

# Adams County, Illinois

Annual Financial Report  
Year Ended November 30, 2010

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## Adams County, Illinois

### **County Board**

Michael K. McLaughlin, Chairman

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

### **County Officials**

County Clerk/Recorder  
Georgia Volm

State's Attorney  
Jonathan H. Barnard

County Treasurer  
Terry Asher

Sheriff  
Brent A. Fischer

Circuit Clerk  
Randy E. Frese

Coroner  
James Keller

Regional Superintendent of Schools  
Deborah J. Niederhauser

### **Appointed Officials**

County Engineer  
James R. Frankenhoff

Public Health Administrator  
Nancy A. Bluhm

Supervisor of Assessments  
Georgene Zimmerman

Animal Warden  
Jennifer L. Benjamin

Emergency Management Director  
John W. Simon, II

Juvenile Detention Center Superintendent  
John Jones

Director of Court Services  
Michael A. Hancox

Chief Probation Officer  
Charles V. Otte Jr.

Public Defender  
Edward K. Downey

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

911 Director Quincy/Adams County  
Steve Rolands

## Financial Section



## Independent Auditor's Report

To the Adams County Board  
Adams County, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of and for the year ended November 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Adams County, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Adams County, Illinois, as of November 30, 2010, and the respective changes in financial position 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 May 23, 2011, on our consideration of Adams County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages 3 through 10 and 38 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Independent Auditor's Report (Concluded)

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

*Wade Stables P.C.*

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

May 23, 2011  
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, 2010. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- The County's total net assets decreased \$1.2 million (or nearly 1.59%) over the course of this year's operations. Unrestricted net assets (those available to pay for the day-to-day operations of the County) *decreased* by \$637 thousand and net assets invested in capital assets (net of related long-term debt) *decreased* by \$1.2 million.
- The assets of Adams County exceeded its liabilities at the close of the fiscal year 2010 by \$77.5 million (net assets). Of this amount, \$1.6 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Adams County's total assets were \$87.2 million at November 30, 2010.
- As of the close of the 2010 fiscal year, Adams County governmental funds ending fund balances were \$14.3 million, compared to \$14.3 million in 2009.
- Adams County's total long term debt decreased by \$392 thousand during the year.

### Using this Annual Financial Report

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

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

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The government-wide financial statements may be found on pages 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 - 22 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 23 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 24 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 \$77,539,634 at the close of the most recent fiscal year, which is a decrease of \$1,251,963 from 2009. Net capital assets of Adams County at November 30, 2010 were \$70,489,562.

98% 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 (\$1,598,015) 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 2010 and 2009.

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

	Governmental Activities	
	2010	2009
<b>Assets</b>		
Current & Other Assets	\$ 16,725	\$ 17,402
Capital Assets, net	70,490	72,019
<b>Total Assets</b>	<b>\$ 87,215</b>	<b>\$ 89,421</b>
<b>Liabilities</b>		
Current & Other Liabilities	\$ 2,122	\$ 2,684
Long-Term Liabilities		
Due Within One Year	353	392
Due in More Than One Year	7,200	7,553
<b>Total Liabilities</b>	<b>\$ 9,675</b>	<b>\$ 10,629</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	\$ 63,290	\$ 64,466
Restricted:		
Capital Projects	-	324
Highways and Streets	7,640	5,712
Other Purposes	4,993	6,037
Jail	19	18
Unrestricted	1,598	2,235
<b>Total Net Assets</b>	<b>\$ 77,540</b>	<b>\$ 78,792</b>

During the year ended November 30, 2010, Net Assets decreased \$1.25 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 2010 and 2009.

Table 2  
Changes in Net Assets (In Thousands)

	Governmental Activities	
	2010	2009
<b>Program Revenues:</b>		
Charges for Services	\$ 7,322	\$ 7,597
Operating Grants & Contributions	4,484	4,010
Capital Grants and Contributions	5,801	2,881
<b>General Revenues:</b>		
Property Taxes	7,453	7,121
Sales and Use Taxes	2,654	2,670
Income and Inheritance Taxes	2,611	2,703
Investment Earnings	189	465
<b>Total Revenues</b>	<b>\$ 30,514</b>	<b>\$ 27,447</b>
<b>Program Expenses:</b>		
General Government	\$ 6,343	\$ 5,959
Public Safety	5,282	4,644
Judicial and Courts	3,449	2,872
Public Works	8,838	8,710
Health	7,216	7,288
Culture and Recreation	139	135
Education	191	187
Interest on Long-Term Debt	308	313
<b>Total Expenses</b>	<b>\$ 31,766</b>	<b>\$ 30,108</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (1,252)</b>	<b>\$ (2,661)</b>

#### Governmental Activities

The general government programs of the County represent the activities related to the governing body and other elected officials in the performance of their primary duties and subsidiary activities. These activities directly support other programs of the County and service its citizens. This represented 20.0% and 19.8% of the County's total expenses in 2010 and 2009, respectively.

For the year ended November 30, 2010, 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 7.73% and 7.62% of total expenditures for the years ended November 30, 2010 and 2009, 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 1.63% and 1.52% of total expenditures for the years ended November 30, 2010 and 2009, 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, 2010 and 2009, ambulance operating expenditures represented 9.0% and 9.4% of County-Wide expenditures, respectively.

The County's Health Department provides a variety of services designed to benefit individuals both socially and economically. In 2010, program expenditures decreased approximately 5.2%, when compared to 2009, and the overall program represented 12.6% (vs. 14.1% in 2009) of expenditures for governmental activities. A decrease in expenditures for salaries and benefits due to the elimination of some state-funded programs and the elimination of moving expenses from the prior year accounted for nearly all of the decrease in expenditures.

As provided by statute, the County provides tuberculosis treatment to its residents. Expenditures amounted to only .3% of county-wide expenditures in 2010 and 2009.

The Adams County Highway Department provides engineering, construction, maintenance and fiscal services to county townships and road districts, as well as infrastructure assets owned by the County itself. These services are accounted for in several funds, including County Highway, County Bridge and Federal Matching Tax. Combined, these funds accounted for 19.4% of public works expenditures in 2010 and 5.4% of overall expenditures, compared to 6.4% in 2009.

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 8.3% of total public works expenditures and 2.3% of county-wide governmental activity expenses for the year ended November 30, 2010. These expenditures represented 6.2% and 1.8% of public works and total expenditures in 2009.

### 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 \$14.3 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 \$2.0 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 19.5% and 19.5%, respectively, of the total general fund expenditures and other financing uses (roughly 10 weeks of expenditures).

## Management's Discussion and Analysis (Continued)

### Financial Analysis of the County's Funds (Concluded)

The fund balance of the County's general fund decreased in size from 2009 with expenditures exceeding revenues by \$628 thousand. The key factor in this decrease was the increase in public safety expenditures in the general fund this year.

### General Fund Budgetary Highlights

For the fiscal year ending November 30, 2010, actual expenditures on a budgetary basis were \$13,414,697 compared to the budget amount of \$14,408,326. The \$993,629 positive variance was mainly due to spending less in the County Administration, Emergency Management Agency, Circuit Clerk and transfers to other funds.

The County's actual revenues on a budgetary basis were \$14,659,128 as compared to the budget amount of \$15,589,317. This resulted in a negative variance of \$930,189. Much of this variance is due to income taxes of \$1,337,637 compared to the budget amount of \$1,700,000 for a negative variance of \$362,363 and grants and reimbursements of \$2,027,776 compared to the budget amount of \$2,411,455 for a negative variance of \$383,679.

### CAPITAL ASSETS AND DEBT

#### Capital Assets

At the end of the fiscal year, the County had \$127,385,174 invested in its funds for land, buildings, automobiles, furniture/fixtures/equipment and roads/bridges. This amount represents an increase of \$3,880,806 or 3.1%. \$416,964 of this increase was the final construction costs for the new Health Department building and \$2,786,186 was for roads and bridges.

Table 3  
Capital Assets & Infrastructure

	Balance 11/30/2009	Additions	Retirements	Balance 11/30/2010
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 669,633	\$ -	\$ -	\$ 669,633
Capital Assets being depreciated:				
Buildings	\$ 19,579,604	\$ 416,964	\$ -	\$ 19,996,568
Roads and bridges	95,055,724	2,786,186	-	97,841,910
Automotive	4,263,865	332,520	-	4,596,385
Furniture, fixtures and equipment	3,935,542	345,136	-	4,280,678
	<u>\$ 122,834,735</u>	<u>\$ 3,880,806</u>	<u>\$ -</u>	<u>\$ 126,715,541</u>
Less Accumulated Depreciation:				
Buildings	\$ (5,921,639)	\$ (444,500)	\$ -	\$ (6,366,139)
Roads and bridges	(40,123,844)	(4,256,514)	-	(44,380,358)
Automotive	(2,886,356)	(352,807)	-	(3,239,163)
Furniture, fixtures and equipment	(2,553,558)	(356,394)	-	(2,909,952)
	<u>\$ (51,485,397)</u>	<u>\$ (5,410,215)</u>	<u>\$ -</u>	<u>\$ (56,895,612)</u>
Governmental Capital Assets, Net	<u>\$ 72,018,971</u>	<u>\$ (1,529,409)</u>	<u>\$ -</u>	<u>\$ 70,489,562</u>

## Management's Discussion and Analysis (Continued)

### Debt

At year-end, the County had \$7,553,433 in long-term obligations. The County did not issue any long-term debt during the fiscal year. The County made principal payments on its debt of \$353,433, and interest payments totaling \$308,136 for the year ended November 30, 2010.

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.	<u>\$ 7,500,000</u>
\$183,200 City of Quincy, Illinois loan, Dated June 29, 2009, due in monthly installments of \$7,633.33 each with final payment due June 29, 2011, with 0% interest.	<u>\$ 53,433</u>

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

On November 16, 2010 the Adams County Board approved the Adams County's Government budget for the 2010-2011 fiscal year 2010-2011 budget. All of these factors discussed above were considered in preparing the budget.

REVENUE. The General Fund's projected revenue budget is \$12,021,663. Anticipated revenue is \$271,463 less than the previous year, or a 2.2% decrease compared to 2009-2010.

The revenue structure of the General Fund is diversified so that the operation of the county is not overly dependent on any one source. Projected real estate tax revenue is expected to increase 3.1% to \$2,662,000 and represents 22% of the revenue budget. Projected revenue from State-shared sources is expected to increase 1.3% to \$5,057,700 and represents 42% of the revenue budget. State-shared revenue includes sales tax, use tax, income tax, retailers occupational tax, and personal property replacement tax. As of November 30, sales and related taxes have been paid through September, 2010.

EXPENSES. The General Fund's projected expense budget are \$13,004,464. This reflects a 2.0% decrease over the FY 2009-2010 budget of \$13,266,303.

This budget includes a 0% salary increase for most employees. The General Fund capital expense budget was also eliminated.

On December 14, 2010 the Adams County Board approved a 2010 property tax levy of 0.98416 per equalized assessed valuation (EAV). This levy is 10.2% higher than the 2009 property tax levy of 0.8613 and is the first increase since the 2004 tax year. It will increase tax collections by \$1,075,533 (13%) for a total of \$9,325,934. In the 2010 payable in 2011 real estate tax cycle, total property assessments increased by 2.5% compared to 4.5% last year. The County General Fund revenue increase to \$2,656,654 represents the maximum allowable levy rate (0.27000).

## Management's Discussion and Analysis (Concluded)

Social Security increased by \$73,231 (1.35%) to \$996,062. Pension/IMRF increased by \$259,772 (22.6%) to \$1,409,878 to offset a loss of earnings during the market downturn. Liability Insurance increased by \$43,765 (7.6%) to \$618,048. County Highway increased \$27,914 (2.9%) to \$983,946 though County Bridge funds increased \$63,957 (14.9%) to \$491,973. TB Treatment decreased \$38,843 (28.5%) to 74,000. Developmentally Disabled decreased \$132,600 (19.4%) to 649,400. Cooperative Extension remains unchanged.

Ambulance was increased \$410,000 (456%) to \$500,000 and Health increased \$330,000 (366.67%) to \$420,000. In FY 2009 these funding lines were lowered to adjust fund balances in these areas and to keep the overall county levy increase below 5%.

Union contracts were renegotiated and approved for a new three-year term starting December 1, 2010. Union salaries will receive a 0% increase for the 2011 fiscal year and will increase 2% each for 2012 and 2013. Discussions continue on plans for a new jail.

The economic climate continues to challenge the county budget. The overall economic recovery remains slow. Interest rates are at their lowest point in history with no end in sight. Slow state reimbursements and state proposals to withhold previously budgeted funds will threaten the best county budget plans. The finance committee will closely monitor revenue shortfalls and take necessary action to adjust the spending if necessary.

### Requests for Information

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

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

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



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

To the Adams County Board  
Adams County, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of and for the year ended November 30, 2010, which collectively comprise Adams County, Illinois' basic financial statements and have issued our report thereon dated May 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Findings 2010-01 and 2010-02.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. Findings 2010-03 through 2010-06.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Adams County, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 2010-03.



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

We noted certain matters that we reported to management of Adams County, Illinois, in a separate letter dated May 23, 2011.

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

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

*Wade Stables P.C.*

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

May 23, 2011  
Quincy, Illinois



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

To the Adams County Board  
Adams County, Illinois

**Compliance**

We have audited Adams County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Adams County, Illinois' major federal programs for the year ended November 30, 2010. Adams County, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Adams County, Illinois' management. Our responsibility is to express an opinion on Adams County, Illinois' compliance based on our audit.

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

In our opinion, Adams County, Illinois, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2010.

**Internal Control over Compliance**

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

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

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

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

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

May 23, 2011  
Quincy, Illinois

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

## Adams County, Illinois

## Statement of Net Assets

November 30, 2010

**Assets**

Cash and cash equivalents		\$ 13,942,139
Other receivables		2,621,773
Inventory		161,601
Capital assets, net of accumulated depreciation, where applicable:		
Land	\$ 669,633	
Buildings and improvements	13,630,429	
Infrastructure	53,461,552	
Automotive	1,357,222	
Furniture, fixtures and equipment	1,370,726	
Total capital assets, net (Note 5)		<u>70,489,562</u>
<b>Total Assets</b>		<u>\$ 87,215,075</u>

**Liabilities**

Accounts payable		\$ 155,880
Salaries and benefits payable		679,104
Accrued interest payable		88,177
Deferred revenues		35,500
Held in trust of others		1,163,347
Bonds payable		
Portion due within one year		353,433
Portion due after one year		7,200,000
<b>Total Liabilities</b>		<u>\$ 9,675,441</u>

**Net Assets**

Invested in capital assets, net of related debt		\$ 63,289,562
Restricted for jail		19,477
Restricted for streets and highways		7,640,255
Restricted for other purposes		4,992,325
Unrestricted		1,598,015
<b>Total Net Assets</b>		<u>\$ 77,539,634</u>

Adams County, Illinois  
Statement of Activities  
For the Year Ended November 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Total (Governmental Activities)	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
General government	\$ 6,342,588	\$ 951,097	\$ 46,744	\$ 7,207	\$ (5,337,540)
Public safety	5,282,177	219,716	873,007	200,147	(3,989,307)
Judicial and courts	3,449,429	2,157,397	1,097,668	-	(194,364)
Public works	8,838,659	411,576	63,906	5,519,845	(2,843,332)
Health	7,216,240	3,571,841	2,402,917	74,325	(1,167,157)
Culture and recreation	139,352	10,424	-	-	(128,928)
Education	191,438	-	-	-	(191,438)
Interest on long-term debt	308,136	-	-	-	(308,136)
<b>Total Governmental Activities</b>	<b>\$ 31,768,019</b>	<b>\$ 7,322,051</b>	<b>\$ 4,484,242</b>	<b>\$ 5,801,524</b>	<b>\$ (14,160,202)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					\$ 2,588,266
Property taxes, levied for special purposes					4,865,293
General sales and use taxes					2,654,211
Income and inheritance taxes					2,611,118
Investment earnings					189,351
Total general revenues and transfers					<u>\$ 12,908,239</u>
<b>Change in Net Assets</b>					
Net Assets - December 1, 2009					<u>78,791,597</u>
Net Assets - November 30, 2010					<u>\$ 77,539,634</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
<b>Assets</b>						
Cash and cash equivalents	\$ 2,458,302	\$ 1,501,280	\$ 516,952	\$ 221,982	\$ 1,056,744	\$ 71,449
Other receivables	965,501	62,295	-	206,127	524,208	-
Inventory	-	-	-	-	161,601	-
Internal receivables	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,423,803</b>	<b>\$ 1,563,575</b>	<b>\$ 516,952</b>	<b>\$ 428,109</b>	<b>\$ 1,742,553</b>	<b>\$ 71,449</b>
<b>Liabilities</b>						
Accounts payable	\$ 40,007	\$ 3,794	\$ 949	\$ 6,295	\$ 3,446	\$ 476
Salaries and benefits payable	209,369	48,232	-	114,718	203,946	-
Accrued interest payable	-	-	-	-	-	-
Internal payables	33,587	-	-	-	-	-
Held in trust of others	1,157,642	-	-	-	-	-
Deferred revenues	3	-	-	-	35,497	-
Long-term liabilities						
Payable within one year	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 1,440,608</b>	<b>\$ 52,026</b>	<b>\$ 949</b>	<b>\$ 121,013</b>	<b>\$ 242,889</b>	<b>\$ 476</b>
<b>Fund Balances/Net Assets</b>						
<i>Fund Balances:</i>						
Reserved for jail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
General fund	1,983,195	-	-	-	-	-
Special revenue funds	-	1,511,549	516,003	307,096	1,499,664	70,973
Capital projects fund	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 1,983,195</b>	<b>\$ 1,511,549</b>	<b>\$ 516,003</b>	<b>\$ 307,096</b>	<b>\$ 1,499,664</b>	<b>\$ 70,973</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,423,803</b>	<b>\$ 1,563,575</b>	<b>\$ 516,952</b>	<b>\$ 428,109</b>	<b>\$ 1,742,553</b>	<b>\$ 71,449</b>

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

Adams County, Illinois  
Balance Sheet-Governmental Funds  
November 30, 2010

County Highway	County Bridge	Federal Matching and CDAP Grant	Motor Fuel Tax	Road District Revolving	Debt Service	Other Funds	Total
\$ 1,796,927	\$ 981,281	\$ 1,014,171	\$ 2,577,298	\$ 609,131	\$ 14,189	\$ 1,122,433	\$ 13,942,139
-	-	-	95,431	563,540	-	204,671	2,621,773
-	-	-	-	-	-	-	161,601
-	-	-	1,400,000	-	-	73,587	1,473,587
<u>\$ 1,796,927</u>	<u>\$ 981,281</u>	<u>\$ 1,014,171</u>	<u>\$ 4,072,729</u>	<u>\$ 1,172,671</u>	<u>\$ 14,189</u>	<u>\$ 1,400,691</u>	<u>\$ 18,199,100</u>
\$ 28,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,332	\$ 155,880
102,839	-	-	-	-	-	-	679,104
-	-	-	-	-	88,177	-	88,177
-	-	40,000	-	1,400,000	-	-	1,473,587
-	-	-	-	-	-	5,705	1,163,347
-	-	-	-	-	-	-	35,500
53,433	-	-	-	-	300,000	-	353,433
<u>\$ 184,853</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 1,400,000</u>	<u>\$ 388,177</u>	<u>\$ 78,037</u>	<u>\$ 3,949,028</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,477	\$ 19,477
-	-	-	-	-	-	-	1,983,195
1,612,074	981,281	974,171	4,072,729	(227,329)	-	1,314,369	12,632,580
-	-	-	-	-	-	(11,192)	(11,192)
-	-	-	-	-	(373,988)	-	(373,988)
<u>\$ 1,612,074</u>	<u>\$ 981,281</u>	<u>\$ 974,171</u>	<u>\$ 4,072,729</u>	<u>\$ (227,329)</u>	<u>\$ (373,988)</u>	<u>\$ 1,322,654</u>	<u>\$ 14,250,072</u>
<u>\$ 1,796,927</u>	<u>\$ 981,281</u>	<u>\$ 1,014,171</u>	<u>\$ 4,072,729</u>	<u>\$ 1,172,671</u>	<u>\$ 14,189</u>	<u>\$ 1,400,691</u>	<u>\$ 18,199,100</u>

Adams County, Illinois  
Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
November 30, 2010

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<b>Total Governmental Fund Balances</b>	\$ 14,250,072
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	70,489,562
Bonds payable are not due in the current period, and are not reported in the funds.	<u>(7,200,000)</u>
<b>Net Assets of Governmental Activities</b>	<u><u>\$ 77,539,634</u></u>



	General Fund	IMRF and Social Security	Liability Insurance	Ambulance	Health Department	Tuberculosis Treatment
<b>Revenues</b>						
Property taxes	\$ 2,588,266	\$ 2,138,810	\$ 575,870	\$ 90,319	\$ 90,319	\$ 104,169
Sales and use taxes	2,654,211	-	-	-	-	-
Licenses and permits	46,604	-	-	-	-	-
Fees and fines	1,872,661	-	-	-	-	-
Charges for services	608,665	-	-	2,315,306	1,242,221	-
Intergovernmental	4,459,008	347,168	-	-	2,421,549	-
Miscellaneous	99,258	-	-	10,926	3,388	-
Investment earnings	125,634	1,300	350	6,269	6,959	63
Total Revenues	<u>\$ 12,454,307</u>	<u>\$ 2,487,278</u>	<u>\$ 576,220</u>	<u>\$ 2,422,820</u>	<u>\$ 3,764,436</u>	<u>\$ 104,232</u>
<b>Expenditures</b>						
<i>Current:</i>						
General government	\$ 3,012,380	\$ 2,455,599	\$ 519,029	\$ -	\$ -	\$ -
Public safety	5,053,541	-	-	-	-	-
Public works	-	-	-	-	-	-
Judicial and courts	4,117,275	-	-	-	-	-
Health and sanitation	-	-	-	2,863,504	4,012,577	80,231
Culture and recreation	139,352	-	-	-	-	-
Education	191,438	-	-	-	-	-
<i>Debt Service:</i>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Capital Outlay</i>	299,558	-	-	176,216	-	-
Total Expenditures	<u>\$ 12,813,544</u>	<u>\$ 2,455,599</u>	<u>\$ 519,029</u>	<u>\$ 3,039,720</u>	<u>\$ 4,012,577</u>	<u>\$ 80,231</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (359,237)</u>	<u>\$ 31,679</u>	<u>\$ 57,191</u>	<u>\$ (616,900)</u>	<u>\$ (248,141)</u>	<u>\$ 24,001</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ 340,017	\$ 5,698	\$ -	\$ -	\$ -	\$ -
Transfers out	(608,436)	-	-	-	-	-
Total Other Financing Sources and Uses	<u>\$ (268,419)</u>	<u>\$ 5,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net change in Fund Balances</b>	<u>\$ (627,656)</u>	<u>\$ 37,377</u>	<u>\$ 57,191</u>	<u>\$ (616,900)</u>	<u>\$ (248,141)</u>	<u>\$ 24,001</u>
<b>Fund Balances:</b>						
December 1, 2009	2,610,851	1,474,172	458,812	923,996	1,747,805	46,972
November 30, 2010	<u>\$ 1,983,195</u>	<u>\$ 1,511,549</u>	<u>\$ 516,003</u>	<u>\$ 307,096</u>	<u>\$ 1,499,664</u>	<u>\$ 70,973</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, 2010

County Highway	County Bridge	Federal Matching and CDAP Grant	Motor Fuel Tax	Road District Revolving	Debt Service	Other Funds	Total
\$ 958,693	\$ 429,186	\$ 477,927	\$ -	\$ -	\$ -	\$ -	\$ 7,453,559
-	-	-	-	-	-	-	2,654,211
-	-	-	-	-	-	19,378	65,982
-	-	-	-	-	-	778,584	2,651,245
218,186	-	-	-	-	-	106,874	4,491,252
1,055,666	492,009	188,352	1,537,351	2,246,467	-	149,314	12,896,884
-	-	-	-	-	-	-	113,572
582	261	291	31,446	3,548	1,901	10,747	189,351
<u>\$ 2,233,127</u>	<u>\$ 921,456</u>	<u>\$ 666,570</u>	<u>\$ 1,568,797</u>	<u>\$ 2,250,015</u>	<u>\$ 1,901</u>	<u>\$ 1,064,897</u>	<u>\$ 30,516,056</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,649	\$ 6,010,657
-	-	-	-	-	-	22,598	5,076,139
1,449,226	191,378	77,109	739,095	589,988	-	257,259	3,304,055
-	-	-	-	-	-	254,440	4,371,715
-	-	-	-	-	-	-	6,956,312
-	-	-	-	-	-	-	139,352
-	-	-	-	-	-	-	191,438
53,433	-	-	-	-	300,000	-	353,433
-	-	-	-	-	308,136	-	308,136
291,751	63,904	276,307	319,800	1,933,174	-	520,096	3,880,806
<u>\$ 1,794,410</u>	<u>\$ 255,282</u>	<u>\$ 353,416</u>	<u>\$ 1,058,895</u>	<u>\$ 2,523,162</u>	<u>\$ 608,136</u>	<u>\$ 1,078,042</u>	<u>\$ 30,592,043</u>
<u>\$ 438,717</u>	<u>\$ 666,174</u>	<u>\$ 313,154</u>	<u>\$ 509,902</u>	<u>\$ (273,147)</u>	<u>\$ (606,235)</u>	<u>\$ (13,145)</u>	<u>\$ (75,987)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608,436	\$ -	\$ 954,151
-	-	-	-	-	-	(345,715)	(954,151)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,436</u>	<u>\$ (345,715)</u>	<u>\$ -</u>
\$ 438,717	\$ 666,174	\$ 313,154	\$ 509,902	\$ (273,147)	\$ 2,201	\$ (358,860)	\$ (75,987)
1,173,357	315,107	661,017	3,562,827	45,818	(376,189)	1,681,514	14,326,059
<u>\$ 1,612,074</u>	<u>\$ 981,281</u>	<u>\$ 974,171</u>	<u>\$ 4,072,729</u>	<u>\$ (227,329)</u>	<u>\$ (373,988)</u>	<u>\$ 1,322,654</u>	<u>\$ 14,250,072</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, 2010

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**Net change in fund balances - total governmental funds** \$ (75,987)

Amounts reported for *governmental activities* in the statement of activities are different because (See Note 5 Also):

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. (1,529,409)

Principal payments represent a retirement of amounts payable. For budgetary purposes, the retirement of principal is recorded as a current expenditure. 353,433

**Change in net assets of governmental activities** \$ (1,251,963)

Adams County, Illinois  
Statement of Fiduciary Net Assets  
November 30, 2010

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash	\$ 1,831,057
Due from other governments	134,344
<b>Total Assets</b>	<u>\$ 1,965,401</u>
<b>Liabilities</b>	
Protested and other property taxes held	\$ 100,072
Interest and fees to be distributed	1,462
Held in trust for others	1,751,962
Due to other governments	5,709
Due to others	106,196
<b>Total Liabilities</b>	<u>\$ 1,965,401</u>

## 1. Significant Accounting Policies

### A. General Statement

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

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, 2010.

**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

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, 2010, there was no reasonable method to estimate the potential liability because it is unknown how many employees seeking retirement would elect the option to be paid for the thirty (30) days of unused sick leave at their current wage rate.

Under the various employee agreements, vacation is earned on a calendar year to be used in the subsequent calendar year. As of November 30, 2010, the County had a liability for unused vacation and compensatory time totaling \$630,477 compared to \$648,020 for the year ended November 30, 2009.



## 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 in November, 2009. Final budgeted amounts include amendments by the County Board through November, 2010.

**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 \$15,773,196 and the respective bank balances totaled \$17,141,976. Included in the bank balances are Certificates of Deposit totaling \$2,150,000. The insured and collateral status of the bank balances, reported by category risk, were as follows:

FDIC Insured	\$	1,375,647
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.		<u>15,766,329</u>
	\$	<u><u>17,141,976</u></u>

The County’s investment policy requires deposits to have FDIC insurance or collateral pledged to 110% of the uninsured balance. At November 30, 2010, 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, 2010.

**4. Long-Term Debt**

At November 30, 2010, long-term debt consisted of the following issues:

\$8,180,000 General Obligation Bonds, Series 2008, Dated September 25, 2008, due in annual installments ranging from \$300,000 to \$575,000 through 2028, with interest from 3.250% to 4.375%, payable February 15 and August 15.	\$	7,500,000
\$183,200 City of Quincy, Illinois loan, Dated June 29, 2009, due in monthly installments of \$7,633.33 each with final payment due June 29, 2011, with 0% interest.		<u>53,433</u>
	\$	<u><u>7,553,433</u></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, 2010:

	Balance 11/30/2009	Additions	Retirements	Balance 11/30/2010
G.O. Bonds	\$ 7,800,000	\$ -	\$ (300,000)	\$ 7,500,000
City Loan	145,033	-	(91,600)	53,433
	<u>\$ 7,945,033</u>	<u>\$ -</u>	<u>\$ (391,600)</u>	<u>\$ 7,553,433</u>

The annual aggregate maturities of General Obligation bonded debt for years subsequent to November 30, 2010 are as follows:

Year Ended November 30	Principal	Interest	Total
2011	\$ 300,000	\$ 298,386	\$ 598,386
2012	300,000	288,636	588,636
2013	315,000	278,643	593,643
2014	325,000	267,024	592,024
2015	340,000	253,724	593,724
2016-2020	1,925,000	1,048,120	2,973,120
2021-2025	2,340,000	615,767	2,955,767
2026-2028	1,655,000	110,378	1,765,378
	<u>\$ 7,500,000</u>	<u>\$ 3,160,678</u>	<u>\$ 10,660,678</u>

The annual aggregate maturities of the City Loan for years subsequent to November 30, 2010 are as follows:

Year Ended November 30	Principal	Interest	Total
2011	\$ 53,433	\$ -	\$ 53,433
	<u>\$ 53,433</u>	<u>\$ -</u>	<u>\$ 53,433</u>

The Illinois Compiled Statutes limit the outstanding amount of authorized general obligation bonds of a district to 5.75 percent of the assessed valuation of the district. The legal debt margin of the County at November 30, 2010 was:

Adjusted Assessed Valuation:	
Equalized 2009 Tax Levy Year	\$ 964,883,686
Legal Debt Limitation Percentage	<u>5.75%</u>
Legal Debt Limitation	\$ 55,480,812
Less: Bonded Indebtedness	<u>7,553,433</u>
Legal Debt Margin	<u>\$ 47,927,379</u>

**5. Capital Assets**

Primary government capital asset activity for the year ended November 30, 2010 was as follows:

	Balance 11/30/2009	Additions	Retirements	Balance 11/30/2010
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 669,633	\$ -	\$ -	\$ 669,633
Capital Assets being depreciated:				
Buildings	\$ 19,579,604	\$ 416,964	\$ -	\$ 19,996,568
Roads and bridges	95,055,724	2,786,186	-	97,841,910
Automotive	4,263,865	332,520	-	4,596,385
Furniture, fixtures and equipment	3,935,542	345,136	-	4,280,678
	\$ 122,834,735	\$ 3,880,806	\$ -	\$ 126,715,541
Less Accumulated Depreciation:				
Buildings	\$ (5,921,639)	\$ (444,500)	\$ -	\$ (6,366,139)
Roads and bridges	(40,123,844)	(4,256,514)	-	(44,380,358)
Automotive	(2,886,356)	(352,807)	-	(3,239,163)
Furniture, fixtures and equipment	(2,553,558)	(356,394)	-	(2,909,952)
	\$ (51,485,397)	\$ (5,410,215)	\$ -	\$ (56,895,612)
Governmental Capital Assets, Net	\$ 72,018,971	\$ (1,529,409)	\$ -	\$ 70,489,562

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

<b>Governmental Activities:</b>	
General government	\$ 331,931
Public safety	206,038
Judicial and courts	145,374
Public works	4,466,944
Health	259,928
	\$ 5,410,215

**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](http://www.imrf.org).

**6. Pension Plans (Continued)**

*Funding Policy:*

As set by statute, regular plan members are required to contribute 4.5 percent (7.5 percent for members participating in SLEP) of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the employer was 9.97 percent for regular employees and 19.81 percent for SLEP employees. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost:*

For calendar year ending December 31, 2010, the County's actual contributions for pension cost were \$1,130,603 and \$300,377 for the regular plan and SLEP plan, respectively. Its required contributions for calendar year 2010 were \$1,240,602 and \$325,850 for the regular plan and SLEP plan, respectively.

Three-Year Trend Information for each Plan:

<b>Regular Employees</b>			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 1,240,602	91%	\$ -
12/31/2009	995,394	100%	-
12/31/2008	992,076	100%	-

  

<b>SLEP</b>			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 325,850	92%	\$ -
12/31/2009	270,534	100%	-
12/31/2008	230,943	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County plan's unfunded actuarial accrued liability at December 31, 2008, is being amortized as a level percentage of projected payroll on an open 30 year basis.

**6. Pension Plans (Concluded)**

*Funded Status and Funding Progress:*

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 77.04 percent funded and the SLEP plan was 58.02 percent funded.

For the regular plan, the actuarial accrued liability for benefits was \$32,178,589 and the actuarial value of assets was \$24,788,897, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,389,692. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$11,340,051 and the ratio of the UAAL to the covered payroll as 65 percent.

For the SLEP plan, the actuarial accrued liability for benefits was \$5,830,812 and the actuarial value of assets was \$3,383,215, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,447,597. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,516,288 and the ratio of the UAAL to the covered payroll as 161 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, 2010, were 99.9% of the 2009 tax levy.

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

Expenditures exceeded budgeted amounts in the following funds:

Fund Name	Expenditures Paid	Budget	Excess
<i>Special Revenue Funds:</i>			
IMRF and Social Security	\$ 2,561,412	\$ 2,489,850	\$ 71,562
Inmate Fund	8,371	-	8,371
Ambulance	3,044,134	2,994,375	49,759

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

Fund Name	Beginning Balance	Estimated Revenues	Budgeted Charges to Appropriations	Budgeted Deficit
<i>Special Revenue Funds:</i>				
Matching Tax	\$ 870,073	\$ 934,016	\$ 1,834,144	\$ (30,055)
<i>Capital Projects Funds:</i>				
Capital Projects Fund	348,413	77,523	630,000	(204,064)

**9. Construction and Other Commitments**

The County has significant construction commitments related to road and bridge construction projects as of November 30, 2010. 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, 2010 consisted of the following:

	Due From	Due To
<i>General Fund:</i>		
County Clerk/Recorder	\$ 33,587	\$ -
<i>Special Revenue Funds:</i>		
GIS Equipment	-	26,307
Recorder's GIS Equipment	-	1,398
County Recorder's Equipment	-	5,015
County Clerk's Equipment	-	867
Federal Matching	40,000	-
Economic Loan	-	40,000
Motor Fuel Tax	-	1,400,000
Road District Revolving	1,400,000	-
	\$ 1,473,587	\$ 1,473,587

**11. Restricted Assets**

Restricted assets at November 30, 2010 consisted of the following:

	Special Revenue Fund
Restricted for jail	\$ 19,477
Restricted for future expenditures:	
Ambulance	307,096
TB Treatment	70,973
Employee retirement/taxes	1,511,549
Liability insurance	516,003
Law Library	21,241
IDPA expenditures	8,471
Court automation	90,771
Financing court system	112,700
Probation expenditures	60,736
Highways and bridges	7,415,536
Flood control	293
GIS expenditures	95,833
DUI equipment	8,111
Recorder's GIS equipment	10,880
County Recorder's equipment	12,117
County Clerk's equipment	61,463
Working cash	149,911
Health Department	1,499,664
Tax sale automation	29,747
Children and child support	460
Economic development loans	346,698
Drug traffic prevention	38,278
Animal control	19,378
Restricted for collateral of bank loans made to businesses in Adams County according to terms of a federal funding program.	244,671
	\$ 12,652,057



**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, 2010, the County transferred \$608,436 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, 2010, the following transfers were made:

Transfer from:	Transfer to:				Totals
	General Fund	IMRF	Social Security	Debt Service	
General Fund	\$ -	\$ -	\$ -	\$ 608,436	\$ 608,436
Animal Control	21,938	-	-	-	21,938
Law Library	6,000	-	-	-	6,000
Reconciliation Grant	14,748	-	-	-	14,748
Court Automation	32,400	-	-	-	32,400
Court Finance	36,000	-	-	-	36,000
Probation	80,000	-	-	-	80,000
Recorder's GIS Equip	15,000	-	-	-	15,000
Recorder's Equipment	10,000	-	-	-	10,000
Drug Enforcement	6,000	-	-	-	6,000
Court Document	72,000	-	-	-	72,000
Tax Sale Automation	15,000	-	-	-	15,000
Maintenance Child Support	200	-	-	-	200
2008 Flood	30,731	2,017	3,681	-	36,429
	<u>\$ 340,017</u>	<u>\$ 2,017</u>	<u>\$ 3,681</u>	<u>\$ 608,436</u>	<u>\$ 954,151</u>

### 13. Recently Issued Accounting Pronouncements

As of November 30, 2010, 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. 54, Fund Balance Reporting and Governmental Fund Type Definitions, issued March 2009 will be effective for the County beginning with its year ending November 30, 2011. This Statement was issued to enhance the usefulness of the fund balance information by providing clearer fund balance classifications and clarifying the existing governmental fund type definitions. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications. Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

The impact this statement will have on the County will be minimal as this statement only addresses the fund balance section of the financial statements and the County currently already classifies its fund balances in a manner similar to the new standards.

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 2,265,437	\$ 2,265,437	\$ 2,265,437	\$ -
Resources (inflows):				
Property taxes	2,580,000	2,581,274	2,588,266	6,992
Sales taxes	1,881,000	1,881,000	1,924,061	43,061
Licenses and permits	46,500	46,500	48,604	2,104
Fees and fines				
Animal control	2,000	2,000	1,050	(950)
County Clerk fees	83,000	83,000	83,870	870
Circuit Clerk fees	770,000	770,000	767,425	(2,575)
County Coroner	2,300	2,300	1,863	(437)
County Recorder fees	535,000	535,000	496,858	(38,142)
Sheriff	121,300	121,300	110,118	(11,182)
State's Attorney	241,000	241,000	241,104	104
Traffic fines	285,500	285,500	316,889	31,389
Drug fines	5,000	5,000	5,753	753
Tax fees	155,000	155,000	180,592	25,592
Court security fees	240,000	240,000	232,238	(7,762)
Electronic monitoring fees	6,000	6,000	2,724	(3,276)
Other fees	400	400	404	4
Charges for services				
Rents	51,200	51,200	50,460	(740)
Prisoner room & board payments	60,000	60,000	45,905	(14,095)
Intergovernmental				
Income taxes	1,700,000	1,700,000	1,337,637	(362,363)
Personal Property Replacement Tax	640,000	640,000	652,340	12,340
State inheritance tax	50,000	50,000	42,173	(7,827)
Retailer occupational tax	530,000	530,000	489,488	(40,512)
Use tax	300,000	300,000	232,048	(67,952)
Grants and reimbursements	1,706,252	2,411,455	2,027,776	(383,679)
Miscellaneous	44,500	44,700	48,394	3,694
Interest received	238,300	238,300	125,634	(112,666)
Transfers from other funds	342,951	342,951	340,017	(2,934)
Amounts available for Appropriation	<u>\$ 14,882,640</u>	<u>\$ 15,589,317</u>	<u>\$ 14,659,128</u>	<u>\$ (930,189)</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Continued)  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to appropriations (outflows)				
General Government				
<i>County Administration</i>				
Personal services and benefits	\$ 1,066,185	\$ 1,066,185	\$ 1,034,403	\$ 31,782
Supplies	25,500	25,500	24,407	1,093
Other services and charges	289,100	250,050	169,000	81,050
Capital expenditures	-	-	-	-
	<u>\$ 1,380,785</u>	<u>\$ 1,341,735</u>	<u>\$ 1,227,810</u>	<u>\$ 113,925</u>
<i>County Treasurer</i>				
Personal services and benefits	\$ 184,780	\$ 184,780	\$ 178,242	\$ 6,538
Supplies	19,800	19,800	19,532	268
Other services and charges	10,314	10,314	8,749	1,565
	<u>\$ 214,894</u>	<u>\$ 214,894</u>	<u>\$ 206,523</u>	<u>\$ 8,371</u>
<i>County Clerk</i>				
Personal services and benefits	\$ 291,671	\$ 284,171	\$ 264,508	\$ 19,663
Supplies	21,650	21,650	22,219	(569)
Other services and charges	45,000	52,500	51,320	1,180
	<u>\$ 358,321</u>	<u>\$ 358,321</u>	<u>\$ 338,047</u>	<u>\$ 20,274</u>
<i>County Clerk - Elections</i>				
Personal services and benefits	\$ 104,100	\$ 104,100	\$ 94,037	\$ 10,063
Supplies	15,000	15,000	20,297	(5,297)
Other services and charges	109,000	109,000	125,381	(16,381)
Capital expenditures	-	7,207	7,207	-
	<u>\$ 228,100</u>	<u>\$ 235,307</u>	<u>\$ 246,922</u>	<u>\$ (11,615)</u>
<i>Supervisor of Assessments</i>				
Personal services and benefits	\$ 147,066	\$ 147,066	\$ 146,930	\$ 136
Supplies	9,090	9,090	8,798	292
Other services and charges	23,460	23,460	12,323	11,137
	<u>\$ 179,616</u>	<u>\$ 179,616</u>	<u>\$ 168,051</u>	<u>\$ 11,565</u>
<i>Board of Review</i>				
Personal services and benefits	\$ 20,605	\$ 20,605	\$ 20,604	\$ 1
Supplies	750	750	501	249
Other services and charges	1,800	1,800	439	1,361
	<u>\$ 23,155</u>	<u>\$ 23,155</u>	<u>\$ 21,544</u>	<u>\$ 1,611</u>
<i>County Recorder</i>				
Personal services and benefits	\$ 92,700	\$ 92,700	\$ 92,701	\$ (1)
Supplies	201,000	201,000	201,044	(44)
Other services and charges	3,300	3,300	2,499	801
	<u>\$ 297,000</u>	<u>\$ 297,000</u>	<u>\$ 296,244</u>	<u>\$ 756</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Continued)  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Computer Technology</i>				
Personal services and benefits	\$ 21,286	\$ 47,986	\$ 45,805	\$ 2,181
Supplies	95,500	95,500	95,703	(203)
Other services and charges	22,000	22,000	15,904	6,096
Capital expenditures	10,000	10,000	9,025	975
	<u>\$ 148,786</u>	<u>\$ 175,486</u>	<u>\$ 166,437</u>	<u>\$ 9,049</u>
<i>Maintenance Department</i>				
Personal services and benefits	\$ 139,634	\$ 139,634	\$ 132,661	\$ 6,973
Supplies	32,000	32,000	26,922	5,078
Other services and charges	183,500	183,500	190,866	(7,366)
Capital expenditures	19,100	19,100	9,022	10,078
	<u>\$ 374,234</u>	<u>\$ 374,234</u>	<u>\$ 359,471</u>	<u>\$ 14,763</u>
<i>Public Safety</i>				
<i>County Sheriff - Law Enforcement</i>				
Personal services and benefits	\$ 1,704,488	\$ 1,704,488	\$ 1,657,150	\$ 47,338
Supplies	186,458	190,905	194,739	(3,834)
Other services and charges	127,400	130,900	119,919	10,981
Capital expenditures	132,460	132,460	127,805	4,655
	<u>\$ 2,150,806</u>	<u>\$ 2,158,753</u>	<u>\$ 2,099,613</u>	<u>\$ 59,140</u>
<i>County Sheriff - Jail</i>				
Personal services and benefits	\$ 949,725	\$ 949,725	\$ 895,604	\$ 54,121
Supplies	204,000	204,000	225,738	(21,738)
Other services and charges	126,100	126,100	148,004	(21,904)
Capital expenditures	-	-	-	-
	<u>\$ 1,279,825</u>	<u>\$ 1,279,825</u>	<u>\$ 1,269,346</u>	<u>\$ 10,479</u>
<i>County Sheriff - Courts Legal</i>				
Personal services and benefits	\$ 285,929	\$ 285,929	\$ 299,475	\$ (13,546)
Supplies	2,000	2,000	670	1,330
Other services and charges	4,750	4,750	1,198	3,552
	<u>\$ 292,679</u>	<u>\$ 292,679</u>	<u>\$ 301,343</u>	<u>\$ (8,664)</u>
<i>Sheriff Merit Commission</i>				
Personal services and benefits	\$ 5,754	\$ 5,754	\$ 5,754	\$ -
Supplies	100	100	278	(178)
Other services and charges	4,800	4,800	3,910	890
	<u>\$ 10,654</u>	<u>\$ 10,654</u>	<u>\$ 9,942</u>	<u>\$ 712</u>
<i>Animal Control</i>				
Personal services and benefits	\$ 64,095	\$ 64,095	\$ 63,601	\$ 494
Supplies	10,200	10,200	5,999	4,201
Other services and charges	12,400	12,400	20,247	(7,847)
Capital expenditures	23,630	23,630	22,068	1,562
	<u>\$ 110,325</u>	<u>\$ 110,325</u>	<u>\$ 111,915</u>	<u>\$ (1,590)</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>County Coroner</i>				
Personal services and benefits	\$ 66,037	\$ 64,037	\$ 63,538	\$ 499
Supplies	1,600	1,600	1,295	305
Other services and charges	63,075	66,075	58,326	7,749
Capital expenditures	-	-	-	-
	<u>\$ 130,712</u>	<u>\$ 131,712</u>	<u>\$ 123,159</u>	<u>\$ 8,553</u>
<i>Emergency Management Agency</i>				
Personal services and benefits	\$ 47,790	\$ 47,790	\$ 46,282	\$ 1,508
Supplies	9,050	48,384	22,404	25,980
Other services and charges	259,316	721,616	683,411	38,205
Capital expenditures	125,000	288,148	249,599	38,549
	<u>\$ 441,156</u>	<u>\$ 1,105,938</u>	<u>\$ 1,001,696</u>	<u>\$ 104,242</u>
<i>Judicial and Courts</i>				
<i>State's Attorney</i>				
Personal services and benefits	\$ 765,913	\$ 765,913	\$ 765,726	\$ 187
Supplies	25,800	25,800	28,174	(2,374)
Other services and charges	42,157	42,157	44,461	(2,304)
Capital expenditures	-	-	-	-
	<u>\$ 833,870</u>	<u>\$ 833,870</u>	<u>\$ 838,361</u>	<u>\$ (4,491)</u>
<i>Circuit Clerk</i>				
Personal services and benefits	\$ 530,230	\$ 530,230	\$ 529,199	\$ 1,031
Supplies	63,692	63,692	63,509	183
Other services and charges	126,495	126,220	5,644	120,576
	<u>\$ 720,417</u>	<u>\$ 720,142</u>	<u>\$ 598,352</u>	<u>\$ 121,790</u>
<i>Judges</i>				
Personal services and benefits	\$ 29,137	\$ 29,137	\$ 28,205	\$ 932
Supplies	9,400	9,400	4,680	4,720
Other services and charges	26,700	26,700	19,051	7,649
Capital expenditures	-	-	-	-
	<u>\$ 65,237</u>	<u>\$ 65,237</u>	<u>\$ 51,936</u>	<u>\$ 13,301</u>
<i>Public Defender</i>				
Personal services and benefits	\$ 427,498	\$ 427,498	\$ 427,531	\$ (33)
Supplies	10,600	10,600	10,364	236
Other services and charges	36,300	36,300	33,597	2,703
	<u>\$ 479,398</u>	<u>\$ 479,398</u>	<u>\$ 476,541</u>	<u>\$ 2,857</u>
<i>Jury Commission</i>				
Personal services and benefits	\$ 41,026	\$ 41,026	\$ 40,262	\$ 764
Supplies	4,700	4,700	4,425	275
Other services and charges	30,950	30,950	29,501	1,449
	<u>\$ 76,676</u>	<u>\$ 76,676</u>	<u>\$ 74,188</u>	<u>\$ 2,488</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - General Fund (Concluded)  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Probation Department</i>				
Personal services and benefits	\$ 897,802	\$ 897,802	\$ 897,428	\$ 374
Supplies	14,250	14,250	11,898	2,352
Other services and charges	4,100	4,100	2,812	1,288
Capital expenditures	-	-	-	-
	<u>\$ 916,152</u>	<u>\$ 916,152</u>	<u>\$ 912,138</u>	<u>\$ 4,014</u>
<i>Juvenile Detention Center</i>				
Personal services and benefits	\$ 1,017,515	\$ 1,017,515	\$ 1,009,408	\$ 8,107
Supplies	65,600	65,600	62,109	3,491
Other services and charges	90,700	90,900	79,113	11,787
Capital expenditures	-	-	-	-
	<u>\$ 1,173,815</u>	<u>\$ 1,174,015</u>	<u>\$ 1,150,630</u>	<u>\$ 23,385</u>
Nondepartmental				
Payments to other entities:				
911 Board	\$ 509,000	\$ 509,000	\$ 472,395	\$ 36,605
Regional Superintendent	147,880	147,880	147,105	775
Transfers to other funds	1,059,767	1,059,767	608,436	451,331
Agency subsidies	136,555	136,555	136,552	3
	<u>\$ 1,853,202</u>	<u>\$ 1,853,202</u>	<u>\$ 1,364,488</u>	<u>\$ 488,714</u>
Total Charges to Appropriations	<u>\$ 13,739,815</u>	<u>\$ 14,408,326</u>	<u>\$ 13,414,697</u>	<u>\$ 993,629</u>
<b>Budgetary Balance, November 30, 2010</b>	<u><u>\$ 1,142,825</u></u>	<u><u>\$ 1,180,991</u></u>	<u><u>\$ 1,244,431</u></u>	<u><u>\$ 63,440</u></u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - IMRF/Social Security  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 1,618,354	\$ 1,618,354	\$ 1,618,354	\$ -
Resources (inflows):				
Property taxes	1,987,700	2,111,818	2,138,810	26,992
Intergovernmental				
Personal Property Replacement Tax	240,000	240,000	285,974	45,974
Grants and reimbursements	6,000	6,000	12,557	6,557
Interest received	2,500	2,500	1,300	(1,200)
Transfers from other funds	-	-	5,698	5,698
Amounts available for Appropriation	<u>\$ 3,854,554</u>	<u>\$ 3,978,672</u>	<u>\$ 4,062,693</u>	<u>\$ 84,021</u>
Charges to appropriations (outflows)				
General Government				
County Administration				
Personal services and benefits	<u>\$ 2,485,130</u>	<u>\$ 2,489,850</u>	<u>\$ 2,561,412</u>	<u>\$ (71,562)</u>
<b>Budgetary Balance, November 30, 2010</b>	<u><u>\$ 1,369,424</u></u>	<u><u>\$ 1,488,822</u></u>	<u><u>\$ 1,501,281</u></u>	<u><u>\$ 12,459</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 459,617	\$ 459,617	\$ 459,617	\$ -
Resources (inflows):				
Property taxes	430,000	574,283	575,870	1,587
Interest received	1,200	1,200	350	(850)
Amounts available for Appropriation	<u>\$ 890,817</u>	<u>\$ 1,035,100</u>	<u>\$ 1,035,837</u>	<u>\$ 737</u>
Charges to appropriations (outflows)				
General Government				
<i>County Administration</i>				
Other services and charges	\$ 520,650	\$ 520,650	\$ 518,885	\$ 1,765
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ 370,167</u>	<u>\$ 514,450</u>	<u>\$ 516,952</u>	<u>\$ 2,502</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - Ambulance  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 852,140	\$ 852,140	\$ 852,140	\$ -
Resources (inflows):				
Property taxes	500,000	90,000	90,319	319
Charges for services				
Special Events	13,000	13,000	11,220	(1,780)
Payments for services	2,524,000	2,524,000	2,295,242	(228,758)
Miscellaneous	3,000	3,000	10,926	7,926
Interest received	18,900	18,900	6,269	(12,631)
Amounts available for Appropriation	<u>\$ 3,911,040</u>	<u>\$ 3,501,040</u>	<u>\$ 3,266,116</u>	<u>\$ (234,924)</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>Ambulance</i>				
Personal services and benefits	\$ 2,029,210	\$ 2,215,808	\$ 2,308,819	\$ (93,011)
Supplies	73,200	80,200	97,281	(17,081)
Other services and charges	408,600	408,367	357,488	50,879
Capital expenditures	290,000	290,000	280,546	9,454
Total Health and Sanitation	<u>\$ 2,801,010</u>	<u>\$ 2,994,375</u>	<u>\$ 3,044,134</u>	<u>\$ (49,759)</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ 1,110,030</u>	<u>\$ 506,665</u>	<u>\$ 221,982</u>	<u>\$ (284,683)</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 1,416,599	\$ 1,416,599	\$ 1,416,599	\$ -
Resources (inflows):				
Property taxes	225,000	90,000	90,319	319
Fees and fines				
Environmental Fees	55,000	55,000	64,898	9,898
Births & Deaths	65,000	65,000	53,828	(11,172)
Charges for services				
Dental income	1,000,000	1,000,000	1,031,939	31,939
Immunization income	100,000	129,000	95,735	(33,265)
Screening Fees	30,000	30,000	30,300	300
Vision & Hearing	10,000	10,000	11,200	1,200
Intergovernmental				
Personal Property Replacement Tax	150,000	150,000	14,934	(135,066)
Grants and reimbursements	1,589,697	1,692,697	1,817,655	124,958
Miscellaneous	50,000	50,000	3,388	(46,612)
Interest received	31,000	31,000	6,959	(24,041)
Amounts available for Appropriation	<u>\$ 4,722,296</u>	<u>\$ 4,719,296</u>	<u>\$ 4,637,754</u>	<u>\$ (81,542)</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>Health Department</i>				
Personal services and benefits	\$ 2,709,868	\$ 2,738,868	\$ 2,541,253	\$ 197,615
Supplies	20,000	20,000	5,503	14,497
Other services and charges	1,357,900	1,460,900	1,025,398	435,502
Capital expenditures	12,000	12,000	8,856	3,144
Total Health and Sanitation	<u>\$ 4,099,768</u>	<u>\$ 4,231,768</u>	<u>\$ 3,581,010</u>	<u>\$ 650,758</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ 622,528</u>	<u>\$ 487,528</u>	<u>\$ 1,056,744</u>	<u>\$ 569,216</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 48,544	\$ 48,544	\$ 48,544	\$ -
Resources (inflows):				
Property taxes	74,000	103,843	104,169	326
Interest received	100	100	63	(37)
Amounts available for Appropriation	<u>\$ 122,644</u>	<u>\$ 152,487</u>	<u>\$ 152,776</u>	<u>\$ 289</u>
Charges to appropriations (outflows)				
Health and Sanitation				
<i>TB Treatment Board</i>				
Personal services and benefits	\$ 77,550	\$ 77,550	\$ 73,432	\$ 4,118
Supplies	6,200	6,200	7,081	(881)
Other services and charges	7,600	7,600	814	6,786
Total Health and Sanitation	<u>\$ 91,350</u>	<u>\$ 91,350</u>	<u>\$ 81,327</u>	<u>\$ 10,023</u>
<b>Budgetary Balance, November 30, 2010</b>	<u><u>\$ 31,294</u></u>	<u><u>\$ 61,137</u></u>	<u><u>\$ 71,449</u></u>	<u><u>\$ 10,312</u></u>

Adams County, Illinois  
 Budgetary Comparison Schedule - County Highway Department  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 1,447,943	\$ 1,447,943	\$ 1,447,943	\$ -
Resources (inflows):				
Property taxes	970,000	956,032	958,693	2,661
Intergovernmental				
Grants and reimbursements	1,528,740	2,077,240	1,408,229	(669,011)
Miscellaneous	50,000	101,000	101,746	746
Interest received	1,600	1,600	582	(1,018)
Transfers from other funds	-	-	-	-
Amounts available for Appropriation	<u>\$ 3,998,283</u>	<u>\$ 4,583,815</u>	<u>\$ 3,917,193</u>	<u>\$ (666,622)</u>
Charges to appropriations (outflows)				
Public Works				
County Highway Department				
Personal services and benefits	\$ 1,091,697	\$ 901,697	\$ 555,505	\$ 346,192
Supplies	295,000	325,000	308,342	16,658
Other services and charges	760,666	820,666	736,149	84,517
Capital expenditures	508,000	608,000	520,270	87,730
Total Public Works	<u>\$ 2,655,363</u>	<u>\$ 2,655,363</u>	<u>\$ 2,120,266</u>	<u>\$ 535,097</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ 1,342,920</u>	<u>\$ 1,928,452</u>	<u>\$ 1,796,927</u>	<u>\$ (131,525)</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - County Bridge  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 350,298	\$ 350,298	\$ 350,298	\$ -
Resources (inflows):				
Property taxes	475,000	428,016	429,186	1,170
Miscellaneous	500	541,000	492,009	(48,991)
Interest received	1,000	1,000	261	(739)
Amounts available for Appropriation	<u>\$ 826,798</u>	<u>\$ 1,320,314</u>	<u>\$ 1,271,754</u>	<u>\$ (48,560)</u>
Charges to appropriations (outflows)				
Public Works				
<i>County Bridge</i>				
Capital expenditures	\$ 1,320,000	\$ 1,320,000	\$ 290,474	\$ 1,029,526
Total Public Works	<u>\$ 1,320,000</u>	<u>\$ 1,320,000</u>	<u>\$ 290,474</u>	<u>\$ 1,029,526</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ (493,202)</u>	<u>\$ 314</u>	<u>\$ 981,280</u>	<u>\$ 980,966</u>

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

Adams County, Illinois  
 Budgetary Comparison Schedule - Federal Matching Tax  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 870,073	\$ 870,073	\$ 870,073	\$ -
Resources (inflows):				
Property taxes	475,000	478,016	477,927	(89)
Intergovernmental				
Grants and reimbursements	405,000	405,000	188,352	(216,648)
Miscellaneous	50,000	50,000	-	(50,000)
Interest received	1,000	1,000	291	(709)
Amounts available for Appropriation	<u>\$ 1,801,073</u>	<u>\$ 1,804,089</u>	<u>\$ 1,536,643</u>	<u>\$ (267,446)</u>
Charges to appropriations (outflows)				
Public Works				
<i>Federal Matching Tax</i>				
Personal services and benefits	\$ 117,144	\$ 117,144	\$ 38,422	\$ 78,722
Other services and charges	650,000	600,000	36,546	563,454
Capital expenditures	1,067,000	1,117,000	487,505	629,495
Total Public Works	<u>\$ 1,834,144</u>	<u>\$ 1,834,144</u>	<u>\$ 562,473</u>	<u>\$ 1,271,671</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ (33,071)</u>	<u>\$ (30,055)</u>	<u>\$ 974,170</u>	<u>\$ 1,004,225</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - Motor Fuel Tax Fund  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 3,441,603	\$ 3,441,603	\$ 3,441,603	\$ -
Resources (inflows):				
Intergovernmental				
Motor Fuel Tax	1,442,000	1,619,000	1,564,428	(54,572)
Miscellaneous	500	500	-	(500)
Interest received	50,000	50,000	31,446	(18,554)
Amounts available for Appropriation	<u>\$ 4,934,103</u>	<u>\$ 5,111,103</u>	<u>\$ 5,037,477</u>	<u>\$ (73,626)</u>
Charges to appropriations (outflows)				
Public Works				
Streets and Highways				
Personal services and benefits	\$ 850,884	\$ 850,884	\$ 466,419	\$ 384,465
Other services and charges	1,953,738	1,953,738	528,146	1,425,592
Capital expenditures	1,900,000	1,900,000	65,614	1,834,386
Total Public Works	<u>\$ 4,704,622</u>	<u>\$ 4,704,622</u>	<u>\$ 1,060,179</u>	<u>\$ 3,644,443</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ 229,481</u>	<u>\$ 406,481</u>	<u>\$ 3,977,298</u>	<u>\$ 3,570,817</u>

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



Adams County, Illinois  
 Budgetary Comparison Schedule - Road District Revolving Fund  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 49,341	\$ 49,341	\$ 49,341	\$ -
Resources (inflows):				
Intergovernmental				
Grants and reimbursements	3,587,000	3,601,900	1,682,926	(1,918,974)
Interest received	4,000	4,000	3,548	(452)
Amounts available for Appropriation	<u>\$ 3,640,341</u>	<u>\$ 3,655,241</u>	<u>\$ 1,735,815</u>	<u>\$ (1,919,426)</u>
Charges to appropriations (outflows)				
Public Works				
<i>Streets and Highways</i>				
Personal services and benefits	\$ 124,570	\$ 124,570	\$ 68,278	\$ 56,292
Other services and charges	50,000	50,000	21,003	28,997
Capital expenditures	3,476,616	3,476,616	2,437,403	1,039,213
Total Public Works	<u>\$ 3,651,186</u>	<u>\$ 3,651,186</u>	<u>\$ 2,526,684</u>	<u>\$ 1,124,502</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ (10,845)</u>	<u>\$ 4,055</u>	<u>\$ (790,869)</u>	<u>\$ (794,924)</u>

Adams County, Illinois  
 Budgetary Comparison Schedule - Debt Service Fund  
 For the Year Ended November 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary fund balance, December 1, 2009</b>	\$ 11,988	\$ 11,988	\$ 11,988	\$ -
Resources (inflows):				
Interest received	3,000	3,000	1,901	(1,099)
Transfers from other funds	830,000	830,000	608,436	(221,564)
Amounts available for Appropriation	<u>\$ 844,988</u>	<u>\$ 844,988</u>	<u>\$ 622,325</u>	<u>\$ (222,663)</u>
Charges to appropriations (outflows)				
Debt Service				
<i>General Government</i>				
Other services and charges	300	300	-	300
Total Debt Service	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 300</u>
Nondepartmental				
Payments on debt:				
Principal	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Interest	308,136	308,136	308,136	-
Total Nondepartmental	<u>\$ 608,136</u>	<u>\$ 608,136</u>	<u>\$ 608,136</u>	<u>\$ -</u>
Total Charges to Appropriations	<u>\$ 608,436</u>	<u>\$ 608,436</u>	<u>\$ 608,136</u>	<u>\$ 300</u>
<b>Budgetary Balance, November 30, 2010</b>	<u>\$ 236,552</u>	<u>\$ 236,552</u>	<u>\$ 14,189</u>	<u>\$ (222,363)</u>

	<u>General Fund</u>	<u>IMRF and Social Security</u>	<u>Liability Insurance</u>	<u>Ambulance</u>
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 14,659,128	\$ 4,062,693	\$ 1,035,837	\$ 3,266,116
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.	(2,265,437)	(1,618,354)	(459,617)	(852,140)
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.	400,633	48,626	-	8,844
Transfers from other funds and bond proceeds are inflows of budgetary resources but are not <i>revenues</i> for financial reporting purposes.	(340,017)	(5,698)	-	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,454,307</u>	<u>\$ 2,487,267</u>	<u>\$ 576,220</u>	<u>\$ 2,422,820</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule.	\$ 13,414,697	\$ 2,561,412	\$ 518,885	\$ 3,044,134
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.	7,283	(105,813)	144	(4,414)
Transfers to other funds are outflows of budgetary resources but are not <i>expenditures</i> for financial reporting purposes.	(608,436)	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,813,544</u>	<u>\$ 2,455,599</u>	<u>\$ 519,029</u>	<u>\$ 3,039,720</u>

Adams County, Illinois  
 Budgetary Comparison Schedule  
 Budget - to - GAAP Reconciliation  
 For the Year Ended November 30, 2010

Health Department	Tuberculosis Treatment	County Highway	County Bridge	Federal Matching	Motor Fuel Tax	Capital Projects	Debt Service
\$ 4,637,754	\$ 152,776	\$ 3,917,193	\$ 1,271,754	\$ 1,536,643	\$ 5,037,477	\$ 1,735,815	\$ 622,325
(1,416,599)	(48,544)	(1,447,943)	(350,298)	(870,073)	(3,441,603)	(49,341)	(11,988)
543,281	-	(236,123)	-	-	(27,077)	563,541	-
-	-	-	-	-	-	-	(608,436)
<u>\$ 3,764,436</u>	<u>\$ 104,232</u>	<u>\$ 2,233,127</u>	<u>\$ 921,456</u>	<u>\$ 666,570</u>	<u>\$ 1,568,797</u>	<u>\$ 2,250,015</u>	<u>\$ 1,901</u>
\$ 3,581,010	\$ 81,327	\$ 2,120,266	\$ 290,474	\$ 562,473	\$ 1,060,179	\$ 2,526,684	\$ 608,136
431,567	(1,096)	(325,856)	(35,192)	(209,057)	(1,284)	(3,522)	-
-	-	-	-	-	-	-	-
<u>\$ 4,012,577</u>	<u>\$ 80,231</u>	<u>\$ 1,794,410</u>	<u>\$ 255,282</u>	<u>\$ 353,416</u>	<u>\$ 1,058,895</u>	<u>\$ 2,523,162</u>	<u>\$ 608,136</u>

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered P/R ((b)-(a)/(c))
<b>Regular</b>						
12/31/2010	\$ 24,788,897	\$ 32,178,589	\$ 7,389,692	77.04%	\$ 11,340,051	65.16%
12/31/2009	25,706,779	32,274,524	6,567,745	79.65%	10,986,688	59.78%
12/31/2008	25,081,986	30,047,075	4,965,089	83.48%	10,644,597	46.64%
<b>SLEP</b>						
12/31/2010	\$ 3,383,215	\$ 5,830,812	\$ 2,447,597	58.02%	\$ 1,516,288	161.42%
12/31/2009	2,835,335	5,352,919	2,517,584	52.97%	1,482,377	169.83%
12/31/2008	2,359,110	4,642,589	2,283,479	50.81%	1,387,044	164.63%

## Combining Financial Statements

	<u>Inmate &amp; Commissary</u>	<u>Animal Control</u>	<u>Law Library</u>	<u>2008 Flood</u>	<u>Child Support</u>	<u>IDPA</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 25,182	\$ 19,378	\$ 24,517	\$ -	\$ 460	\$ 8,471
Other receivables	-	-	-	-	-	-
Internal receivables	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 25,182</u>	<u>\$ 19,378</u>	<u>\$ 24,517</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 8,471</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 3,276	\$ -	\$ -	\$ -
Held in trust for others	5,705	-	-	-	-	-
<b>Total Liabilities</b>	<u>\$ 5,705</u>	<u>\$ -</u>	<u>\$ 3,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances/Net Assets</b>						
<i>Fund Balances:</i>						
Reserved for jail	\$ 19,477	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	-	19,378	21,241	-	460	8,471
Capital project fund	-	-	-	-	-	-
<b>Total Fund Balances</b>	<u>\$ 19,477</u>	<u>\$ 19,378</u>	<u>\$ 21,241</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 8,471</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 25,182</u>	<u>\$ 19,378</u>	<u>\$ 24,517</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 8,471</u>

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

Adams County, Illinois  
 Combining Balance Sheet  
 Nonmajor Government Funds  
 November 30, 2010

Court Automation	Court Finance	Probation	Coroners' Fees	Flood Control	GIS	DUI Equipment
\$ 90,771	\$ 50,921	\$ 65,101	\$ 2,610	\$ 5,507	\$ 129,003	\$ 8,111
-	-	-	-	-	-	-
-	-	-	-	-	26,307	-
<u>\$ 90,771</u>	<u>\$ 50,921</u>	<u>\$ 65,101</u>	<u>\$ 2,610</u>	<u>\$ 5,507</u>	<u>\$ 155,310</u>	<u>\$ 8,111</u>
\$ -	\$ -	\$ 4,365	\$ -	\$ 5,214	\$ 59,477	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,365</u>	<u>\$ -</u>	<u>\$ 5,214</u>	<u>\$ 59,477</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90,771	50,921	60,736	2,610	293	95,833	8,111
-	-	-	-	-	-	-
<u>\$ 90,771</u>	<u>\$ 50,921</u>	<u>\$ 60,736</u>	<u>\$ 2,610</u>	<u>\$ 293</u>	<u>\$ 95,833</u>	<u>\$ 8,111</u>
<u>\$ 90,771</u>	<u>\$ 50,921</u>	<u>\$ 65,101</u>	<u>\$ 2,610</u>	<u>\$ 5,507</u>	<u>\$ 155,310</u>	<u>\$ 8,111</u>



	Recorder GIS	Recorder Equipment	County Clerk Equipment	Drug Enforcement	Drug Traffic Prevention
<b>Assets</b>					
Cash and cash equivalents	\$ 9,482	\$ 7,102	\$ 60,596	\$ 14,265	\$ 24,013
Other receivables	-	-	-	-	-
Internal receivables	1,398	5,015	867	-	-
<b>Total Assets</b>	<b>\$ 10,880</b>	<b>\$ 12,117</b>	<b>\$ 61,463</b>	<b>\$ 14,265</b>	<b>\$ 24,013</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Held in trust for others	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances/Net Assets</b>					
<i>Fund Balances:</i>					
Reserved for jail	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	10,880	12,117	61,463	14,265	24,013
Capital project fund	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 10,880</b>	<b>\$ 12,117</b>	<b>\$ 61,463</b>	<b>\$ 14,265</b>	<b>\$ 24,013</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,880</b>	<b>\$ 12,117</b>	<b>\$ 61,463</b>	<b>\$ 14,265</b>	<b>\$ 24,013</b>

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

Adams County, Illinois  
Combining Balance Sheet  
Nonmajor Government Funds (Concluded)  
November 30, 2010

Working Cash	Economic Loan	Court Document	Tax Sale Automation	Totals	Capital Projects	Total Nonmajor
\$ 149,911	\$ 346,698	\$ 61,779	\$ 29,747	\$ 1,133,625	\$ (11,192)	\$ 1,122,433
-	204,671	-	-	204,671	-	204,671
-	40,000	-	-	73,587	-	73,587
<u>\$ 149,911</u>	<u>\$ 591,369</u>	<u>\$ 61,779</u>	<u>\$ 29,747</u>	<u>\$ 1,411,883</u>	<u>\$ (11,192)</u>	<u>\$ 1,400,691</u>
\$ -	\$ -	\$ -	\$ -	\$ 72,332	\$ -	\$ 72,332
-	-	-	-	5,705	-	5,705
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,037</u>	<u>\$ -</u>	<u>\$ 78,037</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,477	\$ -	\$ 19,477
149,911	591,369	61,779	29,747	1,314,369	-	1,314,369
-	-	-	-	-	(11,192)	(11,192)
<u>\$ 149,911</u>	<u>\$ 591,369</u>	<u>\$ 61,779</u>	<u>\$ 29,747</u>	<u>\$ 1,333,846</u>	<u>\$ (11,192)</u>	<u>\$ 1,322,654</u>
<u>\$ 149,911</u>	<u>\$ 591,369</u>	<u>\$ 61,779</u>	<u>\$ 29,747</u>	<u>\$ 1,411,883</u>	<u>\$ (11,192)</u>	<u>\$ 1,400,691</u>

	Inmate & Commissary	Animal Control	Law Library	2008 Flood	Child Support	IDPA
<b>Revenues</b>						
Licenses and permits	\$ -	\$ 19,378	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	54,608	-	483	-
Charges for services	10,093	-	-	-	-	4,778
Intergovernmental	-	-	-	-	-	11,083
Investment earnings	-	-	-	-	-	-
Total Revenues	<u>\$ 10,093</u>	<u>\$ 19,378</u>	<u>\$ 54,608</u>	<u>\$ -</u>	<u>\$ 483</u>	<u>\$ 15,861</u>
<b>Expenditures</b>						
<i>Current:</i>						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	8,371	-	-	-	-	-
Public works	-	-	-	-	-	-
Judicial and courts	-	-	39,065	-	-	3,079
<i>Capital Outlay</i>	-	-	-	-	-	-
Total Expenditures	<u>\$ 8,371</u>	<u>\$ -</u>	<u>\$ 39,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,079</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 1,722</u>	<u>\$ 19,378</u>	<u>\$ 15,543</u>	<u>\$ -</u>	<u>\$ 483</u>	<u>\$ 12,782</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	(21,938)	(6,000)	(36,429)	(200)	(14,748)
Total Other Financing Sources and Uses	<u>\$ -</u>	<u>\$ (21,938)</u>	<u>\$ (6,000)</u>	<u>\$ (36,429)</u>	<u>\$ (200)</u>	<u>\$ (14,748)</u>
<b>Net change in Fund Balances</b>	<u>\$ 1,722</u>	<u>\$ (2,560)</u>	<u>\$ 9,543</u>	<u>\$ (36,429)</u>	<u>\$ 283</u>	<u>\$ (1,966)</u>
<b>Fund Balances:</b>						
December 1, 2009	17,755	21,938	11,698	36,429	177	10,437
November 30, 2010	<u>\$ 19,477</u>	<u>\$ 19,378</u>	<u>\$ 21,241</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 8,471</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, 2010

Court Automation	Court Finance	Probation	Coroners' Fees	Flood Control	GIS	DUI Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75,285	129,198	192,121	-	-	193,390	5,892
-	-	-	2,610	-	-	-
-	-	-	-	55,039	8,867	-
-	-	-	-	-	612	-
<u>\$ 75,285</u>	<u>\$ 129,198</u>	<u>\$ 192,121</u>	<u>\$ 2,610</u>	<u>\$ 55,039</u>	<u>\$ 202,869</u>	<u>\$ 5,892</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	7,704
-	-	-	-	79,103	178,156	-
25,361	66,306	120,629	-	-	-	-
20,559	-	-	-	-	-	-
<u>\$ 45,920</u>	<u>\$ 66,306</u>	<u>\$ 120,629</u>	<u>\$ -</u>	<u>\$ 79,103</u>	<u>\$ 178,156</u>	<u>\$ 7,704</u>
<u>\$ 29,365</u>	<u>\$ 62,892</u>	<u>\$ 71,492</u>	<u>\$ 2,610</u>	<u>\$ (24,064)</u>	<u>\$ 24,713</u>	<u>\$ (1,812)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(32,400)	(36,000)	(80,000)	-	-	-	-
<u>\$ (32,400)</u>	<u>\$ (36,000)</u>	<u>\$ (80,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (3,035)</u>	<u>\$ 26,892</u>	<u>\$ (8,508)</u>	<u>\$ 2,610</u>	<u>\$ (24,064)</u>	<u>\$ 24,713</u>	<u>\$ (1,812)</u>
93,806	24,029	69,244	-	24,357	71,120	9,923
<u>\$ 90,771</u>	<u>\$ 50,921</u>	<u>\$ 60,736</u>	<u>\$ 2,610</u>	<u>\$ 293</u>	<u>\$ 95,833</u>	<u>\$ 8,111</u>

	Recorder GIS	Recorder Equipment	County Clerk Equipment	Drug Enforcement	Drug Traffic Prevention
<b>Revenues</b>					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	3,768	19,792
Charges for services	13,642	49,845	25,906	-	-
Intergovernmental	-	-	-	-	-
Investment earnings	-	-	-	-	159
Total Revenues	<u>\$ 13,642</u>	<u>\$ 49,845</u>	<u>\$ 25,906</u>	<u>\$ 3,768</u>	<u>\$ 19,951</u>
<b>Expenditures</b>					
<i>Current:</i>					
General government	\$ 4,603	\$ 4,141	\$ 4,952	\$ -	\$ -
Public safety	-	-	-	-	6,523
Public works	-	-	-	-	-
Judicial and courts	-	-	-	-	-
<i>Capital Outlay</i>	-	79,485	15,000	-	-
Total Expenditures	<u>\$ 4,603</u>	<u>\$ 83,626</u>	<u>\$ 19,952</u>	<u>\$ -</u>	<u>\$ 6,523</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 9,039</u>	<u>\$ (33,781)</u>	<u>\$ 5,954</u>	<u>\$ 3,768</u>	<u>\$ 13,428</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(15,000)	(10,000)	-	(6,000)	-
Total Other Financing Sources and Uses	<u>\$ (15,000)</u>	<u>\$ (10,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ -</u>
<b>Net change in Fund Balances</b>	<u>\$ (5,961)</u>	<u>\$ (43,781)</u>	<u>\$ 5,954</u>	<u>\$ (2,232)</u>	<u>\$ 13,428</u>
<b>Fund Balances:</b>					
December 1, 2009	16,841	55,898	55,509	16,497	10,585
November 30, 2010	<u>\$ 10,880</u>	<u>\$ 12,117</u>	<u>\$ 61,463</u>	<u>\$ 14,265</u>	<u>\$ 24,013</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, 2010

Working Cash	Economic Loan	Court Document	Tax Sale Automation	Totals	Capital Projects	Total Nonmajor
\$ -	\$ -	\$ -	\$ -	\$ 19,378	\$ -	\$ 19,378
-	-	88,660	15,387	778,584	-	778,584
-	-	-	-	106,874	-	106,874
-	-	-	-	74,989	74,325	149,314
-	8,942	-	-	9,713	1,034	10,747
<u>\$ -</u>	<u>\$ 8,942</u>	<u>\$ 88,660</u>	<u>\$ 15,387</u>	<u>\$ 989,538</u>	<u>\$ 75,359</u>	<u>\$ 1,064,897</u>
\$ -	\$ -	\$ 194	\$ 4,431	\$ 18,321	\$ 5,328	\$ 23,649
-	-	-	-	22,598	-	22,598
-	-	-	-	257,259	-	257,259
-	-	-	-	254,440	-	254,440
-	-	-	-	115,044	405,052	520,096
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194</u>	<u>\$ 4,431</u>	<u>\$ 667,662</u>	<u>\$ 410,380</u>	<u>\$ 1,078,042</u>
<u>\$ -</u>	<u>\$ 8,942</u>	<u>\$ 88,466</u>	<u>\$ 10,956</u>	<u>\$ 321,876</u>	<u>\$ (335,021)</u>	<u>\$ (13,145)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(72,000)	(15,000)	(345,715)	-	(345,715)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (72,000)</u>	<u>\$ (15,000)</u>	<u>\$ (345,715)</u>	<u>\$ -</u>	<u>\$ (345,715)</u>
<u>\$ -</u>	<u>\$ 8,942</u>	<u>\$ 16,466</u>	<u>\$ (4,044)</u>	<u>\$ (23,839)</u>	<u>\$ (335,021)</u>	<u>\$ (358,860)</u>
149,911	582,427	45,313	33,791	1,357,685	323,829	1,681,514
<u>\$ 149,911</u>	<u>\$ 591,369</u>	<u>\$ 61,779</u>	<u>\$ 29,747</u>	<u>\$ 1,333,846</u>	<u>\$ (11,192)</u>	<u>\$ 1,322,654</u>

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>County Collector Tax Funds</b>				
<b>Assets</b>				
Cash	\$ 110,417	\$ 65,475,111	\$ 65,476,496	\$ 109,032
<b>Total Assets</b>	<b>\$ 110,417</b>	<b>\$ 65,475,111</b>	<b>\$ 65,476,496</b>	<b>\$ 109,032</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ 106,157	\$ 421,475	\$ 427,560	\$ 100,072
Interest and fees to be distributed	1,280	38,482	38,300	1,462
Held in trust for others	-	11,005	11,005	-
Due to other governments	600	65,002,943	64,997,834	5,709
Due to others	2,380	1,207	1,798	1,789
<b>Total Liabilities</b>	<b>\$ 110,417</b>	<b>\$ 65,475,112</b>	<b>\$ 65,476,497</b>	<b>\$ 109,032</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>State Inheritance Tax Fund</b>				
<b>Assets</b>				
Cash	\$ -	\$ 551,319	\$ 551,319	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 551,319</b>	<b>\$ 551,319</b>	<b>\$ -</b>
<b>Liabilities</b>				
Held in trust for others	\$ -	\$ 551,319	\$ 551,319	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 551,319</b>	<b>\$ 551,319</b>	<b>\$ -</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Motel Operators Tax</b>				
<b>Assets</b>				
Cash	\$ 65	\$ 10,072	\$ 9,161	\$ 976
<b>Total Assets</b>	<b>\$ 65</b>	<b>\$ 10,072</b>	<b>\$ 9,161</b>	<b>\$ 976</b>
<b>Liabilities</b>				
Held in trust for others	\$ 65	\$ 10,072	\$ 9,161	\$ 976
<b>Total Liabilities</b>	<b>\$ 65</b>	<b>\$ 10,072</b>	<b>\$ 9,161</b>	<b>\$ 976</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Continued)**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Motor Fuel Tax Township Road Districts Fund</b>				
<b>Assets</b>				
Cash	\$ 51,513	\$ 2,901,778	\$ 1,851,400	\$ 1,101,891
Investments, at cost	1,017,526	-	1,017,526	-
Due from other governments	163,018	134,344	163,018	134,344
<b>Total Assets</b>	<b>\$ 1,232,057</b>	<b>\$ 3,036,122</b>	<b>\$ 3,031,944</b>	<b>\$ 1,236,235</b>
<b>Liabilities</b>				
Due to others	\$ 168,251	\$ 104,407	\$ 168,251	\$ 104,407
Held in trust for others	1,063,806	2,082,440	2,014,418	1,131,828
<b>Total Liabilities</b>	<b>\$ 1,232,057</b>	<b>\$ 2,186,847</b>	<b>\$ 2,182,669</b>	<b>\$ 1,236,235</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Township Bridge Fund</b>				
<b>Assets</b>				
Cash	\$ 284,620	\$ 55,152	\$ 34,174	\$ 305,598
<b>Total Assets</b>	<b>\$ 284,620</b>	<b>\$ 55,152</b>	<b>\$ 34,174</b>	<b>\$ 305,598</b>
<b>Liabilities</b>				
Held in trust for others	\$ 284,620	\$ 55,152	\$ 34,174	\$ 305,598
<b>Total Liabilities</b>	<b>\$ 284,620</b>	<b>\$ 55,152</b>	<b>\$ 34,174</b>	<b>\$ 305,598</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Sheriff Accounts (DARE &amp; Calendar)</b>				
<b>Assets</b>				
Cash	\$ 3,840	\$ 52	\$ 2,076	\$ 1,816
<b>Total Assets</b>	<b>\$ 3,840</b>	<b>\$ 52</b>	<b>\$ 2,076</b>	<b>\$ 1,816</b>
<b>Liabilities</b>				
Held in trust for others	\$ 3,840	\$ 52	\$ 2,076	\$ 1,816
<b>Total Liabilities</b>	<b>\$ 3,840</b>	<b>\$ 52</b>	<b>\$ 2,076</b>	<b>\$ 1,816</b>

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



Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Continued)**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Condemnation Proceeds Fund</b>				
<b>Assets</b>				
Cash	\$ 4,000	\$ -	\$ -	\$ 4,000
<b>Total Assets</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000</b>
<b>Liabilities</b>				
Held in trust for others	\$ 4,000	\$ -	\$ -	\$ 4,000
<b>Total Liabilities</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Unclaimed Money Fund</b>				
<b>Assets</b>				
Cash	\$ 41,650	\$ 9,224	\$ 28,523	\$ 22,351
<b>Total Assets</b>	<b>\$ 41,650</b>	<b>\$ 9,224</b>	<b>\$ 28,523</b>	<b>\$ 22,351</b>
<b>Liabilities</b>				
Held in trust for others	\$ 41,650	\$ 9,224	\$ 28,523	\$ 22,351
<b>Total Liabilities</b>	<b>\$ 41,650</b>	<b>\$ 9,224</b>	<b>\$ 28,523</b>	<b>\$ 22,351</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Adams County Cooperative Extension Fund</b>				
<b>Assets</b>				
Cash	\$ -	\$ 134,455	\$ 134,455	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 134,455</b>	<b>\$ 134,455</b>	<b>\$ -</b>
<b>Liabilities</b>				
Due to others	\$ -	\$ 134,455	\$ 134,455	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 134,455</b>	<b>\$ 134,455</b>	<b>\$ -</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Continued)**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Arrestee's Medical Costs</b>				
<b>Assets</b>				
Cash	\$ 5,821	\$ 22,558	\$ 14,040	\$ 14,339
<b>Total Assets</b>	<b>\$ 5,821</b>	<b>\$ 22,558</b>	<b>\$ 14,040</b>	<b>\$ 14,339</b>
<b>Liabilities</b>				
Held in trust for others	\$ 5,821	\$ 22,558	\$ 14,040	\$ 14,339
<b>Total Liabilities</b>	<b>\$ 5,821</b>	<b>\$ 22,558</b>	<b>\$ 14,040</b>	<b>\$ 14,339</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Adams County Benevolent Fund</b>				
<b>Assets</b>				
Cash	\$ 3,802	\$ 50	\$ -	\$ 3,852
<b>Total Assets</b>	<b>\$ 3,802</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ 3,852</b>
<b>Liabilities</b>				
Held in trust for others	\$ 3,802	\$ 50	\$ -	\$ 3,852
<b>Total Liabilities</b>	<b>\$ 3,802</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ 3,852</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Adams County Developmentally Disabled</b>				
<b>Assets</b>				
Cash	\$ -	\$ 684,303	\$ 684,303	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 684,303</b>	<b>\$ 684,303</b>	<b>\$ -</b>
<b>Liabilities</b>				
Held in trust for others	\$ -	\$ 684,303	\$ 684,303	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 684,303</b>	<b>\$ 684,303</b>	<b>\$ -</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (Concluded)**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Medical Insurance</b>				
<b>Assets</b>				
Cash	\$ 431,158	\$ 1,983,079	\$ 2,147,035	\$ 267,202
<b>Total Assets</b>	<b>\$ 431,158</b>	<b>\$ 1,983,079</b>	<b>\$ 2,147,035</b>	<b>\$ 267,202</b>
<b>Liabilities</b>				
Held in trust for others	\$ 431,158	\$ 1,983,079	\$ 2,147,035	\$ 267,202
<b>Total Liabilities</b>	<b>\$ 431,158</b>	<b>\$ 1,983,079</b>	<b>\$ 2,147,035</b>	<b>\$ 267,202</b>
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 936,886	\$ 71,827,153	\$ 70,932,982	\$ 1,831,057
Investments, at cost	1,017,526	-	1,017,526	-
Due from other governments	163,018	134,344	163,018	134,344
<b>Total Assets</b>	<b>\$ 2,117,430</b>	<b>\$ 71,961,497</b>	<b>\$ 72,113,526</b>	<b>\$ 1,965,401</b>
<b>Liabilities</b>				
Protested and held taxes	\$ 106,157	\$ 421,475	\$ 427,560	\$ 100,072
Interest and fees	1,280	38,482	38,300	1,462
Held in trust for others	1,838,762	5,409,254	5,496,054	1,751,962
Due to other governments	600	65,002,943	64,997,834	5,709
Due to others	170,631	240,069	304,504	106,196
<b>Total Liabilities</b>	<b>\$ 2,117,430</b>	<b>\$ 71,112,223</b>	<b>\$ 71,264,252</b>	<b>\$ 1,965,401</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All County Collector Tax Agency Funds**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Trustee Payment Account</b>				
<b>Assets</b>				
Cash	\$ -	\$ 11,005	\$ 11,005	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 11,005</b>	<b>\$ 11,005</b>	<b>\$ -</b>
<b>Liabilities</b>				
Held in trust for others	\$ -	\$ 11,005	\$ 11,005	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 11,005</b>	<b>\$ 11,005</b>	<b>\$ -</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Prior Year Tax Accounts</b>				
<b>Assets</b>				
Cash	\$ 123	\$ 20,514	\$ 15,829	\$ 4,808
<b>Total Assets</b>	<b>\$ 123</b>	<b>\$ 20,514</b>	<b>\$ 15,829</b>	<b>\$ 4,808</b>
<b>Liabilities</b>				
Interest and fees to be distributed	\$ 123	\$ 22	\$ 145	\$ -
Due to other governments	-	20,492	15,684	4,808
<b>Total Liabilities</b>	<b>\$ 123</b>	<b>\$ 20,514</b>	<b>\$ 15,829</b>	<b>\$ 4,808</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>2009 Tax Account</b>				
<b>Assets</b>				
Cash	\$ 1,157	\$ 64,932,321	\$ 64,932,016	\$ 1,462
<b>Total Assets</b>	<b>\$ 1,157</b>	<b>\$ 64,932,321</b>	<b>\$ 64,932,016</b>	<b>\$ 1,462</b>
<b>Liabilities</b>				
Interest and fees to be distributed	\$ 1,157	\$ 38,252	\$ 37,947	\$ 1,462
Due to other governments	-	64,894,069	64,894,069	-
<b>Total Liabilities</b>	<b>\$ 1,157</b>	<b>\$ 64,932,321</b>	<b>\$ 64,932,016</b>	<b>\$ 1,462</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All County Collector Tax Agency Funds (Continued)**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b><i>Tax Redemption Revolving Fund</i></b>				
<b>Assets</b>				
Cash	\$ 2,380	\$ 1,207	\$ 1,798	\$ 1,789
<b>Total Assets</b>	<b>\$ 2,380</b>	<b>\$ 1,207</b>	<b>\$ 1,798</b>	<b>\$ 1,789</b>
<b>Liabilities</b>				
Due to others	\$ 2,380	\$ 1,207	\$ 1,798	\$ 1,789
<b>Total Liabilities</b>	<b>\$ 2,380</b>	<b>\$ 1,207</b>	<b>\$ 1,798</b>	<b>\$ 1,789</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b><i>Mobile Home Local Services Tax Account</i></b>				
<b>Assets</b>				
Cash	\$ 600	\$ 88,382	\$ 88,081	\$ 901
<b>Total Assets</b>	<b>\$ 600</b>	<b>\$ 88,382</b>	<b>\$ 88,081</b>	<b>\$ 901</b>
<b>Liabilities</b>				
Due to other governments	600	88,382	88,081	901
<b>Total Liabilities</b>	<b>\$ 600</b>	<b>\$ 88,382</b>	<b>\$ 88,081</b>	<b>\$ 901</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b><i>Special Tax Account</i></b>				
<b>Assets</b>				
Cash	\$ -	\$ 403,938	\$ 403,938	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 403,938</b>	<b>\$ 403,938</b>	<b>\$ -</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ -	\$ 403,731	\$ 403,731	\$ -
Interest and fees to be distributed	-	208	208	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 403,939</b>	<b>\$ 403,939</b>	<b>\$ -</b>

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

Adams County, Illinois  
**Combining Statement of Changes in Assets and Liabilities**  
**All County Collector Tax Agency Funds (Concluded)**  
Year Ended November 30, 2010

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>Tax Sale in Error</b>				
<b>Assets</b>				
Cash	\$ 106,157	\$ 17,744	\$ 23,829	\$ 100,072
<b>Total Assets</b>	<b>\$ 106,157</b>	<b>\$ 17,744</b>	<b>\$ 23,829</b>	<b>\$ 100,072</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ 106,157	\$ 17,744	\$ 23,829	\$ 100,072
<b>Total Liabilities</b>	<b>\$ 106,157</b>	<b>\$ 17,744</b>	<b>\$ 23,829</b>	<b>\$ 100,072</b>

	Balance 12/01/2009	Additions	Deductions	Balance 11/30/2010
<b>All County Collector Tax Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 110,417	\$ 65,475,111	\$ 65,476,496	\$ 109,032
<b>Total Assets</b>	<b>\$ 110,417</b>	<b>\$ 65,475,111</b>	<b>\$ 65,476,496</b>	<b>\$ 109,032</b>
<b>Liabilities</b>				
Protested and other property taxes held	\$ 106,157	\$ 421,475	\$ 427,560	\$ 100,072
Interest and fees to be distributed	1,280	38,482	38,300	1,462
Held in trust for others	-	11,005	11,005	-
Due to other governments	600	65,002,943	64,997,834	5,709
Due to others	2,380	1,207	1,798	1,789
<b>Total Liabilities</b>	<b>\$ 110,417</b>	<b>\$ 65,475,112</b>	<b>\$ 65,476,497</b>	<b>\$ 109,032</b>

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

Statistical Section

Adams County, Illinois  
**Valuations, Tax Extensions and Collections - All Governmental Units**  
Tax Levy Years 2009, 2008, and 2007

	<u>Levy Year 2007</u>	<u>Levy Year 2008</u>	<u>Levy Year 2009</u>
<b>Equalized Assessed Valuations</b>			
Residential	\$ 574,779,868	\$ 606,033,967	\$ 627,284,422
Farm	85,750,807	92,538,285	97,692,622
Commercial	166,240,377	180,849,783	187,507,304
Industrial	33,723,792	35,329,656	42,998,844
Total Real Estate	<u>\$ 860,494,844</u>	<u>\$ 914,751,691</u>	<u>\$ 955,483,192</u>
Railroads	2,722,621	3,117,697	3,798,295
Tax Increment Financing (TIF)	4,167,220	5,257,221	5,602,199
Total Assessed Valuations	<u>\$ 867,384,685</u>	<u>\$ 923,126,609</u>	<u>\$ 964,883,686</u>
<b>State Equalization Factor</b>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
<b>Total Equalized Assessed Valuations</b>	<u><u>\$ 867,384,685</u></u>	<u><u>\$ 923,126,609</u></u>	<u><u>\$ 964,883,686</u></u>
<b>Tax Extensions</b>			
County	\$ 7,558,677	\$ 7,928,464	\$ 8,251,068
Townships or road districts	2,921,546	3,144,070	3,294,280
Cities, villages and incorporated towns	5,271,218	5,573,938	6,194,797
School districts	38,167,611	40,661,944	42,395,819
Fire protection districts	1,183,508	1,293,670	1,360,035
Park districts	2,621,226	2,594,244	2,671,061
Library districts	488,906	511,701	534,798
Multi-township districts	45,368	46,235	47,277
Street lighting districts	7,000	13,526	14,001
Total Taxes Extended	<u><u>\$ 58,265,060</u></u>	<u><u>\$ 61,767,792</u></u>	<u><u>\$ 64,763,136</u></u>



Adams County, Illinois  
**Valuations, Tax Extensions and Collections - Adams County**  
Tax Levy Years 2009, 2008, and 2007

	<u>Levy Year 2007</u>	<u>Levy Year 2008</u>	<u>Levy Year 2009</u>
<b>Equalized Assessed Valuations</b>			
Total Assessed Valuations	\$ 867,384,685	\$ 923,126,609	\$ 964,883,686
Tax Increment Financing (TIF)	4,167,220	5,257,221	5,602,199
<b>Total Equalized Assessed Valuations</b>	<b><u>\$ 863,217,465</u></b>	<b><u>\$ 917,869,388</u></b>	<b><u>\$ 959,281,487</u></b>
<b>Tax Extensions by Fund</b>			
General	\$ 2,330,687	\$ 2,385,634	\$ 2,581,331
Social Security	980,011	907,956	982,880
Municipal Retirement	598,296	1,031,043	1,150,179
Tort Judgment/Liability	413,309	380,916	574,322
County Highway	863,217	916,309	956,116
County Bridge	387,498	408,177	428,031
County Matching	431,609	458,200	478,106
County Health	476,582	50,024	90,077
TB Care and Treatment	74,064	74,072	103,890
Ambulance	500,062	500,055	90,077
(a) Mental Health/Developmentally Disabled	374,291	682,069	682,049
(a) Extension Education	129,051	134,000	134,012
Total Taxes Extended	<u>\$ 7,558,677</u>	<u>\$ 7,928,455</u>	<u>\$ 8,251,070</u>
<b>Additional Collections:</b>			
Back Taxes	1,645	1,370	967
Tax Auction	1,122	529	-
Payments in Lieu of Taxes	10,064	7,089	6,735
<b>Deductions:</b>			
Billing Adjustments	6,040	6,040	6,405
(a) Mental Health/Developmentally Disabled	(374,196)	(680,851)	(681,791)
(a) Extension Education	(129,017)	(133,767)	(133,963)
Uncollected/Forfeited Taxes	(20,775)	(29,191)	(17,237)
	<u>\$ 7,053,560</u>	<u>\$ 7,099,674</u>	<u>\$ 7,432,186</u>

Adams County, Illinois  
**Valuations, Tax Extensions and Collections - Adams County (Concluded)**  
 Tax Levy Years 2009, 2008, and 2007

	<u>Levy Year 2007</u>	<u>Levy Year 2008</u>	<u>Levy Year 2009</u>
<b>Tax Rates by Fund (per \$100 EAV)</b>			
General	\$ 0.27000	\$ 0.25991	\$ 0.26909
Social Security	0.11353	0.09892	0.10246
Municipal Retirement	0.06931	0.11233	0.11990
Tort Judgment/Liability	0.04788	0.04150	0.05987
County Highway	0.10000	0.09983	0.09967
County Bridge	0.04489	0.04447	0.04462
County Matching	0.05000	0.04992	0.04984
County Health	0.05521	0.00545	0.00939
TB Care and Treatment	0.00858	0.00807	0.01083
Ambulance	0.05793	0.05448	0.00939
Total County Funds Tax Rate	<u>\$ 0.81733</u>	<u>\$ 0.77488</u>	<u>\$ 0.77506</u>
(a) Mental Health/Developmentally Disabled	0.04336	0.07431	0.07110
(a) Extension Education	0.01495	0.01460	0.01397
Total Taxes Extended Tax Rate	<u><u>\$ 0.87564</u></u>	<u><u>\$ 0.86379</u></u>	<u><u>\$ 0.86013</u></u>
<b>Tax Distributions by Fund</b>			
General	\$ 2,330,101	\$ 2,381,371	\$ 2,580,335
Social Security	979,766	906,337	982,511
Illinois Municipal Retirement	598,149	1,029,198	1,149,746
Liability Insurance	413,204	380,234	574,106
County Highway	862,999	914,671	955,755
County Bridge	387,398	407,444	427,870
County Matching	431,499	457,383	477,927
County Health	476,462	49,931	90,043
Tuberculosis Treatment Board	74,049	73,943	103,850
Ambulance	499,933	499,162	90,043
	<u><u>\$ 7,053,560</u></u>	<u><u>\$ 7,099,674</u></u>	<u><u>\$ 7,432,186</u></u>

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

Adams County, Illinois  
**General Obligation Bonds - Debt Service Schedule**  
November 30, 2010

**\$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, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture</b>			
<i>Passed Through Illinois State Board of Education</i>			
Commodity Supplemental Food Program	10.565	00100900A2010	\$ 5,587
	10.565	00100900A2011	1,857
			<u>\$ 7,444</u>
School Breakfast Program	10.553	2010-4220-00-01001005P00	\$ 9,620
	10.553	2011-4220-00-01001005P00	2,323
			<u>\$ 11,943</u>
National School Lunch Program	10.555	2010-4210-00-01001005P00	\$ 18,669
	10.555	2011-4210-00-01001005P00	4,582
			<u>\$ 23,251</u>
Child and Adult Care Food Program	10.558	2010-4226-00-01001005P00	\$ 15,194
<i>Total Passed Through Illinois State Board of Education</i>			<u>\$ 57,832</u>
<i>Passed Through Illinois Department of Human Services</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	11GL010000	\$ 188,769
	10.557	11GM010000	140,124
	10.557	376000379	838,087
			<u>M \$ 1,166,980</u>
WIC-Farmers' Market Nutrition Program	10.572	11GL010000	\$ 1,000
	10.572	11GM010000	1,000
			<u>\$ 2,000</u>
<i>Total Passed Through Illinois Department of Human Services</i>			<u>\$ 1,168,980</u>
<i>Passed Through Illinois Department of Public Health</i>			
Summer Food Service Program for Children	10.559	001072	\$ 400
<b>Total U.S. Department of Agriculture</b>			<u>\$ 1,227,212</u>
<b>U.S. Department of Justice</b>			
<i>Passed Through Illinois Department of Human Services</i>			
Juvenile Justice and Delinquency Prevention	16.540	11GL010000	\$ 2,235
	16.540	11GM009000	1,590
			<u>\$ 3,825</u>
<i>Passed through to the West Central Illinois Task Force</i>			
Edward Byrne Memorial JAG Program-ARRA	16.803	809119	\$ 44,463
Edward Byrne Memorial Justice Assistance Program	16.738	407719	\$ 2,385
	16.738	407019	88,926
			<u>\$ 91,311</u>
<i>Total Passed through to the West Central Illinois Task Force</i>			<u>\$ 135,774</u>
<i>Total Passed Through Illinois Criminal Justice Information Agency</i>			
Public Safety Partnership and Community Policing Grants	16.710	2008-CK-WX-0481	\$ 99,089
<b>Total U.S. Department of Justice</b>			<u>\$ 238,688</u>

Adams County, Illinois  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended November 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Transportation</b>			
<i>Passed through Illinois Emergency Management Agency</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	10/1/09-9/30/10	\$ 28,000
<b>Total U.S. Department of Transportation</b>			<b>\$ 28,000</b>
<b>Environmental Protection Agency</b>			
<i>Passed through Illinois Emergency Management Agency</i>			
Performance Partnership Grants	66.605	05380292	\$ 263
<b>Total Environmental Protection Agency</b>			<b>\$ 263</b>
<b>Election Assistance Commission</b>			
<i>Passed through Illinois Board of Elections</i>			
Help America Vote Act Requirements Payments	90.401	376000379	\$ 2,256
<b>Total Election Assistance Commission</b>			<b>\$ 2,256</b>
<b>U.S. Department of Health and Human Services</b>			
Drug-Free Communities Support Program Grants	93.276	5H79-SP012308-07	\$ 75,955
<i>Passed Through Illinois Department of Human Services</i>			
Maternal and Child Health Services Block Grant	93.994	11GL010000	\$ 29,993
	93.994	11GM010000	8,913
			<u>\$ 38,906</u>
Temporary Assistance for Needy Families	93.558	11GL010000	\$ 144,537
Child Care & Development Block Grant	93.575	11GL010000	\$ 24,280
Social Services Block Grant	93.667	11GL010000	\$ 8,600
	93.667	DR00000003	636,486
			<b>M \$ 645,086</b>
Substance Abuse & Mental Health Services	93.243	11GL010000	\$ 164,692
	93.243	11GM010000	20,290
			<u>\$ 184,982</u>
<i>Total Passed Through Illinois Department of Human Services</i>			<u>\$ 1,037,791</u>
<i>Passed Through Illinois Department of Public Health</i>			
Immunization Grants	93.268	001072	\$ 446,783
	93.268	05180764	28,952
			<b>M \$ 475,735</b>
Public Health Emergency Preparedness	93.069	07181001	\$ 23,361
	93.069	07181001	43,553
	93.069	07181123	46,975
	93.069	07181218	89,744
			<u>\$ 203,633</u>
ARRA-Immunization	93.712	05180309	<b>M \$ 29,000</b>
<i>Total Passed Through Illinois Department of Public Health</i>			<u>\$ 708,368</u>

Adams County, Illinois  
Schedule of Expenditures of Federal Awards (Concluded)  
Year Ended November 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b><i>Passed Through Illinois Board of Elections</i></b>			
Voting Access for Individuals with Disabilities	93.617	376000379	\$ 4,950
<i>Total Passed Through Illinois Board of Elections</i>			<u>\$ 4,950</u>
<b><i>Passed Through Southern Illinois University School of Medicine</i></b>			
HIV Care Formula Grants	93.917	376000379	\$ 9,265
<i>Total Passed Through Southern Illinois University School of Medicine</i>			<u>\$ 9,265</u>
<b><i>Passed Through Sangamon County Health Department</i></b>			
HIV Prevention Activities	93.940	10-0301	\$ 12,068
<i>Total Passed Through Sangamon County Health Department</i>			<u>\$ 12,068</u>
<b><i>Passed Through Illinois Department of Healthcare &amp; Family Services</i></b>			
Child Support Enforcement	93.563	Circuit Clerk	\$ 14,231
Medical Assistance Program	93.778		\$ 82,039
<i>Total Passed Through Illinois Department of Healthcare &amp; Family Services</i>			<u>\$ 96,270</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>\$ 1,944,667</b></u>
<b>Department of Homeland Security</b>			
<b><i>Passed Through Illinois Emergency Management Agency</i></b>			
Emergency Management Performance Grants	97.042	09-10	\$ 33,386
Homeland Security Grant Program	97.067	Citizen Corps	\$ 4,204
Disaster Grants - Public Assistance	97.036	2008 Flood - HWY	\$ 356,228
<i>Total Passed Through Illinois Department of Healthcare &amp; Family Services</i>			<u>\$ 393,818</u>
<b><i>Passed Through Illinois Emergency Services Management Association</i></b>			
Homeland Security Grant Program	97.067	7/1/10-3/31/11	\$ 68,473
<i>Total Passed Through Illinois Emergency Services Management Association</i>			<u>\$ 68,473</u>
<b>Total Department of Homeland Security</b>			<u><b>\$ 462,291</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 3,903,377</b></u>

**1. Basis of Presentation**

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

**2. Subrecipients**

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

<u>Subrecipient/Program Title</u>	<u>Grant Number</u>	<u>Amount Provided</u>
West Central Illinois Drug Task Force		
Byrne Formula Grant Program	809119	\$ 44,463
CFDA #16.738 & 16.803	407719	2,385
	407019	88,926
		<u>\$ 135,774</u>

**3. Non-Monetary Federal Awards**

Non-monetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and disbursed. During the year ended November 30, 2010, Non-monetary federal awards were received as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Fair Market Value</u>
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	\$ 838,087
Donated Food	10.565	7,444
Immunization Grants	93.268	446,783
		<u>\$ 1,292,314</u>

At November 30, 2010, the County had immunizations with an estimated fair market value of \$161,601 in inventory.

**4. Insurance**

As of and for the year ended November 30, 2010, Adams County had no federal insurance in effect.

**5. Federal Loans or Loan Guarantees**

As of and for the year ended November 30, 2010, Adams County had no federal loans or loan guarantees.



## 1. Summary of Auditors' Results

- A. The auditor's 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*. Two deficiencies 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*.
- D. No significant deficiencies were disclosed during the audit of internal control over major federal award programs of Adams County, Illinois.
- E. The auditor's report on compliance for the major federal award programs for Adams County, Illinois expresses an unqualified opinion on all major federal programs.
- F. No audit findings relative to the major federal award programs for Adams County, Illinois were noted.
- G. The programs tested as major programs included the following programs:
  - Special Supplemental Nutrition Program for Women, Infants and Children (CFDA #10.557)
  - Social Services Block Grant (CFDA #93.667)
  - Immunization Grants (CFDA# 93.268)
  - ARRA-Immunization (CFDA #93.712)
- H. The threshold for distinguishing Types A and B programs was \$300,000.
- I. Adams County, Illinois did not qualify as a low-risk auditee.

## 2. Findings – Financial Statement Audit

### **Material Weaknesses**

#### **Finding 2010-01 – Journal Entries (Repeat Finding)**

##### **Condition:**

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

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

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

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

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

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

### *Material Weaknesses (Continued)*

#### **Finding 2010-01 – Journal Entries (Repeat Finding) (Concluded)**

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

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

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

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

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

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

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

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

Access to journal entry postings has been restricted to only the County Treasurer's Office and all journal entries, payroll and adjusting, are forwarded to the appropriate department to obtain their signature(s) and supporting documentation for the Treasurer's Office.

Access to all of the vendors utilized in the County Clerk's Office has never been limited to one individual. Several offices do have access to the payroll system for information regarding their employees. This was an option offered to all offices in 2003. Procedural decisions addressed to our vendor regarding operations of payroll are limited to staff members in the County Clerk's Office; and for the sake of consistency and efficiency, as well as to ensure that the ever-changing statutes regarding payroll and human resources are implemented appropriately, will remain as is. Questions, reports, or other inquiries required by other officeholders and/or employees have always been responded to in a timely fashion. Import files, bank statements, payroll registers, etc. are necessary tools used by the County Clerk's Office to determine that the final product is accurate. Much of the information used by the County Clerk's Office to ensure our records, including employee paychecks, are accurate is directly sent to the Treasurer's Office. This includes all of the bank statements in the name of the County of Adams (see county board resolution from February 2004). The source documents received from the officeholders, and subsequently used by the County Clerk's Office to generate payroll, as well as verify payroll registers and verify import numbers (a key part of our check and balance process) has always been easily accessible by anyone, including the Treasurer's Office and the Finance Committee.

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

### *Material Weaknesses (Continued)*

#### **Finding 2010-02 – 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, one person is responsible for the majority of the accounting for the fund, from receiving funds, disbursing funds, and recording and reconciling accounts. We also noted that bank reconciliations were not prepared timely and did not reconcile to the actual balance in the checking account.

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. Also, a budget is not adopted for this fund.

##### ***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 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. Also, a budget should be adopted for the fund to better manage the fund's activity and balances.

##### ***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.

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. A budget would provide better management of this fund and allow the Sheriff's Department to plan for expenditures that fall into the restriction limitations of this fund.

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

### *Material Weaknesses (Continued)*

#### **Finding 2010-02 – Inmate Commissary Fund (Repeat Finding) (Concluded)**

##### **Recommendation:**

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

1. 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.
2. Duties for recording and depositing funds, as well as reconciliation of accounts should be segregated. A summary of funds received and disbursed from the person responsible for the fund for entry into the "Keefe Commissary Network" system should be given to the Treasurer's Office for inclusion in the overall general ledger and Board reports. Reconciliation of accounts could be performed by the Treasurer's office, with the final reconciliation approved by either the Sheriff (or his designate).
3. A budget should be included in the overall budget of the County to better manage this fund's expenditures.

##### **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 adhere to the recommendations and they have been in place since December 1, 2010. Our staff will continue to work hard on keeping good up to date records and they will be made available to the County Treasurer. A budget has been developed and is now a part of the overall budget of the County.

### **Significant Deficiencies**

#### **Finding 2010-03 – 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 seven funds, the County approved budgeted expenditures in excess of available estimated resources. In the case of two 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 anyone on its behalf shall have power, either directly or indirectly, to make any contract or do any act which adds to the county expenditures or liabilities in any year anything above the amount provided for in the annual budget for that fiscal year. (55 ILCS 5/6-1005)

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

The County Board approves budgets for a variety of funds and may not always realize that a deficit has been budgeted. The general fund is the main fund and much of the focus of the budget is placed on that fund. Budget amendments are normally done for the general fund so expenditures do not exceed appropriations. The inmate fund does not have a legally adopted budget, therefore, expenditures exceeded appropriations.

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

**Significant Deficiencies (Continued)**

**Finding 2010-03 – Budgeting/Excess of Approved Budgeted Amounts/Deficit Budgets (Repeat Finding) (Concluded)**

**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	Beginning Balance	Estimated Revenues	Budgeted Charges to Appropriations	Budgeted Deficit
<i>Special Revenue Funds:</i>				
Matching Tax	\$ 870,073	\$ 934,016	\$ 1,834,144	\$ (30,055)
<i>Capital Projects Funds:</i>				
Capital Projects Fund	348,413	77,523	630,000	(204,064)

The following funds had expenditures in excess of approved budgeted appropriations for the year ended November 30, 2010:

Fund Name	Expenditures		
	Paid	Budget	Excess
<i>Special Revenue Funds:</i>			
IMRF and Social Security	\$ 2,561,412	\$ 2,489,850	\$ 71,562
Inmate Fund	8,371	-	8,371
Ambulance	3,044,134	2,994,375	49,759

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

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

### *Significant Deficiencies (Continued)*

#### **Finding 2010-04 County Clerk/Recorder Account (Repeat Finding)**

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

During the course of our audit, we became aware of the lack of segregation of duties in this area as the County Clerk is responsible for making disbursements and reconciling the bank account as well as the reporting with no other party reviewing and approving. The lack of oversight has caused the balance in the cash account to be insufficient to pay all of the liabilities it has incurred at November 30, 2010. This cash deficiency has grown over several years. For the year ended November 30, 2010, there was no significant growth in this deficiency.

This account is maintained in the County Clerk's office separately from the main accounting system. As reported earlier all accounts should be maintained in one accounting system.

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

Good internal control over financial reporting requires segregation of duties to ensure that misstatements are detected and corrected in a timely manner. Good internal control over financial reporting also requires that all reporting and reconciliations are reviewed and initialed by a second party before issuance. This reduces the chance for errors and miscalculations, as in this case. Reconciliations were performed from the checkbook balance to the bank statement, however, a reconciliation of the cash balance to the general ledger is never performed since this account is not shown in the general ledger until year-end. This reconciliation would have allowed management to discover these past miscalculations. This would result in accurate reporting and remittance to the respective offices of funds.

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

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

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

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

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

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

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

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

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

### *Significant Deficiencies (Continued)*

#### **Finding 2010-04 County Clerk/Recorder Account (Concluded)**

##### **Recommendation:**

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

Since the County Clerk is a check signor on this account and responsible for monitoring it, the bank reconciliation should also be done in the Treasurer's office with the other bank accounts. Monthly reports should still be prepared to reconcile the cash balance, the amount held in trust for others and income amounts. That report should be reviewed and approved by a second party. This not only provides the segregation of duties needed, but also resolves the timing issue of the revenue and the inclusion of this account in the main accounting system.

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

The costs associated with reviewing the reconciliations would be personnel time added to the Treasurer's office, but this is offset by time eliminated from the Clerk's office. The benefits of accurate reporting, better cash management and accurate remittances far outweigh these costs.

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

A determination regarding the finding and recommendations is pending per review of current procedures as well as per review of responses to questions only recently provided by the auditors. Upon complete review, procedures regarding the process will be analyzed and a determination based not only on efficiency, but need for the information will be made.

#### **Finding 2010-05 Payroll Account**

##### **Condition:**

During the course of our audit, we became aware of the lack of segregation of duties in this area as the County Clerk is responsible for making disbursements and reconciling the bank account with no other party reviewing and approving. The balance of this account per the County Clerk's reconciliation was \$1,000, however, the general ledger showed a negative balance of \$159.66. No adjustment had been submitted to the Treasurer's office to correct this.

This account is maintained in the County Clerk's office where the County Clerk is responsible for the oversight of the payroll preparation, bank statement reconciliation and has access to make adjustments to both the payroll and the import file as stated in the Finding 2010-01 above.

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

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

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

### *Significant Deficiencies (Continued)*

#### **Finding 2010-05 Payroll Account (Continued)**

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

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

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

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

Though the cash difference at November 30, 2010 was not significant, the potential for misstatement is evident. If not addressed, the risk of impropriety remains and can become a legitimate issue in the future. Strengthening internal control in this area will prevent misstatements and reduce inherent risk in this area.

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

We recommend that this account be reconciled in the Treasurer's office with the majority of the other bank accounts. Bank statements should be received by the Treasurer directly and the bank reconciliation should be reviewed by a second party for accuracy. We have addressed the access to the import file in an earlier finding, however, we again recommend eliminating access to this file. Payroll reports should be reviewed by a second party for any adjustments made to ensure they were both reasonable and necessary.

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

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

The costs associated with performing the reconciliations would be personnel time added to the Treasurer's office, but this is offset by time eliminated from the Clerk's office. The benefits of accurate reporting, better cash management and risk reduction far outweigh these costs.

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

As already mentioned, the Treasurer's Office has received directly from the banks all bank statements since 2004, and the source documents used by the County Clerk's Office to generate payroll have always been readily available to the Treasurer's Office. Any decision to reconcile a bank statement, or to verify an import file, is ultimately a decision of the Treasurer's Office. Again, as already noted above, bank statements and the review and/or reconciliation of this account by the County Clerk's Office is part of the reasonableness checks we use to determine that our final products are accurate and fall within the guidelines of state statutes. Therefore, regardless of how many offices deem it necessary to reconcile and/or verify these accounts, or regardless of how inefficient this is for our taxpayers, the County Clerk's Office will continue with our current processes because we are the ones responsible for the ultimate products.



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

### *Significant Deficiencies (Continued)*

#### **Finding 2010-05 Payroll Account (Concluded)**

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

Since access to all vendors, including payroll, which are utilized in the County Clerk's Office are not limited to the County Clerk, there will be no interruption in our payroll process if an emergency arises and I am no longer available. Also as mentioned above, limited access is provided to those ultimately responsible for these expenses, the officeholders. This option is still available. Providing access to any of the vendors which are used in the County Clerk's Office to individuals who do not know or understand the procedures currently used in our processes, and/or who do not know the many guidelines established by federal and state government bodies regarding any of the processes in our office, including payroll, will continue to be limited. This is a common sense decision that ensures the policies and procedures we have in place are not compromised by unintentional decisions made individuals who do not know the overall effect of their decisions, and who oftentimes fail to communicate to those responsible for the process, such as payroll, that a procedural change has been made on behalf of said office. In addition, state statutes are already in place which protect government officials from any individual or entity who seeks to make decisions regarding the day-today, technical aspects of an office.

#### **Finding 2010-06 Dental Income**

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

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

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

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

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

There was a change in personnel during the year and that, coupled with the move to the new facility, resulted in some procedural changes. The new person charged with dental income billing had not yet been properly trained in this area.

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

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

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

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

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

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

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

### *Significant Deficiencies (Concluded)*

#### **Finding 2010-06 Dental Income (Concluded)**

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

Adams County Health Department Dental Clinic patient payments fall into one of two categories: Illinois Public Aid, which accounts for around 95% of all payments, or cash pay. We do not bill any other insurance companies. As patients leave the clinic, they either pay in cash the amount that they owe, or if they are a public aid recipient, their procedures for that day are submitted to Dentaquest for payment. Dentaquest processes bills for Illinois Public Aid and either accepts or denies payment for submitted procedures. This typically occurs within weeks of the submission of bills. Procedures that are denied are re-evaluated and corrections are made to the claim or the procedure is written off, depending on whether the claim was submitted with an error or was not a covered procedure. At times, practitioners are aware that a procedure is likely to be denied by public aid, but they have the discretion to perform that procedure if they deem it in the best interest of the patient's oral health.

When we receive public aid payments, these come in the form of a single check that encompasses payment for multiple patients. Office staff then manually reconciles each payment with the check. Services provided have historically been reviewed daily by the provider of record. Billing occurs during the "walk-out" process on the day of service. Rejected claims are reviewed and resubmitted as necessary. Delinquent accounts are either resubmitted to insurance, billed to the patient, or written off.

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

Changes as a result of audit findings:

- Office staff will provide monthly reporting to management reviewing action on delinquent accounts. Management will review and approve accounts that are to be written-off.

## 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, 2010

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