

Adams County, Illinois

Annual Financial Report
Year Ended November 30, 2008

	<u>Page</u>
Elected Officials	i
Financial Section	
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 10
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11 – 12
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB A-133	13 – 14
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet-Governmental Funds	17 – 18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20 – 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis):	
General Fund	23 – 27
IMRF/Social Security Funds	28
Liability Insurance Fund	29
Ambulance Fund	30
Health Department	31
TB Treatment Board	32
County Highway Department	33
County Bridge Fund	34
Federal Matching Tax Fund	35
Motor Fuel Tax	36
Capital Projects Fund	37
Debt Service Fund	38
Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation	39 – 40
Statement of Fiduciary Assets and Liabilities – Agency Funds	41
Notes to Financial Statements	42 – 55
Required Supplemental Information – Schedules of Funding Progress (IMRF)	56

Combining Financial Statements	<u>Page</u>
Combining Balance Sheet – Nonmajor Government Funds	57 – 60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Government Funds (Non-GAAP Budgetary Basis)	61 – 64
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	65 – 69
Combining Statement of Changes in Assets and Liabilities – All County Collector Tax Agency Funds	70 – 72
Statistical Section	
Valuations, Tax Extensions and Collections – All Governmental Units	73
Valuations, Tax Extensions and Collections – Adams County	74 – 75
General Obligation Bonds - Debt Service Schedule	76
Federal Compliance Section	
Schedule of Expenditures of Federal Awards	77 – 79
Notes to Schedule of Expenditures of Federal Awards	80
Schedule of Findings and Questioned Costs	81 – 88
Schedule of Prior Year Findings	89

Adams County, Illinois

County Board

Michael K. McLaughlin, Chairman

District 1	Jerry Q. Smith Connie Sparks Richard C. Reis	District 5	Mathias R. Obert Mark Peter Richard T. Gengenbacher
District 2	Billy L. Bennett William E. (Bill) Cole, Jr. Randall K. Reis	District 6	Seldon R. Totsch Donald E. McCleary John C. Hibbert, Jr.
District 3	Michael K. McLaughlin Steven A. Vestal Todd W. Duesterhaus	District 7	Theresa M. Bockhold Robert L. Scott Melvin J. "Bud" Niekamp
District 4	John C. Johnson Joseph Wand John A. Heidbreder		

County Officials

County Clerk/Recorder
Georgia Volm

County Treasurer
Jean Reddington

Circuit Clerk
Randy E. Frese

State's Attorney
Jonathan H. Barnard

Sheriff
Brent A. Fischer

Coroner
Gary W. Hamilton

Regional Superintendent of Schools
Raymond A. Scheiter

Appointed Officials

County Engineer
Richard A. Klusmeyer

Supervisor of Assessments
Georgene Zimmerman

Emergency Management Director
John W. Simon, II

Director of Court Services
Michael A. Hancox

Public Health Administrator
Nancy A. Bluhm

Animal Warden
Jennifer L. Benjamin

Youth Home Director
David Forrest

Chief Probation Officer
Charles V. Otte Jr.

Financial Section



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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, 2008, 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 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, 2008, and the respective changes in financial position and the respective budgetary comparison for the General fund and the remaining major funds 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 March 4, 2009, 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 important for assessing the results of our audit.

The management's discussion and analysis and schedule of funding progress on pages 3 through 10 and 53 through 54, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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' basic financial statements. The combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements of Adams County, Illinois. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

March 4, 2009
Quincy, Illinois

County of Adams

JEAN I. REDDINGTON
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, 2008. 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 \$2.10 million (or nearly 2.50%) 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 \$251 thousand dollars and net assets invested in capital assets (net of related long-term debt) *decreased* by \$7.5 million.
- The assets of Adams County exceeded its liabilities at the close of the fiscal year 2008 by \$81.5 million (net assets). Of this amount, \$2.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Adams County's total assets were \$91.4 million at November 30, 2008.
- As of the close of the 2008 fiscal year, Adams County governmental funds ending fund balances were \$20.3 million, compared to \$14.9 million in 2007.
- Adams County total long term debt increased by \$4,075,000 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 15 - 16 of this report.

Management's Discussion and Analysis (Continued)

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 two broad categories: *governmental funds and fiduciary 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*.

With the governmental funds, Adams County maintains three fund types: General, Special Revenue, 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, County Health, and Motor Fuel Tax Funds, all of which are considered to be major funds. Data from the other special revenue 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 these funds to demonstrate compliance with their budgets.

The fund financial statements may be found on pages 17 - 41 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 legally restricted to expenditures for specified purposes.

Capital Projects Fund. Capital projects funds are used to account for the accumulation of funds 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.

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 41 of this report.

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 42 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 57 of this report.

Management's Discussion and Analysis (Continued)

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 \$81,452,976 at the close of the most recent fiscal year, which is a decrease over 2007. Net capital assets of Adams County at November 30, 2008 were \$61,106,314.

86% 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 (\$2,820,397) 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 2008 and 2007.

Table 1
Net Assets (in Thousands)

	Governmental Activities	
	2008	2007
Assets		
Current & Other Assets	\$ 22,533	\$ 17,634
Capital Assets, net	68,906	72,332
Total Assets	\$ 91,439	\$ 89,966
Liabilities		
Current & Other Liabilities	\$ 1,806	\$ 2,281
Long-Term Liabilities		
Due Within One Year	380	410
Due in More Than One Year	7,800	3,725
Total Liabilities	\$ 9,986	\$ 6,416
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 61,106	\$ 68,607
Restricted:		
Debt Service	(428)	(456)
Capital Projects	4,307	-
Highways and Streets	6,545	5,924
Other Purposes	7,070	7,470
Jail	33	25
Unrestricted	2,820	1,980
Total Net Assets	\$ 81,453	\$ 83,550

At the end of 2008, Adams County has positive balances in two of the three categories of net assets for the government as a whole, and all of its separate governmental activities. Only Net Assets restricted for Debt Service showed a deficit budget, as the transfer of funds for the 2008 debt service took place subsequent to November 30, 2008. All categories and governmental activities had positive balances at the end of the prior year. During the year ended November 30, 2008, Net Assets decreased \$2.10 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 2008 and 2007.

Table 2
Changes in Net Assets (In Thousands)

	Governmental Activities	
	2008	2007
Program Revenues:		
Charges for Services	\$ 7,017	\$ 6,682
Operating Grants & Contributions	4,217	3,633
Capital Grants and Contributions	2,019	2,701
General Revenues:		
Property Taxes	7,075	6,748
Sales and Use Taxes	2,829	2,625
Income and Inheritance Taxes	3,252	3,176
Investment Earnings	546	655
Other	24	-
Total Revenues	\$ 26,979	\$ 26,220
Program Expenses:		
General Government	\$ 6,165	\$ 5,817
Public Safety	4,004	4,129
Judicial and Courts	3,036	2,563
Public Works	8,684	8,600
Health	6,657	5,726
Culture and Recreation	134	121
Education	186	157
Interest on Long-Term Debt	210	190
Total Expenses	\$ 29,076	\$ 27,303
Increase in Net Assets	\$ (2,097)	\$ (1,083)

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 21.2% and 21.3% of the County's total expenses in 2008 and 2007, respectively.

For the year ended November 30, 2008, 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 7.53% and 7.79% of total expenditures for the years ended November 30, 2008 and 2007, 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 1.78% and 2.40% of total expenditures for the years ended November 30, 2008 and 2007, 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, 2008 and 2007, ambulance operating expenditures represented 8.3% and 8.2% of County-Wide expenditures, respectively.

The County's Health Department provides a variety of services designed to benefit individuals both socially and economically. In 2008, program expenditures increased approximately 5.4%, when compared to 2007, and the overall program represented 13.6% (vs. 13.4% in 2007) of expenditures for governmental activities. An increase in expenditures for salaries and benefits, generally related to the expansion of the County's Dental Clinic accounted for nearly all of the increased expenditures.

As provided by statute, the County provides tuberculosis treatment to its residents. Expenditures amounted to only .3% of county-wide expenditures in 2008 and 2007.

The Adams County Highway Department provides engineering, construction, maintenance and fiscal services to county townships and road districts, as well infrastructure assets owned by the County itself. These services are accounted for in several funds, including County Highway, County Bridge and Federal Matching Tax. Combined, these funds accounted for 19.6% of public works expenditures in 2008 and 5.9% of overall expenditures, compared to 9.5% in 2007.

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 15.5% of total public works expenditures and 2.9% of county-wide governmental activity expenses for the year ended November 30, 2008. These expenditures represented 15.5% and 4.9% of public works and total expenditures in 2007.

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, unreserved 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 \$20.3 million. This amount constitutes unreserved fund balance, which is available for spending for its citizens. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, 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, unreserved and total fund balance of the general fund was \$2.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance and total fund balance represents approximately 21.5% and 22.8%, respectively, of the total general fund expenditures and other financing uses (roughly 12 weeks' expenditures).

Management's Discussion and Analysis (Continued)

Financial Analysis of the County's Funds (Concluded)

The fund balance of the County's general fund increased in size from 2007 with revenues exceeding expenditures by \$679 thousand. The key factor in this increase was the increase in real estate taxes allocated to the general fund this year.

General Fund Budgetary Highlights

For the fiscal year ending November 30, 2008, actual expenditures on a budgetary basis were \$12,420,173 compared to the budget amount of \$13,107,937. The \$687,764 positive variance was mainly due to spending less in the County Administration and Circuit Clerk.

The County's actual revenues on a budgetary basis were \$13,003,580 as compared to the budget amount of \$12,730,834. This resulted in a positive variance of \$272,746. Much of this variance is due to income taxes of \$1,986,103 compared to the budget amount of \$1,872,000 for a positive variance of \$114,103 and personal property replacement tax of \$670,367 compared to the budget amount of \$529,000 for a positive variance of \$141,367.

CAPITAL ASSET AND DEBT

Capital Assets

At the end of the fiscal year, the County had \$115,267,529 invested in its funds for land, buildings, automobiles, furniture/fixtures/equipment and roads/bridges. This amount represents an increase of \$1,672,140 or 1.5%. \$378,633 of this increase was the remaining balance due on the real estate purchase for the new Health Department building and \$469,335 for roads and bridges.

Table 3
Capital Assets & Infrastructure

	Balance 11/30/2007	Additions	Retirements	Balance 11/30/2008
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 234,000	\$ 378,633	\$ -	\$ 612,633
Capital Assets being depreciated:				
Buildings	\$ 15,005,700	\$ 229,906	\$ -	\$ 15,235,606
Roads and bridges	91,760,975	469,355	-	92,230,330
Automotive	3,419,943	449,071	(34,567)	3,834,447
Furniture, fixtures and equipment	3,174,771	179,742	-	3,354,513
	<u>\$ 113,361,389</u>	<u>\$ 1,328,074</u>	<u>\$ (34,567)</u>	<u>\$ 114,654,896</u>
Less Accumulated Depreciation:				
Buildings	\$ (5,284,816)	\$ (311,515)	\$ -	\$ (5,596,331)
Roads and bridges	(31,866,499)	(4,119,826)	-	(35,986,325)
Automotive	(2,293,119)	(304,650)	25,089	(2,572,680)
Furniture, fixtures and equipment	(1,818,784)	(387,095)	-	(2,205,879)
	<u>\$ (41,263,218)</u>	<u>\$ (5,123,086)</u>	<u>\$ 25,089</u>	<u>\$ (46,361,215)</u>
Governmental Capital Assets, Net	<u>\$ 72,332,171</u>	<u>\$ (3,416,379)</u>	<u>\$ (9,478)</u>	<u>\$ 68,906,314</u>

Management's Discussion and Analysis (Continued)

Debt

At year-end, the County had \$8,180,000 in long-term obligations. The County defeased the remaining balance on its 1998 general obligation bonds and issued additional principal to finance the construction of the new health department facility. The total amount of the new issuance was \$8,180,000. The County made principal payments in its debt of \$4,135,000, including the defeasance, and interest payments totaling \$186,083 for the year ended November 30, 2008.

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.

\$ 8,180,000

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing Adams County's Government budget for the 2008-09 fiscal year.

On November 18, 2008, the Adams County Board approved the 2008-2009 budget. The overall increase in the 2008 real estate tax extensions for all Adams County taxing authorities was \$1,905,927, compared to last year's increase of \$2,967,499. Total property assessments increased by 6.1%. Because of the increase in assessed valuations, the Adams County Board lowered the 2009 County tax rate from .8725 to .8631 per \$100 of equalized assessed valuation (EAV). This is the fourth consecutive year that the County Board has lowered the tax rate. The Adams County Board approved a \$7.9 million tax levy, up a projected 4.8%, increasing the total tax dollars by only \$362,381. IMRF increased by \$428,000, Developmentally Disabled increased by \$307,730, while Health Department decreased by \$307,730.

The General Fund's anticipated revenue budget is \$12.9 million. The revenue structure of the General Fund is diversified so that the operation of the County is not overly dependent on any one source. Real estate tax revenue projected at \$2,385,545 comprises 18.5% of the revenue budget. Income, Sales, State Use, Retailer's Occupational, and Personal Property Tax revenues are projected without any increases over last year. Budgeted earnings from the various county offices and other fund transfers were calculated on trends during FY 2007-08. With the exception of reimbursements, which comprise 10% of the revenue. However, a vendor alert issued from the Illinois State Comptroller's Office warned counties of delays for the majority of payments out of the General Revenue Fund due to the lack of sufficient and/or timely revenues.

The General Fund's projected expenses are \$13.7 million, an increase of \$1 million over FY2007/08. The General Fund's capital expense budget, of \$603,167, is \$4,000 under last year's budget. Highlights of the capital budget include \$201,356 for Sheriff car purchases and equipment and \$125,000 for a new phone system. The balance of the Capital budget includes maintenance repairs and enhancements. The General Fund reflects a budget deficit of \$825,000; however, the healthy ending balance of \$2,333,897 for 2008 will offset the deficit.

Management's Discussion and Analysis (Concluded)

Economic Factors and Next Year's Budgets and Rates (Concluded)

Three major initiatives are in progress; the new Health Department building, the Comprehensive Development Plan, and a new digital phone system. Discussions continue on the feasibility of a new jail. Construction on the new Health Department facility began November 24, 2008 under the supervision of Maas Construction with a projected completion date of December 2009. \$4.3 million was raised with the issuance of 2008 series General Obligation Bonds. Also, the existing debt on the 1998 bonds was refinanced. J.E.O. Consultants of Kansas City have held town meetings to gather information with the 19 member Comprehensive Plan Committee to draft a land use management plan to be completed in July. In 2009, negotiations will begin on a new Highway Department Union Contract. Repairs to the levees breached in the Indian Grave and Lima Lake Drainage Districts in 2008 will continue to affect the budget. FEMA will reimburse a portion of the expense. The Ambulance Department will purchase a new ambulance as part of the normal replacement schedule for their emergency vehicles.

We are beginning FY 2008-09 in uncharted waters. Adams County will feel the effects of the economic recession. Interest rates will continue to remain low to nonexistent for short-term investments. The County's share of income and sales tax is expected to be flat or decrease. The sluggish economy will be monitored. The finance committee is prepared to take appropriate action should the revenues drop significantly.

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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Adams County Treasurer's Office, 507 Vermont St., Quincy, IL 62301, (217) 277-2245. Or contact us via e-mail at jreddington@adams.co.il.us. Audit reports are available in the County Clerk's office (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, 2008, which collectively comprise Adams County, Illinois' basic financial statements and have issued our report thereon dated March 4, 2009. 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Adams County, Illinois' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We considered the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. (Findings 2008-01 through 2008-06).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-01 through 2008-04 to be material weaknesses.

**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)**


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 that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as findings 2008-03 and 2008-04.

We noted certain matters that we reported to management of Adams County, Illinois, in a separate letter dated March 4, 2009.

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.
Certified Public Accountants

March 4, 2009
Quincy, Illinois

**Report on Compliance with Requirements
Applicable to 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 the compliance of Adams County, Illinois with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2008. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2008.

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's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

**Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control
over Compliance in Accordance With OMB Circular A-133 (Concluded)**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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.

March 4, 2009
Quincy, Illinois

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

Adams County, Illinois

Statement of Net Assets

November 30, 2008

Assets

Cash and cash equivalents		\$ 20,197,633
Taxes receivable		7,763
Other receivables		2,110,918
Inventory		216,307
Capital assets, net of accumulated depreciation, where applicable:		
Land	\$ 612,633	
Buildings and improvements	9,639,273	
Infrastructure	56,244,006	
Automotive	1,261,768	
Furniture, fixtures and equipment	1,148,634	
Total capital assets, net (Note 5)		<u>68,906,314</u>
Total Assets		<u>\$ 91,438,935</u>

Liabilities

Accounts payable		\$ 358,274
Salaries and benefits payable		448,381
Accrued interest payable		58,398
Deferred revenues		52,680
Held in trust of others		888,226
Bonds payable		
Portion due within one year		380,000
Portion due after one year		7,800,000
Total Liabilities		<u>\$ 9,985,959</u>

Net Assets

Invested in capital assets, net of related debt	\$ 61,106,314
Restricted for jail	32,848
Restricted for capital projects	4,307,403
Restricted for debt service	(428,168)
Restricted for streets and highways	6,544,560
Restricted for other purposes	7,069,622
Unrestricted	2,820,397
Total Net Assets	<u>\$ 81,452,976</u>

Adams County, Illinois
Statement of Activities
For the Year Ended November 30, 2008

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	\$ 6,165,473	\$ 925,244	\$ 33,973	\$ 306,313	\$ (4,899,943)
Public safety	4,003,622	179,762	169,043	7,993	(3,646,824)
Judicial and courts	3,035,913	2,255,660	1,266,945	-	486,692
Public works	8,684,376	437,601	167,434	1,704,845	(6,374,496)
Health	6,656,521	3,208,709	2,579,532	-	(868,280)
Culture and recreation	133,519	9,906	-	-	(123,613)
Education	186,305	-	-	-	(186,305)
Interest on long-term debt	209,733	-	-	-	(209,733)
Total Governmental Activities	\$ 29,075,462	\$ 7,016,882	\$ 4,216,927	\$ 2,019,151	\$ (15,822,502)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 2,337,567
Property taxes, levied for special purposes					4,737,204
General sales and use taxes					2,829,370
Income and inheritance taxes					3,252,036
Investment earnings					546,026
Bond issuance premium					23,650
Total general revenues and transfers					<u>\$ 13,725,853</u>
Change in Net Assets					<u>\$ (2,096,649)</u>
Net Assets - December 1, 2007					<u>83,549,625</u>
Net Assets - November 30, 2008					<u>\$ 81,452,976</u>

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

	General Fund	IMRF and Social Security	Liability Insurance	Ambulance	Health Department	Tuberculosis Treatment
Assets						
Cash and cash equivalents	\$ 3,375,215	\$ 1,583,448	\$ 535,624	\$ 807,198	\$ 1,823,990	\$ 55,911
Taxes receivable	2,565	1,736	455	550	524	82
Other receivables	673,579	9,874	-	335,446	501,576	-
Inventory	-	-	-	-	216,307	-
Internal receivables	-	-	-	-	-	-
Total Assets	\$ 4,051,359	\$ 1,595,058	\$ 536,079	\$ 1,143,194	\$ 2,542,397	\$ 55,993
Liabilities						
Accounts payable	\$ 119,377	\$ 9,004	\$ 1,610	\$ 36,089	\$ 31,018	\$ -
Salaries and benefits payable	210,274	-	-	28,707	74,958	-
Accrued interest payable	-	-	-	-	-	-
Internal payables	11,692	-	-	-	-	-
Held in trust of others	884,462	-	-	-	-	-
Deferred revenues	5,157	-	-	-	47,523	-
Long-term liabilities						
Payable within one year	-	-	-	-	-	-
Total Liabilities	\$ 1,230,962	\$ 9,004	\$ 1,610	\$ 64,796	\$ 153,499	\$ -
Fund Balances/Net Assets						
<i>Fund Balances:</i>						
Reserved for jail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
General fund	2,820,397	-	-	-	-	-
Special revenue funds	-	1,586,054	534,469	1,078,398	2,388,898	55,993
Capital projects fund	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-
Total Fund Balances	\$ 2,820,397	\$ 1,586,054	\$ 534,469	\$ 1,078,398	\$ 2,388,898	\$ 55,993
Total Liabilities and Fund Balances	\$ 4,051,359	\$ 1,595,058	\$ 536,079	\$ 1,143,194	\$ 2,542,397	\$ 55,993

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

Adams County, Illinois
Balance Sheet-Governmental Funds
November 30, 2008

County Highway	County Bridge	Federal Matching and CDAP Grant	Motor Fuel Tax	Capital Projects	Debt Service	Other Funds	Total
\$ 1,096,614	\$ 1,544,607	\$ 1,052,751	\$ 3,246,288	\$ 4,307,403	\$ 10,230	\$ 758,354	\$ 20,197,633
950	426	475	-	-	-	-	7,763
137,678	-	-	78,192	-	-	374,573	2,110,918
-	-	-	-	-	-	-	216,307
-	-	-	-	-	-	341,763	341,763
<u>\$ 1,235,242</u>	<u>\$ 1,545,033</u>	<u>\$ 1,053,226</u>	<u>\$ 3,324,480</u>	<u>\$ 4,307,403</u>	<u>\$ 10,230</u>	<u>\$ 1,474,690</u>	<u>\$ 22,874,384</u>
\$ 36,336	\$ 56,658	\$ 21,900	\$ 34,014	\$ -	\$ -	\$ 12,268	\$ 358,274
134,442	-	-	-	-	-	-	448,381
-	-	-	-	-	58,398	-	58,398
210,071	-	120,000	-	-	-	-	341,763
-	-	-	-	-	-	3,764	888,226
-	-	-	-	-	-	-	52,680
-	-	-	-	-	380,000	-	380,000
<u>\$ 380,849</u>	<u>\$ 56,658</u>	<u>\$ 141,900</u>	<u>\$ 34,014</u>	<u>\$ -</u>	<u>\$ 438,398</u>	<u>\$ 16,032</u>	<u>\$ 2,527,722</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,848	\$ 32,848
-	-	-	-	-	-	-	2,820,397
854,393	1,488,375	911,326	3,290,466	-	-	1,425,810	13,614,182
-	-	-	-	4,307,403	-	-	4,307,403
-	-	-	-	-	(428,168)	-	(428,168)
<u>\$ 854,393</u>	<u>\$ 1,488,375</u>	<u>\$ 911,326</u>	<u>\$ 3,290,466</u>	<u>\$ 4,307,403</u>	<u>\$ (428,168)</u>	<u>\$ 1,458,658</u>	<u>\$ 20,346,662</u>
<u>\$ 1,235,242</u>	<u>\$ 1,545,033</u>	<u>\$ 1,053,226</u>	<u>\$ 3,324,480</u>	<u>\$ 4,307,403</u>	<u>\$ 10,230</u>	<u>\$ 1,474,690</u>	<u>\$ 22,874,384</u>

Adams County, Illinois
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
November 30, 2008

Total Governmental Fund Balances	\$ 20,346,662
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	68,906,314
Bonds payable are not due in the current period, and are not reported in the funds.	<u>(7,800,000)</u>
Net Assets of Governmental Activities	<u><u>\$ 81,452,976</u></u>

	General Fund	IMRF and Social Security	Liability Insurance	Ambulance	Health Department	Tuberculosis Treatment
Revenues						
Property taxes	\$ 2,337,567	\$ 1,582,986	\$ 414,524	\$ 501,519	\$ 477,981	\$ 74,287
Sales taxes	2,829,370	-	-	-	-	-
Licenses and permits	44,958	-	-	-	-	-
Fees and fines	1,904,694	-	-	-	-	-
Charges for services	633,540	-	-	1,949,669	1,237,163	-
Intergovernmental	4,490,024	376,291	-	-	2,632,076	-
Miscellaneous	86,722	-	-	8,349	13,528	-
Investment earnings	353,947	1,736	455	25,555	36,628	82
Total Revenues	<u>\$ 12,680,822</u>	<u>\$ 1,961,013</u>	<u>\$ 414,979</u>	<u>\$ 2,485,092</u>	<u>\$ 4,397,376</u>	<u>\$ 74,369</u>
Expenditures						
<i>Current:</i>						
General government	\$ 2,898,540	\$ 2,188,110	\$ 518,793	\$ -	\$ -	\$ -
Public safety	3,825,583	-	-	-	-	-
Public works	-	-	-	-	-	-
Judicial and courts	4,056,464	-	-	-	-	-
Health and sanitation	-	-	-	2,419,011	3,962,094	74,548
Culture and recreation	133,519	-	-	-	-	-
Education	186,305	-	-	-	-	-
<i>Debt Service:</i>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Capital Outlay</i>	676,473	-	-	184,735	209,907	-
Total Expenditures	<u>\$ 11,776,884</u>	<u>\$ 2,188,110</u>	<u>\$ 518,793</u>	<u>\$ 2,603,746</u>	<u>\$ 4,172,001</u>	<u>\$ 74,548</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 903,938</u>	<u>\$ (227,097)</u>	<u>\$ (103,814)</u>	<u>\$ (118,654)</u>	<u>\$ 225,375</u>	<u>\$ (179)</u>
Other Financing Sources (Uses)						
Transfers in	\$ 359,752	\$ -	\$ -	\$ -	\$ -	\$ -
Bond proceeds	-	-	-	-	-	-
Reoffering Premium on Bond Issuance	-	-	-	-	-	-
Debt Service - Principal	-	-	-	-	-	-
Transfers out	(584,869)	-	-	-	-	-
Total Other Financing Sources and Uses	<u>\$ (225,117)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in Fund Balances	<u>\$ 678,821</u>	<u>\$ (227,097)</u>	<u>\$ (103,814)</u>	<u>\$ (118,654)</u>	<u>\$ 225,375</u>	<u>\$ (179)</u>
Fund Balances:						
December 1, 2007	<u>2,141,576</u>	<u>1,813,151</u>	<u>638,283</u>	<u>1,197,052</u>	<u>2,163,523</u>	<u>56,172</u>
November 30, 2008	<u>\$ 2,820,397</u>	<u>\$ 1,586,054</u>	<u>\$ 534,469</u>	<u>\$ 1,078,398</u>	<u>\$ 2,388,898</u>	<u>\$ 55,993</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, 2008

County Highway	County Bridge	Federal Matching and CDAP Grant	Motor Fuel Tax	Capital Projects	Debt Service	Other Funds	Total
\$ 865,770	\$ 388,635	\$ 431,502	\$ -	\$ -	\$ -	\$ -	\$ 7,074,771
-	-	-	-	-	-	-	2,829,370
-	-	-	-	-	-	19,124	64,082
-	-	-	-	-	-	705,763	2,610,457
-	-	-	-	-	-	97,558	3,917,930
137,678	-	52,609	1,514,558	-	-	284,878	9,488,114
315,814	-	-	-	-	-	-	424,413
950	426	475	92,619	5,593	4,800	22,760	546,026
<u>\$ 1,320,212</u>	<u>\$ 389,061</u>	<u>\$ 484,586</u>	<u>\$ 1,607,177</u>	<u>\$ 5,593</u>	<u>\$ 4,800</u>	<u>\$ 1,130,083</u>	<u>\$ 26,955,163</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,999	\$ 58,966	\$ 5,813,408
-	-	-	-	-	-	11,265	3,836,848
1,351,604	132,945	217,996	851,500	-	-	337,009	2,891,054
-	-	-	-	-	-	298,786	4,355,250
-	-	-	-	-	-	70,606	6,526,259
-	-	-	-	-	-	-	133,519
-	-	-	-	-	-	-	186,305
-	-	-	-	-	380,000	-	380,000
-	-	-	-	-	209,733	-	209,733
93,803	221,707	76,000	234,604	-	-	-	1,697,229
<u>\$ 1,445,407</u>	<u>\$ 354,652</u>	<u>\$ 293,996</u>	<u>\$ 1,086,104</u>	<u>\$ -</u>	<u>\$ 738,732</u>	<u>\$ 776,632</u>	<u>\$ 26,029,605</u>
<u>\$ (125,195)</u>	<u>\$ 34,409</u>	<u>\$ 190,590</u>	<u>\$ 521,073</u>	<u>\$ 5,593</u>	<u>\$ (733,932)</u>	<u>\$ 353,451</u>	<u>\$ 925,558</u>
\$ 50,500	\$ -	\$ -	\$ -	\$ 4,301,810	\$ 584,869	\$ -	\$ 5,296,931
-	-	-	-	-	8,180,000	-	8,180,000
-	-	-	-	-	23,650	-	23,650
-	-	-	-	-	(3,725,000)	-	(3,725,000)
-	-	-	(50,500)	-	(4,301,810)	(359,752)	(5,296,931)
<u>\$ 50,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,500)</u>	<u>\$ 4,301,810</u>	<u>\$ 761,709</u>	<u>\$ (359,752)</u>	<u>\$ 4,478,650</u>
<u>\$ (74,695)</u>	<u>\$ 34,409</u>	<u>\$ 190,590</u>	<u>\$ 470,573</u>	<u>\$ 4,307,403</u>	<u>\$ 27,777</u>	<u>\$ (6,301)</u>	<u>\$ 5,404,208</u>
929,088	1,453,966	720,736	2,819,893	-	(455,945)	1,464,959	14,942,454
<u>\$ 854,393</u>	<u>\$ 1,488,375</u>	<u>\$ 911,326</u>	<u>\$ 3,290,466</u>	<u>\$ 4,307,403</u>	<u>\$ (428,168)</u>	<u>\$ 1,458,658</u>	<u>\$ 20,346,662</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, 2008

Net change in fund balances - total governmental funds	\$ 5,404,208
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because (See Note 5 Also):</p>	
Governmental funds report capital outlays as expenditures. However, in the 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 outlays in the current period.	(3,425,857)
Bond proceeds represent an advance of future amounts payable. For budgetary purposes, the proceeds are recorded as current revenues.	(8,180,000)
Principal payments represent a retirement of amounts payable. For budgetary purposes, the retirement of principal is recorded as a current expenditure.	<u>4,105,000</u>
Change in net assets of governmental activities	<u><u>\$ (2,096,649)</u></u>

Adams County, Illinois
 Budgetary Comparison Schedule - General Fund
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 1,706,723	\$ 1,706,723	\$ 1,706,723	\$ -
Resources (inflows):				
Property taxes	1,540,500	2,331,915	2,340,510	8,595
Sales taxes	1,857,000	1,857,000	1,946,194	89,194
Licenses and permits	39,500	39,500	45,758	6,258
Fees and fines				
Animal control	5,000	5,000	1,875	(3,125)
County Clerk fees	98,000	98,000	80,345	(17,655)
Circuit Clerk fees	880,000	880,000	780,691	(99,309)
County Coroner	2,000	2,000	2,250	250
County Recorder fees	590,000	590,000	545,164	(44,836)
Sheriff	68,000	68,000	50,196	(17,804)
State's Attorney	282,500	282,500	288,683	6,183
Traffic fines	335,000	335,000	334,201	(799)
Drug fines	5,000	5,000	3,555	(1,445)
Tax fees	140,000	140,000	138,430	(1,570)
Court security fees	260,000	260,000	241,232	(18,768)
Electronic monitoring fees	4,000	4,000	5,952	1,952
Other fees	300	300	10	(290)
Charges for services				
Rents	46,200	46,200	45,701	(499)
Prisoner room & board payments	47,000	47,000	50,476	3,476
Intergovernmental				
Income taxes	1,872,000	1,872,000	1,986,103	114,103
Personal Property Replacement Tax	529,000	529,000	670,367	141,367
State inheritance tax	70,000	70,000	32,316	(37,684)
Retailer occupational tax	467,600	467,600	573,597	105,997
Use tax	276,000	276,000	274,841	(1,159)
Grants and reimbursements	1,672,000	1,872,278	1,796,260	(76,018)
Miscellaneous	51,140	51,140	55,061	3,921
Interest received	242,000	242,000	354,060	112,060
Transfers from other funds	359,401	359,401	359,752	351
Amounts available for Appropriation	<u>\$ 13,445,864</u>	<u>\$ 14,437,557</u>	<u>\$ 14,710,303</u>	<u>\$ 272,746</u>

Adams County, Illinois
 Budgetary Comparison Schedule - General Fund (Continued)
 For the Year Ended November 30, 2008

	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	\$ 950,480	\$ 950,480	\$ 798,995	\$ 151,485
Supplies	21,300	22,900	13,500	9,400
Other services and charges	366,700	349,210	215,607	133,603
Capital expenditures	316,000	316,000	322,633	(6,633)
Total General Government	<u>\$ 1,654,480</u>	<u>\$ 1,638,590</u>	<u>\$ 1,350,735</u>	<u>\$ 287,855</u>
<i>County Treasurer</i>				
Personal services and benefits	\$ 175,035	\$ 175,035	\$ 172,176	\$ 2,859
Supplies	19,010	18,260	17,902	358
Other services and charges	9,500	9,500	6,977	2,523
	<u>\$ 203,545</u>	<u>\$ 202,795</u>	<u>\$ 197,055</u>	<u>\$ 5,740</u>
<i>County Clerk</i>				
Personal services and benefits	\$ 261,755	\$ 261,755	\$ 263,559	\$ (1,804)
Supplies	14,000	13,975	13,430	545
Other services and charges	37,800	37,826	36,561	1,265
	<u>\$ 313,555</u>	<u>\$ 313,556</u>	<u>\$ 313,550</u>	<u>\$ 6</u>
<i>County Clerk - Elections</i>				
Personal services and benefits	\$ 90,500	\$ 85,500	\$ 87,639	\$ (2,139)
Supplies	21,500	88,282	86,493	1,789
Other services and charges	157,400	162,110	133,412	28,698
Capital expenditures	-	111,321	111,321	-
	<u>\$ 269,400</u>	<u>\$ 447,213</u>	<u>\$ 418,865</u>	<u>\$ 28,348</u>
<i>Supervisor of Assessments</i>				
Personal services and benefits	\$ 136,115	\$ 136,115	\$ 135,617	\$ 498
Supplies	9,090	9,090	6,994	2,096
Other services and charges	21,390	21,390	17,912	3,478
	<u>\$ 166,595</u>	<u>\$ 166,595</u>	<u>\$ 160,523</u>	<u>\$ 6,072</u>
<i>Board of Review</i>				
Personal services and benefits	\$ 19,350	\$ 19,350	\$ 18,358	\$ 992
Supplies	750	750	521	229
Other services and charges	1,800	1,800	503	1,297
	<u>\$ 21,900</u>	<u>\$ 21,900</u>	<u>\$ 19,382</u>	<u>\$ 2,518</u>
<i>County Recorder</i>				
Personal services and benefits	\$ 82,955	\$ 82,955	\$ 84,531	\$ (1,576)
Supplies	252,500	252,500	227,405	25,095
Other services and charges	2,900	2,900	3,148	(248)
	<u>\$ 338,355</u>	<u>\$ 338,355</u>	<u>\$ 315,084</u>	<u>\$ 23,271</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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Computer Technology</i>				
Personal services and benefits	\$ 20,361	\$ 20,361	\$ 19,361	\$ 1,000
Supplies	19,500	23,115	21,553	1,562
Other services and charges	64,400	64,400	62,391	2,009
Capital expenditures	-	-	-	-
	<u>\$ 104,261</u>	<u>\$ 107,876</u>	<u>\$ 103,305</u>	<u>\$ 4,571</u>
<i>Maintenance Department</i>				
Personal services and benefits	\$ 132,405	\$ 132,405	\$ 125,752	\$ 6,653
Supplies	50,100	48,500	38,189	10,311
Other services and charges	288,300	316,200	302,598	13,602
Capital expenditures	-	-	-	-
	<u>\$ 470,805</u>	<u>\$ 497,105</u>	<u>\$ 466,539</u>	<u>\$ 30,566</u>
<i>Public Safety</i>				
<i>County Sheriff - Law Enforcement</i>				
Personal services and benefits	\$ 1,408,225	\$ 1,408,225	\$ 1,463,734	\$ (55,509)
Supplies	220,550	220,550	271,309	(50,759)
Other services and charges	84,500	84,500	112,330	(27,830)
Capital expenditures	132,500	132,500	140,114	(7,614)
	<u>\$ 1,845,775</u>	<u>\$ 1,845,775</u>	<u>\$ 1,987,487</u>	<u>\$ (141,712)</u>
<i>County Sheriff - Jail</i>				
Personal services and benefits	\$ 818,413	\$ 818,413	\$ 840,859	\$ (22,446)
Supplies	195,420	195,420	199,775	(4,355)
Other services and charges	130,000	130,000	125,025	4,975
Capital expenditures	-	-	-	-
	<u>\$ 1,143,833</u>	<u>\$ 1,143,833</u>	<u>\$ 1,165,659</u>	<u>\$ (21,826)</u>
<i>County Sheriff - Courts Legal</i>				
Personal services and benefits	\$ 256,712	\$ 256,712	\$ 240,237	\$ 16,475
Supplies	1,600	1,600	410	1,190
Other services and charges	5,000	5,000	1,487	3,513
	<u>\$ 263,312</u>	<u>\$ 263,312</u>	<u>\$ 242,134</u>	<u>\$ 21,178</u>
<i>Sheriff Merit Commission</i>				
Personal services and benefits	\$ 5,408	\$ 5,408	\$ 5,400	\$ 8
Supplies	100	100	45	55
Other services and charges	2,800	2,800	6,320	(3,520)
	<u>\$ 8,308</u>	<u>\$ 8,308</u>	<u>\$ 11,765</u>	<u>\$ (3,457)</u>
<i>Animal Control</i>				
Personal services and benefits	\$ 63,030	\$ 63,030	\$ 48,797	\$ 14,233
Supplies	12,500	12,500	10,934	1,566
Other services and charges	10,250	10,250	8,764	1,486
Capital expenditures	-	-	-	-
	<u>\$ 85,780</u>	<u>\$ 85,780</u>	<u>\$ 68,495</u>	<u>\$ 17,285</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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>County Coroner</i>				
Personal services and benefits	\$ 62,426	\$ 62,426	\$ 61,241	\$ 1,185
Supplies	6,092	7,657	6,610	1,047
Other services and charges	56,900	62,900	60,805	2,095
Capital expenditures	-	-	-	-
	<u>\$ 125,418</u>	<u>\$ 132,983</u>	<u>\$ 128,656</u>	<u>\$ 4,327</u>
<i>Judicial and Courts</i>				
<i>State's Attorney</i>				
Personal services and benefits	\$ 753,150	\$ 753,150	\$ 754,591	\$ (1,441)
Supplies	18,900	18,900	21,549	(2,649)
Other services and charges	35,400	44,025	44,352	(327)
Capital expenditures	-	-	-	-
	<u>\$ 807,450</u>	<u>\$ 816,075</u>	<u>\$ 820,492</u>	<u>\$ (4,417)</u>
<i>Circuit Clerk</i>				
Personal services and benefits	\$ 488,171	\$ 491,171	\$ 494,229	\$ (3,058)
Supplies	58,500	60,500	60,303	197
Other services and charges	151,200	151,200	6,744	144,456
	<u>\$ 697,871</u>	<u>\$ 702,871</u>	<u>\$ 561,276</u>	<u>\$ 141,595</u>
<i>Judges</i>				
Personal services and benefits	\$ 32,160	\$ 32,160	\$ 31,668	\$ 492
Supplies	5,792	5,792	4,023	1,769
Other services and charges	41,700	41,700	48,349	(6,649)
Capital expenditures	-	-	-	-
	<u>\$ 79,652</u>	<u>\$ 79,652</u>	<u>\$ 84,040</u>	<u>\$ (4,388)</u>
<i>Public Defender</i>				
Personal services and benefits	\$ 410,998	\$ 410,998	\$ 410,318	\$ 680
Supplies	6,600	6,600	6,590	10
Other services and charges	37,050	37,050	32,670	4,380
	<u>\$ 454,648</u>	<u>\$ 454,648</u>	<u>\$ 449,578</u>	<u>\$ 5,070</u>
<i>Jury Commission</i>				
Personal services and benefits	\$ 35,908	\$ 35,908	\$ 37,512	\$ (1,604)
Supplies	4,700	4,700	3,356	1,344
Other services and charges	38,450	38,450	19,620	18,830
	<u>\$ 79,058</u>	<u>\$ 79,058</u>	<u>\$ 60,488</u>	<u>\$ 18,570</u>
<i>Probation Department</i>				
Personal services and benefits	\$ 845,418	\$ 845,418	\$ 836,414	\$ 9,004
Supplies	14,550	14,550	11,018	3,532
Other services and charges	3,800	3,800	3,022	778
	<u>\$ 863,768</u>	<u>\$ 863,768</u>	<u>\$ 850,454</u>	<u>\$ 13,314</u>

Adams County, Illinois
 Budgetary Comparison Schedule - General Fund (Concluded)
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Juvenile Detention Center</i>				
Personal services and benefits	\$ 1,058,737	\$ 1,058,737	\$ 1,048,718	\$ 10,019
Supplies	75,900	75,900	74,755	1,145
Other services and charges	94,400	94,400	89,156	5,244
Capital expenditures	-	-	-	-
	<u>\$ 1,229,037</u>	<u>\$ 1,229,037</u>	<u>\$ 1,212,629</u>	<u>\$ 16,408</u>
<i>Emergency Management Services</i>				
Personal services and benefits	\$ 43,190	\$ 43,190	\$ 43,186	\$ 4
Supplies	13,750	34,650	35,875	(1,225)
Other services and charges	23,650	23,650	23,482	168
Capital expenditures	-	-	-	-
	<u>\$ 80,590</u>	<u>\$ 101,490</u>	<u>\$ 102,543</u>	<u>\$ (1,053)</u>
Nondepartmental				
Payments to other entities:				
911 Board	\$ 471,636	\$ 471,636	\$ 405,287	\$ 66,349
Regional Superintendent	226,671	226,671	209,931	16,740
Transfers to other funds	742,500	742,500	584,869	157,631
Agency subsidies	126,555	126,555	129,352	(2,797)
	<u>\$ 1,567,362</u>	<u>\$ 1,567,362</u>	<u>\$ 1,329,439</u>	<u>\$ 237,923</u>
Total Charges to Appropriations	<u>\$ 12,874,758</u>	<u>\$ 13,107,937</u>	<u>\$ 12,420,173</u>	<u>\$ 687,764</u>
Budgetary Balance, November 30, 2008	<u><u>\$ 571,106</u></u>	<u><u>\$ 1,329,620</u></u>	<u><u>\$ 2,290,130</u></u>	<u><u>\$ 960,510</u></u>

Adams County, Illinois
 Budgetary Comparison Schedule - IMRF/Social Security
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 1,910,557	\$ 1,910,557	\$ 1,910,557	\$ -
Resources (inflows):				
Property taxes	2,318,000	1,562,535	1,587,759	25,224
Intergovernmental				
Personal Property Replacement Tax	470,500	470,500	398,874	(71,626)
Grants and reimbursements	10,000	10,000	5,761	(4,239)
Interest received	2,200	2,200	4,343	2,143
Amounts available for Appropriation	<u>\$ 4,711,257</u>	<u>\$ 3,955,792</u>	<u>\$ 3,907,294</u>	<u>\$ (48,498)</u>
Charges to appropriations (outflows)				
General Government				
County Administration				
Personal services and benefits	<u>\$ 2,289,350</u>	<u>\$ 2,289,350</u>	<u>\$ 2,323,846</u>	<u>\$ (34,496)</u>
Budgetary Balance, November 30, 2008	<u><u>\$ 2,421,907</u></u>	<u><u>\$ 1,666,442</u></u>	<u><u>\$ 1,583,448</u></u>	<u><u>\$ (82,994)</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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 637,981	\$ 637,981	\$ 637,981	\$ -
Resources (inflows):				
Property taxes	592,000	413,278	415,733	2,455
Intergovernmental				
Grants and reimbursements	30,000	30,000	5,550	(24,450)
Interest received	1,200	1,200	1,099	(101)
Amounts available for Appropriation	<u>\$ 1,261,181</u>	<u>\$ 1,082,459</u>	<u>\$ 1,060,363</u>	<u>\$ (22,096)</u>
Charges to appropriations (outflows)				
General Government				
County Administration				
Other services and charges	<u>\$ 585,930</u>	<u>\$ 585,930</u>	<u>\$ 524,739</u>	<u>\$ 61,191</u>
Budgetary Balance, November 30, 2008	<u><u>\$ 675,251</u></u>	<u><u>\$ 496,529</u></u>	<u><u>\$ 535,624</u></u>	<u><u>\$ 39,095</u></u>

Adams County, Illinois
 Budgetary Comparison Schedule - Ambulance
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 757,227	\$ 757,227	\$ 757,227	\$ -
Resources (inflows):				
Property taxes	500,000	500,000	501,856	1,856
Charges for services				
Special Events	13,000	13,000	15,797	2,797
Payments for services	1,937,894	1,937,894	2,094,398	156,504
Miscellaneous	3,000	3,000	8,349	5,349
Interest received	15,200	15,200	25,311	10,111
Amounts available for Appropriation	<u>\$ 3,226,321</u>	<u>\$ 3,226,321</u>	<u>\$ 3,402,938</u>	<u>\$ 176,617</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>Ambulance</i>				
Personal services and benefits	\$ 2,141,000	\$ 1,938,918	\$ 1,909,363	\$ 29,555
Supplies	108,000	90,797	167,650	(76,853)
Other services and charges	260,500	338,139	333,992	4,147
Capital expenditures	217,000	266,711	184,735	81,976
Total Health and Sanitation	<u>\$ 2,726,500</u>	<u>\$ 2,634,565</u>	<u>\$ 2,595,740</u>	<u>\$ 38,825</u>
Budgetary Balance, November 30, 2008	<u>\$ 499,821</u>	<u>\$ 591,756</u>	<u>\$ 807,198</u>	<u>\$ 215,442</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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 1,898,678	\$ 1,898,678	\$ 1,898,678	\$ -
Resources (inflows):				
Property taxes	476,514	476,514	478,993	2,479
Fees and fines				
Environmental Fees	48,000	48,000	51,541	3,541
Births & Deaths	50,000	50,000	61,611	11,611
Charges for services				
Dental income	700,000	700,000	955,246	255,246
Immunization income	95,000	95,000	135,103	40,103
Screening Fees	20,000	20,000	30,761	10,761
Vision & Hearing	20,000	20,000	15,288	(4,712)
Intergovernmental				
Personal Property Replacement Tax	100,000	100,000	183,229	83,229
Grants and reimbursements	1,602,072	1,602,072	1,756,957	154,885
Miscellaneous	40,000	46,400	13,528	(32,872)
Interest received	20,500	20,500	37,025	16,525
Amounts available for Appropriation	<u>\$ 5,070,764</u>	<u>\$ 5,077,164</u>	<u>\$ 5,617,960</u>	<u>\$ 540,796</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>Health Department</i>				
Personal services and benefits	\$ 2,677,100	\$ 2,849,738	\$ 2,466,795	\$ 382,943
Supplies	25,400	25,400	21,978	3,422
Other services and charges	1,148,950	1,191,350	1,095,290	96,060
Capital expenditures	10,000	210,000	209,907	93
Total Health and Sanitation	<u>\$ 3,861,450</u>	<u>\$ 4,276,488</u>	<u>\$ 3,793,970</u>	<u>\$ 482,518</u>
Budgetary Balance, November 30, 2008	<u>\$ 1,209,314</u>	<u>\$ 800,676</u>	<u>\$ 1,823,990</u>	<u>\$ 1,023,314</u>

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

Adams County, Illinois
 Budgetary Comparison Schedule - TB Treatment Board
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 56,360	\$ 56,360	\$ 56,360	\$ -
Resources (inflows):				
Property taxes	74,000	74,000	74,438	438
Interest received	100	100	137	37
Amounts available for Appropriation	<u>\$ 130,460</u>	<u>\$ 130,460</u>	<u>\$ 130,935</u>	<u>\$ 475</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>TB Treatment Board</i>				
Personal services and benefits	\$ 72,870	\$ 72,870	\$ 70,025	\$ 2,845
Supplies	6,200	6,200	3,950	2,250
Other services and charges	7,600	7,600	1,049	6,551
Total Health and Sanitation	<u>\$ 86,670</u>	<u>\$ 86,670</u>	<u>\$ 75,024</u>	<u>\$ 11,646</u>
Budgetary Balance, November 30, 2008	<u>\$ 43,790</u>	<u>\$ 43,790</u>	<u>\$ 55,911</u>	<u>\$ 12,121</u>

Adams County, Illinois
 Budgetary Comparison Schedule - County Highway Department
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 1,027,305	\$ 1,027,305	\$ 1,027,305	\$ -
Resources (inflows):				
Property taxes	875,000	864,856	867,420	2,564
Intergovernmental				
Grants and reimbursements	281,055	281,055	193,670	(87,385)
Miscellaneous	50,000	50,000	122,144	72,144
Interest received	1,400	1,400	1,501	101
Transfers from other funds	451,500	451,500	50,500	(401,000)
Amounts available for Appropriation	<u>\$ 2,686,260</u>	<u>\$ 2,676,116</u>	<u>\$ 2,262,540</u>	<u>\$ (413,576)</u>
Charges to appropriations (outflows)				
Public Works				
<i>County Highway Department</i>				
Personal services and benefits	\$ 1,021,550	\$ 1,021,550	\$ 649,590	\$ 371,960
Supplies	345,000	345,000	347,759	(2,759)
Other services and charges	351,176	351,176	284,845	66,331
Capital expenditures	282,139	282,139	93,803	188,336
Total Public Works	<u>\$ 1,999,865</u>	<u>\$ 1,999,865</u>	<u>\$ 1,375,997</u>	<u>\$ 623,868</u>
Budgetary Balance, November 30, 2008	<u>\$ 686,395</u>	<u>\$ 676,251</u>	<u>\$ 886,543</u>	<u>\$ 210,292</u>

Adams County, Illinois
 Budgetary Comparison Schedule - County Bridge
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 1,452,390	\$ 1,452,390	\$ 1,452,390	\$ -
Resources (inflows):				
Property taxes	437,500	387,428	389,459	2,031
Miscellaneous	500	500	-	(500)
Interest received	750	750	751	1
Amounts available for Appropriation	<u>\$ 1,891,140</u>	<u>\$ 1,841,068</u>	<u>\$ 1,842,600</u>	<u>\$ 1,532</u>
Charges to appropriations (outflows)				
Public Works				
<i>County Bridge</i>				
Other services and charges	\$ 200,000	\$ 200,000	\$ 128,690	\$ 71,310
Capital expenditures	1,710,000	1,710,000	169,302	1,540,698
Total Public Works	<u>\$ 1,910,000</u>	<u>\$ 1,910,000</u>	<u>\$ 297,992</u>	<u>\$ 1,612,008</u>
Budgetary Balance, November 30, 2008	<u>\$ (18,860)</u>	<u>\$ (68,932)</u>	<u>\$ 1,544,608</u>	<u>\$ 1,613,540</u>

Adams County, Illinois
 Budgetary Comparison Schedule - Federal Matching Tax
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 943,546	\$ 943,546	\$ 943,546	\$ -
Resources (inflows):				
Property taxes	437,500	432,428	432,327	(101)
Intergovernmental				
Grants and reimbursements	556,406	556,406	1,382	(555,024)
Miscellaneous	500	500	51,227	50,727
Interest received	750	750	751	1
Amounts available for Appropriation	<u>\$ 1,938,702</u>	<u>\$ 1,933,630</u>	<u>\$ 1,429,233</u>	<u>\$ (504,397)</u>
Charges to appropriations (outflows)				
Public Works				
<i>Federal Matching Tax</i>				
Personal services and benefits	\$ 110,420	\$ 110,420	\$ 47,216	\$ 63,204
Other services and charges	443,000	443,000	118,216	324,784
Capital expenditures	1,037,080	1,037,080	331,050	706,030
Total Public Works	<u>\$ 1,590,500</u>	<u>\$ 1,590,500</u>	<u>\$ 496,482</u>	<u>\$ 1,094,018</u>
Budgetary Balance, November 30, 2008	<u>\$ 348,202</u>	<u>\$ 343,130</u>	<u>\$ 932,751</u>	<u>\$ 589,621</u>

Adams County, Illinois
 Budgetary Comparison Schedule - Motor Fuel Tax Fund
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 2,716,904	\$ 2,716,904	\$ 2,716,904	\$ -
Resources (inflows):				
Intergovernmental				
Motor Fuel Tax	1,700,000	1,700,000	1,539,448	(160,552)
Miscellaneous	500	500	-	(500)
Interest received	60,000	60,000	92,619	32,619
Amounts available for Appropriation	<u>\$ 4,477,404</u>	<u>\$ 4,477,404</u>	<u>\$ 4,348,971</u>	<u>\$ (128,433)</u>
Charges to appropriations (outflows)				
Public Works				
Streets and Highways				
Personal services and benefits	\$ 802,040	\$ 802,040	\$ 450,603	\$ 351,437
Other services and charges	2,000,000	2,000,000	366,976	1,633,024
Capital expenditures	1,575,815	1,575,815	234,604	1,341,211
Total Public Works	<u>\$ 4,377,855</u>	<u>\$ 4,377,855</u>	<u>\$ 1,052,183</u>	<u>\$ 3,325,672</u>
Nondepartmental				
Transfers to other funds	50,500	50,500	50,500	-
Total Charges to Appropriations	<u>\$ 4,428,355</u>	<u>\$ 4,428,355</u>	<u>\$ 1,102,683</u>	<u>\$ 3,325,672</u>
Budgetary Balance, November 30, 2008	<u>\$ 49,049</u>	<u>\$ 49,049</u>	<u>\$ 3,246,288</u>	<u>\$ 3,197,239</u>

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

Adams County, Illinois
 Budgetary Comparison Schedule - Capital Projects Fund
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Interest received	\$ -	\$ -	\$ 5,593	\$ 5,593
Transfers from other funds	-	-	4,301,810	4,301,810
Amounts available for Appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,307,403</u>	<u>\$ 4,307,403</u>
Charges to appropriations (outflows)				
Capital Projects				
<i>General Government</i>				
Capital expenditures	\$ -	\$ -	\$ -	\$ -
Total Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary Balance, November 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,307,403</u></u>	<u><u>\$ 4,307,403</u></u>

Adams County, Illinois
 Budgetary Comparison Schedule - Debt Service Fund
 For the Year Ended November 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, December 1, 2007	\$ 8,147	\$ 8,147	\$ 8,147	\$ -
Resources (inflows):				
Bond proceeds	\$ -	\$ -	\$ 8,180,000	\$ 8,180,000
Interest received	6,000	6,000	4,800	(1,200)
Transfers from other funds	745,000	745,000	584,869	(160,131)
Amounts available for Appropriation	<u>\$ 759,147</u>	<u>\$ 759,147</u>	<u>\$ 8,777,816</u>	<u>\$ 8,018,669</u>
Charges to appropriations (outflows)				
Debt Service				
<i>General Government</i>				
Other services and charges	300	300	149,000	(148,700)
Total Debt Service	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 149,000</u>	<u>\$ (148,700)</u>
Nondepartmental				
Payments on debt:				
Principal	\$ 380,000	\$ 380,000	\$ 4,135,000	\$ (3,755,000)
Interest	207,325	207,325	181,777	25,548
Transfers to other funds	-	-	4,301,810	(4,301,810)
Total Nondepartmental	<u>\$ 587,325</u>	<u>\$ 587,325</u>	<u>\$ 8,618,587</u>	<u>\$ (8,031,262)</u>
Total Charges to Appropriations	<u>\$ 587,625</u>	<u>\$ 587,625</u>	<u>\$ 8,767,587</u>	<u>\$ (8,179,962)</u>
Budgetary Balance, November 30, 2008	<u>\$ 171,522</u>	<u>\$ 171,522</u>	<u>\$ 10,229</u>	<u>\$ (161,293)</u>

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

	<u>General Fund</u>	<u>IMRF and Social Security</u>	<u>Liability Insurance</u>	<u>Ambulance</u>
Sources/Inflows of Resources				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 14,710,303	\$ 3,907,294	\$ 1,060,363	\$ 3,402,938
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.	(1,706,723)	(1,910,557)	(637,981)	(757,227)
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.	36,994	(35,724)	(7,403)	(160,619)
Transfers from other funds and bond proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(359,752)	-	-	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,680,822</u>	<u>\$ 1,961,013</u>	<u>\$ 414,979</u>	<u>\$ 2,485,092</u>
Uses/Outflows of Resources				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 12,420,173	\$ 2,323,846	\$ 524,739	\$ 2,595,740
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.	(58,420)	(135,736)	(5,946)	8,006
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(584,869)	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 11,776,884</u>	<u>\$ 2,188,110</u>	<u>\$ 518,793</u>	<u>\$ 2,603,746</u>

Adams County, Illinois
 Budgetary Comparison Schedule
 Budget - to - GAAP Reconciliation
 For the Year Ended November 30, 2008

Health Department	Tuberculosis Treatment	County Highway	County Bridge	Federal Matching	Motor Fuel Tax	Capital Projects	Debt Service
\$ 5,617,960	\$ 130,935	\$ 2,262,540	\$ 1,842,600	\$ 1,429,233	\$ 4,348,971	\$ 4,307,403	\$ 8,777,816
(1,898,678)	(56,360)	(1,027,305)	(1,452,390)	(943,546)	(2,716,904)	-	(8,147)
678,094	(206)	135,477	(1,149)	(1,101)	(24,890)	-	-
-	-	(50,500)	-	-	-	(4,301,810)	(8,764,869)
<u>\$ 4,397,376</u>	<u>\$ 74,369</u>	<u>\$ 1,320,212</u>	<u>\$ 389,061</u>	<u>\$ 484,586</u>	<u>\$ 1,607,177</u>	<u>\$ 5,593</u>	<u>\$ 4,800</u>
\$ 3,793,970	\$ 75,024	\$ 1,375,997	\$ 297,992	\$ 496,482	\$ 1,102,683	\$ -	\$ 8,767,587
378,031	(476)	69,410	56,660	(202,486)	33,921	-	(8,028,855)
-	-	-	-	-	(50,500)	-	-
<u>\$ 4,172,001</u>	<u>\$ 74,548</u>	<u>\$ 1,445,407</u>	<u>\$ 354,652</u>	<u>\$ 293,996</u>	<u>\$ 1,086,104</u>	<u>\$ -</u>	<u>\$ 738,732</u>

Adams County, Illinois
Statement of Fiduciary Net Assets
November 30, 2008

	<u>Agency Funds</u>
Assets	
Cash	\$ 939,726
Investments, at cost	1,430,770
Taxes receivable	554
Due from other governments	<u>100,741</u>
Total Assets	<u>\$ 2,471,791</u>
Liabilities	
Protested and other property taxes held	\$ 93,625
Interest and fees to be distributed	58,801
Held in trust for others	1,994,244
Due to other governments	146,850
Due to others	<u>178,271</u>
Total Liabilities	<u>\$ 2,471,791</u>

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

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.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. The more significant accounting policies established in GAAP and used by the County are discussed below.

B. Financial Reporting Entity

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 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. The University of Illinois – Adams County Cooperative Extension Service has been determined to not be a component unit of the County.

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 County currently has no proprietary funds.

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 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.

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.

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, 2008.

1. Significant Accounting Policies (Continued)

F. Financial Statement Amounts (Continued)

3. Inventories:

Inventories in the general fund consist of expendable supplies 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

GASBS No. 34 requires the County to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the County. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The County elected to implement the general provisions of GASBS No. 34 in the year ended November 30, 2004 and implemented the retroactive infrastructure provisions (under the modified approach) in the fiscal year ending November 30, 2005.

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, 2008, there was no way 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, 2008, the County had a liability for unused vacation and compensatory time totaling \$448,381 compared to \$446,993 for the year ended November 30, 2007.

1. Significant Accounting Policies (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.

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.

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 on November 27, 2007. Final budgeted amounts include amendments by the County Board through November, 2008.

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 \$22,626,825 and the respective bank balances totaled \$23,395,969. Included in the bank balances are Certificates of Deposit totaling \$15,753,700. The insured and collateral status of the bank balances, reported by category risk, were as follows:

FDIC Insured	\$ 2,734,029
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.	20,661,940
	<u>\$ 23,395,969</u>

The County’s investment policy requires deposits to have FDIC insurance or collateral pledged to 110% of the uninsured balance. At November 30, 2008, 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, 2008.

4. Long-Term Debt

At November 30, 2008, bonds payable consisted of the following individual issue:

\$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.	\$ 8,180,000
	<u>\$ 8,180,000</u>

4. Long-Term Debt (Concluded)

Following is a summary of general long-term debt transactions of the County for the year ended November 30, 2008:

	Balance 11/30/2007	Additions	Retirements	Balance 11/30/2008
G.O. Bonds	\$ 4,135,000	\$ 8,180,000	\$ (4,135,000)	\$ 8,180,000
	\$ 4,135,000	\$ 8,180,000	\$ (4,135,000)	\$ 8,180,000

\$3,725,000 of the proceeds of the 2008 General Obligation Bond issue was used to currently refund the 1998 Bond issue. The balance of the 2008 issue is restricted in the capital project fund to be used to construct the new health department.

The annual aggregate maturities of General Obligation bonded debt for years subsequent to November 30, 2008 are as follows:

Year Ended November 30	Principal	Interest	Total
2009	\$ 380,000	\$ 283,035	\$ 663,035
2010	300,000	308,136	608,136
2011	300,000	298,386	598,386
2012	300,000	288,636	588,636
2013	315,000	278,643	593,643
2014-2018	1,775,000	1,196,120	2,971,120
2019-2023	2,155,000	801,312	2,956,312
2024-2028	2,655,000	297,581	2,952,581
	\$ 8,180,000	\$ 3,751,849	\$ 11,931,849

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 District at November 30, 2008 was:

Adjusted Assessed Valuation:	
Equalized 2007 Tax Levy Year	\$ 906,851,471
Legal Debt Limitation Percentage	5.75%
Legal Debt Limitation	\$ 52,143,960
Less: Bonded Indebtedness	8,180,000
Legal Debt Margin	\$ 43,963,960

5. Capital Assets

Primary government capital asset activity for the year ended November 30, 2008 was as follows:

	Balance 11/30/2007	Additions	Retirements	Balance 11/30/2008
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 234,000	\$ 378,633	\$ -	\$ 612,633
Capital Assets being depreciated:				
Buildings	\$ 15,005,700	\$ 229,906	\$ -	\$ 15,235,606
Roads and bridges	91,760,975	469,355	-	92,230,330
Automotive	3,419,943	449,071	(34,567)	3,834,447
Furniture, fixtures and equipment	3,174,771	179,742	-	3,354,513
	\$ 113,361,389	\$ 1,328,074	\$ (34,567)	\$ 114,654,896
Less Accumulated Depreciation:				
Buildings	\$ (5,284,816)	\$ (311,515)	\$ -	\$ (5,596,331)
Roads and bridges	(31,866,499)	(4,119,826)	-	(35,986,325)
Automotive	(2,293,119)	(304,650)	25,089	(2,572,680)
Furniture, fixtures and equipment	(1,818,784)	(387,095)	-	(2,205,879)
	\$ (41,263,218)	\$ (5,123,086)	\$ 25,089	\$ (46,361,215)
Governmental Capital Assets, Net	\$ 72,332,171	\$ (3,416,379)	\$ (9,478)	\$ 68,906,314

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

Governmental Activities:	
General government	\$ 352,065
Public safety	166,774
Judicial and courts	144,859
Public works	4,329,126
Health	130,262
	\$ 5,123,086

6. Pension Plans

Plan Description:

Adams County's defined benefit pension plan for elected county officials, 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 County's employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), and 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.

6. Pension Plans (Continued)

Funding Policy:

As set by statute, County plan members are required to contribute 4.5 percent (7.5 percent for members participating in SLEP) of their annual covered salary. The statutes require 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 2007 was 0.00 percent of annual covered payroll for elected county officials, 9.39 percent for regular employees and 16.55 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 2007, the County's annual pension cost of \$0, \$954,497 and \$214,061 for the elected county officials plan, regular plan and SLEP plan, respectively, was equal to the County's required and actual contributions.

Three-Year Trend Information for each Plan:

Elected County Officials			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2007	\$ -	100%	\$ -
12/31/2006	-	100%	-
12/31/2005	-	100%	-

Regular Employees			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2007	\$ 954,497	100%	\$ -
12/31/2006	958,068	100%	-
12/31/2005	818,316	100%	-

SLEP			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2007	\$ 214,061	100%	\$ -
12/31/2006	195,517	100%	-
12/31/2005	173,942	100%	-

6. Pension Plans (Concluded)

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, 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 investment over a five-year period with a 15% corridor between the actuarial and market value of assets. The County plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 25 years.

Funded Status and Funding Progress:

As of December 31, 2007, the most recent actuarial valuation date, the elected county official plan was 0 percent funded, the regular plan was 95.44 percent funded and the SLEP plan was 67.52 percent funded. For the elected county official plan, the actuarial accrued liability for benefits was \$0 and the actuarial value of assets was \$0, resulting in an overfunded actuarial accrued liability (UAAL) of \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

For the regular plan, the actuarial accrued liability for benefits was \$29,465,067 and the actuarial value of assets was \$28,121,783, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,343,284. The covered payroll (annual payroll of active employees covered by the plan) was \$10,165,042 and the ratio of the UAAL to the covered payroll as 13 percent.

For the SLEP plan, the actuarial accrued liability for benefits was \$3,889,760 and the actuarial value of assets was \$2,626,465, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,263,295. The covered payroll (annual payroll of active employees covered by the plan) was \$1,293,419 and the ratio of the UAAL to the covered payroll as 98 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. 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, 2008, were 93.3% of the 2007 tax levy.

8. Expenditures Paid in Excess of Budgeted Amounts

Expenditures exceeded budgeted amounts in the following funds:

<u>Fund Name</u>	<u>Expenditures Paid</u>	<u>Budget</u>	<u>Excess</u>
<i>Special Revenue Funds:</i>			
2008 Flood	\$ 70,606	\$ -	\$ 70,606
IMRF/Social Security	2,323,846	2,289,350	34,496
Debt Service	8,767,587	587,625	8,179,962
Drug Traffic Prevention	2,161	1,000	1,161
DUI Equipment	9,035	6,000	3,035
Animal Control	19,271	16,000	3,271

In addition, the County budgeted expenditures in excess of available resources (beginning fund balance and estimated revenues) in the following funds:

<u>Fund Name</u>	<u>Estimated Resources</u>	<u>Budgeted Charges to Appropriations</u>	<u>Budgeted Deficit</u>
<i>Special Revenue Funds:</i>			
Finance Court	\$ 186,455	\$ 196,140	\$ (9,685)
Flood Control	58,718	58,790	(72)

9. Construction and Other Commitments

The County has significant construction commitments related to road and bridge construction projects as of November 30, 2008. 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.

10. Interfund Accounts Receivable/Payable

Interfund accounts receivable and payable at November 30, 2008 consisted of the following:

	<u>Due From</u>	<u>Due To</u>
<i>General Fund:</i>		
County Clerk/Recorder	\$ 11,692	\$ -
<i>Special Revenue Funds:</i>		
GIS Equipment	-	6,990
Recorder's GIS Equipment	-	800
County Recorder's Equipment	-	3,099
County Clerk's Equipment	-	803
Federal Matching	120,000	-
Economic Loan	-	120,000
2008 Flood	-	210,071
County Highway	210,071	-
	<u>\$ 341,763</u>	<u>\$ 341,763</u>

11. Restricted Assets

Restricted assets at November 30, 2008 consisted of the following:

	Capital Projects	Special Revenue Fund	Debt Service Fund	Total
Restricted for debt service	\$ -	\$ -	\$ (428,168)	\$ (428,168)
Restricted for capital projects	4,307,403	-	-	4,307,403
Restricted for jail	-	32,848	-	32,848
Restricted for future expenditures:				
Ambulance	-	1,078,398	-	1,078,398
TB Treatment	-	55,993	-	55,993
Employee retirement/taxes	-	1,586,054	-	1,586,054
Liability insurance	-	534,469	-	534,469
Law Library	-	6,823	-	6,823
IDPA expenditures	-	12,015	-	12,015
Court automation	-	77,847	-	77,847
Financing court system	-	57,073	-	57,073
Probation expenditures	-	91,906	-	91,906
Highways and bridges	-	6,661,898	-	6,661,898
Flood control	-	11,791	-	11,791
GIS expenditures	-	99,227	-	99,227
DUI equipment	-	8,270	-	8,270
Recorder's GIS equipment	-	13,286	-	13,286
County Recorder's equipment	-	73,736	-	73,736
County Clerk's equipment	-	35,919	-	35,919
Working cash	-	149,911	-	149,911
Health Department	-	2,388,898	-	2,388,898
Tax sale automation	-	28,243	-	28,243
Children and child support	-	681	-	681
Economic development loans	-	179,281	-	179,281
Drug traffic prevention	-	19,372	-	19,372
Animal control	-	19,124	-	19,124
2008 Flood	-	31,246	-	31,246
Restricted for collateral of bank loans made to businesses in Adams County according to terms of a federal funding program.	-	392,721	-	392,721
	<u>\$ 4,307,403</u>	<u>\$ 13,647,030</u>	<u>\$ (428,168)</u>	<u>\$ 17,526,265</u>

12. 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, 2008, the County transferred \$584,869 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, 2008, the following transfers were made to the General Fund from Special Revenue Funds:

Transfer from:	Transfer to:				Totals
	General Fund	County Highway	Capital Projects	Debt Service	
General Fund	\$ -	\$ -	\$ -	\$ 584,869	\$ 584,869
Animal Control	19,271	-	-	-	19,271
Law Library	5,000	-	-	-	5,000
Reconciliation Grant	20,351	-	-	-	20,351
Court Automation	27,000	-	-	-	27,000
Court Finance	87,120	-	-	-	87,120
Probation	60,000	-	-	-	60,000
Recorder's GIS Equip	11,520	-	-	-	11,520
Recorder's Equipment	37,800	-	-	-	37,800
Drug Enforcement	2,640	-	-	-	2,640
Court Document	77,000	-	-	-	77,000
Tax Sale Automation	12,000	-	-	-	12,000
Debt Service	-	-	4,301,810	-	4,301,810
Maintenance Child Support	50	-	-	-	50
Motor Fuel Tax	-	50,500	-	-	50,500
	<u>\$ 359,752</u>	<u>\$ 50,500</u>	<u>\$ 4,301,810</u>	<u>\$ 584,869</u>	<u>\$ 5,296,931</u>

13. Recently Issued Accounting Pronouncements

As of November 30, 2008, 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. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2007, will be effective for the County beginning with its year ending November 30, 2009. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Intangible assets, and more specifically easements, are referred to in the description of capital assets in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets.

This Statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated. Effectively, outlays associated with the development of such assets should not begin to be capitalized until certain criteria are met. Outlays incurred prior to meeting these criteria should be expensed as incurred. This Statement provides guidance on recognizing internally generated computer software as an intangible asset.

The County has not yet determined the effect these Statements will have on its financial statements.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008 will be effective for the County beginning with its year ending November 30, 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts.

The County does not have any derivative instruments as of November 30, 2008, and does not usually hold derivative instruments in its normal course of government. Therefore, this Statement is not expected to have any impact on the 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))
IMRF						
12/31/2007	\$ 28,121,783	\$ 29,465,067	\$ 1,343,284	95.44%	\$ 10,165,042	13.21%
12/31/2006	25,634,951	27,329,855	1,694,904	93.80%	9,599,884	17.66%
12/31/2005	23,464,696	25,106,124	1,641,428	93.46%	9,122,805	17.99%
SLEP						
12/31/2007	\$ 2,626,465	\$ 3,889,760	\$ 1,263,295	67.52%	\$ 1,293,419	97.67%
12/31/2006	3,186,078	4,105,172	919,094	77.61%	1,213,637	75.73%
12/31/2005	3,139,692	3,969,991	830,299	79.09%	1,166,610	71.17%
ECO						
12/31/2007	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
12/31/2006	-	-	-	0.00%	-	N/A
12/31/2005	-	-	-	0.00%	-	0.00%

Combining Financial Statements

	<u>Inmate & Commissary</u>	<u>Animal Control</u>	<u>Law Library</u>	<u>2008 Flood</u>	<u>Child Support</u>	<u>IDPA</u>
Assets						
Cash and cash equivalents	\$ 38,346	\$ 19,124	\$ 9,794	\$ (280,677)	\$ 681	\$ 12,015
Other receivables	-	-	-	101,852	-	-
Internal receivables	-	-	-	210,071	-	-
Total Assets	<u>\$ 38,346</u>	<u>\$ 19,124</u>	<u>\$ 9,794</u>	<u>\$ 31,246</u>	<u>\$ 681</u>	<u>\$ 12,015</u>
Liabilities						
Accounts payable	\$ 1,734	\$ -	\$ 2,971	\$ -	\$ -	\$ -
Held in trust for others	3,764	-	-	-	-	-
Total Liabilities	<u>\$ 5,498</u>	<u>\$ -</u>	<u>\$ 2,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances/Net Assets						
<i>Fund Balances:</i>						
Reserved for jail	\$ 32,848	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	-	19,124	6,823	31,246	681	12,015
Total Fund Balances	<u>\$ 32,848</u>	<u>\$ 19,124</u>	<u>\$ 6,823</u>	<u>\$ 31,246</u>	<u>\$ 681</u>	<u>\$ 12,015</u>
Total Liabilities and Fund Balances	<u>\$ 38,346</u>	<u>\$ 19,124</u>	<u>\$ 9,794</u>	<u>\$ 31,246</u>	<u>\$ 681</u>	<u>\$ 12,015</u>

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

Adams County, Illinois
 Combining Balance Sheet
 Nonmajor Government Funds
 November 30, 2008

Court Automation	Court Finance	Probation	Road District Revolving	Flood Control	GIS	DUI Equipment
\$ 77,847	\$ 7,867	\$ 95,099	\$ 117,338	\$ 11,791	\$ 96,607	\$ 8,270
-	-	-	-	-	-	-
-	-	-	-	-	6,990	-
<u>\$ 77,847</u>	<u>\$ 7,867</u>	<u>\$ 95,099</u>	<u>\$ 117,338</u>	<u>\$ 11,791</u>	<u>\$ 103,597</u>	<u>\$ 8,270</u>
\$ -	\$ -	\$ 3,193	\$ -	\$ -	\$ 4,370	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,370</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77,847	7,867	91,906	117,338	11,791	99,227	8,270
<u>\$ 77,847</u>	<u>\$ 7,867</u>	<u>\$ 91,906</u>	<u>\$ 117,338</u>	<u>\$ 11,791</u>	<u>\$ 99,227</u>	<u>\$ 8,270</u>
<u>\$ 77,847</u>	<u>\$ 7,867</u>	<u>\$ 95,099</u>	<u>\$ 117,338</u>	<u>\$ 11,791</u>	<u>\$ 103,597</u>	<u>\$ 8,270</u>

	Recorder GIS	Recorder Equipment	County Clerk Equipment	Drug Enforcement	Drug Traffic Prevention
Assets					
Cash and cash equivalents	\$ 12,486	\$ 70,637	\$ 35,116	\$ 14,442	\$ 4,930
Other receivables	-	-	-	-	-
Internal receivables	800	3,099	803	-	-
Total Assets	<u>\$ 13,286</u>	<u>\$ 73,736</u>	<u>\$ 35,919</u>	<u>\$ 14,442</u>	<u>\$ 4,930</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Held in trust for others	-	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances/Net Assets					
<i>Fund Balances:</i>					
Reserved for jail	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	13,286	73,736	35,919	14,442	4,930
Total Fund Balances	<u>\$ 13,286</u>	<u>\$ 73,736</u>	<u>\$ 35,919</u>	<u>\$ 14,442</u>	<u>\$ 4,930</u>
Total Liabilities and Fund Balances	<u>\$ 13,286</u>	<u>\$ 73,736</u>	<u>\$ 35,919</u>	<u>\$ 14,442</u>	<u>\$ 4,930</u>

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

Adams County, Illinois
Combining Balance Sheet
Nonmajor Government Funds (Concluded)
November 30, 2008

Working Cash	Economic Loan	Court Document	Tax Sale Automation	Total Nonmajor
\$ 149,911	\$ 179,281	\$ 49,206	\$ 28,243	\$ 758,354
-	272,721	-	-	374,573
-	120,000	-	-	341,763
<u>\$ 149,911</u>	<u>\$ 572,002</u>	<u>\$ 49,206</u>	<u>\$ 28,243</u>	<u>\$ 1,474,690</u>
\$ -	\$ -	\$ -	\$ -	\$ 12,268
-	-	-	-	3,764
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,032</u>
\$ -	\$ -	\$ -	\$ -	\$ 32,848
149,911	572,002	49,206	28,243	1,425,810
<u>\$ 149,911</u>	<u>\$ 572,002</u>	<u>\$ 49,206</u>	<u>\$ 28,243</u>	<u>\$ 1,458,658</u>
<u>\$ 149,911</u>	<u>\$ 572,002</u>	<u>\$ 49,206</u>	<u>\$ 28,243</u>	<u>\$ 1,474,690</u>

	<u>Inmate & Commissary</u>	<u>Animal Control</u>	<u>Law Library</u>	<u>2008 Flood</u>	<u>Child Support</u>	<u>IDPA</u>
Revenues						
Licenses and permits	\$ -	\$ 19,124	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	36,615	-	190	-
Charges for services	7,548	-	-	-	-	3,779
Intergovernmental	-	-	-	101,852	-	15,592
Miscellaneous	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Total Revenues	<u>\$ 7,548</u>	<u>\$ 19,124</u>	<u>\$ 36,615</u>	<u>\$ 101,852</u>	<u>\$ 190</u>	<u>\$ 19,371</u>
Expenditures						
<i>Current:</i>						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	68	-	-	-	-	-
Public works	-	-	-	-	-	-
Judicial and courts	-	-	40,069	-	-	-
Health and sanitation	-	-	-	70,606	-	-
<i>Capital Outlay</i>	-	-	-	-	-	-
Total Expenditures	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ 40,069</u>	<u>\$ 70,606</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 7,480</u>	<u>\$ 19,124</u>	<u>\$ (3,454)</u>	<u>\$ 31,246</u>	<u>\$ 190</u>	<u>\$ 19,371</u>
Other Financing Sources (Uses)						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	(19,271)	(5,000)	-	(50)	(20,351)
Total Other Financing Sources and Uses	<u>\$ -</u>	<u>\$ (19,271)</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ (50)</u>	<u>\$ (20,351)</u>
Net change in Fund Balances	<u>\$ 7,480</u>	<u>\$ (147)</u>	<u>\$ (8,454)</u>	<u>\$ 31,246</u>	<u>\$ 140</u>	<u>\$ (980)</u>
Fund Balances:						
December 1, 2007	25,368	19,271	15,277	-	541	12,995
November 30, 2008	<u>\$ 32,848</u>	<u>\$ 19,124</u>	<u>\$ 6,823</u>	<u>\$ 31,246</u>	<u>\$ 681</u>	<u>\$ 12,015</u>

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, 2008

Court Automation	Court Finance	Probation	Road District Revolving	Flood Control	GIS	DUI Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86,527	124,318	213,238	-	-	121,787	9,230
-	-	-	-	-	-	-
-	-	-	100,970	56,464	10,000	-
-	-	-	6,031	-	1,263	-
<u>\$ 86,527</u>	<u>\$ 124,318</u>	<u>\$ 213,238</u>	<u>\$ 107,001</u>	<u>\$ 56,464</u>	<u>\$ 133,050</u>	<u>\$ 9,230</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	9,035
-	-	-	189,459	46,641	100,909	-
55,948	68,786	132,741	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 55,948</u>	<u>\$ 68,786</u>	<u>\$ 132,741</u>	<u>\$ 189,459</u>	<u>\$ 46,641</u>	<u>\$ 100,909</u>	<u>\$ 9,035</u>
<u>\$ 30,579</u>	<u>\$ 55,532</u>	<u>\$ 80,497</u>	<u>\$ (82,458)</u>	<u>\$ 9,823</u>	<u>\$ 32,141</u>	<u>\$ 195</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27,000)	(87,120)	(60,000)	-	-	-	-
<u>\$ (27,000)</u>	<u>\$ (87,120)</u>	<u>\$ (60,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,579</u>	<u>\$ (31,588)</u>	<u>\$ 20,497</u>	<u>\$ (82,458)</u>	<u>\$ 9,823</u>	<u>\$ 32,141</u>	<u>\$ 195</u>
74,268	39,455	71,409	199,796	1,968	67,086	8,075
<u>\$ 77,847</u>	<u>\$ 7,867</u>	<u>\$ 91,906</u>	<u>\$ 117,338</u>	<u>\$ 11,791</u>	<u>\$ 99,227</u>	<u>\$ 8,270</u>

	Recorder GIS	Recorder Equipment	County Clerk Equipment	Drug Enforcement	Drug Traffic Prevention
Revenues					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	6,434	6,488
Charges for services	13,881	53,767	18,583	-	-
Intergovernmental	-	-	-	-	-
Investment earnings	-	-	-	-	19
Total Revenues	<u>\$ 13,881</u>	<u>\$ 53,767</u>	<u>\$ 18,583</u>	<u>\$ 6,434</u>	<u>\$ 6,507</u>
Expenditures					
<i>Current:</i>					
General government	\$ -	\$ 12,676	\$ 13,438	\$ -	\$ -
Public safety	-	-	-	-	2,162
Public works	-	-	-	-	-
Judicial and courts	-	-	-	-	-
<i>Capital Outlay</i>	-	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ 12,676</u>	<u>\$ 13,438</u>	<u>\$ -</u>	<u>\$ 2,162</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 13,881</u>	<u>\$ 41,091</u>	<u>\$ 5,145</u>	<u>\$ 6,434</u>	<u>\$ 4,345</u>
Other Financing Sources (Uses)					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(11,520)	(37,800)	-	(2,640)	-
Total Other Financing Sources and Uses	<u>\$ (11,520)</u>	<u>\$ (37,800)</u>	<u>\$ -</u>	<u>\$ (2,640)</u>	<u>\$ -</u>
Net change in Fund Balances	<u>\$ 2,361</u>	<u>\$ 3,291</u>	<u>\$ 5,145</u>	<u>\$ 3,794</u>	<u>\$ 4,345</u>
Fund Balances:					
December 1, 2007	10,925	70,445	30,774	10,648	585
November 30, 2008	<u>\$ 13,286</u>	<u>\$ 73,736</u>	<u>\$ 35,919</u>	<u>\$ 14,442</u>	<u>\$ 4,930</u>

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 (Concluded)
 For the Year Ended November 30, 2008

Working Cash	Economic Loan	Court Document	Tax Sale Automation	Total Nonmajor
\$ -	\$ -	\$ -	\$ -	\$ 19,124
-	-	86,194	14,742	705,763
-	-	-	-	97,558
-	-	-	-	284,878
-	-	-	-	-
-	15,447	-	-	22,760
<u>\$ -</u>	<u>\$ 15,447</u>	<u>\$ 86,194</u>	<u>\$ 14,742</u>	<u>\$ 1,130,083</u>
\$ -	\$ 28,405	\$ -	\$ 4,447	\$ 58,966
-	-	-	-	11,265
-	-	-	-	337,009
-	-	1,242	-	298,786
-	-	-	-	70,606
-	-	-	-	-
<u>\$ -</u>	<u>\$ 28,405</u>	<u>\$ 1,242</u>	<u>\$ 4,447</u>	<u>\$ 776,632</u>
<u>\$ -</u>	<u>\$ (12,958)</u>	<u>\$ 84,952</u>	<u>\$ 10,295</u>	<u>\$ 353,451</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(77,000)	(12,000)	(359,752)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,000)</u>	<u>\$ (12,000)</u>	<u>\$ (359,752)</u>
<u>\$ -</u>	<u>\$ (12,958)</u>	<u>\$ 7,952</u>	<u>\$ (1,705)</u>	<u>\$ (6,301)</u>
149,911	584,960	41,254	29,948	1,464,959
<u>\$ 149,911</u>	<u>\$ 572,002</u>	<u>\$ 49,206</u>	<u>\$ 28,243</u>	<u>\$ 1,458,658</u>

Adams County, Illinois
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended November 30, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
County Collector Tax Funds				
Assets				
Cash	\$ 438,230	\$ 58,896,523	\$ 59,028,581	\$ 306,172
Total Assets	\$ 438,230	\$ 58,896,523	\$ 59,028,581	\$ 306,172
Liabilities				
Protested and other property taxes held	\$ 78,149	\$ 346,639	\$ 331,163	\$ 93,625
Interest and fees to be distributed	254,081	59,665	254,945	58,801
Held in trust for others	1,075	6,813	6,287	1,601
Due to other governments	99,306	58,482,891	58,435,347	146,850
Due to others	5,619	515	839	5,295
Total Liabilities	\$ 438,230	\$ 58,896,523	\$ 59,028,581	\$ 306,172

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
State Inheritance Tax Fund				
Assets				
Cash	\$ -	\$ 618,646	\$ 618,646	\$ -
Total Assets	\$ -	\$ 618,646	\$ 618,646	\$ -
Liabilities				
Held in trust for others	\$ -	\$ 618,646	\$ 618,646	\$ -
Total Liabilities	\$ -	\$ 618,646	\$ 618,646	\$ -

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Motel Operators Tax				
Assets				
Cash	\$ 434	\$ 13,707	\$ 13,737	\$ 404
Total Assets	\$ 434	\$ 13,707	\$ 13,737	\$ 404
Liabilities				
Held in trust for others	\$ 434	\$ 13,707	\$ 13,737	\$ 404
Total Liabilities	\$ 434	\$ 13,707	\$ 13,737	\$ 404

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Motor Fuel Tax Township Road Districts Fund				
Assets				
Cash	\$ 421,329	\$ 1,853,688	\$ 2,264,216	\$ 10,801
Investments, at cost	650,000	527,909	-	1,177,909
Due from other governments	127,972	100,741	127,972	100,741
Total Assets	\$ 1,199,301	\$ 2,482,338	\$ 2,392,188	\$ 1,289,451
Liabilities				
Due to others	\$ 112,439	\$ 169,528	\$ 112,439	\$ 169,528
Due to other governments	161,946	-	161,946	-
Held in trust for others	924,916	2,587,195	2,392,188	1,119,923
Total Liabilities	\$ 1,199,301	\$ 2,756,723	\$ 2,666,573	\$ 1,289,451

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Township Bridge Fund				
Assets				
Cash	\$ 381,829	\$ 178,428	\$ 421,692	\$ 138,565
Investments, at cost	-	252,861	-	252,861
Total Assets	\$ 381,829	\$ 431,289	\$ 421,692	\$ 391,426
Liabilities				
Held in trust for others	\$ 381,829	\$ 431,289	\$ 421,692	\$ 391,426
Total Liabilities	\$ 381,829	\$ 431,289	\$ 421,692	\$ 391,426

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Sheriff Accounts (DARE & Calendar)				
Assets				
Cash	\$ 3,920	\$ 2,549	\$ 2,510	\$ 3,959
Total Assets	\$ 3,920	\$ 2,549	\$ 2,510	\$ 3,959
Liabilities				
Held in trust for others	\$ 3,920	\$ 2,549	\$ 2,510	\$ 3,959
Total Liabilities	\$ 3,920	\$ 2,549	\$ 2,510	\$ 3,959

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Condemnation Proceeds Fund				
Assets				
Cash	\$ 4,000	\$ -	\$ -	\$ 4,000
Total Assets	\$ 4,000	\$ -	\$ -	\$ 4,000
Liabilities				
Held in trust for others	\$ 4,000	\$ -	\$ -	\$ 4,000
Total Liabilities	\$ 4,000	\$ -	\$ -	\$ 4,000

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Unclaimed Money Fund				
Assets				
Cash	\$ 43,155	\$ 676	\$ 22,962	\$ 20,869
Total Assets	\$ 43,155	\$ 676	\$ 22,962	\$ 20,869
Liabilities				
Held in trust for others	\$ 43,155	\$ 676	\$ 22,962	\$ 20,869
Total Liabilities	\$ 43,155	\$ 676	\$ 22,962	\$ 20,869

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Adams County Cooperative Extension Fund				
Assets				
Cash	\$ -	\$ 129,934	\$ 129,778	\$ 156
Taxes receivable	503	142	503	142
Total Assets	\$ 503	\$ 130,076	\$ 130,281	\$ 298
Liabilities				
Due to others	\$ 503	\$ 130,076	\$ 130,281	\$ 298
Total Liabilities	\$ 503	\$ 130,076	\$ 130,281	\$ 298

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Arrestee's Medical Costs				
Assets				
Cash	\$ 6,796	\$ 9,293	\$ 14,040	\$ 2,049
Total Assets	\$ 6,796	\$ 9,293	\$ 14,040	\$ 2,049
Liabilities				
Held in trust for others	\$ 6,796	\$ 9,293	\$ 14,040	\$ 2,049
Total Liabilities	\$ 6,796	\$ 9,293	\$ 14,040	\$ 2,049

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Adams County Benevolent Fund				
Assets				
Cash	\$ 3,610	\$ 100	\$ -	\$ 3,710
Total Assets	\$ 3,610	\$ 100	\$ -	\$ 3,710
Liabilities				
Held in trust for others	\$ 3,610	\$ 100	\$ -	\$ 3,710
Total Liabilities	\$ 3,610	\$ 100	\$ -	\$ 3,710

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Adams County Mental Health Center				
Assets				
Cash	\$ -	\$ 376,765	\$ 376,312	\$ 453
Taxes receivable	1,367	412	1,367	412
Total Assets	\$ 1,367	\$ 377,177	\$ 377,679	\$ 865
Liabilities				
Held in trust for others	\$ 1,367	\$ 377,177	\$ 377,679	\$ 865
Total Liabilities	\$ 1,367	\$ 377,177	\$ 377,679	\$ 865

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Medical Insurance				
Assets				
Cash	\$ 766,665	\$ 1,521,879	\$ 1,839,956	\$ 448,588
Total Assets	\$ 766,665	\$ 1,521,879	\$ 1,839,956	\$ 448,588
Liabilities				
Held in trust for others	\$ 766,665	\$ 1,518,729	\$ 1,839,956	\$ 445,438
Due to other funds	-	3,150	-	3,150
Total Liabilities	\$ 766,665	\$ 1,521,879	\$ 1,839,956	\$ 448,588
Total - All Agency Funds				
Assets				
Cash	\$ 2,069,968	\$ 63,602,188	\$ 64,732,430	\$ 939,726
Investments, at cost	650,000	780,770	-	1,430,770
Taxes receivable	1,870	554	1,870	554
Due from other governments	127,972	100,741	127,972	100,741
Total Assets	\$ 2,849,810	\$ 64,484,253	\$ 64,862,272	\$ 2,471,791
Liabilities				
Protested and held taxes	\$ 78,149	\$ 346,639	\$ 331,163	\$ 93,625
Interest and fees	254,081	59,665	254,945	58,801
Held in trust for others	2,137,767	5,566,174	5,709,697	1,994,244
Due to other governments	261,252	58,482,891	58,597,293	146,850
Due to others	118,561	303,269	243,559	178,271
Total Liabilities	\$ 2,849,810	\$ 64,758,638	\$ 65,136,657	\$ 2,471,791

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Trustee Payment Account				
Assets				
Cash	\$ 1,075	\$ 6,813	\$ 6,287	\$ 1,601
Total Assets	\$ 1,075	\$ 6,813	\$ 6,287	\$ 1,601
Liabilities				
Held in trust for others	\$ 1,075	\$ 6,813	\$ 6,287	\$ 1,601
Total Liabilities	\$ 1,075	\$ 6,813	\$ 6,287	\$ 1,601

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Prior Year Tax Accounts				
Assets				
Cash	\$ 2,095	\$ 58,449,591	\$ 58,248,413	\$ 203,273
Total Assets	\$ 2,095	\$ 58,449,591	\$ 58,248,413	\$ 203,273
Liabilities				
Interest and fees to be distributed	\$ 2,095	\$ 58,143	\$ 2,095	\$ 58,143
Due to other governments	-	58,391,448	58,246,318	145,130
Total Liabilities	\$ 2,095	\$ 58,449,591	\$ 58,248,413	\$ 203,273

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
2006 Tax Account				
Assets				
Cash	\$ 251,986	\$ 1,160	\$ 252,488	\$ 658
Total Assets	\$ 251,986	\$ 1,160	\$ 252,488	\$ 658
Liabilities				
Interest and fees to be distributed	\$ 251,986	\$ 1,150	\$ 252,478	\$ 658
Due to other governments	-	10	10	-
Total Liabilities	\$ 251,986	\$ 1,160	\$ 252,488	\$ 658

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
<i>Tax Redemption Revolving Fund</i>				
Assets				
Cash	\$ 5,619	\$ 515	\$ 839	\$ 5,295
Total Assets	<u>\$ 5,619</u>	<u>\$ 515</u>	<u>\$ 839</u>	<u>\$ 5,295</u>
Liabilities				
Due to others	\$ 5,619	\$ 515	\$ 839	\$ 5,295
Total Liabilities	<u>\$ 5,619</u>	<u>\$ 515</u>	<u>\$ 839</u>	<u>\$ 5,295</u>

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
<i>Mobile Home Local Services Tax Account</i>				
Assets				
Cash	\$ 99,306	\$ 91,433	\$ 189,019	\$ 1,720
Total Assets	<u>\$ 99,306</u>	<u>\$ 91,433</u>	<u>\$ 189,019</u>	<u>\$ 1,720</u>
Liabilities				
Due to other governments	99,306	91,433	189,019	1,720
Total Liabilities	<u>\$ 99,306</u>	<u>\$ 91,433</u>	<u>\$ 189,019</u>	<u>\$ 1,720</u>

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
<i>Special Tax Account</i>				
Assets				
Cash	\$ -	\$ 336,732	\$ 331,535	\$ 5,197
Total Assets	<u>\$ -</u>	<u>\$ 336,732</u>	<u>\$ 331,535</u>	<u>\$ 5,197</u>
Liabilities				
Protested and other property taxes held	\$ -	\$ 336,360	\$ 331,163	\$ 5,197
Interest and fees to be distributed	-	372	372	-
Total Liabilities	<u>\$ -</u>	<u>\$ 336,732</u>	<u>\$ 331,535</u>	<u>\$ 5,197</u>

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, 2008

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
Tax Sale in Error				
Assets				
Cash	\$ 78,149	\$ 10,279	\$ -	\$ 88,428
Total Assets	\$ 78,149	\$ 10,279	\$ -	\$ 88,428
Liabilities				
Protested and other property taxes held	\$ 78,149	\$ 10,279	\$ -	\$ 88,428
Total Liabilities	\$ 78,149	\$ 10,279	\$ -	\$ 88,428

	Balance 12/01/2007	Additions	Deductions	Balance 11/30/2008
All County Collector Tax Agency Funds				
Assets				
Cash	\$ 438,230	\$ 58,896,523	\$ 59,028,581	\$ 306,172
Total Assets	\$ 438,230	\$ 58,896,523	\$ 59,028,581	\$ 306,172
Liabilities				
Protested and other property taxes held	\$ 78,149	\$ 346,639	\$ 331,163	\$ 93,625
Interest and fees to be distributed	254,081	59,665	254,945	58,801
Held in trust for others	1,075	6,813	6,287	1,601
Due to other governments	99,306	58,482,891	58,435,347	146,850
Due to others	5,619	515	839	5,295
Total Liabilities	\$ 438,230	\$ 58,896,523	\$ 59,028,581	\$ 306,172

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 2007, 2006 and 2005

	<u>Levy Year 2005</u>	<u>Levy Year 2006</u>	<u>Levy Year 2007</u>
Equalized Assessed Valuations			
Residential	\$ 497,074,238	\$ 535,124,738	\$ 574,779,868
Farm	80,646,980	83,121,134	85,750,807
Commercial	151,469,635	159,326,724	166,240,377
Industrial	29,153,807	30,777,305	33,723,792
Total Real Estate	<u>\$ 758,344,660</u>	<u>\$ 808,349,901</u>	<u>\$ 860,494,844</u>
Railroads	2,322,497	2,427,467	2,722,621
Tax Increment Financing (TIF)	4,314,517	3,484,858	4,167,220
Total Assessed Valuations	<u>\$ 764,981,674</u>	<u>\$ 814,262,226</u>	<u>\$ 867,384,685</u>
State Equalization Factor	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Total Equalized Assessed Valuations	<u><u>\$ 764,981,674</u></u>	<u><u>\$ 814,262,226</u></u>	<u><u>\$ 867,384,685</u></u>
Tax Extensions			
County	\$ 6,854,524	\$ 7,211,621	\$ 7,558,677
Townships or road districts	2,648,259	2,790,906	2,921,546
Cities, villages and incorporated towns	4,977,993	5,032,227	5,271,218
School districts	34,929,368	37,106,886	38,167,611
Fire protection districts	1,074,227	1,167,199	1,183,508
Park districts	2,425,936	2,540,218	2,621,226
Library districts	434,516	460,997	488,906
Multi-township districts	42,816	45,084	45,368
Street lighting districts	4,000	4,001	7,000
Total Taxes Extended	<u><u>\$ 53,391,639</u></u>	<u><u>\$ 56,359,139</u></u>	<u><u>\$ 58,265,060</u></u>

Adams County, Illinois
Valuations, Tax Extensions and Collections - Adams County
 Tax Levy Years 2007, 2006 and 2005

	<u>Levy Year 2005</u>	<u>Levy Year 2006</u>	<u>Levy Year 2007</u>
Equalized Assessed Valuations			
Total Assessed Valuations	\$ 764,981,674	\$ 814,262,226	\$ 867,384,685
Tax Increment Financing (TIF)	4,314,517	3,484,858	4,167,220
Total Equalized Assessed Valuations	<u>\$ 760,667,157</u>	<u>\$ 810,777,368</u>	<u>\$ 863,217,465</u>
Tax Extensions by Fund			
General	\$ 1,386,012	\$ 1,443,508	\$ 2,330,687
Social Security	806,535	1,075,902	980,011
Municipal Retirement	729,784	1,265,380	598,296
Tort Judgment/Liability	770,252	592,678	413,309
County Highway	760,667	809,318	863,217
County Bridge	380,334	404,659	387,498
County Matching	380,334	404,659	431,609
County Health	510,027	496,301	476,582
TB Care and Treatment	71,503	74,024	74,064
Ambulance	600,014	165,074	500,062
(a) Mental Health/Developmentally Disabled	330,053	351,067	374,291
(a) Extension Education	129,009	129,076	129,051
Total Taxes Extended	<u>\$ 6,854,524</u>	<u>\$ 7,211,646</u>	<u>\$ 7,558,677</u>
Additional Collections:			
Back Taxes	6,281	166	1,645
Tax Auction	1,692	406	1,122
Payments in Lieu of Taxes	10,263	10,081	10,064
Deductions:			
Billing Adjustments	2,409	3,047	6,040
(a) Mental Health/Developmentally Disabled	(330,353)	(350,594)	(374,196)
(a) Extension Education	(129,127)	(128,899)	(129,017)
Uncollected/Forfeited Taxes	(14,399)	(23,480)	(20,775)
	<u>\$ 6,401,290</u>	<u>\$ 6,722,373</u>	<u>\$ 7,053,560</u>

Adams County, Illinois
Valuations, Tax Extensions and Collections - Adams County (Concluded)
 Tax Levy Years 2007, 2006 and 2005

	Levy Year 2005	Levy Year 2006	Levy Year 2007
Tax Rates by Fund (per \$100 EAV)			
General	\$ 0.18221	\$ 0.17804	\$ 0.27000
Social Security	0.10603	0.13270	0.11353
Municipal Retirement	0.09594	0.15607	0.06931
Tort Judgment/Liability	0.10126	0.07310	0.04788
County Highway	0.10000	0.09982	0.10000
County Bridge	0.05000	0.04991	0.04489
County Matching	0.05000	0.04991	0.05000
County Health	0.06705	0.06121	0.05521
TB Care and Treatment	0.00940	0.00913	0.00858
Ambulance	0.07888	0.02036	0.05793
Total County Funds Tax Rate	\$ 0.84077	\$ 0.83025	\$ 0.81733
(a) Mental Health/Developmentally Disabled	0.04339	0.04330	0.04336
(a) Extension Education	0.01696	0.01592	0.01495
Total Taxes Extended Tax Rate	\$ 0.90112	\$ 0.88947	\$ 0.87564
Tax Distributions by Fund			
General	\$ 1,387,268	\$ 1,441,554	\$ 2,330,101
Social Security	807,273	1,074,447	979,766
Illinois Municipal Retirement	730,452	1,263,668	598,149
Liability Insurance	770,952	591,878	413,204
County Highway	761,360	808,222	862,999
County Bridge	380,684	404,111	387,398
County Matching	380,684	404,111	431,499
County Health	510,489	495,604	476,462
Tuberculosis Treatment Board	71,564	73,927	74,049
Ambulance	600,564	164,851	499,933
	\$ 6,401,290	\$ 6,722,373	\$ 7,053,560

- (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, 2008

\$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, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
<i>Passed Through Illinois State Board of Education</i>			
Commodity Supplemental Food Program	10.565	00100900A2008	\$ 1,605
	10.565	00100900A2009	1,928
			<u>\$ 3,533</u>
School Breakfast Program	10.553	2008-4220-00-01001005P00	\$ 9,872
	10.553	2009-4220-00-01001005P00	1,398
			<u>\$ 11,270</u>
National School Lunch Program	10.555	2008-4210-00-01001005P00	\$ 18,810
	10.555	2009-4210-00-01001005P00	2,685
			<u>\$ 21,495</u>
Child and Adult Care Food Program	10.558	2008-4226-00-01001005P00	\$ 5,789
	10.558	2009-4226-00-01001005P00	4,542
			<u>\$ 10,331</u>
			<u>\$ 46,629</u>
<i>Total Passed Through Illinois State Board of Education</i>			
<i>Passed Through Illinois Department of Human Services</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	811G8010000	\$ 155,998
	10.557	11GK010000	129,809
	10.557	376000379	436,048
			<u>M \$ 721,855</u>
WIC-Farmers' Market Nutrition Program	10.572	811G8010000	\$ 1,000
	10.572	11GK010000	1,000
			<u>\$ 2,000</u>
			<u>\$ 723,855</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	\$ 300
Total U.S. Department of Agriculture			<u>\$ 770,784</u>
U.S. Department of Justice			
<i>Passed Through Illinois Department of Human Services</i>			
Juvenile Justice and Delinquency Prevention	16.540	811G8010000	\$ 2,800
	16.540	11GK009000	2,402
			<u>\$ 5,202</u>
<i>Total Passed Through Illinois Department of Human Services</i>			
<i>Passed through to the West Central Illinois Task Force</i>			
Edward Byrne Memorial Justice Assistance Program	16.738	405219	\$ 88,926
	16.738	406219	45,000
	16.738	404619	16,893
			<u>\$ 150,819</u>
<i>Total Passed through to the West Central Illinois Task Force</i>			
<i>Total Passed Through Illinois Criminal Justice Information Agency</i>			
			<u>\$ 150,819</u>
Total U.S. Department of Justice			<u>\$ 156,021</u>

Adams County, Illinois
Schedule of Expenditures of Federal Awards
Year Ended November 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Transportation			
<i>Passed through Illinois Emergency Management Agency</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	0224201	\$ 7,993
Total U.S. Department of Transportation			\$ 7,993
Environmental Protection Agency			
<i>Passed through Illinois Emergency Management Agency</i>			
Performance Partnership Grants	66.605	001072	\$ 225
Total Environmental Protection Agency			\$ 225
Election Assistance Commission			
<i>Passed through Illinois Board of Elections</i>			
Help America Vote Act Requirements Payments	90.401	376000379	\$ 175,355
Total Election Assistance Commission			\$ 175,355
U.S. Department of Health and Human Services			
Drug-Free Communities Support Program Grants	93.276	H79-SP12308-05	\$ 88,065
	93.276	2H79-SP12308-06	11,194
			\$ 99,259
<i>Passed Through Illinois Department of Human Services</i>			
Maternal and Child Health Services Block Grant	93.994	811G8010000	\$ 30,645
	93.994	11GK010000	10,624
			\$ 41,269
Temporary Assistance for Needy Families	93.558	811G8010000	\$ 146,208
	93.558	11GK010000	80,910
			\$ 227,118
Child Care & Development Block Grant	93.575	811G8010000	\$ 15,505
		11GK010000	23,811
			\$ 39,316
Social Services Block Grant	93.667	11GK010000	\$ 8,600
Substance Abuse & Mental Health Services	93.243	811G801000	\$ 70,257
	93.243	11GK010000	37,413
			\$ 107,670
<i>Total Passed Through Illinois Department of Human Services</i>			\$ 423,973
<i>Passed Through Illinois Department of Public Health</i>			
Immunization Grants (Non-Cash)	93.268	001072	\$ 391,323
Public Health Emergency Preparedness	93.069	87181001	\$ 52,583
	93.069	97181001	21,664
			\$ 74,247
Centers for Disease Control & Prevention	93.283	96180073	\$ 51,182
	93.283	86180077	37,777
	93.283	75380117	2,600
			\$ 91,559
<i>Total Passed Through Illinois Department of Public Health</i>			\$ 557,129

Adams County, Illinois
Schedule of Expenditures of Federal Awards
Year Ended November 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<i>Passed Through Illinois Board of Elections</i>			
Voting Access for Individuals with Disabilities	93.617	376000379	\$ 2,458
<i>Total Passed Through Illinois Board of Elections</i>			<u>\$ 2,458</u>
<i>Passed Through Southern Illinois University School of Medicine</i>			
HIV Care Formula Grants	93.917	530394	\$ 2,687
	93.917	530451	\$ 5,185
<i>Total Passed Through Southern Illinois University School of Medicine</i>			<u>\$ 7,872</u>
<i>Passed Through Illinois Department of Healthcare & Family Services</i>			
Child Support Enforcement	93.563	Circuit Clerk	\$ 13,432
Medical Assistance Program	93.778		\$ 63,014
<i>Total Passed Through Illinois Department of Healthcare & Family Services</i>			<u>\$ 76,446</u>
Total U.S. Department of Health and Human Services			<u>\$ 1,167,137</u>
Department of Homeland Security			
<i>Passed Through Illinois Emergency Management Agency</i>			
Emergency Management Performance Grants	97.042	07-08	\$ 20,903
Disaster Grants - Public Assistance	97.036	2008 Flood - HWY	\$ 137,678
	97.036	2008 Flood - Other	101,852
			<u>\$ 239,530</u>
Total Department of Homeland Security			<u>\$ 260,433</u>
Total Expenditures of Federal Assistance			<u>\$ 2,537,948</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:

Subrecipient/Program Title	Grant Number	Amount Provided
West Central Illinois Drug Task Force		
Byrne Formula Grant Program	405219	\$ 88,926
CFDA #16.738	406219	45,000
	404619	16,893
		\$ 150,819

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, 2008, Non-monetary federal awards were received as follows:

Program Title	CFDA #	Fair Market Value
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	\$ 436,048
Donated Food	10.565	3,533
Immunization Grants	93.268	391,323
		\$ 830,904

At November 30, 2008, the County had immunizations with an estimated fair market value of \$216,307 in inventory.

4. Insurance

As of and for the year ended November 30, 2008, Adams County had no federal insurance in effect.

5. Federal Loans or Loan Guarantees

As of and for the year ended November 30, 2008, Adams County had no federal loans or loan guarantees.

1. Summary of Auditors' Results

- A. The auditors' report on the financial statements of governmental activities of Adams County, Illinois was unqualified.
- B. Six significant deficiencies in internal control over financial reporting disclosed during the audit of the financial statements are reported in accordance with *Government Auditing Standards*. Four conditions are reported as material weaknesses and four are repeat findings.
- C. One instance of noncompliance with laws and regulations are reported in accordance with *Government Auditing Standards*. Four conditions are reported as material weaknesses and four are repeat findings.
- D. No significant deficiencies were disclosed during the audit of internal control over major federal award programs of Adams County, Illinois.
- E. The auditors' 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)
- H. The threshold for distinguishing Types A and B programs was \$300,000.
- I. Adams County, Illinois qualified as a low-risk auditee.

2. Findings – Financial Statement Audit

Material Weaknesses

Finding 2008-01 *Management Override of Controls for Accounts Payable*

Condition:

Several instances were noted where the Check Voucher submitted by the respective Department Manager was subsequently changed by the County Clerk's office during the accounts payable process after board approval. Most of these changes were to the account number, including the fund number. These changes were not initialed or otherwise acknowledged by the affected department or the appropriate board of approval.

Reason Improvement Needed:

All transactions for a particular department should be monitored and approved by that department manager. Those managers are accountable for their respective budgets and performance measurements. If changes are made to their departments without their knowledge and approval, this accountability is diminished. Therefore, once approved, check vouchers should not be changed without a subsequent approval from both the department manager and the board committee assigned for that department. Changes should be discussed with that department as soon as a discrepancy is noted and resolved before the board committee approval, if possible, to minimize the delay in vendor payment.

Cause of Condition:

After approval by the appropriate board committee, the County Clerk's office is making changes to the Check Voucher and then processing the Accounts Payable checks. This causes these transactions to be posted to the amended account number rather than the intended account number assigned by the person responsible for the transaction.

2. Findings – Financial Statement Audit (Continued)

Material Weaknesses (Continued)

Finding 2008-01 Management Override of Controls for Accounts Payable (Concluded)

Effect of Condition:

By allowing the change of account numbers and/or funds, the responsibility is transferred from the appropriate department manager to the County Clerk. This department can no longer manage their budgets effectively when expenses are charged to other line items without their knowledge or approval. Also, management override of controls diminishes the entire internal control structure of the entity. Fortunately, the County's internal control structure allows the Treasurer's office to review these check vouchers before signing the checks and these voucher changes are discovered during this control step. However, the Treasurer's office is not assigned the task of acquiring approval for these changes and, at this late step in the process, the costs of this task would outweigh the benefit.

Recommendation:

We recommend that no changes are made to check vouchers by anyone other than the department manager. If necessary, changes could be made by another party, but these changes need to be initialed by the person making the change and an acknowledgement should be included showing that the department manager agreed with this change. These changes should be done before committee approval. If changes are needed after committee approval, then a journal entry should be proposed to make this change with documentation and justification and sent to the Treasurer's office to be posted, if deemed necessary.

Costs and Benefits of Recommended Action:

Any costs associated with eliminating changes to the check vouchers and requiring a journal entry for necessary changes would be minimal (cost of paper). The benefits include better financial reporting, strengthened internal control in the accounts payable process and better accountability for each department.

Management's Response:

We accept the finding and will implement the corrective action suggested.

Finding 2008-02 – Journal Entries (Repeat Finding)

Condition:

The County Clerk's office processes payroll using a third-party vendor (ADP) and receives a journal entry to record payroll in the general ledger. During the course of our audit, we noted that a number of these journal entries 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. Also, we found journal entries are posted without proper documentation and approval.

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.

2. Findings – Financial Statement Audit (Continued)

Material Weaknesses (Continued)

Finding 2008-02 – 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.

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:

We accept the finding and will implement the corrective action. The payroll entries are automatically posted to the general ledger creating a discrepancy report. This "Created by Posting Report" and a response form will be circulated to those affected departments for review and approval prior to posting journal entries.

Finding 2008-03 – Inmate Commissary Fund (Repeat Finding)

Condition:

The Adams County Sheriff's Department maintains an "Inmate Commissary Fund" in which incarcerated individuals are allowed to purchase items that are not supplied by the jail in accordance with Section 701.250 of the Illinois County Jail Standards. The Inmates are required to deposit funds into the Inmate Fund and the purchases are deducted from the inmate's account. The Sheriff's control procedures require that the funds, collected in lock boxes, be deposited weekly and that only "commissary" type items are allowed to be purchased from the fund.

During the course of our audit, we noted that, while inmate funds were credited to the individual inmates' accounts on a weekly basis, deposits were normally made on a monthly basis. No deposits were made during the months of December 2007, February, April, June and September 2008. Finally, one person is responsible for all aspects of accounting for the fund, from receiving funds, making deposits, disbursing funds, and recording and reconciling accounts.

This Inmate Commissary Fund is not included with the other funds maintained in the County Treasurer's office. Even though there is a decentralized system of accounting at the County, all funds should be included in the main general ledger.

2. Findings – Financial Statement Audit (Continued)

Material Weaknesses (Continued)

Finding 2008-03 – Inmate Commissary Fund (Repeat Finding) (Continued)

Reason Improvement Needed:

Segregation of Duties – Good internal control over financial reporting requires that incompatible duties be segregated to reduce the risk of error, from either mistake or fraud. Having one person receiving funds, posting accounts, reconciling accounts and disbursing funds creates an atmosphere where errors or fraud could occur and not be detected by employees during the normal course of their assigned duties.

Proper recognition of assets and liabilities – Timely payment and deposit of funds is essential for the proper recording of assets, liabilities, revenues and expenditures arising from cash transactions. In addition, the longer funds (cash) accumulate without being deposited in a financial institution, the greater the risk of loss, either through error or fraud.

Proper inclusion of fund in main general ledger – The County Treasurer's office is responsible for complete accounting of the County's general ledger. Because this fund consists of both fiduciary amounts (amounts belonging to the inmates) and special revenue amounts (commissions earned on sales), then this fund should be maintained with the other funds in the County Treasurer's office. Even though, any remaining balance is restricted for use by the jail, this provides a complete picture of the County's financial position.

Cause of Condition:

In fitting with the County's de-centralized bookkeeping system, employees of the Sheriff's department are made responsible for the Inmate Fund. Typically, one person is assigned the duty of maintaining the fund from beginning to end. This individual receives little official training in the regulatory requirements of the fund under state statute or in basic accounting for funds held in a fiduciary capacity.

Effect of Condition:

Without segregation of duties, the person performing all of the duties has no protection against accusations of fraud or misstatements. Also, inadvertent mistakes are not likely to be discovered and financial reporting may not be accurate.

Deposits may be misplaced when not immediately deposited. In reviewing the deposit slips, deposits were received and prepared, but not taken to the bank during several different months of the year.

Since this fund is not included in the main accounting system, no reports are available for review by anyone within the County to monitor this fund. Also, the County should provide a complete set of accounting to the Board for review, regardless if the funds are restricted for a certain purpose.

Recommendation:

We recommend, subject to a review of applicable state statutes and regulations regarding such funds that:

1. Funds should be deposited, at a minimum, on a weekly basis.
2. Financial records of the Inmate and Commissary Fund should be recorded in the County's books and records. As required by statute, these funds should be segregated from the County's general funds. The Inmate portion of this fund represents a liability, as these are not County monies. The Commissary portion represents County monies unspent from commissary commissions that are restricted by statute for inmate expenses.
3. Duties for recording and depositing funds, as well as reconciliation of accounts should be segregated. We recommend that the Treasurer's office collect the funds from the lockbox and make the bank deposit. A summary of funds received could then be given to the person responsible for the fund for entry into the "Keefe Commissary Network" system. Reconciliation of accounts could still be performed by the Sheriff's office, with the final reconciliation approved by either the Sheriff (or his designate).

2. Findings – Financial Statement Audit (Continued)

Material Weaknesses (Continued)

Finding 2008-03 – Inmate Commissary Fund (Repeat Finding) (Concluded)

Costs and Benefits of Recommended Action:

Any costs associated with implementing these recommendations would be minimal, as no additional personnel, equipment or software is required. Benefits include compliance with state regulations, better internal control over these funds, accurate reporting of transactions and the ability to carry out fiduciary responsibilities.

Management’s Response:

We accept the finding and will implement changes in procedures to properly meet the recommendations.

Finding 2008-04 – Budgeting/Excess of Approved Budgeted Amounts/Deficit Budgets (Repeat Finding)

Condition:

As described in Footnote 2 to the financial statements, the County adopts an annual budget in accordance with State law. In the case of two funds, the County approved budgeted expenditures in excess of available estimated resources. In the case of six additional funds, the County expended funds in excess of approved budgeted amounts.

Reason Improvement Needed:

State Statutes forbid budgeting expenditures in excess of available resources (deficit budgeting) and expending funds in excess of approved budgeted amounts.

Criteria:

Neither the County Board nor any one 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 County Board approves appropriate amendments to the General Fund; however other funds are historically not amended.

Effect of Condition:

As a result of the condition described above, the following funds had budgeted charges to appropriations in excess of estimated available resources:

Fund Name	Estimated Resources	Budgeted Charges to Appropriations	Budgeted Deficit
<i>Special Revenue Funds:</i>			
Finance Court	\$ 186,455	\$ 196,140	\$ (9,685)
Flood Control	58,718	58,790	(72)

2. Findings – Financial Statement Audit (Continued)

Material Weaknesses (Concluded)

Finding 2008-04 – Budgeting/Excess of Approved Budgeted Amounts/Deficit Budgets (Repeat Finding) (Concluded)

The following funds had expenditures in excess of approved budgeted appropriations for the year ended November 30, 2008:

Fund Name	Expenditures Paid	Budget	Excess
<i>Special Revenue Funds:</i>			
2008 Flood	\$ 70,606	\$ -	\$ 70,606
IMRF/Social Security	2,323,846	2,289,350	34,496
Debt Service	8,767,587	587,625	8,179,962
Drug Traffic Prevention	2,161	1,000	1,161
DUI Equipment	9,035	6,000	3,035
Animal Control	19,271	16,000	3,271

While the violation of this statute does not affect the validity of any tax levy otherwise in conformity with law, any person who violates, or neglects or fails to comply with, the terms of this Statute commits a Class B misdemeanor.

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 Finance Committee will make every attempt to make the appropriate transfers, budget amendments and supplementary budgets as required by State Statutes.

Significant Deficiencies

Finding 2008-05 Segregation of Duties – Circuit Clerk's Office

Condition:

During our review of internal control in the Circuit Clerk's office, it was noted that there is a lack of segregation of duties in regards to the cash function. It appears that the person responsible for preparing receipts for deposit is also responsible for writing checks and reconciling the bank statement. Also, they occasionally make the actual bank deposit when the Circuit Clerk is not available. Checks are printed from the computer with the appropriate signature already included. No other signature is required.

Reason Improvement Needed:

Good internal control over financial reporting requires that incompatible duties be segregated to reduce the risk of error, from either mistake or fraud. Having one person receiving funds, posting accounts, reconciling accounts and disbursing funds creates an atmosphere where errors or fraud could occur and not be detected by employees during the normal course of their assigned duties.

2. Findings – Financial Statement Audit (Continued)

Significant Deficiencies (Continued)

Finding 2008-05 Segregation of Duties – Circuit Clerk’s Office (Concluded)

Cause of Condition:

The Circuit Clerk is charged with collecting money for various fines and fees. The money is collected by tellers and then balanced to the voucher report by a member of management. This person also prepares the deposit slip and occasionally takes the deposit to the bank, however, this responsibility is normally segregated to the Circuit Clerk. This person is also one of the people allowed to write pre-signed checks from this account and then reconcile the bank statement.

Effect of Condition:

Inadvertent errors could be made and not discovered without another party involved in the process. Also, allegations of fraud or impropriety are more difficult to disprove without segregation of duties. Pre-signed checks are also potential for impropriety or mistakes. Errors may create required Circuit Clerk reports to be misstated.

Recommendation:

We recommend that checks are no longer printed with the signature already on them. A signature stamp with secured access could be used by the Circuit Clerk instead. Also, the cash duties should be separated so that the person reconciling the bank statement has no other cash function and this reconciliation is reviewed by management with an acknowledgement from the preparer and reviewer.

Costs and Benefits of Recommended Action:

Any costs associated with eliminating the preprinted signature would be extra time to stamp the checks. Other costs associated should be minimal as duties can be absorbed into a regular work day for the additional person. The benefits include better financial reporting and strengthened internal control in the cash process.

Management’s Response:

We accept the finding. The computer system will be modified so that checks are not auto-signed. The person responsible for reconciling the bank statement will not normally be involved with the cash functions. Reconciliations will be reviewed by management and initialed.

Finding 2008-06 Reporting and Calculation of Recorder’s Fees

Condition:

During the course of our audit, we became aware of the miscalculation of recorder income distributed to the General Fund. This resulted in an overpayment of \$18,954 and erroneous reports. These calculations and reports were not reviewed by an independent party to ensure accuracy.

Reason Improvement Needed:

Good internal control over financial reporting 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. Reconciliations were performed to the bank statement, however, a reconciliation of the income was not performed during the year. This reconciliation would have allowed management to discover these miscalculations. This would result in accurate reporting and remittance to the respective offices or funds

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. During the year, the total income was overstated causing this remaining amount remitted to the General Fund to also be overstated. This miscalculation was due to the new recorder system’s method of reporting fees that are billed to customers. Income is reported when billed to the customer under the respective fee.

2. Findings – Financial Statement Audit (Concluded)

Significant Deficiencies (Concluded)

Finding 2008-06 Reporting and Calculation of Recorder's Fees (Concluded)

However, when payments are received for these bills, those payments were also picked up as income under "Account Payment" in the Service Fees section. This caused that income to be recorded twice. Fees charged to the customer, but not yet paid are listed as "prepaid" on the recorder's Record Management Report. The payments received on account should offset these "prepaid" amounts rather than being put in a service fee category. Also, it appears that there is no way to track the balance due on account since payments are not posted against the receivable or "prepaid" amount.

Effect of Condition:

This condition has a snowball effect if not addressed. The overpayment will continue to grow and eventually the bank account will not have a sufficient balance to remit to the respective funds or offices. Also, the income reported is overstated and can present problems when budgets are prepared if these reports are relied upon for budgeting and planning purposes.

Without knowing what the accounts receivable are, the County may never collect all monies due to them.

Recommendation:

We recommend that payments on accounts are recorded differently on the Records Management Report and those payments are applied to the receivable balance instead. All receivables should be tracked to ensure balances are paid in full. The Financial Report prepared by the County Clerk should be reviewed and initialed by a second party to ensure the calculation is correct. In addition to the bank reconciliation, a reconciliation should be done to compare the cash balance with what is due to other funds and offices. All monies in this cash account are to be remitted, so this amount should be able to be reconciled back to the fees collected. These reconciliations should be reviewed and acknowledged by a second party.

Costs and Benefits of Recommended Action:

The costs associated with reviewing the reconciliations would be personnel time. Other costs associated may be software support costs to determine the correct way to post payments. The benefits of accurate reporting, better cash management and accurate remittances far outweigh these minimal costs.

Management's Response:

We accept the finding and will implement changes in procedures to properly meet the recommendations.

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, 2008

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