u>\$ (141,067)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received	<u>\$ 1,810</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 1,810</u>
<b>Net Increase (Decrease) in Cash and Cash Investments</b>	<b>\$ (139,257)</b>
Cash and Cash Equivalents, December 1, 2010	<u>267,202</u>
<b>Cash and Cash Equivalents, November 30, 2011</b>	<b><u>\$ 127,945</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>	
Income (loss) from operations	\$ (289,489)
Increase (Decrease) in:	
Accounts payable	<u>148,422</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (141,067)</u>

Adams County, Illinois  
**Statement of Fiduciary Net Assets**  
November 30, 2011

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash	\$ 1,757,448
Due from other governments	132,748
<b>Total Assets</b>	<u>\$ 1,890,196</u>
<b>Liabilities</b>	
Protested and other property taxes held	\$ 100,033
Interest and fees to be distributed	2,465
Held in trust for others	1,554,325
Due to other governments	1,018
Due to others	232,355
<b>Total Liabilities</b>	<u>\$ 1,890,196</u>



## 1. Significant Accounting Policies

### A. General Statement

Adams County, Illinois was formed in 1825. Adams is a county of the second class as defined under Illinois statute and operates under an elected county board form of government. The County provides the following services: public safety, corrections, judiciary, public works, public health and welfare, and economic development.

### B. Financial Reporting Entity

The accounting and reporting policies of the County relating to the funds included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is a fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County has determined that the Adams County Health Department is a component unit of Adams County, Illinois. Financial information of this entity has been blended within the County's reporting entity.

### C. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the County's services are classified as governmental activities. The County does not operate any services that are classified as business-type activities.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

## 1. Significant Accounting Policies (Continued)

### C. *Basic Financial Statements – Government-Wide Statements (Concluded)*

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (general government, public safety, judicial and courts, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, judicial and courts, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

The County does not allocate indirect costs. Administrative services are included in the general government function. Administrative services provided include finance, personnel, purchasing, legal, technology management, etc.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

### D. *Basic Financial Statements – Fund Financial Statements*

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

The following fund types are used by the County:

#### Governmental Funds:

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

- a. County General fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- d. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

#### Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the County:

- a. Internal Service Funds account for the financing of goods or services provided by such departments to other departments or agencies of the County on a cost-reimbursement basis. The County's Internal Service Fund includes the Medical Insurance Fund. This fund is included in the governmental activities for government-wide reporting purposes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The excess revenue or expenses for the funds are allocated to the appropriate functional activity.

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## 1. Significant Accounting Policies (Continued)

### D. Basic Financial Statements – Fund Financial Statements (Concluded)

#### Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The County's fiduciary funds are presented in the fiduciary fund financial statements and consisted of agency funds. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

### E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### Accrual:

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

### F. Financial Statement Amounts

#### 1. Cash and Cash Equivalents:

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

#### 2. Investments:

Investments are stated at fair value, (quoted market price or the best available estimate). The County had no investments at November 30, 2011.

**1. Significant Accounting Policies (Continued)**

*F. Financial Statement Amounts (Continued)*

3. Inventories:

Inventories in the Health Department fund consist of expendable immunization vaccines held for the County's use and are carried at cost using the first-in, first-out method.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 – 50 years
Automotive	5 years
Furniture, fixtures and equipment	5 – 10 years

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

6. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated Absences:

The County accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. Under terms of its various employee agreements, the County has a potential long-term liability for sick leave. Various employee agreements state that upon retirement, an employee may turn in sixty (60) days of sick leave and be paid for thirty (30) days at their current wage rate. The balance of unused sick leave over the sixty (60) days may be added to the employee's retirement benefit with I.M.R.F. As of November 30, 2011, there was no reasonable method to estimate the potential liability because it is unknown how many employees seeking retirement would elect the option to be paid for the thirty (30) days of unused sick leave at their current wage rate.

Under the various employee agreements, vacation is earned on a calendar year to be used in the subsequent calendar year. As of November 30, 2011, the County had a liability for unused vacation and compensatory time totaling \$795,018.

## 1. Significant Accounting Policies (Continued)

### F. Financial Statement Amounts (Concluded)

#### 8. Interfund Activity:

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

### G. Use of Estimates

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

### H. Fund Balances

As of these financial statements, the County has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable-** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County reported \$141,805 in nonspendable fund balance as of November 30, 2011.

**Restricted-** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or law or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The County had \$12,374,594 in restricted fund balances that consisted of various funds.

**Committed-** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The County had committed fund balances of \$532,012 as of November 30, 2011.

**Assigned-** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Board through budgetary process. The County had assigned resources of \$1,457,741 as of November 30, 2011.

**Unassigned-** All amounts not included in other spendable classifications.

Beginning fund balances for the County's governmental funds have been restated to reflect the above classifications.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**1. Significant Accounting Policies (Concluded)**

*H. Fund Balances (Concluded)*

The Fund Balances are classified in more detail below:

Nonspendable for:	
Inventories	\$ 141,805
Restricted for:	
Equipment	40,861
Debt service	6,654
Employee benefits	1,731,817
Liability insurance	652,857
Health and sanitation	60,862
Geographic Information System	212,968
Highways and bridges	9,070,983
Property tax automation	26,165
Probation and court services	454,600
Inmate expenses	43,772
Public safety operations	73,055
Committed for:	
Equipment	91,302
Economic development loans	440,710
Assigned for:	
Ambulance	93,776
Health department	1,363,965
Unassigned	2,618,569
	\$ 17,124,721

**2. Budgetary Basis of Accounting**

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual.
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred.
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance.
4. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions.

The fiscal year of Adams County, Illinois has been established as the twelve-month period beginning on December 1. The Finance Committee submits a budget of estimated expenditures and revenues to the County Board. State law requires that the County make available for public inspection at least fifteen days prior to final action the annual budget. The budget is required to be legally adopted through passage of an ordinance prior to November 30.

**2. Budgetary Basis of Accounting (Concluded)**

The annual budget is required to contain: a) a statement of the receipts and payments and a statement of the revenues and expenditures of the fiscal year last ended; b) a statement of all moneys in the county treasury or in any funds thereof, unexpended at the termination of the fiscal year last ended, of all amounts due or accruing to the county, and of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year; c) estimates of all probable income for the current fiscal year and for the ensuing fiscal year covered by the budget, specifying separately for each of those years the estimated income from taxes, fees and all other sources; d) a detailed statement showing estimates of expenditures for the current fiscal year, revised to date of such estimate, and, separately, the proposed expenditures for the ensuing fiscal year for which the budget is prepared. The estimates and proposals shall show the amounts for current expenses and capital outlay and specify the several objects and purposes of each item; e) a schedule of proposed appropriations itemized as provided for proposed expenditures included in the schedule.

At any point following the adoption of the annual budget, the County Board, by a 2/3 vote of all members constituting the board, may amend the budget for the remainder of the fiscal year (to the extent of the total amount appropriated for the fiscal year). The County Board is authorized to transfer from one appropriation of any one fund to another of the same fund, not affecting the total amount appropriated.

Budgeted amounts are as originally adopted. Final budgeted amounts include amendments by the County Board through November 30, 2011.

**3. Deposits and Investments**

Deposits – State statutes require that deposits be made only in banks that are insured by the Federal Deposit Insurance Corporation and credit unions that are insured by applicable law. Statutes allow, and the County follows a policy of requiring collateralization of all deposits in excess of federally insured amounts. At year-end, the carrying amount of the County's deposits was \$17,206,828 and the respective bank balances totaled \$20,173,932. The insured and collateral status of the bank balances, reported by category risk, were as follows:

FDIC Insured	\$ 770,275
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.	19,403,657
	\$ 20,173,932

The County's investment policy requires deposits to have FDIC insurance or collateral pledged to 110% of the uninsured balance. At November 30, 2011, the County was in compliance with this policy.

*Credit Risk* – State statutes and the County's investment policy authorize and regulate the County's investments. The County is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, obligations of any state or a political subdivision of any state, money market mutual funds registered under the Investment Company Act of 1940, repurchase agreements, insured or collateralized certificates of deposit and money market funds. The County has no investment policy that would further limit its investment choices.

*Interest Rate Risk* – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk* – The County places no limit on the amount it may invest in any one issuer. The County had no investments during the year ended or at November 30, 2011.

**4. Long Term Liabilities**

	<b>Balance</b>	<b>(Retirements)</b>	<b>Balance</b>
	<b>November 30, 2010</b>	<b>Additions</b>	<b>November 30, 2011</b>
General Obligation Bonds	\$ 7,500,000	\$ (300,000)	\$ 7,200,000
Accrued interest on bonds	88,177	(2,835)	85,342
Compensated absences	755,953	39,065	795,018
Pension obligation	125,229	79,978	205,207
OPEB obligation	-	18,682	18,682
Note payable - City	53,534	(53,534)	-
	<u>\$ 8,522,893</u>	<u>\$ (218,644)</u>	<u>\$ 8,304,249</u>

At November 30, 2011, long-term debt consisted of the following issues:

\$8,180,000 General Obligation Bonds, Series 2008, Dated September 25, 2008, due in annual installments ranging from \$300,000 to \$575,000 through 2028, with interest from 3.250% to 4.375%, payable February 15 and August 15.	<u>\$ 7,200,000</u>
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The annual aggregate maturities of General Obligation bonded debt for years subsequent to November 30, 2011 are as follows:

Year Ended November 30	Principal	Interest	Total
2012	\$ 300,000	\$ 288,636	\$ 588,636
2013	315,000	278,643	593,643
2014	325,000	267,024	592,024
2015	340,000	253,724	593,724
2016	355,000	239,824	594,824
2017-2021	2,000,000	969,405	2,969,405
2022-2026	2,440,000	515,272	2,955,272
2027-2028	1,125,000	49,764	1,174,764
	<u>\$ 7,200,000</u>	<u>\$ 2,862,292</u>	<u>\$ 10,062,292</u>

The Illinois Compiled Statutes limit the outstanding amount of authorized general obligation bonds of a district to 5.75 percent of the assessed valuation of the district. The legal debt margin of the County at November 30, 2011 was:

Adjusted Assessed Valuation:	
Equalized 2010 Tax Levy Year	\$ 983,286,035
Legal Debt Limitation Percentage	<u>5.75%</u>
Legal Debt Limitation	\$ 56,538,947
Less: Bonded Indebtedness	<u>7,200,000</u>
Legal Debt Margin	<u>\$ 49,338,947</u>



#### 4. Long Term Liabilities (Concluded)

Interest expense from these bonds totaling \$295,551 has been included as a direct function expense. No interest was required to be capitalized during the year ended November 30, 2011. Accrued interest on these bonds was \$85,342 at November 30, 2011.

Accumulated unpaid vacation pay is accrued as the liability is incurred. The amount of the liability is determined by calculating each employee's accumulated number of vacation hours at their rate of pay on November 30, 2011. The liability at November 30, 2011 was \$795,018.

The County currently maintains two defined benefit pension plans for its employees as explained later in these notes to financial statements. In accordance with Government Accounting Standards Board (GASB) Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as amended by GASB Statement No. 50, *Pension Disclosures*, the County is required to report a liability if the County did not make contributions equal to or more than the Annual Required Contribution (ARC) as calculated by the actuary. For the year ended November 30, 2011, the County had accumulated a liability of \$205,207.

In accordance with Government Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the County is required to account for a liability for postemployment benefits owed to retirees and beneficiaries. While the County does not pay for continued health insurance coverage, they do allow retirees and beneficiaries to remain on the City's health plan. This creates an implicit rate subsidy because typically the costs for medical insurance for retirees are higher than for active employees. The details of this plan are explained later in these notes to financial statements. The County is required to report a liability if the County did not make contributions equal to or more than the Annual Required Contribution (ARC) as calculated by the actuary. For the year ended November 30, 2011, the County's OPEB liability was \$18,682.

#### 5. Capital Assets

Primary government capital asset activity for the year ended November 30, 2011 was as follows:

	Balance 11/30/2010	Additions	Retirements	Balance 11/30/2011
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 669,633	\$ -	\$ -	\$ 669,633
Capital Assets being depreciated:				
Buildings	\$ 19,996,568	\$ 16,120	\$ -	\$ 20,012,688
Roads and bridges	97,841,912	1,347,747	-	99,189,659
Automotive	4,596,385	237,497	-	4,833,882
Furniture, fixtures and equipment	4,280,678	182,490	-	4,463,168
	<u>\$ 126,715,543</u>	<u>\$ 1,783,854</u>	<u>\$ -</u>	<u>\$ 128,499,397</u>
Less Accumulated Depreciation:				
Buildings	\$ (6,366,139)	\$ (447,916)	\$ -	\$ (6,814,055)
Roads and bridges	(44,380,358)	(4,373,155)	-	(48,753,513)
Automotive	(3,239,163)	(334,667)	-	(3,573,830)
Furniture, fixtures and equipment	(2,909,952)	(315,649)	-	(3,225,601)
	<u>\$ (56,895,612)</u>	<u>\$ (5,471,387)</u>	<u>\$ -</u>	<u>\$ (62,366,999)</u>
Governmental Capital Assets, Net	<u>\$ 70,489,564</u>	<u>\$ (3,687,533)</u>	<u>\$ -</u>	<u>\$ 66,802,031</u>

**5. Capital Assets (Concluded)**

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

**Governmental Activities:**

General government	\$ 274,017
Public safety	206,851
Judicial and courts	144,389
Public works	4,585,950
Health	260,180
	\$ 5,471,387

**6. Pension Plans**

*Plan Description:*

Adams County's defined benefit pension plan for regular employees and Sheriff's law enforcement personnel (SLEP) employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy:*

As set by statute, regular plan members are required to contribute 4.5 percent (7.5 percent for members participating in SLEP) 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 employer contribution rate for calendar year 2011 used by the employer was 10.97 percent for regular employees and 21.57 percent for SLEP employees. The employer annual required contribution rate for calendar year 2011 was 11.6 percent for regular employees and 21.66 percent for SLEP employees. 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 were \$1,240,593 and \$330,180 for the regular plan and SLEP plan, respectively. Its required contributions for calendar year 2011 were \$1,311,839 and \$331,558 for the regular plan and SLEP plan, respectively.

Three-Year Trend Information for each Plan:

<b>Regular Employees</b>			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 1,311,839	95%	\$ 183,598
12/31/2010	1,240,602	91%	109,999
12/31/2009	995,394	100%	-

**6. Pension Plans (Concluded)**

<b>SLEP</b>			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 331,558	100%	\$ 27,395
12/31/2010	325,850	92%	25,473
12/31/2009	270,534	100%	-

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 percent 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 0.4% to 10.0% 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 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 73.98 percent funded and the SLEP plan was 63.10 percent funded.

For the regular plan, the actuarial accrued liability for benefits was \$33,045,164 and the actuarial value of assets was \$24,446,264, resulting in an underfunded actuarial accrued liability (UAAL) of \$8,598,900. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$11,308,959 and the ratio of the UAAL to the covered payroll was 76 percent.

For the SLEP plan, the actuarial accrued liability for benefits was \$6,419,090 and the actuarial value of assets was \$4,050,245, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,368,845. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,530,739 and the ratio of the UAAL to the covered payroll was 155 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.

**7. Other Postemployment Benefits**

*Plan Description*

The County established the Health Insurance Plan for Retired Employees, providing for limited health care insurance coverage for its eligible retired employees. The plan is a single-employer defined benefit health care plan administered by the County which provides medical insurance to eligible retirees and beneficiaries with the retiree or beneficiary paying the County's cost of the premium.

The plan has 18 retirees receiving benefits and has a total of 293 active participants, of which 109 are not yet eligible to receive benefits.

**7. Other Postemployment Benefits (Continued)**

*Annual OPEB Cost and Net OPEB Obligation*

For fiscal year 2011, the County's annual OPEB cost for the plan was \$90,951. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended November 30, 2011, were as follows:

Annual required contribution	\$	90,951
Interest on net pension obligation(asset)		-
Adjustment to annual requirement contribution		-
Annual pension cost	\$	90,951
Contributions made		(72,269)
Decrease in net pension obligation	\$	18,682
Net pension obligation (asset), beginning of year		-
Net pension obligation (asset), end of year	\$	18,682

Trend Information

Fiscal Year Ended	Annual OPEB Cost	% of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2011	\$ 90,951	79.5%	\$ 18,682
2010			
2009			

Fiscal year 2011 was the year of implementation of GASB Statement No. 45 and the County has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be completed above. The liability in prior years is deemed to be immaterial to these financial statements.

*Funded Status and Funding Progress*

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2011 was the year of implementation of GASB Statement No. 45 and the County elected to apply the statement prospectively, only one year is presented in the schedule at this time. In future years, required trend data will be presented.

*Funding Policy*

Plan members receiving benefits contribute the monthly insurance premium. Therefore, there is no direct plan subsidy for retirees from the County. Because the State prohibits local governments from separately rating active employees and retirees, the County charges both groups an equal, blended premium rate. Although both groups are charged the same rate, GAAP require the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability. However, the County's contributions to the plan are based on actuarial valuations prepared using the blended rate premium that is actually charged.

**7. Other Postemployment Benefits (Concluded)**

The County's contribution rate in effect for the fiscal year 2011 was 0.0% as the County is not currently funding this plan. All contributions made to the plan are from retirees and their beneficiaries.

*Actuarial Methods and Assumptions*

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal actuarial cost method was used in the November 30, 2011 valuation. The actuarial assumptions included a 5.0% investment rate of return, compounded annually, net of investment expenses. The annual healthcare cost trend rate of 6.0% is the ultimate rate. The initial rate was 8.0%. Both the rate of return and the healthcare cost trend rate include an assumed inflation rate of 3.0%. The actuarial valuation of the plan assets was set at market value of investments as of the measurement date.

**8. Property Taxes**

Property tax is levied prior to December 31 on the equalized assessed value listed as of the prior January 1 for all real estate located within the County. Equalized assessed value is equal to one-third of the appraised fair value of the real estate, less applicable exemptions authorized by the County Board and/or the State of Illinois. The assessed value of each property may be appealed to the Board of Review and are subject to final approval by the Illinois Department of Revenue.

Taxes are payable in two installments on July 1 and September 1 of the year following the levy, or thirty days following the mailing of real estate tax bills. Current tax collections for the year ended November 30, 2011, were 99.9% of the 2010 tax levy.

**9. Expenditures Paid in Excess of Budgeted Amounts**

Expenditures exceeded budgeted amounts in the following funds:

Fund Name	Expenditures Paid	Budget	Excess
<i>Special Revenue Funds:</i>			
Ambulance	\$ 3,209,268	\$ 3,036,687	\$ 172,581
Probation	217,871	215,000	2,871

**10. Construction and Other Commitments**

The County has significant construction commitments related to road and bridge construction projects as of November 30, 2011. All contracts are in various stages of completion.

Adams County entered into a contract with the City of Quincy, Illinois on January 12, 1988 for the creation, operation and control of an Emergency Communications System (911). 911 has been determined to be a component unit of the City of Quincy, however Adams County is responsible for paying 40% of all operating costs of the system. The City of Quincy invoices the County for their share of expenses on a monthly basis.

The County participates in a number of state and federal grant programs, which are subject to program and financial audits by the granting agencies. The County Board believes that adjustments (if any) that may arise from these audits will be insignificant to the County's operations.

**11. Interfund Accounts Receivable/Payable**

Interfund accounts receivable and payable at November 30, 2011 consisted of the following:

	Due From	Due To
<i>General Fund:</i>		
County Clerk/Recorder	\$ 29,832	\$ -
<i>Special Revenue Funds:</i>		
GIS Equipment	-	23,083
Recorder's GIS Equipment	-	1,318
County Recorder's Equipment	-	4,516
County Clerk's Equipment	-	915
	\$ 29,832	\$ 29,832

**12. Self Insurance Funds**

The County is self-insured for medical insurance through a plan administered by Private Health Care Systems. Premiums are recorded as an expense in the paying fund and as income in the internal service fund. Premiums collected from employees are also recorded as income in the internal service fund. Expenditures for health care claims are treated as expenses in the internal service fund.

**13. Interfund Transfers**

Under terms of its bond covenants, the County uses sales tax revenue as an alternative to property tax levies to retire its bonded debt. During the year ended November 30, 2011, the County transferred \$590,000 of sales tax revenue to the Debt Service Fund for retirement of principal and interest.

The County budgets for the purchase of capital assets and other expenditures through the "County General" fund. Some of these purchases and expenditures are made with funds available for such purposes in various special revenue funds. As a result, the County transfers resources from the appropriate funds to County General to complete the purchases. During the year ended November 30, 2011, the following transfers were made:

Transfer from:	Transfer to:		Totals
	General Fund	Debt Service	
General Fund	\$ -	\$ 590,000	\$ 590,000
Inmate and Commissary	14,000	-	14,000
Animal Control	19,378	-	19,378
Law Library	5,040	-	5,040
Circuit Clerk Operations	21,396	-	21,396
Court Automation	32,400	-	32,400
Court Finance	36,000	-	36,000
Court Document	72,000	-	72,000
Probation	80,000	-	80,000
GIS	13,000	-	13,000
Recorder's Equipment	22,000	-	22,000
Drug Enforcement	6,000	-	6,000
Tax Sale Automation	15,000	-	15,000
	\$ 336,214	\$ 590,000	\$ 926,214

**14. Conduit Debt**

From time-to-time, the County has issued industrial revenue bonds on behalf of private sector and nonprofit entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

**15. Subsequent Events**

Subsequent events have been evaluated through July 26, 2012, which is the date the financial statements were available to be issued.

**16. Prior Period Adjustments**

During the year ended November 30, 2011, the County adopted GASB Statement No. 54 which is explained earlier in these notes to financial statements. During this conversion, each fund was analyzed to ensure its proper classification. As a result, some funds needed to be reclassified and others needed to be adjusted to better conform to generally accepted accounting principles. The Medical Insurance fund was previously shown as a Fiduciary fund type, however, it was determined to be better classified as an Internal Service Fund. The Arrestees Medical Costs Fund was also previously classified as a fiduciary fund, however, it was determined that it should be a part of the Inmate and Commissary fund. As a result, the beginning net assets of these funds of \$131,268 were recorded as prior period adjustments in these financial statements. In addition, accrued payroll and compensated absences were reviewed to ensure all liabilities were included and it was discovered that an overall additional government-wide liability of \$562,052 should have been recorded in the prior year. Other reclassifying adjustments were made between the full accrual and modified accrual bases for long term debt and long term assets, netting to an additional liability of \$125,229. The following summarizes these adjustments for both the governmental fund balances and the government-wide net assets:

	<b>Governmental Fund Balances</b>	<b>Net Assets</b>
Accrued payroll	\$ (562,052)	\$ (562,052)
Accrued vacation	755,953	-
Debt Service	300,000	-
Accrued interest	88,177	-
Medical Insurance reclassification	-	116,929
Arrestees Medical Costs reclassification	14,339	14,339
Economic Loans Receivable	(204,671)	-
NPO Liability	-	(125,229)
	\$ 391,746	\$ (556,013)

## 17. Recently Issued Accounting Pronouncements

As of November 30, 2011, the Governmental Accounting Standards Board (GASB) had issued the following statements not yet implemented by the County. The statements which might impact the County are as follows:

Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, will be effective for the County beginning with its year ending November 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the County beginning with its year ended November 30, 2013. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the County beginning with its year ended November 30, 2013. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. This Statement amends Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Government* and other pronouncements by incorporating deferred outflows and inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements.



Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 1,564,401	\$ 1,564,401	\$ 1,564,401	\$ -
Resources (inflows):				
Property taxes	2,662,000	2,656,654	2,660,731	4,077
Sales taxes	1,930,000	1,930,000	2,029,571	99,571
Licenses and permits	47,500	47,500	42,902	(4,598)
Fees and fines				
Animal control	1,100	1,100	4,325	3,225
County Clerk fees	84,000	84,000	83,448	(552)
Circuit Clerk fees	768,000	768,000	717,284	(50,716)
County Recorder fees	502,000	502,000	451,887	(50,113)
Sheriff	113,200	113,200	101,375	(11,825)
State's Attorney	240,300	240,300	329,516	89,216
Traffic fines	310,000	310,000	303,162	(6,838)
Drug fines	5,400	5,500	2,976	(2,524)
Tax fees	20,000	20,000	174,846	154,846
Court security fees	230,000	230,000	200,660	(29,340)
Electronic monitoring fees	3,000	3,000	3,351	351
Other fees	400	400	-	(400)
Charges for services				
Rents	52,000	71,500	68,852	(2,648)
Prisoner room & board payments	84,000	91,200	45,462	(45,738)
Intergovernmental				
Income taxes	1,700,000	1,700,000	1,779,203	79,203
Personal Property Replacement Tax	687,700	687,700	734,918	47,218
State inheritance tax	20,000	20,000	4,485	(15,515)
Retailer occupational tax	490,000	490,000	615,852	125,852
Use tax	250,000	250,000	326,499	76,499
Grants and reimbursements	1,181,312	1,234,912	1,544,554	309,642
Miscellaneous	12,600	23,792	19,512	(4,280)
Interest received	173,000	173,000	106,079	(66,921)
Transfers from other funds	336,431	336,431	336,214	(217)
Amounts available for Appropriation	<u>\$ 13,468,344</u>	<u>\$ 13,554,590</u>	<u>\$ 14,252,065</u>	<u>\$ 697,475</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Continued)  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to appropriations (outflows)				
General Government				
<i>County Administration</i>				
Personal services and benefits	\$ 1,180,783	\$ 1,196,783	\$ 1,176,071	\$ 20,712
Supplies	25,500	25,500	25,280	220
Other services and charges	280,100	145,800	52,264	93,536
Capital expenditures	-	-	-	-
	<u>\$ 1,486,383</u>	<u>\$ 1,368,083</u>	<u>\$ 1,253,615</u>	<u>\$ 114,468</u>
<i>County Treasurer</i>				
Personal services and benefits	\$ 184,780	\$ 184,780	\$ 182,926	\$ 1,854
Supplies	19,500	19,500	19,500	-
Other services and charges	8,314	8,314	10,154	(1,840)
	<u>\$ 212,594</u>	<u>\$ 212,594</u>	<u>\$ 212,580</u>	<u>\$ 14</u>
<i>County Clerk</i>				
Personal services and benefits	\$ 274,271	\$ 274,271	\$ 264,749	\$ 9,522
Supplies	28,650	28,650	23,351	5,299
Other services and charges	43,500	43,500	44,237	(737)
	<u>\$ 346,421</u>	<u>\$ 346,421</u>	<u>\$ 332,337</u>	<u>\$ 14,084</u>
<i>County Clerk - Elections</i>				
Personal services and benefits	\$ 84,600	\$ 75,388	\$ 56,295	\$ 19,093
Supplies	13,000	13,000	13,000	-
Other services and charges	95,500	104,712	100,953	3,759
Capital expenditures	-	-	-	-
	<u>\$ 193,100</u>	<u>\$ 193,100</u>	<u>\$ 170,248</u>	<u>\$ 22,852</u>
<i>Supervisor of Assessments</i>				
Personal services and benefits	\$ 148,676	\$ 148,676	\$ 148,528	\$ 148
Supplies	6,200	6,200	5,939	261
Other services and charges	48,500	48,500	42,961	5,539
	<u>\$ 203,376</u>	<u>\$ 203,376</u>	<u>\$ 197,428</u>	<u>\$ 5,948</u>
<i>Board of Review</i>				
Personal services and benefits	\$ 20,605	\$ 20,605	\$ 20,604	\$ 1
Supplies	600	600	450	150
Other services and charges	900	900	198	702
	<u>\$ 22,105</u>	<u>\$ 22,105</u>	<u>\$ 21,252</u>	<u>\$ 853</u>
<i>County Recorder</i>				
Personal services and benefits	\$ 92,800	\$ 92,800	\$ 93,076	\$ (276)
Supplies	201,000	201,000	201,026	(26)
Other services and charges	800	800	349	451
	<u>\$ 294,600</u>	<u>\$ 294,600</u>	<u>\$ 294,451</u>	<u>\$ 149</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Continued)  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Computer Technology</i>				
Personal services and benefits	\$ 58,786	\$ 58,786	\$ 58,786	\$ -
Supplies	91,100	91,100	85,134	5,966
Other services and charges	19,000	19,000	13,945	5,055
Capital expenditures	-	-	-	-
	<u>\$ 168,886</u>	<u>\$ 168,886</u>	<u>\$ 157,865</u>	<u>\$ 11,021</u>
<i>Maintenance Department</i>				
Personal services and benefits	\$ 139,134	\$ 139,134	\$ 133,221	\$ 5,913
Supplies	30,000	30,000	29,281	719
Other services and charges	182,000	182,000	162,857	19,143
Capital expenditures	-	7,700	7,683	17
	<u>\$ 351,134</u>	<u>\$ 358,834</u>	<u>\$ 333,042</u>	<u>\$ 25,792</u>
<i>Public Safety</i>				
<i>County Sheriff - Law Enforcement</i>				
Personal services and benefits	\$ 1,708,920	\$ 1,708,920	\$ 1,680,883	\$ 28,037
Supplies	166,847	166,847	212,552	(45,705)
Other services and charges	109,900	109,900	109,066	834
Capital expenditures	15,858	15,858	16,148	(290)
	<u>\$ 2,001,525</u>	<u>\$ 2,001,525</u>	<u>\$ 2,018,649</u>	<u>\$ (17,124)</u>
<i>County Sheriff - Jail</i>				
Personal services and benefits	\$ 970,836	\$ 970,836	\$ 890,518	\$ 80,318
Supplies	201,000	201,000	244,491	(43,491)
Other services and charges	121,100	121,100	150,444	(29,344)
Capital expenditures	5,000	5,000	-	5,000
	<u>\$ 1,297,936</u>	<u>\$ 1,297,936</u>	<u>\$ 1,285,453</u>	<u>\$ 12,483</u>
<i>County Sheriff - Courts Legal</i>				
Personal services and benefits	\$ 281,392	\$ 281,392	\$ 302,554	\$ (21,162)
Supplies	1,300	1,300	2,242	(942)
Other services and charges	750	750	609	141
	<u>\$ 283,442</u>	<u>\$ 283,442</u>	<u>\$ 305,405</u>	<u>\$ (21,963)</u>
<i>Sheriff Merit Commission</i>				
Personal services and benefits	\$ 5,754	\$ 5,754	\$ 5,754	\$ -
Supplies	100	100	45	55
Other services and charges	3,900	3,900	1,428	2,472
	<u>\$ 9,754</u>	<u>\$ 9,754</u>	<u>\$ 7,227</u>	<u>\$ 2,527</u>
<i>Animal Control</i>				
Personal services and benefits	\$ 65,070	\$ 65,070	\$ 62,343	\$ 2,727
Supplies	8,700	8,700	6,747	1,953
Other services and charges	10,900	10,900	17,849	(6,949)
Capital expenditures	-	-	-	-
	<u>\$ 84,670</u>	<u>\$ 84,670</u>	<u>\$ 86,939</u>	<u>\$ (2,269)</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Continued)  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>County Coroner</i>				
Personal services and benefits	\$ 66,930	\$ 64,730	\$ 59,974	\$ 4,756
Supplies	1,600	1,600	1,546	54
Other services and charges	56,675	58,875	60,412	(1,537)
Capital expenditures	-	-	-	-
	<u>\$ 125,205</u>	<u>\$ 125,205</u>	<u>\$ 121,932</u>	<u>\$ 3,273</u>
<i>Emergency Management Agency</i>				
Personal services and benefits	\$ 47,790	\$ 47,790	\$ 46,282	\$ 1,508
Supplies	3,050	5,350	5,308	42
Other services and charges	17,100	25,400	25,098	302
Capital expenditures	-	-	-	-
	<u>\$ 67,940</u>	<u>\$ 78,540</u>	<u>\$ 76,688</u>	<u>\$ 1,852</u>
<i>Judicial and Courts</i>				
<i>State's Attorney</i>				
Personal services and benefits	\$ 765,913	\$ 765,913	\$ 777,073	\$ (11,160)
Supplies	17,800	25,800	27,278	(1,478)
Other services and charges	34,457	34,457	35,385	(928)
Capital expenditures	-	-	-	-
	<u>\$ 818,170</u>	<u>\$ 826,170</u>	<u>\$ 839,736</u>	<u>\$ (13,566)</u>
<i>Circuit Clerk</i>				
Personal services and benefits	\$ 531,849	\$ 531,849	\$ 532,362	\$ (513)
Supplies	59,187	59,187	57,363	1,824
Other services and charges	6,500	6,500	3,748	2,752
	<u>\$ 597,536</u>	<u>\$ 597,536</u>	<u>\$ 593,473</u>	<u>\$ 4,063</u>
<i>Judges</i>				
Personal services and benefits	\$ 14,137	\$ 14,137	\$ 13,559	\$ 578
Supplies	9,400	9,400	2,520	6,880
Other services and charges	31,102	31,102	23,612	7,490
Capital expenditures	-	-	-	-
	<u>\$ 54,639</u>	<u>\$ 54,639</u>	<u>\$ 39,691</u>	<u>\$ 14,948</u>
<i>Public Defender</i>				
Personal services and benefits	\$ 427,498	\$ 427,498	\$ 427,418	\$ 80
Supplies	5,600	5,600	5,501	99
Other services and charges	23,000	23,000	21,507	1,493
	<u>\$ 456,098</u>	<u>\$ 456,098</u>	<u>\$ 454,426</u>	<u>\$ 1,672</u>
<i>Jury Commission</i>				
Personal services and benefits	\$ 41,026	\$ 41,026	\$ 40,941	\$ 85
Supplies	5,700	5,700	4,847	853
Other services and charges	27,950	27,950	26,785	1,165
	<u>\$ 74,676</u>	<u>\$ 74,676</u>	<u>\$ 72,573</u>	<u>\$ 2,103</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Concluded)  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Probation Department</i>				
Personal services and benefits	\$ 897,802	\$ 897,802	\$ 881,513	\$ 16,289
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital expenditures	-	-	-	-
	<u>\$ 897,802</u>	<u>\$ 897,802</u>	<u>\$ 881,513</u>	<u>\$ 16,289</u>
<i>Juvenile Detention Center</i>				
Personal services and benefits	\$ 1,017,515	\$ 1,017,515	\$ 1,011,030	\$ 6,485
Supplies	58,100	58,100	57,167	933
Other services and charges	88,400	88,400	74,456	13,944
Capital expenditures	-	-	-	-
	<u>\$ 1,164,015</u>	<u>\$ 1,164,015</u>	<u>\$ 1,142,653</u>	<u>\$ 21,362</u>
Nondepartmental				
Payments to other entities:				
911 Board	\$ 486,000	\$ 486,000	\$ 461,167	\$ 24,833
Regional Superintendent	144,381	144,381	147,431	(3,050)
Transfers to other funds	1,035,520	1,035,520	590,000	445,520
Agency subsidies	126,555	226,555	124,052	102,503
	<u>\$ 1,792,456</u>	<u>\$ 1,892,456</u>	<u>\$ 1,322,650</u>	<u>\$ 569,806</u>
Total Charges to Appropriations	<u>\$ 13,004,463</u>	<u>\$ 13,012,463</u>	<u>\$ 12,221,826</u>	<u>\$ 790,637</u>
<b>Budgetary Balance, November 30, 2011</b>	<u><u>\$ 463,881</u></u>	<u><u>\$ 542,127</u></u>	<u><u>\$ 2,030,239</u></u>	<u><u>\$ 1,488,112</u></u>

Adams County, Illinois  
 Budgetary Comparison Schedule - IMRF/Social Security  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 1,501,280	\$ 1,501,280	\$ 1,501,280	\$ -
Resources (inflows):				
Property taxes	2,046,000	2,405,940	2,411,326	5,386
Intergovernmental				
Personal Property Replacement Tax	308,800	308,800	358,239	49,439
Grants and reimbursements	14,000	14,000	6,847	(7,153)
Interest received	2,500	2,500	1,508	(992)
Amounts available for Appropriation	<u>\$ 3,872,580</u>	<u>\$ 4,232,520</u>	<u>\$ 4,279,200</u>	<u>\$ 46,680</u>
Charges to appropriations (outflows)				
General Government				
County Administration				
Personal services and benefits	<u>\$ 2,664,953</u>	<u>\$ 2,664,953</u>	<u>\$ 2,467,166</u>	<u>\$ 197,787</u>
<b>Budgetary Balance, November 30, 2011</b>	<u><u>\$ 1,207,627</u></u>	<u><u>\$ 1,567,567</u></u>	<u><u>\$ 1,812,034</u></u>	<u><u>\$ 244,467</u></u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - Liability Insurance  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 516,952	\$ 516,952	\$ 516,952	\$ -
Resources (inflows):				
Property taxes	500,000	618,048	619,461	1,413
Interest received	1,000	1,000	387	(613)
Amounts available for Appropriation	<u>\$ 1,017,952</u>	<u>\$ 1,136,000</u>	<u>\$ 1,136,800</u>	<u>\$ 800</u>
Charges to appropriations (outflows)				
General Government				
<i>County Administration</i>				
Other services and charges	\$ 531,000	\$ 531,000	\$ 482,875	\$ 48,125
<b>Budgetary Balance, November 30, 2011</b>	<u>\$ 486,952</u>	<u>\$ 605,000</u>	<u>\$ 653,925</u>	<u>\$ 48,925</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - Ambulance  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 221,982	\$ 221,982	\$ 221,982	\$ -
Resources (inflows):				
Property taxes	450,000	500,000	501,104	1,104
Charges for services				
Special Events	13,000	13,000	16,230	3,230
Payments for services	2,497,700	2,497,700	2,429,475	(68,225)
Miscellaneous	3,000	3,000	3,640	640
Interest received	6,900	6,900	1,131	(5,769)
Amounts available for Appropriation	<u>\$ 3,192,582</u>	<u>\$ 3,242,582</u>	<u>\$ 3,173,562</u>	<u>\$ (69,020)</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>Ambulance</i>				
Personal services and benefits	\$ 2,325,520	\$ 2,325,520	\$ 2,528,801	\$ (203,281)
Supplies	25,000	25,000	15,097	9,903
Other services and charges	401,167	401,167	408,636	(7,469)
Capital expenditures	285,000	285,000	256,734	28,266
Total Health and Sanitation	<u>\$ 3,036,687</u>	<u>\$ 3,036,687</u>	<u>\$ 3,209,268</u>	<u>\$ (172,581)</u>
<b>Budgetary Balance, November 30, 2011</b>	<u>\$ 155,895</u>	<u>\$ 205,895</u>	<u>\$ (35,706)</u>	<u>\$ (241,601)</u>

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



Adams County, Illinois  
 Budgetary Comparison Schedule - Health Department  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 1,056,744	\$ 1,056,744	\$ 1,056,744	\$ -
Resources (inflows):				
Property taxes	522,151	420,000	420,992	992
Fees and fines				
Environmental Fees	55,000	55,000	61,970	6,970
Births & Deaths	65,000	65,000	54,271	(10,729)
Charges for services				
Dental income	1,200,000	1,200,000	870,839	(329,161)
Immunization income	125,000	125,000	146,742	21,742
Screening Fees	30,000	30,000	29,374	(626)
Intergovernmental				
Personal Property Replacement Tax	134,600	134,600	62,998	(71,602)
Grants and reimbursements	1,223,791	1,223,791	1,599,949	376,158
Miscellaneous	50,000	50,000	11,253	(38,747)
Interest received	10,500	10,500	3,384	(7,116)
Amounts available for Appropriation	<u>\$ 4,472,786</u>	<u>\$ 4,370,635</u>	<u>\$ 4,318,516</u>	<u>\$ (52,119)</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>Health Department</i>				
Personal services and benefits	\$ 2,610,230	\$ 2,610,230	\$ 2,479,454	\$ 130,776
Supplies	17,000	17,000	14,710	2,290
Other services and charges	1,229,400	1,229,400	848,423	380,977
Capital expenditures	12,000	12,000	4,893	7,107
Total Health and Sanitation	<u>\$ 3,868,630</u>	<u>\$ 3,868,630</u>	<u>\$ 3,347,480</u>	<u>\$ 521,150</u>
<b>Budgetary Balance, November 30, 2011</b>	<u>\$ 604,156</u>	<u>\$ 502,005</u>	<u>\$ 971,036</u>	<u>\$ 469,031</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - TB Treatment Board  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 71,449	\$ 71,449	\$ 71,449	\$ -
Resources (inflows):				
Property taxes	74,000	74,000	74,209	209
Interest received	100	100	46	(54)
Amounts available for Appropriation	<u>\$ 145,549</u>	<u>\$ 145,549</u>	<u>\$ 145,704</u>	<u>\$ 155</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>TB Treatment Board</i>				
Personal services and benefits	\$ 78,909	\$ 78,909	\$ 75,785	\$ 3,124
Supplies	6,200	6,200	5,880	320
Other services and charges	7,100	7,100	751	6,349
Total Health and Sanitation	<u>\$ 92,209</u>	<u>\$ 92,209</u>	<u>\$ 82,416</u>	<u>\$ 9,793</u>
<b>Budgetary Balance, November 30, 2011</b>	<u><u>\$ 53,340</u></u>	<u><u>\$ 53,340</u></u>	<u><u>\$ 63,288</u></u>	<u><u>\$ 9,948</u></u>

Adams County, Illinois  
 Budgetary Comparison Schedule - County Highway Department  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 1,980,229	\$ 1,980,229	\$ 1,980,229	\$ -
Resources (inflows):				
Property taxes	1,462,500	1,475,919	1,478,187	2,268
Intergovernmental				
Grants and reimbursements	1,101,238	1,076,238	791,950	(284,288)
Miscellaneous	1,056,500	1,456,500	1,440,868	(15,632)
Interest received	4,762	4,762	10,964	6,202
Transfers from other funds	-	-	-	-
Amounts available for Appropriation	<u>\$ 5,605,229</u>	<u>\$ 5,993,648</u>	<u>\$ 5,702,198</u>	<u>\$ (291,450)</u>
Charges to appropriations (outflows)				
Public Works				
<i>County Highway Department</i>				
Personal services and benefits	\$ 1,322,131	\$ 1,272,131	\$ 574,526	\$ 697,605
Supplies	385,000	385,000	394,202	(9,202)
Other services and charges	957,500	957,500	340,816	616,684
Capital expenditures	2,368,600	1,843,600	1,112,455	731,145
Total Public Works	<u>\$ 5,033,231</u>	<u>\$ 4,458,231</u>	<u>\$ 2,421,999</u>	<u>\$ 2,036,232</u>
<b>Budgetary Balance, November 30, 2011</b>	<u>\$ 571,998</u>	<u>\$ 1,535,417</u>	<u>\$ 3,280,199</u>	<u>\$ 1,744,782</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - County Bridge  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 981,281	\$ 981,281	\$ 981,281	\$ -
Resources (inflows):				
Property taxes	487,500	491,973	492,731	758
Miscellaneous	71,500	71,500	142,308	70,808
Interest received	1,000	1,000	308	(692)
Amounts available for Appropriation	<u>\$ 1,541,281</u>	<u>\$ 1,545,754</u>	<u>\$ 1,616,628</u>	<u>\$ 70,874</u>
Charges to appropriations (outflows)				
Public Works				
<i>County Bridge</i>				
Capital expenditures	\$ 1,500,000	\$ 1,500,000	\$ 407,602	\$ 1,092,398
Total Public Works	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 407,602</u>	<u>\$ 1,092,398</u>
<b>Budgetary Balance, November 30, 2011</b>	<u>\$ 41,281</u>	<u>\$ 45,754</u>	<u>\$ 1,209,026</u>	<u>\$ 1,163,272</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - Motor Fuel Tax Fund  
 For the Year Ended November 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2010</b>	\$ 3,977,298	\$ 3,977,298	\$ 3,977,298	\$ -
Resources (inflows):				
Intergovernmental				
Motor Fuel Tax	1,370,000	1,370,000	1,992,873	622,873
Miscellaneous	1,000	1,000	-	(1,000)
Interest received	29,000	29,000	30,371	1,371
Amounts available for Appropriation	<u>\$ 5,377,298</u>	<u>\$ 5,377,298</u>	<u>\$ 6,000,542</u>	<u>\$ 623,244</u>
Charges to appropriations (outflows)				
Public Works				
Streets and Highways				
Personal services and benefits	\$ 925,000	\$ 978,737	\$ 598,258	\$ 380,479
Other services and charges	2,000,000	1,946,263	306,047	1,640,216
Capital expenditures	1,075,000	1,075,000	602,399	472,601
Total Public Works	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 1,506,704</u>	<u>\$ 2,493,296</u>
<b>Budgetary Balance, November 30, 2011</b>	<u>\$ 1,377,298</u>	<u>\$ 1,377,298</u>	<u>\$ 4,493,838</u>	<u>\$ 3,116,540</u>

Adams County, Illinois  
 Budgetary Comparison Schedule  
 Budget - to - GAAP Reconciliation  
 For the Year Ended November 30, 2011

	General Fund	IMRF and Social Security	Liability Insurance	Ambulance
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 14,252,065	\$4,279,200	\$1,136,800	\$ 3,173,562
Differences - Budget to GAAP:				
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,564,401)	(1,501,280)	(516,952)	(221,982)
Revenues in the statement of revenues, expenditures, and changes in fund balances are reported on the cash (budgetary) basis of accounting. In the statement of activities, revenues are reported when earned. A negative amount indicates that revenues receivable at the beginning of the period exceeded the amounts due the County at the end of the period.	60,792	(51,296)	-	30,967
Transfers from other funds and bond proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(336,214)	-	-	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,412,242</u>	<u>\$2,726,624</u>	<u>\$ 619,848</u>	<u>\$ 2,982,547</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 12,221,826	\$2,467,166	\$ 482,875	\$ 3,209,268
Differences - Budget to GAAP:				
Expenditures in the statement of revenues, expenditures, and changes in fund balances are reported on the cash (budgetary) basis of accounting. In the statement of activities, expenses are reported when the liability is incurred. A negative amount indicates that expenditures payable at the end of the year exceeded the amounts due by the County to others at the beginning of the period.	48,406	6,199	119	30,370
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(590,000)	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,680,232</u>	<u>\$2,473,365</u>	<u>\$ 482,994</u>	<u>\$ 3,239,638</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule  
 Budget - to - GAAP Reconciliation (Concluded)  
 For the Year Ended November 30, 2011

	<u>Health Department</u>	<u>Tuberculosis Treatment</u>	<u>County Highway</u>	<u>County Bridge</u>	<u>Motor Fuel Tax</u>
<b>Sources/Inflows of Resources</b>					
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,318,516	\$ 145,704	\$5,702,198	\$1,616,628	\$ 6,000,542
Differences - Budget to GAAP:					
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,056,744)	(71,449)	(1,980,229)	(981,281)	(3,977,298)
Revenues in the statement of revenues, expenditures, and changes in fund balances are reported on the cash (budgetary) basis of accounting. In the statement of activities, revenues are reported when earned. A negative amount indicates that revenues receivable at the beginning of the period exceeded the amounts due the County at the end of the period.	317,529	-	(563,537)	-	2,967
Transfers from other funds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	-	-	-	-	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,579,301</u>	<u>\$ 74,255</u>	<u>\$3,158,432</u>	<u>\$ 635,347</u>	<u>\$ 2,026,211</u>
<b>Uses/Outflows of Resources</b>					
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 3,347,480	\$ 82,416	\$2,421,999	\$ 407,602	\$ 1,506,704
Differences - Budget to GAAP:					
Expenditures in the statement of revenues, expenditures, and changes in fund balances are reported on the cash (budgetary) basis of accounting. In the statement of activities, expenses are reported when the liability is incurred. A negative amount indicates that expenditures payable at the end of the year exceeded the amounts due by the County to others at the beginning of the period.	356,541	4	(92,398)	12,724	4,397
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	-	-	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 3,704,021</u>	<u>\$ 82,420</u>	<u>\$2,329,601</u>	<u>\$ 420,326</u>	<u>\$ 1,511,101</u>

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

**Schedules of Funding Progress – Illinois Municipal Retirement Fund (IMRF)**  
**Required Supplementary Information**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered P/R ((b)-(a)/(c))
<b>Regular</b>						
12/31/2011	\$ 24,446,264	\$ 33,045,164	\$ 8,598,900	73.98%	\$ 11,308,959	76.04%
12/31/2010	24,788,897	32,178,589	7,389,692	77.04%	11,340,051	65.16%
12/31/2009	25,706,779	32,274,524	6,567,745	79.65%	10,986,688	59.78%
<b>SLEP</b>						
12/31/2011	\$ 4,050,245	\$ 6,419,090	\$ 2,368,845	63.10%	\$ 1,530,739	154.75%
12/31/2010	3,383,215	5,830,812	2,447,597	58.02%	1,516,288	161.42%
12/31/2009	2,835,335	5,352,919	2,517,584	52.97%	1,482,377	169.83%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$23,221,945 for the Regular plan and \$3,804,358 for the SLEP plan. On a market basis, the fund ratio would be 70.27% and 59.27%, respectively.

**Schedule of Funding Progress – Other Postemployment Benefits (OPEB)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered P/R ((b)-(a)/(c))
11/30/2011	\$ -	\$ 1,184,945	\$ 1,184,945	0.00%		
11/30/2010						
11/30/2009						



## Combining Financial Statements

	<u>Inmate &amp; Commissary</u>	<u>Animal Control</u>	<u>Law Library</u>	<u>Federal and State Grants</u>	<u>Circuit Clerk Operations</u>	<u>Court Automation</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 49,003	\$ 18,798	\$ 32,844	\$ (14,058)	\$ 10,420	\$ 56,744
Other receivables	-	-	-	28,458	-	-
Internal receivables	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 49,003</u>	<u>\$ 18,798</u>	<u>\$ 32,844</u>	<u>\$ 14,400</u>	<u>\$ 10,420</u>	<u>\$ 56,744</u>
<b>Liabilities</b>						
Accounts payable	\$ 698	\$ -	\$ 2,525	\$ 1,075	\$ -	\$ 2,348
Held in trust for others	4,533	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ 5,231</u>	<u>\$ -</u>	<u>\$ 2,525</u>	<u>\$ 1,075</u>	<u>\$ -</u>	<u>\$ 2,348</u>
<b>Fund Balances/Net Assets</b>						
<i>Fund Balances:</i>						
Restricted	\$ 43,772	\$ 18,798	\$ 30,319	\$ 13,325	\$ 10,420	\$ 54,396
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ 43,772</u>	<u>\$ 18,798</u>	<u>\$ 30,319</u>	<u>\$ 13,325</u>	<u>\$ 10,420</u>	<u>\$ 54,396</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 49,003</u>	<u>\$ 18,798</u>	<u>\$ 32,844</u>	<u>\$ 14,400</u>	<u>\$ 10,420</u>	<u>\$ 56,744</u>

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

Adams County, Illinois  
Combining Balance Sheet  
Nonmajor Government Funds  
November 30, 2011

Court Finance	Court Document	Probation	Coroners' Fees	Flood Control	GIS	DUI Equipment
\$ 94,158	\$ 163,308	\$ 111,617	\$ 13,105	\$ 22,455	\$ 195,600	\$ 10,408
-	-	-	-	-	-	-
-	-	-	-	-	24,401	-
<u>\$ 94,158</u>	<u>\$ 163,308</u>	<u>\$ 111,617</u>	<u>\$ 13,105</u>	<u>\$ 22,455</u>	<u>\$ 220,001</u>	<u>\$ 10,408</u>
\$ 3,825	\$ -	\$ 5,793	\$ -	\$ -	\$ 7,033	\$ -
-	-	-	-	-	-	-
<u>\$ 3,825</u>	<u>\$ -</u>	<u>\$ 5,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,033</u>	<u>\$ -</u>
\$ 90,333	\$ 163,308	\$ 105,824	\$ 13,105	\$ 22,455	\$ 212,968	\$ 10,408
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 90,333</u>	<u>\$ 163,308</u>	<u>\$ 105,824</u>	<u>\$ 13,105</u>	<u>\$ 22,455</u>	<u>\$ 212,968</u>	<u>\$ 10,408</u>
<u>\$ 94,158</u>	<u>\$ 163,308</u>	<u>\$ 111,617</u>	<u>\$ 13,105</u>	<u>\$ 22,455</u>	<u>\$ 220,001</u>	<u>\$ 10,408</u>

Adams County, Illinois  
Combining Balance Sheet  
Nonmajor Government Funds (Concluded)  
November 30, 2011

	Recorder Equipment	County Clerk Equipment	Drug Enforcement	Economic Loan	Tax Sale Automation	Debt Service	Total Nonmajor
<b>Assets</b>							
Cash and cash equivalents	\$ 7,838	\$ 90,387	\$ 45,926	\$ 440,710	\$ 26,165	\$ 6,654	\$ 1,382,082
Other receivables	-	-	-	-	-	-	28,458
Internal receivables	4,516	915	-	-	-	-	29,832
<b>Total Assets</b>	<b>\$ 12,354</b>	<b>\$ 91,302</b>	<b>\$ 45,926</b>	<b>\$ 440,710</b>	<b>\$ 26,165</b>	<b>\$ 6,654</b>	<b>\$ 1,440,372</b>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,297
Held in trust for others	-	-	-	-	-	-	4,533
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,830</b>
<b>Fund Balances/Net Assets</b>							
<i>Fund Balances:</i>							
Reserved for jail	\$ 12,354	\$ -	\$ 45,926	\$ -	\$ 26,165	\$ 6,654	\$ 880,530
Special revenue funds	-	91,302	-	440,710	-	-	532,012
Capital project fund	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 12,354</b>	<b>\$ 91,302</b>	<b>\$ 45,926</b>	<b>\$ 440,710</b>	<b>\$ 26,165</b>	<b>\$ 6,654</b>	<b>\$ 1,412,542</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,354</b>	<b>\$ 91,302</b>	<b>\$ 45,926</b>	<b>\$ 440,710</b>	<b>\$ 26,165</b>	<b>\$ 6,654</b>	<b>\$ 1,440,372</b>

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

	<u>Inmate &amp; Commissary</u>	<u>Animal Control</u>	<u>Law Library</u>	<u>Federal and State Grants</u>	<u>Circuit Clerk Operations</u>	<u>Court Automation</u>
<b>Revenues</b>						
Licenses and permits	\$ -	\$ 18,798	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	45,614	-	78	60,656
Charges for services	42,609	-	-	-	5,455	-
Intergovernmental	-	-	-	150,546	22,810	-
Miscellaneous	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 42,609</b>	<b>\$ 18,798</b>	<b>\$ 45,614</b>	<b>\$ 150,546</b>	<b>\$ 28,343</b>	<b>\$ 60,656</b>
<b>Expenditures</b>						
<i>Current:</i>						
General government	\$ -	\$ -	\$ -	\$ 9,299	\$ -	\$ -
Public safety	18,653	-	-	75,496	-	-
Public works	-	-	-	-	-	-
Judicial and courts	-	-	31,496	-	5,458	38,418
<i>Debt Service:</i>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Capital Outlay</i>	-	-	-	11,598	-	26,213
<b>Total Expenditures</b>	<b>\$ 18,653</b>	<b>\$ -</b>	<b>\$ 31,496</b>	<b>\$ 96,393</b>	<b>\$ 5,458</b>	<b>\$ 64,631</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 23,956</b>	<b>\$ 18,798</b>	<b>\$ 14,118</b>	<b>\$ 54,153</b>	<b>\$ 22,885</b>	<b>\$ (3,975)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(14,000)	(19,378)	(5,040)	-	(21,396)	(32,400)
<b>Total Other Financing Sources and Uses</b>	<b>\$ (14,000)</b>	<b>\$ (19,378)</b>	<b>\$ (5,040)</b>	<b>\$ -</b>	<b>\$ (21,396)</b>	<b>\$ (32,400)</b>
<b>Net change in Fund Balances</b>	<b>\$ 9,956</b>	<b>\$ (580)</b>	<b>\$ 9,078</b>	<b>\$ 54,153</b>	<b>\$ 1,489</b>	<b>\$ (36,375)</b>
<b>Fund Balances:</b>						
December 1, 2010	19,477	19,378	21,241	(40,828)	8,931	90,771
Prior Period Adjustment	14,339	-	-	-	-	-
<b>November 30, 2011</b>	<b>\$ 43,772</b>	<b>\$ 18,798</b>	<b>\$ 30,319</b>	<b>\$ 13,325</b>	<b>\$ 10,420</b>	<b>\$ 54,396</b>

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

Adams County, Illinois  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Government Funds  
 For the Year Ended November 30, 2011

Court Finance	Court Document	Probation	Coroners' Fees	Flood Control	GIS	DUI Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126,031	173,529	264,388	-	-	236,898	5,011
-	-	-	11,967	-	13,044	-
-	-	-	-	78,299	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,499	-
<u>\$ 126,031</u>	<u>\$ 173,529</u>	<u>\$ 264,388</u>	<u>\$ 11,967</u>	<u>\$ 78,299</u>	<u>\$ 251,441</u>	<u>\$ 5,011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,860	\$ -
-	-	-	1,472	-	-	2,714
-	-	-	-	56,137	128,326	-
50,619	-	139,300	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 50,619</u>	<u>\$ -</u>	<u>\$ 139,300</u>	<u>\$ 1,472</u>	<u>\$ 56,137</u>	<u>\$ 132,186</u>	<u>\$ 2,714</u>
<u>\$ 75,412</u>	<u>\$ 173,529</u>	<u>\$ 125,088</u>	<u>\$ 10,495</u>	<u>\$ 22,162</u>	<u>\$ 119,255</u>	<u>\$ 2,297</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>(36,000)</u>	<u>(72,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>(13,000)</u>	<u>-</u>
<u>\$ (36,000)</u>	<u>\$ (72,000)</u>	<u>\$ (80,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,000)</u>	<u>\$ -</u>
<u>\$ 39,412</u>	<u>\$ 101,529</u>	<u>\$ 45,088</u>	<u>\$ 10,495</u>	<u>\$ 22,162</u>	<u>\$ 106,255</u>	<u>\$ 2,297</u>
50,921	61,779	60,736	2,610	293	106,713	8,111
-	-	-	-	-	-	-
<u>\$ 90,333</u>	<u>\$ 163,308</u>	<u>\$ 105,824</u>	<u>\$ 13,105</u>	<u>\$ 22,455</u>	<u>\$ 212,968</u>	<u>\$ 10,408</u>

Adams County, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
Nonmajor Government Funds (Concluded)  
For the Year Ended November 30, 2011

	Recorder Equipment	County Clerk Equipment	Drug Enforcement	Economic Loan	Tax Sale Automation	Debt Service	Total Nonmajor
<b>Revenues</b>							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,798
Fees and fines	-	-	17,270	-	14,896	-	944,371
Charges for services	44,575	39,927	-	-	-	-	157,577
Intergovernmental	-	-	-	-	-	-	251,655
Miscellaneous	-	-	-	46,770	-	-	46,770
Investment earnings	-	-	233	7,242	-	1,374	10,348
<b>Total Revenues</b>	<u>\$ 44,575</u>	<u>\$ 39,927</u>	<u>\$ 17,503</u>	<u>\$ 54,012</u>	<u>\$ 14,896</u>	<u>\$ 1,374</u>	<u>\$ 1,429,519</u>
<b>Expenditures</b>							
<i>Current:</i>							
General government	\$ 22,338	\$ 10,088	\$ -	\$ -	\$ 3,478	\$ 523	\$ 49,586
Public safety	-	-	3,855	-	-	-	102,190
Public works	-	-	-	-	-	-	184,463
Judicial and courts	-	-	-	-	-	-	265,291
<i>Debt Service:</i>							
Principal	-	-	-	-	-	300,000	300,000
Interest	-	-	-	-	-	298,386	298,386
<i>Capital Outlay</i>	-	-	-	-	-	-	37,811
<b>Total Expenditures</b>	<u>\$ 22,338</u>	<u>\$ 10,088</u>	<u>\$ 3,855</u>	<u>\$ -</u>	<u>\$ 3,478</u>	<u>\$ 598,909</u>	<u>\$ 1,237,727</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 22,237</u>	<u>\$ 29,839</u>	<u>\$ 13,648</u>	<u>\$ 54,012</u>	<u>\$ 11,418</u>	<u>\$ (597,535)</u>	<u>\$ 191,792</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,000	\$ 590,000
Transfers out	(22,000)	-	(6,000)	-	(15,000)	-	(336,214)
<b>Total Other Financing Sources and Uses</b>	<u>\$ (22,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 590,000</u>	<u>\$ 253,786</u>
<b>Net change in Fund Balances</b>	<u>\$ 237</u>	<u>\$ 29,839</u>	<u>\$ 7,648</u>	<u>\$ 54,012</u>	<u>\$ (3,582)</u>	<u>\$ (7,535)</u>	<u>\$ 445,578</u>
<b>Fund Balances:</b>							
December 1, 2010	12,117	61,463	38,278	591,369	29,747	(373,988)	769,119
Prior Period Adjustment	-	-	-	(204,671)	-	388,177	197,845
<b>November 30, 2011</b>	<u>\$ 12,354</u>	<u>\$ 91,302</u>	<u>\$ 45,926</u>	<u>\$ 440,710</u>	<u>\$ 26,165</u>	<u>\$ 6,654</u>	<u>\$ 1,412,542</u>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>County Collector Tax Funds</b>				
<b>Assets</b>				
Cash	\$ 109,032	\$ 68,551,463	\$ 68,547,058	\$ 113,437
<b>Total Assets</b>	<b>\$ 109,032</b>	<b>\$ 68,551,463</b>	<b>\$ 68,547,058</b>	<b>\$ 113,437</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ 100,072	\$ 468,110	\$ 468,149	\$ 100,033
Interest and fees to be distributed	1,462	40,429	39,426	2,465
Held in trust for others	-	21,881	13,506	8,375
Due to other governments	5,709	86,636	91,327	1,018
Due to others	1,789	786	1,029	1,546
<b>Total Liabilities</b>	<b>\$ 109,032</b>	<b>\$ 617,842</b>	<b>\$ 613,437</b>	<b>\$ 113,437</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>State Inheritance Tax Fund</b>				
<b>Assets</b>				
Cash	\$ -	\$ 1,231,120	\$ 1,231,120	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,231,120</b>	<b>\$ 1,231,120</b>	<b>\$ -</b>
<b>Liabilities</b>				
Held in trust for others	\$ -	\$ 1,231,120	\$ 1,231,120	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 1,231,120</b>	<b>\$ 1,231,120</b>	<b>\$ -</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Motel Operators Tax</b>				
<b>Assets</b>				
Cash	\$ 976	\$ 8,883	\$ 8,845	\$ 1,014
<b>Total Assets</b>	<b>\$ 976</b>	<b>\$ 8,883</b>	<b>\$ 8,845</b>	<b>\$ 1,014</b>
<b>Liabilities</b>				
Held in trust for others	\$ 976	\$ 8,883	\$ 8,845	\$ 1,014
<b>Total Liabilities</b>	<b>\$ 976</b>	<b>\$ 8,883</b>	<b>\$ 8,845</b>	<b>\$ 1,014</b>

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



Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Continued)**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Motor Fuel Tax Township Road Districts Fund</b>				
<b>Assets</b>				
Cash	\$ 1,101,891	\$ 2,016,518	\$ 1,954,122	\$ 1,164,287
Due from other governments	134,344	132,748	134,344	132,748
<b>Total Assets</b>	<b>\$ 1,236,235</b>	<b>\$ 2,149,266</b>	<b>\$ 2,088,466</b>	<b>\$ 1,297,035</b>
<b>Liabilities</b>				
Due to others	\$ 104,407	\$ 157,642	\$ 104,407	\$ 157,642
Held in trust for others	1,131,828	2,014,922	2,007,357	1,139,393
<b>Total Liabilities</b>	<b>\$ 1,236,235</b>	<b>\$ 2,172,564</b>	<b>\$ 2,111,764</b>	<b>\$ 1,297,035</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Township Bridge Fund</b>				
<b>Assets</b>				
Cash	\$ 305,598	\$ 413,974	\$ 273,819	\$ 445,753
<b>Total Assets</b>	<b>\$ 305,598</b>	<b>\$ 413,974</b>	<b>\$ 273,819</b>	<b>\$ 445,753</b>
<b>Liabilities</b>				
Held in trust for others	\$ 305,598	\$ 413,974	\$ 346,839	\$ 372,733
Due to others	-	73,020	-	73,020
<b>Total Liabilities</b>	<b>\$ 305,598</b>	<b>\$ 486,994</b>	<b>\$ 346,839</b>	<b>\$ 445,753</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Sheriff Accounts (DARE &amp; Calendar)</b>				
<b>Assets</b>				
Cash	\$ 1,816	\$ 2,409	\$ 2,593	\$ 1,632
<b>Total Assets</b>	<b>\$ 1,816</b>	<b>\$ 2,409</b>	<b>\$ 2,593</b>	<b>\$ 1,632</b>
<b>Liabilities</b>				
Held in trust for others	\$ 1,816	\$ 2,409	\$ 2,593	\$ 1,632
<b>Total Liabilities</b>	<b>\$ 1,816</b>	<b>\$ 2,409</b>	<b>\$ 2,593</b>	<b>\$ 1,632</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Continued)**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Condemnation Proceeds Fund</b>				
<b>Assets</b>				
Cash	\$ 4,000	\$ -	\$ -	\$ 4,000
<b>Total Assets</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000</b>
<b>Liabilities</b>				
Held in trust for others	\$ 4,000	\$ -	\$ -	\$ 4,000
<b>Total Liabilities</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Unclaimed Money Fund</b>				
<b>Assets</b>				
Cash	\$ 22,351	\$ 546	\$ 221	\$ 22,676
<b>Total Assets</b>	<b>\$ 22,351</b>	<b>\$ 546</b>	<b>\$ 221</b>	<b>\$ 22,676</b>
<b>Liabilities</b>				
Held in trust for others	\$ 22,351	\$ 546	\$ 221	\$ 22,676
<b>Total Liabilities</b>	<b>\$ 22,351</b>	<b>\$ 546</b>	<b>\$ 221</b>	<b>\$ 22,676</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Adams County Cooperative Extension Fund</b>				
<b>Assets</b>				
Cash	\$ -	\$ 134,401	\$ 134,254	\$ 147
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 134,401</b>	<b>\$ 134,254</b>	<b>\$ 147</b>
<b>Liabilities</b>				
Due to others	\$ -	\$ 134,401	\$ 134,254	\$ 147
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 134,401</b>	<b>\$ 134,254</b>	<b>\$ 147</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Concluded)**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Adams County Benevolent Fund</b>				
<b>Assets</b>				
Cash	\$ 3,852	\$ 46	\$ -	\$ 3,898
<b>Total Assets</b>	<b>\$ 3,852</b>	<b>\$ 46</b>	<b>\$ -</b>	<b>\$ 3,898</b>
<b>Liabilities</b>				
Held in trust for others	\$ 3,852	\$ 46	\$ -	\$ 3,898
<b>Total Liabilities</b>	<b>\$ 3,852</b>	<b>\$ 46</b>	<b>\$ -</b>	<b>\$ 3,898</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Adams County Developmentally Disabled</b>				
<b>Assets</b>				
Cash	\$ -	\$ 551,016	\$ 550,412	\$ 604
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 551,016</b>	<b>\$ 550,412</b>	<b>\$ 604</b>
<b>Liabilities</b>				
Held in trust for others	\$ -	\$ 551,016	\$ 550,412	\$ 604
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 551,016</b>	<b>\$ 550,412</b>	<b>\$ 604</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 1,549,516	\$ 72,910,376	\$ 72,702,444	\$ 1,757,448
Due from other governments	134,344	132,748	134,344	132,748
<b>Total Assets</b>	<b>\$ 1,683,860</b>	<b>\$ 73,043,124</b>	<b>\$ 72,836,788</b>	<b>\$ 1,890,196</b>
<b>Liabilities</b>				
Protested and held taxes	\$ 100,072	\$ 468,110	\$ 468,149	\$ 100,033
Interest and fees	1,462	40,429	39,426	2,465
Held in trust for others	1,470,421	4,244,797	4,160,893	1,554,325
Due to other governments	5,709	86,636	91,327	1,018
Due to others	106,196	365,849	239,690	232,355
<b>Total Liabilities</b>	<b>\$ 1,683,860</b>	<b>\$ 5,205,821</b>	<b>\$ 4,999,485</b>	<b>\$ 1,890,196</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All County Collector Tax Agency Funds**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Trustee Payment Account</b>				
<b>Assets</b>				
Cash	\$ -	\$ 21,881	\$ 13,506	\$ 8,375
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 21,881</b>	<b>\$ 13,506</b>	<b>\$ 8,375</b>
<b>Liabilities</b>				
Held in trust for others	\$ -	\$ 21,881	\$ 13,506	\$ 8,375
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 21,881</b>	<b>\$ 13,506</b>	<b>\$ 8,375</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Prior Year Tax Accounts</b>				
<b>Assets</b>				
Cash	\$ 1,462	\$ 1,324	\$ 1,375	\$ 1,411
<b>Total Assets</b>	<b>\$ 1,462</b>	<b>\$ 1,324</b>	<b>\$ 1,375</b>	<b>\$ 1,411</b>
<b>Liabilities</b>				
Interest and fees to be distributed	\$ 1,462	\$ 1,324	\$ 1,375	\$ 1,411
Due to other governments	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 1,462</b>	<b>\$ 1,324</b>	<b>\$ 1,375</b>	<b>\$ 1,411</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>2010 Tax Account</b>				
<b>Assets</b>				
Cash	\$ 4,808	\$ 67,970,784	\$ 67,974,538	\$ 1,054
<b>Total Assets</b>	<b>\$ 4,808</b>	<b>\$ 67,970,784</b>	<b>\$ 67,974,538</b>	<b>\$ 1,054</b>
<b>Liabilities</b>				
Interest and fees to be distributed	\$ -	\$ 37,163	\$ 36,109	\$ 1,054
Due to other governments	4,808	-	4,808	-
<b>Total Liabilities</b>	<b>\$ 4,808</b>	<b>\$ 37,163</b>	<b>\$ 40,917</b>	<b>\$ 1,054</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All County Collector Tax Agency Funds (Continued)**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Tax Redemption Revolving Fund</b>				
<b>Assets</b>				
Cash	\$ 1,789	\$ 786	\$ 1,029	\$ 1,546
<b>Total Assets</b>	<b>\$ 1,789</b>	<b>\$ 786</b>	<b>\$ 1,029</b>	<b>\$ 1,546</b>
<b>Liabilities</b>				
Due to others	\$ 1,789	\$ 786	\$ 1,029	\$ 1,546
<b>Total Liabilities</b>	<b>\$ 1,789</b>	<b>\$ 786</b>	<b>\$ 1,029</b>	<b>\$ 1,546</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Mobile Home Local Services Tax Account</b>				
<b>Assets</b>				
Cash	\$ 901	\$ 86,636	\$ 86,519	\$ 1,018
<b>Total Assets</b>	<b>\$ 901</b>	<b>\$ 86,636</b>	<b>\$ 86,519</b>	<b>\$ 1,018</b>
<b>Liabilities</b>				
Due to other governments	901	86,636	86,519	1,018
<b>Total Liabilities</b>	<b>\$ 901</b>	<b>\$ 86,636</b>	<b>\$ 86,519</b>	<b>\$ 1,018</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Special Tax Account</b>				
<b>Assets</b>				
Cash	\$ -	\$ 459,864	\$ 459,864	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 459,864</b>	<b>\$ 459,864</b>	<b>\$ -</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ -	\$ 457,922	\$ 457,922	\$ -
Interest and fees to be distributed	-	1,942	1,942	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 459,864</b>	<b>\$ 459,864</b>	<b>\$ -</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All County Collector Tax Agency Funds (Concluded)**  
Year Ended November 30, 2011

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>Tax Sale in Error</b>				
<b>Assets</b>				
Cash	\$ 100,072	\$ 10,188	\$ 10,227	\$ 100,033
<b>Total Assets</b>	<b>\$ 100,072</b>	<b>\$ 10,188</b>	<b>\$ 10,227</b>	<b>\$ 100,033</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ 100,072	\$ 10,188	\$ 10,227	\$ 100,033
<b>Total Liabilities</b>	<b>\$ 100,072</b>	<b>\$ 10,188</b>	<b>\$ 10,227</b>	<b>\$ 100,033</b>

	Balance 12/01/2010	Additions	Deductions	Balance 11/30/2011
<b>All County Collector Tax Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 109,032	\$ 68,551,463	\$ 68,547,058	\$ 113,437
<b>Total Assets</b>	<b>\$ 109,032</b>	<b>\$ 68,551,463</b>	<b>\$ 68,547,058</b>	<b>\$ 113,437</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ 100,072	\$ 468,110	\$ 468,149	\$ 100,033
Interest and fees to be distributed	1,462	40,429	39,426	2,465
Held in trust for others	-	21,881	13,506	8,375
Due to other governments	5,709	86,636	91,327	1,018
Due to others	1,789	786	1,029	1,546
<b>Total Liabilities</b>	<b>\$ 109,032</b>	<b>\$ 617,842</b>	<b>\$ 613,437</b>	<b>\$ 113,437</b>

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

Statistical Section

Adams County, Illinois  
**Valuations, Tax Extensions and Collections - All Governmental Units**  
Tax Levy Years 2010, 2009, and 2008

	<u>Levy Year 2008</u>	<u>Levy Year 2009</u>	<u>Levy Year 2010</u>
<b>Equalized Assessed Valuations</b>			
Residential	\$ 606,033,967	\$ 627,284,422	\$ 639,656,630
Farm	92,538,285	97,692,622	104,570,686
Commercial	180,849,783	187,507,304	193,625,402
Industrial	35,329,656	42,998,844	41,279,216
Total Real Estate	<u>\$ 914,751,691</u>	<u>\$ 955,483,192</u>	<u>\$ 979,131,934</u>
Railroads	3,117,697	3,798,295	4,154,101
Tax Increment Financing (TIF)	5,257,221	5,602,199	5,902,192
Total Assessed Valuations	<u>\$ 923,126,609</u>	<u>\$ 964,883,686</u>	<u>\$ 989,188,227</u>
<b>State Equalization Factor</b>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
<b>Total Equalized Assessed Valuations</b>	<u><u>\$ 923,126,609</u></u>	<u><u>\$ 964,883,686</u></u>	<u><u>\$ 989,188,227</u></u>
<b>Tax Extensions</b>			
County	\$ 7,928,464	\$ 8,251,068	\$ 9,323,125
Townships or road districts	3,144,070	3,294,280	3,478,876
Cities, villages and incorporated towns	5,573,938	6,194,797	6,289,172
School districts	40,661,944	42,395,819	43,586,302
Fire protection districts	1,293,670	1,360,035	1,435,587
Park districts	2,594,244	2,671,061	3,054,697
Sanitary districts	-	-	3,000
Library districts	511,701	534,798	544,829
Multi-township districts	46,235	47,277	47,905
Street lighting districts	13,526	14,001	14,701
Total Taxes Extended	<u><u>\$ 61,767,792</u></u>	<u><u>\$ 64,763,136</u></u>	<u><u>\$ 67,778,194</u></u>



Adams County, Illinois  
**Valuations, Tax Extensions and Collections - Adams County**  
Tax Levy Years 2010, 2009, and 2008

	<u>Levy Year 2008</u>	<u>Levy Year 2009</u>	<u>Levy Year 2010</u>
<b>Equalized Assessed Valuations</b>			
Total Assessed Valuations	\$ 923,126,609	\$ 964,883,686	\$ 989,188,227
Tax Increment Financing (TIF)	5,257,221	5,602,199	5,902,192
<b>Total Equalized Assessed Valuations</b>	<b>\$ 917,869,388</b>	<b>\$ 959,281,487</b>	<b>\$ 983,286,035</b>
<b>Tax Extensions by Fund</b>			
General	\$ 2,385,634	\$ 2,581,331	\$ 2,654,872
Social Security	907,956	982,880	996,069
Municipal Retirement	1,031,043	1,150,179	1,409,934
Tort Judgment/Liability	380,916	574,322	618,094
County Highway	916,309	956,116	983,286
County Bridge	408,177	428,031	491,643
County Matching	458,200	478,106	491,643
County Health	50,024	90,077	420,060
TB Care and Treatment	74,072	103,890	74,041
Ambulance	500,055	90,077	500,001
(a) Mental Health/Developmentally Disabled	682,069	682,049	549,460
(a) Extension Education	134,000	134,012	134,022
Total Taxes Extended	\$ 7,928,455	\$ 8,251,070	\$ 9,323,125
<b>Additional Collections:</b>			
Back Taxes	1,370	967	941
Tax Auction	529	-	-
Payments in Lieu of Taxes	7,089	6,735	5,362
<b>Deductions:</b>			
Billing Adjustments	6,040	6,405	8,467
(a) Mental Health/Developmentally Disabled	(680,851)	(681,791)	(549,167)
(a) Extension Education	(133,767)	(133,963)	(133,949)
Uncollected/Forfeited Taxes	(29,191)	(17,237)	(19,718)
	<b>\$ 7,099,674</b>	<b>\$ 7,432,186</b>	<b>\$ 8,635,061</b>

Adams County, Illinois  
**Valuations, Tax Extensions and Collections - Adams County (Concluded)**  
Tax Levy Years 2010, 2009, and 2008

	<u>Levy Year 2008</u>	<u>Levy Year 2009</u>	<u>Levy Year 2010</u>
<b>Tax Rates by Fund (per \$100 EAV)</b>			
General	\$ 0.25991	\$ 0.26909	\$ 0.27000
Social Security	0.09892	0.10246	0.10130
Municipal Retirement	0.11233	0.11990	0.14339
Tort Judgment/Liability	0.04150	0.05987	0.06286
County Highway	0.09983	0.09967	0.10000
County Bridge	0.04447	0.04462	0.05000
County Matching	0.04992	0.04984	0.05000
County Health	0.00545	0.00939	0.04272
TB Care and Treatment	0.00807	0.01083	0.00753
Ambulance	0.05448	0.00939	0.05085
Total County Funds Tax Rate	<u>\$ 0.77488</u>	<u>\$ 0.77506</u>	<u>\$ 0.87865</u>
(a) Mental Health/Developmentally Disabled	0.07431	0.07110	0.05588
(a) Extension Education	0.01460	0.01397	0.01363
Total Taxes Extended Tax Rate	<u><u>\$ 0.86379</u></u>	<u><u>\$ 0.86013</u></u>	<u><u>\$ 0.94816</u></u>
<b>Tax Distributions by Fund</b>			
General	\$ 2,381,371	\$ 2,580,335	\$ 2,653,453
Social Security	906,337	982,511	995,544
Illinois Municipal Retirement	1,029,198	1,149,746	1,409,188
Liability Insurance	380,234	574,106	617,767
County Highway	914,671	955,755	982,760
County Bridge	407,444	427,870	491,385
County Matching	457,383	477,927	491,385
County Health	49,931	90,043	419,840
Tuberculosis Treatment Board	73,943	103,850	74,005
Ambulance	499,162	90,043	499,734
	<u><u>\$ 7,099,674</u></u>	<u><u>\$ 7,432,186</u></u>	<u><u>\$ 8,635,061</u></u>

(a) Adams County extends real estate taxes on behalf of the Adams County Cooperative Extension Service (Extension Education) and Transitions of Western Illinois (Mental Health/Developmentally Disabled). These agencies have been determined to not be component units of Adams County.

Adams County, Illinois  
**General Obligation Bonds - Debt Service Schedule**  
November 30, 2011

**\$8,180,000 General Obligation Bonds, Series 2008**

<u>Date</u>	<u>Coupon</u>	<u>Principal</u>	<u>Interest</u>	<u>Fiscal Year Total</u>
2/15/2009	3.250%	\$ 380,000	\$ 126,529	
8/15/2009		-	156,506	\$ 663,035
2/15/2010	3.250%	300,000	156,506	
8/15/2010		-	151,631	608,137
2/15/2011	3.250%	300,000	151,631	
8/15/2011		-	146,756	598,387
2/15/2012	3.250%	300,000	146,756	
8/15/2012		-	141,881	588,637
2/15/2013	3.250%	315,000	141,881	
8/15/2013		-	136,762	593,643
2/15/2014	4.000%	325,000	136,762	
8/15/2014		-	130,262	592,024
2/15/2015	4.000%	340,000	130,262	
8/15/2015		-	123,462	593,724
2/15/2016	4.000%	355,000	123,462	
8/15/2016		-	116,362	594,824
2/15/2017	4.000%	370,000	116,362	
8/15/2017		-	108,962	595,324
2/15/2018	4.000%	385,000	108,962	
8/15/2018		-	101,262	595,224
2/15/2019	4.000%	400,000	101,262	
8/15/2019		-	93,262	594,524
2/15/2020	4.000%	415,000	93,262	
8/15/2020		-	84,962	593,224
2/15/2021	4.100%	430,000	84,962	
8/15/2021		-	76,147	591,109
2/15/2022	4.100%	445,000	76,147	
8/15/2022		-	67,024	588,171
2/15/2023	4.200%	465,000	67,024	
8/15/2023		-	57,259	589,283
2/15/2024	4.200%	490,000	57,259	
8/15/2024		-	46,969	594,228
2/15/2025	4.300%	510,000	46,969	
8/15/2025		-	36,004	592,973
2/15/2026	4.300%	530,000	36,004	
8/15/2026		-	24,609	590,613
2/15/2027	4.375%	550,000	24,609	
8/15/2027		-	12,578	587,187
2/15/2028	4.375%	575,000	12,578	587,578
		<u>\$ 8,180,000</u>	<u>\$ 3,751,849</u>	<u>\$ 11,931,849</u>

## Federal Compliance Section

Adams County, Illinois  
Schedule of Expenditures of Federal Awards  
Year Ended November 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture</b>			
<i>Passed Through Illinois State Board of Education</i>			
Commodity Supplemental Food Program	10.565	00100900A2012	\$ 1,466
	10.565	00100900A2011	2,448
			<u>\$ 3,914</u>
School Breakfast Program	10.553	2012-4220-00-01001005P00	\$ 1,211
	10.553	2011-4220-00-01001005P00	8,631
			<u>\$ 9,842</u>
National School Lunch Program	10.555	2012-4210-00-01001005P00	\$ 2,336
	10.555	2011-4210-00-01001005P00	16,533
			<u>\$ 18,869</u>
			<u>\$ 32,625</u>
<i>Total Passed Through Illinois State Board of Education</i>			
<i>Passed Through Illinois Department of Human Services</i>			
Special Supplemental Nutrition	10.557	2011GQ01170	\$ 138,537
Program for Women, Infants and Children	10.557	11GM010000	156,870
	10.557	2011GQ01351	20,494
	10.557	376000379	1,006,235
			<u>M \$ 1,322,136</u>
			<u>\$ 1,322,136</u>
<i>Total Passed Through Illinois Department of Human Services</i>			
<i>Passed Through Illinois Department of Public Health</i>			
Summer Food Service Program for Children	10.559	001072	\$ 450
<b>Total U.S. Department of Agriculture</b>			<u>\$ 1,355,211</u>
<b>U.S. Department of Justice</b>			
<i>Passed Through Illinois Department of Human Services</i>			
Juvenile Justice and Delinquency Prevention	16.540	2011GQ00009	\$ 1,771
	16.540	11GM009000	1,410
			<u>\$ 3,181</u>
<i>Total Passed Through Illinois Department of Human Services</i>			
<i>Passed through to the West Central Illinois Task Force</i>			
Equitable Sharing Program	16.922	809119	\$ 85,460
	16.922	407719	1,908
	16.922	408719	1,908
	16.922	409019	44,463
			<u>\$ 133,739</u>
			<u>\$ 133,739</u>
<i>Total Passed through to the West Central Illinois Task Force</i>			
<i>Total Passed Through Illinois Criminal Justice Information Agency</i>			
Public Safety Partnership and Community Policing Grants	16.710	2008-CK-WX-0481	\$ 231
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-1471	\$ 15,100
<b>Total U.S. Department of Justice</b>			<u>\$ 152,251</u>

Adams County, Illinois  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended November 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Transportation</b>			
<i>Passed through Illinois Emergency Management Agency</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	10/1/10-9/30/11	\$ 12,069
<b>Total U.S. Department of Transportation</b>			<b>\$ 12,069</b>
<b>Environmental Protection Agency</b>			
<i>Passed through Illinois Emergency Management Agency</i>			
Performance Partnership Grants	66.605	15380065	\$ 138
<b>Total Environmental Protection Agency</b>			<b>\$ 138</b>
<b>Election Assistance Commission</b>			
<i>Passed through Illinois Board of Elections</i>			
Help America Vote Act Requirements Payments	90.401	376000379	\$ 16,106
<b>Total Election Assistance Commission</b>			<b>\$ 16,106</b>
<b>U.S. Department of Health and Human Services</b>			
Drug-Free Communities Support Program Grants	93.276	5H79-SP012308-08	\$ 116,944
	93.276	5H79-SP012308-09	22,549
			<b>\$ 139,493</b>
<i>Passed Through Illinois Department of Human Services</i>			
Maternal and Child Health Services Block Grant	93.994	2011GQ01385	\$ 9,567
	93.994	11GM010000	18,087
			<b>\$ 27,654</b>
Social Services Block Grant	93.667	11GM010000	\$ 8,600
	93.667	2011GQ01045	8,600
	93.667	DR00000003	1,907
			<b>\$ 19,107</b>
Substance Abuse & Mental Health Services	93.243	2011GQ01398	\$ 17,598
	93.243	11GM010000	99,710
			<b>\$ 117,308</b>
<i>Total Passed Through Illinois Department of Human Services</i>			<b>\$ 164,069</b>
<i>Passed Through Illinois Department of Public Health</i>			
Immunization Grants (Non-Cash)	93.268	001072	\$ 342,683
Immunization Grants	93.268	05180764	3,877
	93.268	15180103	26,894
			<b>\$ 373,454</b>
Public Health Emergency Preparedness	93.069	07181001	\$ 43,588
	93.069	27180001	25,491
	93.069	17180001	63,836
			<b>\$ 132,915</b>
<i>Total Passed Through Illinois Department of Public Health</i>			<b>\$ 506,369</b>

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Adams County, Illinois  
Schedule of Expenditures of Federal Awards (Concluded)  
Year Ended November 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b><i>Passed Through Illinois Board of Elections</i></b>			
Voting Access for Individuals with Disabilities	93.617	376000379	\$ 5,825
<i>Total Passed Through Illinois Board of Elections</i>			<u>\$ 5,825</u>
<b><i>Passed Through Southern Illinois University School of Medicine</i></b>			
HIV Care Formula Grants	93.917	376000379	\$ 7,858
<i>Total Passed Through Southern Illinois University School of Medicine</i>			<u>\$ 7,858</u>
<b><i>Passed Through Sangamon County Health Department</i></b>			
HIV Prevention Activities	93.940	15780137	\$ 10,137
<i>Total Passed Through Sangamon County Health Department</i>			<u>\$ 10,137</u>
<b><i>Passed Through Illinois Department of Healthcare &amp; Family Services</i></b>			
Child Support Enforcement	93.563	Circuit Clerk	\$ 15,054
Medical Assistance Program	93.778		\$ 84,841
<i>Total Passed Through Illinois Department of Healthcare &amp; Family Services</i>			<u>\$ 99,895</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>\$ 933,646</b></u>
<b>Department of Homeland Security</b>			
<b><i>Passed Through Illinois Emergency Management Agency</i></b>			
Emergency Management Performance Grants	97.042	10/1/10-9/30/12	\$ 28,879
Homeland Security Grant Program	97.067	Citizen Corps	\$ 9,464
Disaster Grants - Public Assistance	97.036	FEMA-1935-DR-IL	\$ 60,068
	97.036	FEMA-1960-DR-IL	38,173
	97.036	2011 Snowstorm 833-0	5,306
			<u>\$ 103,547</u>
<i>Total Passed Through Illinois Emergency Management Agency</i>			<u>\$ 141,890</u>
<b><i>Passed Through Illinois Emergency Services Management Association</i></b>			
Homeland Security Grant Program	97.067	7/1/10-3/31/11	\$ 71,675
<i>Total Passed Through Illinois Emergency Services Management Association</i>			<u>\$ 71,675</u>
<b>Total Department of Homeland Security</b>			<u><b>\$ 213,565</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 2,682,986</b></u>

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Adams County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

**2. Subrecipients**

Adams County, Illinois received federal awards on behalf of others. The County provided these federal awards to the following subrecipients:

<u>Subrecipient/Program Title</u>	<u>Grant Number</u>	<u>Amount Provided</u>
West Central Illinois Drug Task Force		
Byrne Formula Grant Program	809119	\$ 85,460
CFDA #16.922	407719	1,908
	408719	1,908
	409019	44,463
		<u>\$ 133,739</u>

**3. Non-Monetary Federal Awards**

Non-monetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and disbursed. During the year ended November 30, 2011, Non-monetary federal awards were received as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Fair Market Value</u>
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	\$ 1,006,235
Donated Food	10.565	3,914
Immunization Grants	93.268	342,683
		<u>\$ 1,352,832</u>

At November 30, 2011, the County had immunizations with an estimated fair market value of \$141,805 in inventory.

**4. Insurance**

As of and for the year ended November 30, 2011, Adams County had no federal insurance in effect.

**5. Federal Loans or Loan Guarantees**

As of and for the year ended November 30, 2011, Adams County had no federal loans or loan guarantees.



## 1. Summary of Auditor's Results

- A. The auditor's report on the financial statements of governmental activities of Adams County, Illinois was unqualified.
- B. Five significant deficiencies in internal control over financial reporting disclosed during the audit of the financial statements are reported in accordance with *Government Auditing Standards*. Two deficiencies are reported as material weaknesses and all are repeat findings.
- C. One instance of noncompliance with laws and regulations is reported in accordance with *Government Auditing Standards*.
- D. No significant deficiencies were disclosed during the audit of internal control over major federal award programs of Adams County, Illinois.
- E. The auditor's report on compliance for the major federal award programs for Adams County, Illinois expresses an unqualified opinion on all major federal programs.
- F. No audit findings relative to the major federal award programs for Adams County, Illinois were noted.
- G. The programs tested as major programs included the following programs:
  - Special Supplemental Nutrition Program for Women, Infants and Children (CFDA #10.557)
  - Public Health Emergency Preparedness (CFDA #93.069)
- H. The threshold for distinguishing Types A and B programs was \$300,000.
- I. Adams County, Illinois did not qualify as a low-risk auditee.

## 2. Findings – Financial Statement Audit

### **Material Weaknesses**

#### **Finding 2011-01 – Journal Entries (Repeat Finding)**

##### **Condition:**

We found journal entries are posted without proper documentation and approval. Most of these entries were due to the payroll import file. The County Clerk's office processes payroll using a third-party vendor (ADP) and receives an import file with a journal entry to record payroll in the general ledger. During the course of our audit, we noted that a number of these import files were altered before being posted. An examination of a sample of journal entries from each office revealed a higher number of errors and error corrections from these journal entries.

##### **Reason Improvement Needed:**

All transactions, whether generated by deposit, voucher or journal entry should have adequate documentation to support the transaction. In the case of journal entries, the documentation should be either attached to the entry, or readily available to support the entry. Non-related transactions should be made as separate entries to avoid confusion and simplify reconciliation. All journal entries should be reviewed and approved by someone other than the person initiating the journal entry before being made to reduce the risk of error, whether intentional or inadvertent. Journal entries should only be posted by the County Treasurer's office as they have ultimate custody of the general ledger.

##### **Cause of Condition:**

The County utilizes a de-centralized accounting system, with the general ledger being maintained by the County Treasurer's office. The County Clerk has access to, and utilizes the information in, the payroll entry as a short-cut to posting error corrections in the general ledger. The entries generated by the County Clerk are not reviewed for accuracy or appropriateness by someone other than the Clerk before being posted. Also, no other personnel have access to the payroll vendor to inquire about these import files or to just ask general questions regarding account allocation.

## 2. Findings – Financial Statement Audit (Continued)

### *Material Weaknesses (Continued)*

#### **Finding 2011-01 – Journal Entries (Repeat Finding) (Concluded)**

##### ***Effect of Condition:***

By changing amounts in the entry generated from information provided by the County's third party payroll provider, errors and error corrections become more difficult to locate and correct. Without adequate documentation to support the non-payroll related portion of these journal entries, no determination as to whether the entries are proper and reasonable can be made by the Treasurer's office before posting.

##### ***Recommendation:***

We recommend that access to journal entry posting be restricted to only the County Treasurer's office and all journal entries, payroll and adjusting, be proposed, approved by the appropriate personnel and forwarded to the Treasurer's office with supporting documentation for posting. Entries provided by ADP to properly record payroll in the various funds and accounts should be forwarded directly to the County Treasurer's office for posting. Any subsequent adjustments that need to be made should be posted separately using the process explained above. A standard form can be used for recurring journal entries that are routinely posted. These should also be approved before posting.

We also recommend that other departments, such as the Treasurer's office, have access to the payroll processing vendor so import files can be received directly and so others may contact the vendor with questions. Also, in case the County Clerk becomes unavailable, there should be another contact for the vendor as a backup.

##### ***Costs and Benefits of Recommended Action:***

Costs associated with restricting journal entry posting access to the Treasurer's office would include extra time spent by that office's personnel. However, this would be offset by reducing the time spent researching entries made with no supporting documentation. The benefits include better financial reporting, fewer error corrections as a result of proper supervision and simplification of the reconciliation process when errors do occur. Implementation of this recommendation and better communication between offices will reduce the amount of time spent researching errors and irregularities and improve productivity.

##### ***Management's Response:***

All source documents are filed in the County Clerk's Office and available to anyone. Prior to releasing the entry for posting the County Clerk's Offices uses these source documents to reconcile, review, etc. the entry. The reconciliation is completed with every by-weekly payroll that is issued for county employees. The summary information (the entry) is required in the County Clerk's Office to ensure the integrity of our payroll and to have adjustments made, if needed, prior to the final distribution of checks and entries. Eliminating access to any office of vital information regarding a process they are responsible for is not a responsible way to "segregate duties", eliminate research, or improve our financial reporting.

## 2. Findings – Financial Statement Audit (Continued)

### *Material Weaknesses (Continued)*

#### **Finding 2011-02 County Clerk/Recorder Account (Repeat Finding)**

##### ***Condition:***

During the course of our audit, we became aware of the lack of segregation of duties in this area as the County Clerk is responsible for making disbursements and reconciling the bank account as well as the reporting with no other party reviewing and approving. The lack of oversight has caused the balance in the cash account to be insufficient to pay all of the liabilities it has incurred at November 30, 2011. This cash deficiency has grown over several years and at November 30, 2011, the deficiency was \$28,433. For the year ended November 30, 2011, there was no significant growth in this deficiency. However, during the year ended November 30, 2011, this account became overdrawn on more than one occasion as this deficiency had caused some disbursements made to the state of Illinois and tax redemption recipients to be returned from the bank. The tax redemption recipients were later paid, however, as of November 30, 2011, the State of Illinois had not yet received payment in the amount of \$8,856 for the returned ACH from September 2011.

During the course of our audit we discovered two transactions in this account that appear to be more appropriately posted through the payroll account. Also, the receipts from the prior month are normally disbursed in the following month to their respective recipients, including various funds of the County. In October and November 2011, these receipts were reduced before being remitted to the General Fund in an effort to make up for the accumulated shortfall in this account. As this account is not reviewed by anyone, these transactions and reductions were not approved or even detected by anyone else within the County. Also, since this account is not maintained in the main accounting system, these transactions were not posted to any general ledger account, therefore, other general ledger accounts may not be accurate. These amounts are immaterial to the financial statements, but this signals a severe lack of internal control with this account. The ability to initiate transactions in this manner opens the door to misstatements and misappropriations.

Reconciliations were performed from the checkbook balance to the bank statement and this reconciliation was improved upon this year with the addition of a calculation of what is owed to others at the end of each month. However, these are not accurate. The amount due to the state is shown as an outstanding check on the bank reconciliation, but is also shown as a liability due to the state. This should only be shown as a liability and not an outstanding check. Therefore, the reconciled book balance was not correct. In addition, a reconciliation of the cash balance to the general ledger is never performed since this account is not maintained on the accounting system. As reported earlier all accounts should be maintained in one accounting system.

##### ***Reason Improvement Needed:***

Good internal control over financial reporting requires segregation of duties to ensure that misstatements are detected and corrected in a timely manner. Good internal control over financial reporting also requires that all reporting and reconciliations are reviewed and initialed by a second party before issuance. This reduces the chance for errors and miscalculations, as in this case. Review of reconciliations would have allowed management to discover these past miscalculations. This would result in accurate reporting and accurate remittance of funds to the respective offices.

By having this account reported separately, income is reported in the period after it is received since it is reported when the funds are transferred into the County's funds. Also, the County's internal controls used for its main accounting system are not applied to this account.

## 2. Findings – Financial Statement Audit (Continued)

### *Material Weaknesses (Continued)*

#### **Finding 2011-02 County Clerk/Recorder Account (Repeat Finding) (Continued)**

##### ***Cause of Condition:***

The County Clerk is responsible for reporting the income received from recorder fees and remitting those fees appropriately. GIS county fees, Recorder equipment fees and GIS recorder fees collected are remitted to their respective funds, Rental housing support payments are remitted to the appropriate office. The remaining income is then transferred to the General Fund. In prior years, the total income was overstated causing this remaining amount remitted to the General Fund to also be overstated. This miscalculation was due to mathematical errors and computer system mistakes compounded with the lack of oversight of this account.

The lack of segregation of duties could result in inadvertent errors that may not be discovered without another party involved in the process. Also, allegations of fraud or impropriety are more difficult to disprove without segregation of duties.

By recognizing the income in the incorrect period, reporting is erroneous and the cash balance in this account is not reported within the General Fund regularly. This account, therefore, is not included in the financial reports with the other cash accounts and does not receive the same oversight from the County Board.

##### ***Effect of Condition:***

This condition has a snowball effect if not addressed. The overpayment may continue to grow and eventually the bank account will not have a sufficient balance to remit to the respective funds, offices or Tax redemption holders. This is what occurred more than once during this fiscal year. Also, the income reported is misstated and can present problems when budgets are prepared if these reports are relied upon for budgeting and planning purposes.

Impropriety can occur and not be detected due to the lack of oversight in this account.

##### ***Recommendation:***

We recommend that the receipts from the recorder and clerk offices be deposited in accordance with the County's receipt and revenue policy. The monies collected should be deposited daily to the Treasurer's office using the same procedures that other departments use when they receive funds. The revenue can be deposited into the correct fund during this time which would eliminate the need to write checks to transfer money to different funds. This provides the same internal control used in the normal course of business. This would also allow the amount owed to others for tax redemptions and rental housing support payments to be shown on the general ledger and regularly monitored for accuracy. This may also eliminate the need for a separate bank account and therefore, a separate bank reconciliation, etc. Or the bank account may be reduced to use for only accounting for tax redemptions as the other revenue is already being moved into the regular bank account for use by the various funds.

Since the County Clerk is a check signor on this account and responsible for monitoring it, the bank reconciliation should also be performed by someone without check signing authority. Monthly reports should still be prepared to reconcile the cash balance, the amount held in trust for others and income amounts. That report should be reviewed and approved by a second party. These recommendations not only provide the segregation of duties needed, but also resolve the timing issue of the revenue and the inclusion of this account in the main accounting system.

##### ***Costs and Benefits of Recommended Action:***

The costs associated with reviewing the reconciliations would be minimal as most of these things are already being performed. They would just be performed a little differently. It should also reduce personnel time by eliminating the need to transfer money to various funds since the money would already be included in the appropriate fund when the deposit is posted. The benefits of accurate reporting, better cash management and accurate remittances far outweigh these costs, if any.

**2. Findings – Financial Statement Audit (Continued)**

**Material Weaknesses (Concluded)**

**Finding 2011-02 County Clerk/Recorder Account (Repeat Finding) (Concluded)**

**Management’s Response:**

The clerk disagrees with the findings and feels that County policies are being followed and proper internal controls are in place.

**Significant Deficiencies**

**Finding 2011-03 – Budgeting/Excess of Approved Budgeted Amounts (Repeat Finding)**

**Condition:**

As described in Footnote 2 to the financial statements, the County adopts an annual budget in accordance with State law. Expended funds were in excess of approved budgeted amounts for two funds.

**Reason Improvement Needed:**

State Statutes forbid expending funds in excess of approved budgeted amounts.

**Criteria:**

Neither the County Board nor anyone on its behalf shall have power, either directly or indirectly, to make any contract or do any act which adds to the county expenditures or liabilities in any year anything above the amount provided for in the annual budget for that fiscal year. (55 ILCS 5/6-1005)

**Cause of Condition:**

The General Fund is the main fund and much of the focus of the budget is placed on that fund. Budget amendments are normally done for the general fund so expenditures do not exceed appropriations.

**Effect of Condition:**

The following funds had expenditures in excess of approved budgeted appropriations for the year ended November 30, 2011:

Fund Name	Expenditures Paid	Budget	Excess
<i>Special Revenue Funds:</i>			
Ambulance	\$ 3,209,268	\$ 3,036,687	\$ 172,581
Probation	217,871	215,000	2,871

**Recommendation:**

We recommend that the County Board make the appropriate transfers, budget amendments and supplementary budgets as required by State Statute.

**Management’s Response:**

We accept the finding. The Department Heads as well as the Finance Committee will budget according to State Statute and make appropriate transfers, budget amendments and supplementary budgets as necessary.

## 2. Findings – Financial Statement Audit (Continued)

### *Significant Deficiencies (Continued)*

#### **Finding 2011-04 Payroll Account (Repeat Finding)**

##### **Condition:**

During the course of our audit, we became aware of the lack of segregation of duties in this area as the County Clerk is responsible for making disbursements and reconciling the bank account with no other party reviewing and approving. The balance of this account per the County Clerk's reconciliation was \$1,000, however, the general ledger showed a balance of \$2,598. It appears that this reconciliation is not compared to the general ledger but only reconciled to \$1,000. No adjustment had been submitted to the Treasurer's office to correct this.

This account is maintained in the County Clerk's office where the County Clerk is responsible for the oversight of the payroll preparation, bank statement reconciliation and has access to make adjustments to both the payroll and the import file as stated in Finding 2011-01 above.

##### **Reason Improvement Needed:**

Good internal control requires segregation of duties to ensure that misstatements are detected and corrected in a timely manner and done with the proper approval and oversight to prevent further misstatements. Reconciliations were performed from the checkbook balance to the bank statement, however, a reconciliation of the cash balance to the general ledger is not performed. This reconciliation would have allowed management to discover this difference and correct it appropriately.

##### **Cause of Condition:**

The County Clerk is responsible for overseeing the payroll preparation done by a third-party vendor and can request adjustments through them. They are also responsible for reconciling the bank statement with the payroll reports. In addition, they have access to the import file that is received from the third-party vendor and can make adjustments to that file before it is imported to the general ledger.

The lack of segregation of duties could result in inadvertent errors that may not be discovered without another party involved in the process. Also, allegations of fraud or impropriety are more difficult to disprove without segregation of duties.

##### **Effect of Condition:**

Though the cash difference at November 30, 2011 was not significant, the potential for misstatement is evident. If not addressed, the risk of impropriety remains and can become a legitimate issue in the future. Strengthening internal control in this area will prevent misstatements and reduce inherent risk in this area.

##### **Recommendation:**

We recommend that this account be reconciled by someone without access to the payroll system and without check signing authority. Bank statements should be received by this designated person directly and the bank reconciliation should be reviewed by a second party for accuracy. We have addressed the access to the import file in an earlier finding, however, we again recommend eliminating access to this file. Payroll reports should be reviewed by a second party for any adjustments made to ensure they were both reasonable and necessary.

As stated in an earlier finding, access to the payroll vendor should be given to others within the entity so that inquiries can be made and as a backup to the County Clerk. If an emergency arises and the County Clerk is no longer available, there needs to be access for another person to speak to the vendor to ensure there is no interruption in the payroll process. A resolution has been approved by the County Board to give access to the payroll preparer for various supervisory personnel, however, that access had not been given by audit fieldwork date.

## 2. Findings – Financial Statement Audit (Continued)

### *Significant Deficiencies (Continued)*

#### **Finding 2011-04 Payroll Account (Concluded)**

##### **Costs and Benefits of Recommended Action:**

The costs associated with performing the reconciliations would be personnel time added for review of reconciliations. The benefits of accurate reporting, better cash management and risk reduction far outweigh these costs.

##### **Management's Response:**

The payroll account is essentially a "sweep" account with an average balance of \$1,000.00 (the total YTD expenses for the county on November 30, 2011 were approximately \$35 million). The funds are deposited and are removed within a day or two of funding. Minor changes in the actual bank balance as well as the general ledger balance do occur due to uncashed checks, failure of direct deposit, etc. and should be easily handled.

#### **Finding 2011-05 Dental Income (Repeat Finding)**

##### **Condition:**

During the course of our audit, we became aware of a deficiency in the billing for dental income. The Health Department could not easily provide us with a report showing the amount owed to them from private pay patients and government assistance centers. After extensive research, this amount was determined, however, it became evident that an internal control deficiency existed in this area.

##### **Reason Improvement Needed:**

In order to report accurate revenue and ensure all accounts are collected timely, reports should be easily available for review and oversight. Reports should be monitored by supervisory and billing personnel so that, initially, all services are billed appropriately and payments are collected from all accounts or written off for good reason.

##### **Cause of Condition:**

There was a reduction in personnel and that, coupled with the move to the new facility, resulted in some procedural changes. There is not enough staff available to perform these duties timely and effectively.

##### **Effect of Condition:**

Revenue could be lost if billing procedures are not strengthened and receipts from payments could be misappropriated or simply forgotten if collections are not monitored.

##### **Recommendation:**

We recommend that policies and procedures are installed to require at least monthly reviews of the services provided and the subsequent billing of those services. We also recommend a regular, at least monthly, review of the delinquent accounts to ensure those accounts are rebilled or sent to the collection agency for collection. Accounts written off should be approved by management and all adjustments made to the billing or customer account be reviewed to ensure they were appropriate and necessary. Also, segregation of duties in this area should be maintained. Those who collect the money should not have access to the billing program to enter payments or make adjustments.

##### **Costs and Benefits of Recommended Action:**

The costs associated with performing the reconciliations would be personnel time added, but this is offset by potentially more income received through better billing and collection procedures. The benefits of accurate reporting, better cash management and risk reduction far outweigh these costs.

## 2. Findings – Financial Statement Audit (Continued)

### *Significant Deficiencies (Continued)*

#### **Finding 2011-05 Dental Income (Repeat Finding) (Continued)**

##### ***Management's Response:***

Adams County Health Department Dental Clinic patient payments fall into one of two categories: Illinois Public Aid, which accounts for over 90% of all payments, or cash/check/charge pay. We do not bill any other insurance companies. As patients leave the clinic, they either pay in cash/check/charge the amount that they owe, or if they are a public aid recipient, their procedures for that day are submitted to Dentaquest for payment. Dentaquest processes bills for Illinois Public Aid and either accepts or denies payment for submitted procedures. This typically occurs within weeks of the submission of bills. Procedures that are denied are re-evaluated and corrections are made to the claim or the procedure is written off, depending on whether the claim was submitted with an error or was not a covered procedure. At times, practitioners are aware that a procedure is likely to be denied by public aid, but they have the discretion to perform that procedure if they deem it in the best interest of the patient's oral health.

When we receive public aid payments, these come in the form of a single check that encompasses payment for multiple patients. Office staff manually reconciles each payment with the check, however this does not occur at the time the check is received since reconciliation is a process that can take between 2-6 hours. A copy of the check is saved by the office staff and filed to be reconciled at a later date, while the original is given to accounting for deposit. The deposit is entered during the week that the public aid payment is received, while the reconciliation may occur 1-2 months later. This makes the matching up of service to payment difficult for an auditor, but is not considered a problem for the Department's processes, since deposits are immediately made and reconciliation ultimately occurs. Rejected claims are reviewed and resubmitted as necessary. Delinquent accounts are either resubmitted to insurance, billed to the patient, or written off. Office staff provides a monthly report of delinquent accounts that management approves for rebilling and/or collection efforts, or writes off after multiple attempts at collection. All delinquent account write-offs are ultimately reviewed and approved by management.

During the course of the audit, auditors expressed concern about an increased number of deleted transactions from the clinic's practice management software. In 2011, the clinic converted from paper charting to electronic medical records, effectively increasing the number of individuals entering procedures from 2 to the entire clinic staff. Therefore, the number of procedures that are incorrectly entered has increased dramatically and will continue to remain higher than historically. This is an unavoidable side-effect of a conversion to EMR. However, procedures to review the deleted transactions have been put in place to ensure that deleted accounts include notes, the identity of the individual deleting the account, and are reviewed monthly by management.

Adams County Health Department has a current policy, titled "Fiscal Policies and Procedures", dated January 2, 2005. This policy details cash handling procedures (page 14) and receipts. Office staff complies with this policy. The policy adequately addresses recommendations for separation of cash collection and billing.

Additional personnel to potentially provide more accurate reporting, better cash management and risk reduction are not feasible for the dental clinic at this time. The clinic will attempt to address audit findings through the changes outlined below with existing staff levels.



## **2. Findings – Financial Statement Audit (Concluded)**

### ***Significant Deficiencies (Concluded)***

#### **Finding 2011-05 Dental Income (Repeat Finding) (Concluded)**

##### ***Management's Response (Concluded):***

Changes as a result of audit findings:

- Delinquent accounts continue to be reviewed monthly, and are typically handled as follows: An account that becomes 90 days delinquent is rebilled twice. Upon the second rebill, the account is reviewed by management and typically written off. Written off accounts have a hold placed on the patient, and patients must pay the amount due prior to scheduling an appointment in the clinic.
- Deleted transactions are reviewed monthly. The deleted transactions are spot checked by management to ensure that adequate documentation exists regarding the reason for deletion. Beginning October 1, 2012, to further reduce deleted transactions, individual clinical staff members will be provided with a unique, password protected login for the clinical management system, and management will gain the ability to follow-up with individual staff when incorrect procedures that cause deletions are entered into the EMR. Office staff will continue to note the reason for the deletion in the patient notes, and management will spot check to ensure notes are made routinely for deletions. Further, we will begin to limit the individuals who can delete accounts to one office staff person, who does not handle cash/check/charge payment.
- Despite the logistical burden, non-dental office staff will process cash/check/charge payments for the dental clinic and will provide a handwritten receipt for each transaction of these types. When an individual reports to the dental desk to make payment, the dental clerk will walk the individual to the non-dental clerk, report the amount due, witness the collection of payment, and then return with the patient to complete the account and schedule an additional appointment.

## **3. Findings and Questioned Costs – Major Federal Award Programs Audit**

*There are no findings or questioned costs associated with major federal award programs required to be reported under OMB Circular A-133*

Adams County, Illinois  
Summary Schedule of Prior Year Findings  
Year Ended November 30, 2011

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*There are no prior year findings and questioned costs related to federal award programs required to be reported under OMB Circular A-133.*