

ANNUAL
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2011

JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2011

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JACKSON COUNTY, ILLINOIS

FISCAL YEAR ENDED NOVEMBER 30, 2011

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INTRODUCTORY SECTION



OFFICE OF COUNTY BOARD JACKSON COUNTY, ILLINOIS

May 10, 2012

To the Chairman of the Jackson County Board, Members of the Jackson County Board, Elected Officeholders of Jackson County, and Citizens of Jackson County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of Jackson County for the fiscal year ended November 30, 2011.

This report consists of management's representations concerning the finances of Jackson County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Jackson County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Jackson County's financial statements in conformity with GAAP. Because of the cost of internal controls should not outweigh their benefits, Jackson County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Jackson County's financial statements have been audited by Kerber, Eck & Braeckel, and a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Jackson County for the fiscal year ended November 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Jackson County's financial statements for the fiscal year ended November 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Jackson County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A. Jackson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Jackson County, incorporated January 10, 1816, is located in the southwestern part of the State of Illinois. Jackson County currently occupies a land area of 588 square miles and serves a population of 60,218 (2010 census). Jackson County is empowered to levy a property tax on real property located within its boundaries.

Jackson County operates under the county board form of government. Policy-making and legislative authority are vested in the county board consisting of fourteen members, two members representing each of the counties seven districts. The county board is responsible, among other things, for passing resolutions/ordinances, adopting the budget, and appointing committees. Board members serve four-year staggered terms, with seven county board members elected every two years.

Jackson County consists of the following publicly elected constitutional offices: County Clerk & Recorder, County Coroner, County Treasurer, Circuit Clerk, Sheriff, State's Attorney, and Superintendent of Schools. Jackson County provides a full range of services, including: animal & rabies control; supervisor of assessments and board of review; the construction of roads, bridges, and other infrastructure; emergency & disaster services; ambulance service; health department; and a rehab and care center.

The annual budget serves as the foundation for Jackson County's financial planning and control. All departments and agencies of Jackson County are required to submit requests for appropriation to the accounting coordinator upon request of the Finance Committee in August of each year. The accounting coordinator uses these requests as the starting point for developing a proposed budget. The accounting coordinator then presents this proposed budget to the Finance Committee for review. The Finance Committee and accounting coordinator hold budget meetings with all elected officeholders and department heads. The county board is required to hold a special board meeting on the proposed budget and to adopt a final budget by no later than November 30, the close of Jackson County's fiscal year. The appropriated budget is prepared by fund (e.g. county general), and department (e.g. Sheriff's Department). Elected Officeholders and department heads may request adjustments to the final budget, however, the adjustments require approval of the Finance Committee and the full Jackson County Board. Budget-to-actual comparisons are provided to all elected office holders and department heads monthly, as well as in this report for which an appropriated annual budget has been adopted.

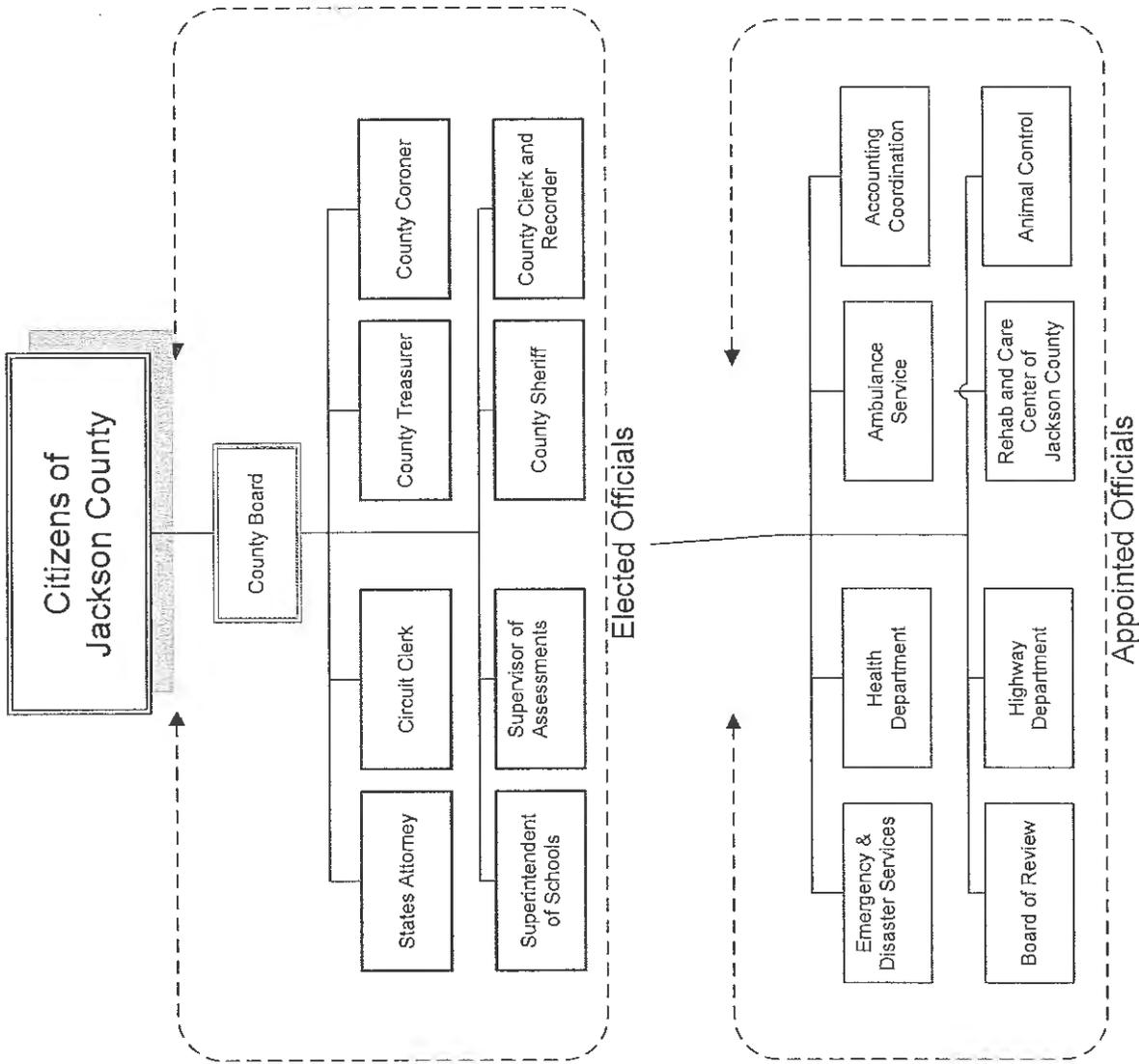
Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the Accounting Coordinator, Jackson County Treasurer's Office, Jackson County Ambulance Service, Jackson County Health Department, Jackson County Highway Department, and the Rehab & Care Center of Jackson County. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Chairman of the Jackson County Board and the Jackson County Board members for their unfailing support for maintaining the highest standards of professionalism in the management of Jackson County's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Alstat", with a long horizontal flourish extending to the right.

William W. Alstat
Finance Committee Chairman
Jackson County Board



JACKSON COUNTY, ILLINOIS
LIST OF ELECTED OFFICIALS
NOVEMBER 30, 2011

JACKSON COUNTY ELECTED OFFICIALS

| | |
|------------------------------------|-------------------|
| Circuit Clerk | Cindy Svanda |
| Coroner | Thomas Kupferer |
| County Clerk & Recorder | Larry Reinhardt |
| Regional Superintendent of Schools | Donna Boros |
| Sheriff | Robert Burns |
| State's Attorney | Michael Wepsiec |
| Supervisor of Assessments | Maureen Berkowitz |
| Treasurer | Shirley Booker |

JACKSON COUNTY BOARD MEMBERS

| | |
|------------|----------------------|
| District 1 | William Alstat |
| | Orval Rowe |
| District 2 | Dan Bost |
| | Mark Holt |
| District 3 | Frank Puttman |
| | Will Stephens |
| District 4 | Darnecea Moultrie |
| | Bob Lorinkas |
| District 5 | Julie Peterson |
| | John Rendleman |
| District 6 | Gerald Compton |
| | Candle Wester-Mittan |
| District 7 | John Evans |
| | Edward Benyas |

JACKSON COUNTY APPOINTED OFFICIALS

| | |
|-----------------------------------|----------------------|
| Accounting Coordinator | Michelle Tweedy |
| Ambulance Service Director | Dottie Miles |
| Animal Control Officer | Lloyd Nelson |
| Board of Review | Jim Pribble |
| | Bob Lorinkas |
| | John Vallino |
| Emergency & Disaster Services | Derek Misener |
| Health Department Administrator | Miriam Link-Mullison |
| Highway Engineer | Grant Guthman |
| Rehab & Care Center Administrator | Merle Taylor |

FINANCIAL SECTION



CPAs and
Management Consultants

1116 W. Main Street
Carbondale, IL 62901-2335
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fax 618.549.2311
www.kebcpa.com

INDEPENDENT AUDITORS' REPORT

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois as of and for the year ended November 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County, Illinois management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 10, 2012 on our consideration of the Jackson County, Illinois' internal control structure 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 and budgetary comparison information on pages 8 through 10 and 46 through 51 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson County, Illinois financial statements as a whole. The introductory section and combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules 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 section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Kemper, Eck + Bunnell LLP

Carbondale, Illinois
May 10, 2012

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
NOVEMBER 30, 2011

As management of Jackson County, we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended November 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Jackson County borrowed \$2,170,000 from its Solid Waste Management program in fiscal year 2009 with the intent to repay half in fiscal year 2010 and the remaining half in fiscal year 2011. The county postponed the repayment plan by another year as a result of untimely reimbursements from the state.
- Jackson County loaned \$110,000 from its general fund and \$948,000 from its solid waste fund for a total of \$1,058,000 to its proprietary fund {Rehab & Care Center} as a result of operating deficits and delayed state reimbursements. As a result of predicted delayed state reimbursements and the continuous operating deficits, the county began looking into exiting the skilled nursing facility business.
- Jackson County adopted an ordinance authorizing the issuance of general obligation alternate revenue source bonds for the purpose of financing various remodeling, repairs, and rehabilitation.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson County's basic financial statements. Jackson County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains federal financial assistance information in addition to the basic financial statement themselves.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of Jackson County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Jackson 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 Jackson County is improving or deteriorating.

The statement of activities presents information showing how the government'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 expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED
NOVEMBER 30, 2011

Both of the government-wide financial statements distinguish functions of Jackson County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County include general government, public safety, roads and bridges, and solid waste. The business-type activities of Jackson County include a rehab & care center and ambulance service.

The government-wide financial statements include not only Jackson County itself (known as the primary government), but also a legally separate health department, tuberculosis department, and mental health (708) department for which Jackson County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-19 of this report.

Fund Financial Statements - 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. Jackson County, like other county, state, and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Jackson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented 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.

Jackson County maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Jackson County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED
NOVEMBER 30, 2011

Proprietary funds - Jackson County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide Financial statements. Jackson County uses enterprise funds to account for its ambulance services and for its rehab and care center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the ambulance service and for the rehab and care center, both of which are considered to be major funds of Jackson County.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The basic fiduciary fund financial statements can be found on page 23 of this report.

Notes to the 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 can be found on pages 24-50 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents all federal financial assistance awarded to Jackson County.

The required supplementary information can be found on pages of 51-56 of this report.

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED
NOVEMBER 30, 2011

Government-Wide Financial Statements

Net Assets - Table 1 presents a condensed statement of net assets as of November 30, 2011 compared to the prior year ended November 30, 2010.

**Table 1 - Jackson County, Illinois Statement of Net Assets
as of November 30, 2011 (in millions)**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | | Component Unit | |
|--|-------------------------|----------------|--------------------------|---------------|--------------------------|----------------|----------------|---------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Current assets & other | \$ 23.6 | \$ 22.4 | \$ 6.1 | \$ 5.9 | \$ 29.7 | \$ 28.3 | \$ 3.3 | \$ 3.2 |
| Noncurrent assets | 0.2 | - | - | - | 0.2 | - | - | - |
| Capital assets | <u>23.5</u> | <u>22.2</u> | <u>2.3</u> | <u>2.1</u> | <u>25.8</u> | <u>24.3</u> | <u>1.4</u> | <u>1.4</u> |
| Total Assets | \$ 47.3 | \$ 44.6 | \$ 8.4 | \$ 8.0 | \$ 55.7 | \$ 52.6 | \$ 4.7 | \$ 4.6 |
| Current liabilities | \$ 9.0 | \$ 11.3 | \$ 3.0 | \$ 3.0 | \$ 12.0 | \$ 14.3 | \$ 1.4 | \$ 1.3 |
| Noncurrent liabilities | <u>5.7</u> | <u>2.2</u> | <u>-</u> | <u>-</u> | <u>5.7</u> | <u>2.2</u> | <u>0.1</u> | <u>0.1</u> |
| Total Liabilities | \$ 14.8 | \$ 13.5 | \$ 3.0 | \$ 3.0 | \$ 17.8 | \$ 16.5 | \$ 1.5 | \$ 1.4 |
| Invested in capital assets, net of related debt | \$ 23.3 | \$ 21.9 | \$ 2.3 | \$ 2.1 | \$ 25.6 | \$ 24.0 | \$ 1.3 | \$ 1.3 |
| Restricted | 7.6 | 3.8 | - | - | 7.6 | 3.8 | - | - |
| Unrestricted | <u>1.6</u> | <u>5.4</u> | <u>3.1</u> | <u>2.9</u> | <u>4.7</u> | <u>8.3</u> | <u>1.9</u> | <u>1.9</u> |
| Total Assets | \$ 32.5 | \$ 31.1 | \$ 5.4 | \$ 5.0 | \$ 37.9 | \$ 36.1 | \$ 3.2 | \$ 3.2 |

(Note: Columns may not total due to rounding)

Statement of Activities (Changes in Net Assets) - Table 2 summarizes the revenue and expenses of the County's activities for FY 2011 compared to the prior FY 2010.

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED
NOVEMBER 30, 2011

**Table 2 - Jackson County, Illinois Changes in Net Assets
as of November 30, 2011 (in millions)**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | | Component Unit | |
|------------------------------------|-------------------------|----------------|--------------------------|-----------------|--------------------------|-----------------|----------------|---------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues: | | | | | | | | |
| Program revenues: | | | | | | | | |
| Charges for services | \$ 3.6 | \$ 2.9 | \$ 11.4 | \$ 9.6 | \$ 15.0 | \$ 12.5 | \$ 0.7 | \$ 0.8 |
| Operating grants and contributions | 1.5 | 1.1 | - | - | 1.5 | 1.1 | 2.4 | 2.4 |
| Operating grants and contributions | 0.1 | 3.1 | - | - | 0.1 | 3.1 | - | - |
| General revenue: | | | | | | | | |
| Taxes: | | | | | | | | |
| General property taxes | 5.2 | 4.9 | 1.4 | 1.4 | 6.6 | 6.3 | 0.9 | 0.8 |
| Property taxes, restricted | 2.0 | 2.0 | 0.2 | 0.2 | 2.2 | 2.2 | - | 0.1 |
| Sales and service taxes | 2.1 | 2.1 | - | - | 2.1 | 2.1 | - | - |
| Motor fuel tax | 0.9 | 0.9 | - | - | 0.9 | 0.9 | - | - |
| State income tax | 1.6 | 1.5 | - | - | 1.6 | 1.5 | - | - |
| Replacement tax | 0.6 | 0.6 | - | - | 0.6 | 0.6 | - | - |
| Inheritance tax | - | - | - | - | - | - | - | - |
| Local use tax | 0.3 | 0.3 | - | - | 0.3 | 0.3 | - | - |
| County hotel tax | - | - | - | - | - | - | - | - |
| Investment earnings | - | - | - | - | - | - | - | - |
| Miscellaneous | - | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | - | - |
| Total Revenue | \$ 18.0 | \$ 19.6 | \$ 13.1 | \$ 11.3 | \$ 31.1 | \$ 30.9 | \$ 4.0 | \$ 4.1 |
| Expenses: | | | | | | | | |
| General government | \$ 7.9 | \$ 8.7 | \$ - | \$ - | \$ 7.9 | \$ 8.7 | \$ - | \$ - |
| Public works | 2.7 | 4.2 | - | - | 2.7 | 4.2 | - | - |
| Public safety | 6.0 | 5.8 | - | - | 6.0 | 5.8 | - | - |
| Interest on long-term debt | - | - | - | - | - | - | - | - |
| Rehab & Care | - | - | 8.9 | 8.8 | 8.9 | 8.8 | - | - |
| Ambulance | - | - | 3.8 | 3.5 | 3.8 | 3.5 | - | - |
| Health department | - | - | - | - | - | - | 3.7 | 3.7 |
| Tuberculosis | - | - | - | - | - | - | 0.1 | 0.1 |
| Mental Health 708 Board | - | - | - | - | - | - | 0.2 | 0.2 |
| Total Expenses | \$ 16.6 | \$ 18.7 | \$ 12.7 | \$ 12.3 | \$ 29.3 | \$ 31.0 | \$ 4.0 | \$ 4.0 |
| Change in Net Assets | \$ 1.4 | \$ 0.9 | \$ 0.4 | \$ (1.0) | \$ 1.7 | \$ (0.2) | \$ - | \$ 0.1 |

(Note: Columns may not total due to rounding)

JACKSON COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED
NOVEMBER 30, 2011

Requests for Information

This financial report is designed to provide a general overview of Jackson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Board: Accounting Coordinator, 1001 Walnut Street, Jackson County Courthouse, Murphysboro, Illinois, 62966, or by calling 618-687-7241.

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
NOVEMBER 30, 2011

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|----------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | Total |
| Assets: | | | | |
| Cash | \$ 4,519,131 | \$ 1,584,580 | \$ 6,103,711 | \$ 1,550,678 |
| Investments | - | - | - | 21,757 |
| Accounts receivable: | | | | |
| Consumers | - | 2,746,251 | 2,746,251 | - |
| Other governmental units and agencies | 2,048,745 | 1,139,458 | 3,188,203 | 609,843 |
| Property taxes | 5,203,241 | 1,548,914 | 6,752,155 | 1,037,573 |
| Other receivables | - | - | - | 1 |
| Internal balance | 975,805 | (976,594) | (789) | 789 |
| Due from others | 66,291 | - | 66,291 | - |
| Due from agencies | 7,811 | - | 7,811 | - |
| Prepayments | 454,394 | 9,055 | 463,449 | 15,244 |
| Inventories | - | 58,155 | 58,155 | 97,194 |
| Restricted assets: | | | | |
| Cash | 7,600,639 | - | 7,600,639 | - |
| Investments | 103,020 | - | 103,020 | - |
| Accounts receivable: | | | | |
| Other governmental units and agencies | 729 | - | 729 | - |
| Property taxes | 2,638,963 | - | 2,638,963 | - |
| Noncurrent assets: | | | | |
| Bond issuance cost | 166,383 | - | 166,383 | - |
| Land | 150,000 | 76,458 | 226,458 | 49,500 |
| Construction in progress | 3,203,908 | 333,185 | 3,537,093 | - |
| Capital assets, net | 20,113,485 | 1,908,127 | 22,021,612 | 1,339,989 |
| Total Assets | 47,252,545 | 8,427,589 | 55,680,134 | 4,722,568 |
| Liabilities: | | | | |
| Accounts payable | 294,581 | 430,728 | 725,309 | 32,785 |
| Accrued payroll | 186,608 | 320,719 | 507,327 | 74,718 |
| Current portion - compensated absences | 527,970 | 267,067 | 795,037 | 93,621 |
| Current portion - notes payable | 66,911 | - | 66,911 | 34,915 |
| Due to others | 176 | 415,911 | 416,087 | - |
| Due to agencies | 7,120 | - | 7,120 | - |
| Deferred revenue | 5,257,356 | 1,610,315 | 6,867,671 | 1,172,563 |
| Restricted liabilities | | | | |
| Accounts payable | 5,812 | - | 5,812 | - |
| Accrued payroll | 181,189 | - | 181,189 | - |
| Deferred revenue | 2,472,000 | - | 2,472,000 | - |
| Due to agencies | 1,180 | - | 1,180 | - |
| Due to others | 44,951 | - | 44,951 | - |
| Noncurrent liabilities: | | | | |
| Compensated absences | 1,182,126 | - | 1,182,126 | 80,593 |
| General obligation bonds | 3,000,000 | - | 3,000,000 | - |
| Notes payable | 149,808 | - | 149,808 | 17,107 |
| Net OPEB obligation | 1,374,343 | - | 1,374,343 | - |
| Total Liabilities | 14,752,131 | 3,044,740 | 17,796,871 | 1,506,302 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 23,250,674 | 2,317,770 | 25,568,444 | 1,337,467 |
| Restricted assets | 7,638,219 | - | 7,638,219 | - |
| Unrestricted | 1,611,521 | 3,065,079 | 4,676,600 | 1,878,799 |
| Total Net Assets | \$ 32,500,414 | \$ 5,382,849 | \$ 37,883,263 | \$ 3,216,266 |

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Units | |
|---------------------------------------|----------------------|------------------------------------|------------------------------------|----------------------------------|---|---|--------------------------|------------------|-------|
| | Expenses | Service Charges, Permits, and Fees | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-Type Activities | | | Total |
| | | | | | | Governmental Activities | Business-Type Activities | | |
| Primary government: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | \$ 7,940,469 | \$ 2,614,451 | \$ 142,871 | \$ - | \$ (5,183,147) | \$ - | \$ (5,183,147) | \$ - | |
| Public Works | 2,712,516 | 561,849 | 936,952 | 112,751 | (1,300,964) | - | (1,300,964) | - | |
| Public Safety | 5,978,911 | 628,561 | 428,407 | - | (4,921,943) | - | (4,921,943) | - | |
| Interest on long term debt | 18,805 | - | - | - | (18,805) | - | (18,805) | - | |
| Total governmental activities | 16,650,701 | 3,604,861 | 1,508,230 | 112,751 | (11,424,859) | - | (11,424,859) | - | |
| Business-Type activities: | | | | | | | | | |
| Rehab & Care | 8,963,715 | 8,566,031 | - | 39,403 | - | (358,281) | (358,281) | - | |
| Ambulance | 3,773,413 | 2,831,257 | - | - | - | (942,156) | (942,156) | - | |
| Total Business-Type activities | 12,737,128 | 11,397,288 | - | 39,403 | - | (1,300,437) | (1,300,437) | - | |
| Total Primary Government | \$ 29,387,829 | \$ 15,002,149 | \$ 1,508,230 | \$ 152,154 | (11,424,859) | (1,300,437) | (12,725,296) | - | |
| Component Units: | | | | | | | | | |
| Health Department | \$ 3,668,579 | \$ 694,948 | \$ 2,436,074 | \$ - | - | - | - | (537,557) | |
| Tuberculosis | 56,161 | - | - | - | - | - | - | (56,161) | |
| Mental Health 708 Board | 245,841 | - | - | - | - | - | - | (245,841) | |
| Total Component Units | \$ 3,970,581 | \$ 694,948 | \$ 2,436,074 | \$ - | - | - | - | (839,559) | |
| General Revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| General property taxes | | | | | 5,187,423 | 1,426,993 | 6,614,416 | 874,083 | |
| Property taxes, restricted | | | | | 2,048,446 | 195,509 | 2,243,955 | - | |
| Sales and service taxes | | | | | 2,118,657 | - | 2,118,657 | - | |
| Motor fuel tax | | | | | 917,521 | - | 917,521 | - | |
| State Income Tax | | | | | 1,588,190 | - | 1,588,190 | - | |
| Replacement Tax | | | | | 564,920 | - | 564,920 | - | |
| Inheritance Tax | | | | | 16,040 | - | 16,040 | - | |
| Local Use Tax | | | | | 296,017 | - | 296,017 | - | |
| County Hotel Tax | | | | | 34,941 | - | 34,941 | - | |
| Investment earnings | | | | | 10,328 | 5,666 | 15,994 | 691 | |
| State grant | | | | | - | - | - | - | |
| Miscellaneous | | | | | - | 56,078 | 56,078 | 1,911 | |
| Total general revenues | | | | | 12,782,483 | 1,684,246 | 14,466,729 | 876,685 | |
| Change in net assets | | | | | 1,357,624 | 383,809 | 1,741,433 | 37,126 | |
| Net assets - beginning | | | | | 31,142,790 | 4,995,040 | 36,141,830 | 3,179,140 | |
| Net assets - ending | | | | | \$ 32,500,414 | \$ 5,382,849 | \$ 37,883,263 | \$ 3,216,266 | |

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
NOVEMBER 30, 2011

| | General Fund | County Motor Fuel Tax Fund | Solid Waste Management Fund | Housing of Prisoners Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------------|-----------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash | \$ 1,546,817 | \$ - | \$ 387,233 | \$ - | \$ 2,585,081 | \$ 4,519,131 |
| Accounts receivable: | | | | | | |
| Other governmental units and agencies | 1,337,804 | - | - | - | 710,941 | 2,048,745 |
| Property taxes | 4,432,543 | - | - | - | 770,698 | 5,203,241 |
| Due from other funds | 132,007 | - | 3,118,000 | - | 319,476 | 3,569,483 |
| Due from others | 1,453 | - | 64,838 | - | - | 66,291 |
| Due from agencies | - | - | - | - | 7,811 | 7,811 |
| Prepayments | 313,992 | - | - | 140,402 | - | 454,394 |
| Restricted assets | | | | | | |
| Cash | 4,032,638 | 669,868 | - | 2,898,133 | - | 7,600,639 |
| Investments | 103,020 | - | - | - | - | 103,020 |
| Accounts receivable: | | | | | | |
| Other governmental units and agencies | 729 | - | - | - | - | 729 |
| Property taxes | 2,638,963 | - | - | - | - | 2,638,963 |
| Due from other funds | 8,820 | 27,333 | - | - | - | 36,153 |
| Total Assets | \$ 14,548,786 | \$ 697,201 | \$ 3,570,071 | \$ 3,038,535 | \$ 4,394,007 | \$ 26,248,600 |
| LIABILITIES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 278,244 | \$ - | \$ - | \$ - | \$ 16,337 | \$ 294,581 |
| Accrued payroll | 177,793 | - | - | - | 8,815 | 186,608 |
| Compensated absences | 454,143 | - | - | - | 73,827 | 527,970 |
| Due to other funds | 2,170,035 | - | 28,495 | - | 309,450 | 2,507,980 |
| Due to others | 176 | - | - | - | - | 176 |
| Due to agencies | - | - | - | - | 7,120 | 7,120 |
| Deferred revenue | 4,117,756 | - | - | - | 1,139,600 | 5,257,356 |
| Restricted liabilities | | | | | | |
| Accounts payable | 1,942 | 3,870 | - | - | - | 5,812 |
| Accrued payroll | 181,189 | - | - | - | - | 181,189 |
| Due to other funds | 96,276 | 25,575 | - | - | - | 121,851 |
| Deferred revenue | 2,472,000 | - | - | - | - | 2,472,000 |
| Due to agencies | - | - | - | - | 1,180 | 1,180 |
| Due to others | 44,951 | - | - | - | - | 44,951 |
| Total liabilities | 9,994,505 | 29,445 | 28,495 | - | 1,556,329 | 11,608,774 |
| Fund Balances: | | | | | | |
| Nonspendable | 313,992 | - | 3,118,000 | 140,402 | - | 3,572,394 |
| Restricted | 3,987,812 | 667,756 | - | 2,898,133 | (1,180) | 7,552,521 |
| Committed | - | - | 423,576 | - | 86,044 | 509,620 |
| Assigned | - | - | - | - | 2,752,814 | 2,752,814 |
| Unassigned | 252,477 | - | - | - | - | 252,477 |
| Total fund balances | 4,554,281 | 667,756 | 3,541,576 | 3,038,535 | 2,837,678 | 14,639,826 |
| Total Liabilities and Fund Balances | \$ 14,548,786 | \$ 697,201 | \$ 3,570,071 | \$ 3,038,535 | \$ 4,394,007 | \$ 26,248,600 |

The accompanying notes are an integral part of this statement.

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

Total fund balances for governmental funds \$ 14,639,826

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

| | | |
|--|-------------------|------------|
| Construction in progress | 3,203,908 | |
| Land | 150,000 | |
| Land improvements, net of \$105,376 accumulated depreciation | - | |
| Buildings, net of \$4,346,187 accumulated depreciation | 3,237,967 | |
| Building improvements, net of \$604,682 accumulated depreciation | 442,926 | |
| Fixed equipment, net of \$228,692 accumulated depreciation | 40,455 | |
| Major movable equipment, net of \$1,367,233 accumulated depreciation | 148,411 | |
| Vehicles, net of \$2,161,076 accumulated depreciation | 321,383 | |
| Computers, net of \$899,634 accumulated depreciation | 32,105 | |
| Infrastructure, net of \$4,740,608 accumulated depreciation | <u>15,890,238</u> | |
| Total capital assets | | 23,467,393 |

The OPEB obligation resulting from contributions less than the annual required contribution are not financial liabilities and, therefore, are not reported in the funds. (1,374,343)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of:

| | | |
|-----------------------------|----------------|--------------------|
| GOB bonds payable | (3,000,000) | |
| Notes payable | (216,719) | |
| Compensated absences | (1,182,126) | |
| Bond issuance cost | <u>166,383</u> | |
| Total long-term liabilities | | <u>(4,232,462)</u> |

Total net assets of governmental activities \$ 32,500,414

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | General Fund | County Motor Fuel Tax Fund | Solid Waste Management Fund | Housing of Prisoners Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|----------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|
| Revenues - Unrestricted Funds: | | | | | | |
| General property taxes | \$ 4,108,017 | \$ - | \$ - | \$ - | \$ 1,079,406 | \$ 5,187,423 |
| Sales and service taxes | 2,118,657 | - | - | - | - | 2,118,657 |
| Intergovernmental revenue | 3,019,835 | 1,004,303 | - | 209,770 | 522,659 | 4,756,567 |
| Use of money and property | 1,153 | 1,058 | 733 | 1,352 | 1,787 | 6,083 |
| Service charges, permits and fees | 2,136,061 | - | - | - | - | 2,136,061 |
| Sanitation fees | - | - | 440,262 | - | - | 440,262 |
| Other revenue | - | - | - | - | 152,079 | 152,079 |
| Total Unrestricted Fund Revenues | 11,383,723 | 1,005,361 | 440,995 | 211,122 | 1,735,931 | 14,797,132 |
| Expenditures - Unrestricted Funds | | | | | | |
| Current: | | | | | | |
| General government | 4,109,159 | - | - | - | - | 4,109,159 |
| Public safety | 5,850,792 | - | - | - | - | 5,850,792 |
| Public health | - | - | 331,189 | - | - | 331,189 |
| Public works | - | 419,968 | - | - | 1,816,814 | 2,236,782 |
| Capital improvements | - | 987,457 | - | - | 778,921 | 1,766,378 |
| Debt Service | - | - | - | - | 62,091 | 62,091 |
| Principal | - | - | - | - | 18,805 | 18,805 |
| Interest | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | 172,587 | - | 172,587 |
| Total Unrestricted Fund Expenditures | 9,959,951 | 1,407,425 | 331,189 | 172,587 | 2,676,631 | 14,547,783 |
| Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds | 1,423,772 | (402,064) | 109,806 | 38,535 | (920,700) | 249,349 |
| Revenues - Restricted Funds: | | | | | | |
| General property taxes | 2,048,446 | - | - | - | - | 2,048,446 |
| Other revenues | 1,162,747 | - | - | - | - | 1,162,747 |
| Total Restricted Fund Revenues | 3,211,193 | - | - | - | - | 3,211,193 |
| Expenditures - Restricted Funds: | | | | | | |
| General property taxes: | | | | | | |
| Tort liability | 316,581 | - | - | - | - | 316,581 |
| Benefits | 2,000,679 | - | - | - | - | 2,000,679 |
| Other expenditures | 735,201 | - | - | - | - | 735,201 |
| Total Restricted Fund Expenditures | 3,052,461 | - | - | - | - | 3,052,461 |
| Excess of Revenues Over Expenditures - Restricted Funds | 158,732 | - | - | - | - | 158,732 |
| Other Financing Sources (Uses): | | | | | | |
| Operating transfers in | - | 27,333 | - | - | 895,676 | 923,009 |
| Operating transfers out | (80,896) | (502,300) | - | - | (339,813) | (923,009) |
| Bond proceeds | - | - | - | 3,000,000 | - | 3,000,000 |
| Total Other Financing Sources (Uses) | (80,896) | (474,967) | - | 3,000,000 | 555,863 | 3,000,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | 1,501,608 | (877,031) | 109,806 | 3,038,535 | (364,837) | 3,408,081 |
| FUND BALANCES, BEGINNING OF YEAR | 3,052,673 | 1,544,787 | 3,431,770 | - | 3,202,515 | 11,231,745 |
| FUND BALANCES, END OF YEAR | \$ 4,554,281 | \$ 667,756 | \$ 3,541,576 | \$ 3,038,535 | \$ 2,837,678 | \$ 14,639,826 |

The accompanying notes are an integral part of this statement.

JACKSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

Net change in fund balances - total governmental funds \$ 3,408,081

The change in net assets reported for governmental activities in the statement of activities is different because:

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 and reported as depreciation expense. This is the amount by which capital outlays (\$2,241,983) exceeds depreciation (\$935,563) in the current period. 1,306,420

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:

Change in compensated absences 89,408

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of long-term debt 62,091
Issuance of long-term debt (3,000,000)
Amortization of issuance costs 166,383

The increase in OPEB obligation resulting from contributions less than the annual required contribution is not a financial liability and is not reported in the funds. (674,759)

Change in net assets of governmental activities \$ 1,357,624

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
NOVEMBER 30, 2011

| | Enterprise Funds | | |
|---|--------------------------------|---------------------|---------------------|
| | Rehab & Care Center Fund | Ambulance Fund | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash | \$ 192,019 | \$ 1,392,561 | \$ 1,584,580 |
| Accounts receivable: | | | |
| Consumers | 1,997,159 | 749,092 | 2,746,251 |
| Intergovernmental transfer agreement | 1,139,458 | - | 1,139,458 |
| Property taxes | 521,284 | 1,027,630 | 1,548,914 |
| Due from other funds | 3,405 | 98,594 | 101,999 |
| Prepayments | 9,055 | - | 9,055 |
| Inventories | 9,355 | 48,800 | 58,155 |
| Noncurrent assets: | | | |
| Capital Assets: | | | |
| Land and improvements | 350,770 | 160,835 | 511,605 |
| Buildings and improvements | 8,023,618 | 641,492 | 8,665,110 |
| Vehicles and equipment | 2,199,597 | 2,249,391 | 4,448,988 |
| Construction in progress | 333,185 | - | 333,185 |
| Accumulated depreciatiou | <u>(9,325,293)</u> | <u>(2,315,825)</u> | <u>(11,641,118)</u> |
| Total Assets | <u>5,453,612</u> | <u>4,052,570</u> | <u>9,506,182</u> |
| LIABILITIES | | | |
| Accounts payable | 376,788 | 53,940 | 430,728 |
| Accrued payroll | 255,848 | 64,871 | 320,719 |
| Compensated absences | 180,275 | 86,792 | 267,067 |
| Due to other funds | 1,062,018 | 16,575 | 1,078,593 |
| Due to third party payors | 395,256 | - | 395,256 |
| Due to patient trust fund | 20,655 | - | 20,655 |
| Deferred revenue | <u>658,152</u> | <u>952,163</u> | <u>1,610,315</u> |
| Total Liabilities | <u>2,948,992</u> | <u>1,174,341</u> | <u>4,123,333</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 1,581,877 | 735,893 | 2,317,770 |
| Unrestricted | <u>922,743</u> | <u>2,142,336</u> | <u>3,065,079</u> |
| Total Net Assets | <u>\$ 2,504,620</u> | <u>\$ 2,878,229</u> | <u>\$ 5,382,849</u> |

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Enterprise Funds | | |
|------------------------------------|--------------------------------|---------------------|---------------------|
| | Rehab & Care Center Fund | Ambulance Fund | Total |
| Operating Revenues: | | | |
| Charges for services | \$ 7,396,983 | \$ 2,831,257 | \$ 10,228,240 |
| Intergovernmental transfer revenue | 1,139,458 | - | 1,139,458 |
| Other operating revenues | 29,590 | - | 29,590 |
| Total Operating Revenues | 8,566,031 | 2,831,257 | 11,397,288 |
| Operating Expenses: | | | |
| Personnel services | 5,544,799 | 2,430,916 | 7,975,715 |
| Commodities | 816,257 | 323,074 | 1,139,331 |
| Contractual | 1,948,958 | 243,962 | 2,192,920 |
| Maintenance | 20,954 | 6,234 | 27,188 |
| Other charges | 9,278 | 206,708 | 215,986 |
| Bad debts | 348,536 | 371,364 | 719,900 |
| Depreciation | 274,933 | 191,155 | 466,088 |
| Total Operating Expenses | 8,963,715 | 3,773,413 | 12,737,128 |
| Operating Loss | (397,684) | (942,156) | (1,339,840) |
| Nonoperating Revenues (Expenses): | | | |
| General property taxes | 675,773 | 946,729 | 1,622,502 |
| Use of money and property | 312 | 5,354 | 5,666 |
| Grant revenue | 39,403 | - | 39,403 |
| Miscellaneous revenue | 5,515 | 50,563 | 56,078 |
| Total Nonoperating Revenues | 721,003 | 1,002,646 | 1,723,649 |
| Net income (loss) | 323,319 | 60,490 | 383,809 |
| Net assets - beginning of year | 2,181,301 | 2,817,739 | 4,999,040 |
| Total net assets - ending | \$ 2,504,620 | \$ 2,878,229 | \$ 5,382,849 |

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Enterprise Funds | | |
|--|--------------------------------|---------------------|-----------------------|
| | Rehab & Care Center Fund | Ambulance Fund | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from patients and third party payors | \$ 6,809,698 | \$ 2,791,296 | \$ 9,600,994 |
| Payments to suppliers | (1,891,028) | (1,257,422) | (3,148,450) |
| Payments to employees | (5,598,425) | (2,425,798) | (8,024,223) |
| Net cash used in operating activities | <u>(679,755)</u> | <u>(891,924)</u> | <u>(1,571,679)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Property tax support | 675,773 | 946,729 | 1,622,502 |
| Proceeds from grant | 39,403 | | 39,403 |
| Miscellaneous revenue | 5,515 | 50,563 | 56,078 |
| Net cash provided by noncapital financing activities | <u>720,691</u> | <u>997,292</u> | <u>1,717,983</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | (339,669) | (329,385) | (669,054) |
| Net cash used in capital and related financing activities | <u>(339,669)</u> | <u>(329,385)</u> | <u>(669,054)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | 312 | 5,354 | 5,666 |
| Net cash provided by investing activities | <u>312</u> | <u>5,354</u> | <u>5,666</u> |
| NET INCREASE (DECREASE) IN CASH | (298,421) | (218,663) | (517,084) |
| CASH, BEGINNING OF YEAR | <u>490,440</u> | <u>1,611,224</u> | <u>2,101,664</u> |
| CASH, END OF YEAR | <u>\$ 192,019</u> | <u>\$ 1,392,561</u> | <u>\$ 1,584,580</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Loss | \$ (397,684) | \$ (942,156) | \$ (1,339,840) |
| Items not requiring (providing) cash: | | | |
| Depreciation | 274,933 | 191,155 | 466,088 |
| Changes in: | | | |
| Accounts receivable | (1,743,669) | (14,898) | (1,758,567) |
| Due from other funds | (965) | (92,845) | (93,810) |
| Prepaid expenses | - | - | - |
| Inventories | 141 | 3,041 | 3,182 |
| Accounts payable | 181,949 | 3,656 | 185,605 |
| Accrued payroll | (36,721) | 7,402 | (29,319) |
| Accrued vacation | (16,908) | (2,284) | (19,192) |
| Due to other funds | 1,030,388 | (45,000) | 985,388 |
| Due to third parties | 62,676 | - | 62,676 |
| Deferred revenue | (33,895) | 5 | (33,890) |
| NET CASH USED IN OPERATING ACTIVITIES | <u>\$ (679,755)</u> | <u>\$ (891,924)</u> | <u>\$ (1,571,679)</u> |

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
NOVEMBER 30, 2011

| | Agency Funds |
|------------------------|--------------|
| ASSETS | |
| Cash | \$ 5,331,471 |
| Investments | 476,587 |
| Accounts receivable | 68,199 |
| Due from other funds | 7,120 |
| Due from debt service | 1,180 |
| Total assets | 5,884,557 |
| LIABILITIES | |
| Due to others | 1,287,591 |
| Due to other funds | 7,811 |
| Due to individuals | 824,308 |
| Due to taxing units | 3,764,847 |
| Total liabilities | 5,884,557 |
| NET ASSETS | \$ |

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Jackson County, Illinois is governed by an elected board of fourteen members. The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. As required by GAAP, these financial statements present the government and its component units and entities for which the government is considered to be financially accountable. A blended component unit, although legally a separate entity, in substance, is a part of the government's operations and data from this unit is combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The following are the County's discretely presented component units:

The Health Department is responsible for providing various health services to the residents of Jackson County. The members of the Health Department Board are appointed by the County Board. The County Board sets the annual tax levy and approves the Health Department's budget. The Health Department is presented as a governmental fund type.

The Tuberculosis Fund is responsible for providing medication and counseling for individuals with tuberculosis. The Directors of the Tuberculosis Fund are appointed by the County Board. The County Board sets the annual tax levy and approves the Tuberculosis Fund's budget. The Tuberculosis Fund is presented as a governmental fund type.

The Mental Health (708) Board is responsible for providing grants to other social service agencies in Jackson County. The Mental Health Board members are appointed by the County Board. The County Board sets the annual tax levy and approves the 708 Board's budget. The 708 Board Fund is presented as a governmental fund type.

Complete financial statements for the discrete component units may be obtained from the respective units.

2. Basis of Presentation - Fund Accounting

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

Proprietary funds are used to account for the County's ongoing organizations and activities which are similar to those often found in the private sector. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the County has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 for its proprietary fund activities. The measurement focus is upon the determination of net income.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Fund Accounting - Continued

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent on behalf of others.

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct expenses of a given function, segment or program offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods or services of a program and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function, segment or program. Taxes and other items not properly included in program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services.

The County reports the following major governmental funds:

The General Fund is used to account for all financial transactions which are not required to be accounted for in another fund. This fund accounts for the general operating transactions of the County including police protection, administration, judiciary and court services.

The Motor Fuel Tax Fund accounts for motor fuel allocations from the State of Illinois for county road projects.

The special revenue Solid Waste Fund provides for the operations relating to solid waste disposal and hauling.

The Capital Project Housing of Prisoners Fund provides control to account for and report financial resources that are assigned to the expenditures for principal and interest of the 2011 general obligation bonds.

The County reports the following major proprietary funds:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; that is, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Rehab & Care Center Fund provides for the operation of the County's skilled nursing facility.

The Ambulance Fund provides for the operation of the County's ambulance service.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Government-Wide and Fund Financial Statements - Continued

Additionally, the County reports the following fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

4. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than compensated absences and principal and interest on long-term debt which are recorded when due, are recorded when the related liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. The County considers intergovernmental revenues available if they are collected within 90 days after a year end. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note D for property tax accrual policy.

5. Legal Compliance - Budgetary Control and Budgetary Accounting

As required by state statutes, the annual operating budget is prepared and adopted by the County Board. The elected officials are authorized to transfer budget amounts between departments within any fund. Any supplemental appropriations that amend the total expenditures of any fund require County Board resolution. Budgetary appropriations lapse at the end of the fiscal year. The budget must be filed with the County Clerk so that it can be available to the public for inspection fifteen days prior to adoption. The budget must be adopted prior to December 1 of each year.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Encumbrances

The County does not maintain an encumbrance accounting system. Therefore, no reservations of fund balance have been made for outstanding purchase orders, contracts or other commitments.

7. Investments

Investments are reported at fair value.

8. Inventories and Prepaids

Inventories are valued at cost using the first in/first out (FIFO) method.

9. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets for the Highway Fund are defined as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of one year.

Capital assets for Governmental and Enterprise Funds are defined by the County as assets with an initial, individual cost of \$1,000 or more and an estimated useful life. Such assets are valued at cost or estimated original cost. Depreciation has been provided using the straight-line method over the estimated useful life of each asset.

The estimated useful lives are as follows:

| | |
|--------------------------|-------------|
| a. Land improvements | 25-40 years |
| b. Buildings | 20-40 years |
| c. Machinery & equipment | 5-10 years |
| d. Infrastructure | 40-50 years |

10. Compensated Absences

Accumulated unpaid vacation and leave time are accrued when incurred in proprietary funds. County General and County Highway accrue unpaid vacation, vested sick pay and compensatory time. All other funds accrue unpaid vacation as a current liability for amounts to be expected to be used in the coming year. The long-term portion is reported in the government-wide financial statements.

11. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements.

In the fund financial statements long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Fund Equity and Net Assets

Beginning with fiscal year 2011, the County implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength for the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - includes fund balance amounts that cannot be spent either because it is not in spendable form (such as inventory) or because of legal or contractual constraints.

Restrict fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts a government intends to use for a specific purposes; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - amounts that available for any purpose; positive amounts are reported only in the general fund.

The County Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established by the County Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned, and lastly unassigned amount of unrestricted fund balance when expenditures are made.

The County does not have a formal stabilization policy or minimum fund balance policy.

The County report three types of net assets in its government-wide statement of net assets:

Invest in capital assets, net of related debt - consists of capital asset balances less accumulated depreciation and reduced by outstanding balances of debt used to acquire, construct, or improve those assets.

Restricted net assets - net assets are considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as creditors, grantors, or laws or regulations of other governments.

Unrestricted net assets - consists of all other net assets that do not meet the definitions of the above two components and are available for the County's general use.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

At November 30, 2011, the carrying amount of the County's deposits with financial institutions was \$15,379,805 and the bank balances were \$16,304,144.

Custodial Credited Risk - Custodial risk is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County does have a policy to require banks to collateralize balances over the FDIC insured amount. As of November 30, 2011, the County has no uninsured/uncollateralized deposits.

At November 30, 2011, the bank balance of \$22,585,528, including fiduciary funds, \$1,303,020 was covered by federal depository insurance, \$5,511,036 were collateralized by pledged bank assets in the County's name, \$12,141,136 was deposited in the Illinois Funds, a state investment pool, and \$3,630,335 was uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the balance sheet.

Investments

As of November 30, 2011, the County had the following investments and maturities.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>6-12 Months</u> | <u>1-3 Years</u> |
|-------------------------|-------------------|--------------------|-------------------|
| Certificates of deposit | <u>\$ 124,777</u> | <u>\$ 21,757</u> | <u>\$ 103,020</u> |

Interest Rate Risk - Interest rate risk is the risk that the fair value of an investment will decline as interest increase. The County's investment policy is described in the paragraph below. Due to the County's type of investments at November 30, 2011, certificates of deposits and U.S. Government Securities, interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the financial counter party will fail to meet its defined obligations. State statutes authorize the County to invest only in direct obligations of the U.S. Governments or its agencies; direct obligations of any financial institution that is insured by the Federal Deposit Insurance Corporation; short-term obligations of corporations rated A or better by at least two standard rating services; obligations of the State of Illinois and its political subdivisions; insured accounts of credit unions located in the State of Illinois; The Illinois Funds; certain money market mutual funds where the portfolio is limited to U.S. Government securities; and certain repurchase agreements. Credit quality ratings disclosures do not apply to debt securities of the U.S. government.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At November 30, 2011, the County's U.S. government securities were being held by the Agency's investment safekeeping agent in the name of the Agency.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Fair Value Measurement

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820) addresses fair value measurement standards in financial statements prepared according to Generally Accepted Accounting Principles. FASB ASC 820 establishes a principles-based framework for measuring fair value of both assets and liabilities and clarifies the definition of fair value. The definition of fair value is clarified by FASB ASC 820 to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date. FASB ASC 820 established a three-level hierarchy for fair value measurements based upon the inputs to the valuation of an assets or liability.

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active or by model-based techniques which significant inputs are observable in the market.

Level 3 - Valuation is derived from model-based techniques in which at least on significant input is unobservable and based on the Company's own estimates about the assumptions that market participants would use to value the asset or liability.

A summary of the County and its component unit's assets at November 30, 2011 measured at estimated fair value on a receiving basis as follows:

| <u>Investment Category</u> | <u>Fair Value</u> | <u>Level 1</u> <u>Inputs</u> | <u>Level 2</u> <u>Inputs</u> | <u>Level 3</u> <u>Inputs</u> |
|----------------------------|-------------------|---------------------------------|---------------------------------|---------------------------------|
| Certificates of deposits | \$ 124,777 | \$ - | \$ 124,777 | \$ - |

A summary of the County's fiduciary fund's assets at November 30, 2010 measured at estimated fair value on a receiving basis were as follows:

| <u>Investment Category</u> | <u>Fair Value</u> | <u>Level 1</u> <u>Inputs</u> | <u>Level 2</u> <u>Inputs</u> | <u>Level 3</u> <u>Inputs</u> |
|----------------------------|-------------------|---------------------------------|---------------------------------|---------------------------------|
| Certificates of deposits | \$ 476,587 | \$ - | \$ 476,587 | \$ - |

The County's other financial instruments are as follows:

- Cash and cash equivalents
- Accounts receivable
- Accounts payable and accrued expenses

The carrying amount reported in the balance sheet for the financial instruments approximates fair value.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE C - ACCOUNTS RECEIVABLE AND CREDIT RISK

The County grants credit without collateral to the patients and residents of the Ambulance Fund and Rehab and Care Center Fund respectively, most of whom are area residents and are insured under third-party payor agreements. At November 30, 2011, accounts receivable in the Enterprise Fund totaled \$3,885,709 which is net of contractual allowances and provisions for bad debts of \$2,585,045.

NOTE D - PROPERTY TAXES

The County's property tax is levied as of January 1 each year on the assessed value listed as of the prior January 1 for all real property in the County. The County Clerk's Office determines necessary tax rates and extends the taxes based upon the equalized assessed values. Assessed values are established by the County Assessment Department at 33 1/3% of assumed market value.

Property taxes are normally due in two installments, the first installment is due 30 days after bills are issued and the second installment is due 30 days after the first installment due date. Interest at a maximum of 1 1/2% per month attaches to delinquent taxes. There is not a specific lien date; however, any property with taxes still delinquent is subject to the property tax sale.

Property taxes are recognized as revenue when they become available to finance expenditures. This occurs when the taxes have been collected.

The 2010 assessed valuation for property taxes collected in Fiscal Year 2011 was \$706,142,866. The tax levy for 2010, which represents the property taxes collected in Fiscal Year 2011, was \$138,804 per \$100 assessed valuation.

NOTE E - RESTRICTED ASSETS - GENERAL FUND

Certain resources are classified as restricted assets on the balance sheet because their use is limited to a specific purpose. A summary of restricted assets at November 30, 2011 is as follows:

| <u>Restricted Assets</u> | <u>General</u> |
|---------------------------|----------------|
| Tort Liability | |
| Cash | \$ 260,823 |
| Property tax receivable | 392,407 |
| Workers' Compensation | |
| Cash | 193,148 |
| Property tax receivable | 134,302 |
| Due from other funds | 3,980 |
| Unemployment Insurance | |
| Cash | 325,110 |
| Property tax receivable | 37,972 |
| Other accounts receivable | 729 |
| Due from other funds | 4,840 |
| Social Security | |
| Cash | 471,384 |
| Property tax receivable | 705,460 |

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE E - RESTRICTED ASSETS - GENERAL FUND - CONTINUED

| | |
|--|-----------|
| Illinois Municipal Retirement Fund | |
| Cash | 784,732 |
| Property tax receivable | 1,368,822 |
| Sheriff Drug Fund | |
| Cash | 15,786 |
| DUI Sheriff Law Enforcement Equipment | |
| Cash | 38,668 |
| Sheriff Drug Asset Fund | |
| Cash | 82,082 |
| Court Supervision | |
| Cash | 10,726 |
| Court Assessment | |
| Cash | 475,436 |
| Kids in the Court | |
| Cash | 500 |
| Law Library | |
| Cash | 61,158 |
| Treasurer - Court Ordered Funds | |
| Cash | 56 |
| Treasurer Inheritance Tax | |
| Cash | 1,474 |
| State's Attorney Drug Asset Fund | |
| Cash | 57,005 |
| State's Attorney Victim Assist Fund | |
| Cash | 733 |
| County Clerk Revenue Stamps | |
| Cash | 114,218 |
| Circuit Clerk Child Support Admin Fund | |
| Cash | 111,448 |
| Circuit Clerk Abandoned Property | |
| Cash | 3,181 |
| Automation and Capital Improvement | |
| Cash | 900,610 |
| Investments | 103,020 |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE E - RESTRICTED ASSETS - GENERAL FUND - CONTINUED

| | |
|-------------------------------|---------------------|
| Prisoner Trust Accounts | |
| Cash | 44,210 |
| | |
| County Board Unclaimed Monies | |
| Cash | 67,352 |
| | |
| Hotel Tax | |
| Cash | 8,260 |
| | |
| Dispute Resolution | |
| Cash | <u>4,538</u> |
| | <u>\$ 6,784,170</u> |

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2011 was as follows:

General government

| | Balance November 30, <u>2010</u> | <u>Additions</u> | Deductions and <u>Transfers</u> | Balance November 30, <u>2011</u> |
|--|--|------------------|---------------------------------------|--|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 150,000 | \$ - | \$ - | \$ 150,000 |
| Construction in progress | <u>4,670,749</u> | <u>2,021,858</u> | <u>(3,488,699)</u> | <u>3,203,908</u> |
| Total capital assets, not being depreciated | <u>4,820,749</u> | <u>2,021,858</u> | <u>(3,488,699)</u> | <u>3,353,908</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 105,376 | - | - | 105,376 |
| Buildings | 7,584,154 | - | - | 7,584,154 |
| Building improvements | 1,047,608 | - | - | 1,047,608 |
| Fixed equipment | 269,147 | - | - | 269,147 |
| Major movable equipment | 1,519,791 | 29,660 | (33,807) | 1,515,644 |
| Vehicles | 2,430,901 | 166,538 | (114,980) | 2,482,459 |
| Computers | 946,466 | 23,941 | (38,668) | 931,739 |
| Infrastructure | <u>17,142,147</u> | <u>3,488,699</u> | <u>-</u> | <u>20,630,846</u> |
| Total capital assets being depreciated | 31,045,590 | 3,708,838 | (187,455) | 34,566,973 |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE F - CAPITAL ASSETS - CONTINUED

| | | | | |
|--|--|--------------------|---------------------------------------|--|
| Less accumulated depreciation for: | | | | |
| Land improvements | (104,929) | (447) | - | (105,376) |
| Buildings | (4,167,929) | (178,258) | - | (4,346,187) |
| Building improvements | (537,370) | (67,312) | - | (604,682) |
| Fixed equipment | (221,010) | (7,682) | - | (228,692) |
| Major movable equipment | (1,323,995) | (76,978) | 33,740 | (1,367,233) |
| Vehicles | (2,153,966) | (122,090) | 114,980 | (2,161,076) |
| Computers | (922,640) | (15,715) | 38,721 | (899,634) |
| Infrastructure | <u>(4,273,527)</u> | <u>(467,081)</u> | <u>-</u> | <u>(4,740,608)</u> |
| | | | | |
| Total accumulated depreciation | <u>(13,705,366)</u> | <u>(935,563)</u> | <u>187,441</u> | <u>(14,453,488)</u> |
| | | | | |
| Total capital assets, being depreciated, net | <u>17,340,224</u> | <u>2,773,275</u> | <u>(14)</u> | <u>20,113,485</u> |
| | | | | |
| Governmental activities capital assets, net | <u>\$22,160,973</u> | <u>\$4,795,133</u> | <u>\$ (3,488,713)</u> | <u>\$ 23,467,393</u> |
| | Balance November 30, <u>2010</u> | <u>Additions</u> | Deductions and <u>Transfers</u> | Balance November 30, <u>2011</u> |
| | | | | |
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 76,458 | \$ - | \$ - | \$ 76,458 |
| Construction in progress | <u>46,088</u> | <u>333,185</u> | <u>(46,088)</u> | <u>333,185</u> |
| | | | | |
| Total capital assets, not being depreciated | <u>122,546</u> | <u>333,185</u> | <u>(46,088)</u> | <u>409,643</u> |
| | | | | |
| Capital assets, being depreciated: | | | | |
| Land improvements | 435,147 | - | - | 435,147 |
| Buildings and improvements | 8,654,019 | 11,091 | - | 8,665,110 |
| Vehicles and equipments | <u>4,078,121</u> | <u>324,779</u> | <u>46,088</u> | <u>4,448,988</u> |
| | | | | |
| Total capital assets being depreciated | 13,167,287 | 335,870 | 46,088 | 13,549,245 |
| | | | | |
| Less accumulated depreciation for: | | | | |
| Land improvements | (267,613) | (15,025) | - | (282,638) |
| Buildings and improvements | (7,429,295) | (226,844) | - | (7,656,139) |
| Vehicles and equipment | <u>(3,478,121)</u> | <u>(224,219)</u> | <u>(1)</u> | <u>(3,702,341)</u> |
| | | | | |
| Total accumulated depreciation | <u>(11,175,029)</u> | <u>(466,088)</u> | <u>(1)</u> | <u>(11,641,118)</u> |
| | | | | |
| Total capital assets, being depreciated, net | <u>1,992,258</u> | <u>(130,218)</u> | <u>46,087</u> | <u>1,908,127</u> |
| | | | | |
| Business-type activities capital assets, net | <u>\$ 2,114,804</u> | <u>\$ 202,967</u> | <u>\$ (1)</u> | <u>\$ 2,317,770</u> |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE F - CAPITAL ASSETS - CONTINUED

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

Governmental activities:

| | |
|--|-----------------------|
| General government | \$ 150,045 |
| Public Safety | 240,158 |
| Public works | <u>545,360</u> |
| Total depreciation expense - governmental activities | <u>\$ 935,563</u> |

Business-type activities:

| | |
|---|-----------------------|
| Rehab & Care Center | \$ 274,933 |
| Ambulance | <u>191,155</u> |
| Total depreciation expense - business-type activities | <u>\$ 466,088</u> |

Capital asset activity of the component unit for the year ended November 30, 2011 follows:

| | Balance November 30, <u>2010</u> | <u>Additions</u> | Deductions And <u>Transfers</u> | Balance November 30, <u>2011</u> |
|--|--|------------------------|---------------------------------------|--|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 49,500 | \$ - | \$ - | \$ 49,500 |
| Total capital assets, not being depreciated | 49,500 | - | - | 49,500 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 78,448 | - | - | 78,448 |
| Buildings and improvements | 1,961,921 | 27,094 | (2,397) | 1,986,618 |
| Equipment | <u>422,007</u> | <u>20,697</u> | <u>(4,958)</u> | <u>437,746</u> |
| Total capital assets being depreciated | 2,462,376 | 47,791 | (7,355) | 2,502,812 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (43,057) | (3,692) | - | (46,749) |
| Buildings and improvements | (682,247) | (58,036) | 1,358 | (738,925) |
| Equipment | <u>(367,237)</u> | <u>(14,870)</u> | <u>4,958</u> | <u>(377,149)</u> |
| Total accumulated depreciation | <u>(1,092,541)</u> | <u>(76,598)</u> | <u>6,316</u> | <u>(1,162,823)</u> |
| Total capital assets, being depreciated, net | <u>1,369,835</u> | <u>(28,807)</u> | <u>(1,039)</u> | <u>1,339,989</u> |
| Component unit, capital assets, net | <u>\$ 1,419,335</u> | <u>\$ (28,807)</u> | <u>\$ (1,039)</u> | <u>\$ 1,389,489</u> |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE G - LONG-TERM DEBT

General Obligation Bonds

Proceeds from general obligation bonds have been used for governmental activities.

General obligation bonds payable at November 30, 2011 are comprised of the following:

Governmental Activities:

\$1,374,000 series 2010A general obligation bonds dated December 30, 2010 due annually from December 1, 2011 through December 1, 2035 in installments ranging from \$4,000 to \$85,000. Interest is payable each June 1 and December 1 beginning December 1, 2011. The bonds bear interest rates of 4.00% to 8.00% per annum. \$ 1,374,000

\$1,496,000 series 2010B general obligation bonds dated December 30, 2010 due annually from December 1, 2012 through December 1, 2035 in installments ranging from \$6,000 to \$115,000. Interest is payable each June 1 and December 1, beginning December 1, 2011. The bonds bear interest rates of 4.20% to 8.00% per annum. 1,496,000

\$130,000 series 2010C general obligation bonds dated December 30, 2010 due annually from December 1, 2011 through December 1, 2015 in installments ranging from \$10,000 to \$30,000 with interest at 4.00% per annum. 130,000

\$ 3,000,000

\$1,374,000 in series 2010A and \$1,496,000 in series 2010B general obligation bonds issued on December 30, 2010 are being used to finance the cost of various remodeling, repairs and rehabilitation of certain county facilities and pay certain costs associated with the issuance of the 2010A and 2010B bonds.

\$130,000 in series 2010C general obligation bonds issued on December 30, 2010 are being used to pay cost associated with the issuance costs of the 2010A, 2010B, and 2010C bonds.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE G - LONG-TERM DEBT - CONTINUED

Governmental Activities - Continued:

The annual requirements to amortize all bonds outstanding as of April 30, 2011 are as follows:

| <u>Year Ending November 30,</u> | <u>Governmental Activities</u> | |
|---|--------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2012 | \$ 14,000 | \$ 190,164 |
| 2013 | 76,000 | 126,312 |
| 2014 | 80,000 | 123,942 |
| 2015 | 85,000 | 121,571 |
| 2016 | 85,000 | 119,113 |
| 2017-2021 | 470,000 | 550,509 |
| 2022-2026 | 575,000 | 448,433 |
| 2027-2031 | 710,000 | 305,662 |
| 2032-2036 | <u>905,000</u> | <u>114,230</u> |
| | <u>\$ 3,000,000</u> | <u>\$ 2,099,936</u> |

Governmental Activity Long-Term Debt Notes Payable

The County has financed certain capital expenditures through an installment agreement at November 30, 2011 as follows:

Installment agreement, due in monthly installments of \$ 6,741.31
 Beginning in December 2004 through November 2014 including
 interest at 7.5% \$ 216,719

The annual requirements to amortize all governmental activity long-term debt notes payable as of November 30, 2011 are as follows:

| <u>Year Ending November 30</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------------|------------------|
| 2012 | \$ 66,911 | \$ 13,985 |
| 2013 | 72,105 | 8,790 |
| 2014 | <u>77,703</u> | <u>3,193</u> |
| | <u>\$ 216,719</u> | <u>\$ 25,968</u> |

Component Unit Notes Payable

The component unit funds notes payable at November 30, 2011, are described as follows:

Term bank loan, for the construction of a new building,
 due in monthly installments of \$3,064 beginning in June, 2000
 through May, 2013 including interest at 5.00% \$ 52,022

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE G - LONG-TERM DEBT - CONTINUED

Component Unit Notes Payable - Continued

The annual requirements to amortize all component unit fund notes payable at November 30, 2010, are as follows:

| <u>Year Ending November 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------|------------------|-----------------|
| 2012 | \$ 34,915 | \$ 1,852 |
| 2013 | <u>17,107</u> | <u>240</u> |
| | <u>\$ 52,022</u> | <u>\$ 2,092</u> |

During the year ended November 30, 2011, the following changes occurred in long-term liabilities reported in the government-wide financial statements of primary government:

| | Balance November 30, 2010 | <u>Additions</u> | <u>Reductions</u> | Balance November 30, 2011 | Due Within One Year |
|--------------------------|---------------------------------|--------------------|-------------------|---------------------------------|------------------------|
| General Obligation Bonds | \$ - | \$3,000,000 | \$ - | \$ 3,000,000 | \$ 14,000 |
| Notes Payable | 278,810 | - | 62,091 | 216,719 | 66,911 |
| Compensated Absences | <u>1,830,879</u> | <u>-</u> | <u>120,783</u> | <u>1,710,096</u> | <u>527,970</u> |
| | <u>\$2,109,689</u> | <u>\$3,000,000</u> | <u>\$ 182,874</u> | <u>\$ 4,926,815</u> | <u>\$ 608,881</u> |

During the year ended November 30, 2011, the following changes occurred in long-term liabilities reported in the government-wide financial statements within the Component Unit Fund:

| | Balance November 30, 2010 | <u>Additions</u> | <u>Reductions</u> | Balance November 30, 2011 | Due Within One Year |
|----------------------|---------------------------------|------------------|-------------------|---------------------------------|------------------------|
| Notes Payable | \$ 85,210 | \$ - | \$ 33,188 | \$ 52,022 | \$ 34,915 |
| Compensated Absences | <u>179,772</u> | <u>-</u> | <u>5,558</u> | <u>174,214</u> | <u>93,621</u> |
| | <u>\$ 264,982</u> | <u>\$ -</u> | <u>\$ 38,746</u> | <u>\$ 226,236</u> | <u>\$ 128,536</u> |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE H - RETIREMENT PLANS

The employees of the County are covered by the Illinois Municipal Retirement Fund (IMRF) defined benefit pension plan. The Illinois Municipal Retirement Fund is a multiple-employer agent PERS (Public Employee Retirement System). The Illinois Municipal Retirement Fund is not included in the balances shown in the financial statements, except for the contributions made during the year and charged to operating expenditures or expenses. Except for the Rehab and Care Center, County contributions to these pension plans are funded with property taxes.

Illinois Municipal Retirement Fund - Countywide:

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

Funding Policy. As set by the statute, the County's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010, used by the County, was 8.47 percent of annual covered payroll. The County's annual required contribution rate for calendar year 2010 was 10.91 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For Calendar year ending December 31, 2010, the County's actual contributions for pension cost for the Regular were \$992,894. The required contribution for calendar year 2010 was \$1,278,923. 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% 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 Regular plan assets was determined using techniques that spread the effects of short-term volatility in market value of investments over a five-year period with a 20% corridor between the actuarial and market value as assets. The County Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 84.05 percent funded. The actuarial accrued liability for benefits was \$38,469,144 and the actuarial value of assets was \$32,331,413, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,137,731. The covered payroll (annual payroll of active employees covered by the plan) was \$11,722,480 and the ratio of the UAAL to the covered payroll was 52 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.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE H - RETIREMENT PLANS - CONTINUED

Illinois Municipal Retirement Fund - Sheriff Law Enforcement Personnel:

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

Funding Policy. As set by statute, Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contribution rate for calendar year 2010 was 19.82 percent of annual covered payroll. 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. The required contribution for calendar year 2010 was \$624,494. 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% 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 Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in market value of investments over a five-year period with a 20% corridor between the actuarial and market value as assets. The County Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 57.02 percent funded. The actuarial accrued liability for benefits was \$8,696,660 and the actuarial value of assets was \$4,959,041, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,737,619. The covered payroll (annual payroll of active employees covered by the plan) was \$3,160,916 and the ratio of the UAAL to the covered payroll was 118 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.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE H - RETIREMENT PLANS - CONTINUED

Illinois Municipal Retirement Fund - Elected County Official:

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

Funding Policy. As set by statute, Elected County Official plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County contribution rate for calendar year 2010 was 33.75 percent of annual covered payroll. 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. The required contribution for calendar year 2010 was \$120,199. 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% 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 Elected County Official plan assets was determined using techniques that spread the effects of short-term volatility in market value of investments over a five-year period with a 20% corridor between the actuarial and market value as assets. The Elected County Official plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Elected County Official plan was 55.95 percent funded. The actuarial accrued liability for benefits was \$2,942,312 and the actuarial value of assets was \$1,646,344, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,295,968. The covered payroll (annual payroll of active employees covered by the plan) was \$356,144 and the ratio of the UAAL to the covered payroll was 364 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.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE H - RETIREMENT PLANS - CONTINUED

Trend Information and Required Supplementary Information:

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Below is three year trend information and required supplementary information.

Trend Information:

Countywide IMRF:

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 12/31/10 | \$1,278,923 | 78% | \$ 0 |
| 12/31/09 | \$ 109,903 | 100% | \$ 0 |
| 12/31/08 | \$ 104,027 | 100% | \$ 0 |

Sheriff's IMRF:

| <u>Actuarial Valuation Date</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 12/31/10 | \$ 626,494 | 100% | \$ 0 |
| 12/31/09 | \$ 585,833 | 100% | \$ 0 |
| 12/31/08 | \$ 573,997 | 100% | \$ 0 |

Elected County Official IMRF:

| <u>Actuarial Valuation Date</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 12/31/10 | \$ 120,199 | 100% | \$ 0 |
| 12/31/09 | \$ 133,867 | 100% | \$ 0 |
| 12/31/08 | \$ 143,119 | 100% | \$ 0 |

Required supplementary information - schedule of funding progress:

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarially Accrued Liability (AAL) Entry Age (b)</u> | <u>Unfunded AAL (UAAL) (b-a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u> |
|---------------------------------|--------------------------------------|--|----------------------------------|---------------------------|----------------------------|--|
| 12/31/10 | \$ 32,331,413 | \$ 38,469,144 | \$ 6,137,731 | 84.05 % | \$ 11,722,480 | 52.36 % |
| 12/31/09 | \$ 31,370,330 | \$ 38,185,863 | \$ 6,815,533 | 82.15 % | \$ 12,211,423 | 55.81 % |
| 12/31/08 | \$ 31,375,523 | \$ 35,657,063 | \$ 4,281,540 | 87.99 % | \$ 11,431,498 | 37.45 % |

Countywide IMRF:

| | | | | | | |
|----------|---------------|---------------|--------------|---------|---------------|---------|
| 12/31/10 | \$ 32,331,413 | \$ 38,469,144 | \$ 6,137,731 | 84.05 % | \$ 11,722,480 | 52.36 % |
| 12/31/09 | \$ 31,370,330 | \$ 38,185,863 | \$ 6,815,533 | 82.15 % | \$ 12,211,423 | 55.81 % |
| 12/31/08 | \$ 31,375,523 | \$ 35,657,063 | \$ 4,281,540 | 87.99 % | \$ 11,431,498 | 37.45 % |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE H - RETIREMENT PLANS - CONTINUED

Trend Information and Required Supplementary Information - Continued:

Sheriff's IMRF:

| | | | | | | |
|----------|--------------|--------------|--------------|---------|--------------|----------|
| 12/31/10 | \$ 4,959,041 | \$ 8,696,660 | \$ 3,737,619 | 57.02 % | \$ 3,160,916 | 118.24 % |
| 12/31/09 | \$ 4,148,646 | \$ 8,196,704 | \$ 4,048,058 | 50.61 % | \$ 3,073,626 | 131.70 % |
| 12/31/08 | \$ 4,703,382 | \$ 8,641,748 | \$ 3,938,366 | 54.43 % | \$ 2,945,084 | 133.73 % |

Elected County Official IMRF:

| | | | | | | |
|----------|--------------|--------------|--------------|---------|------------|----------|
| 12/31/10 | \$ 1,646,344 | \$ 2,942,312 | \$ 1,295,968 | 55.95 % | \$ 356,144 | 363.89 % |
| 12/31/09 | \$ 1,502,446 | \$ 2,747,883 | \$ 1,245,437 | 54.68 % | \$ 368,171 | 338.28 % |
| 12/31/08 | \$ 1,448,349 | \$ 2,556,238 | \$ 1,107,889 | 56.66 % | \$ 356,548 | 310.73 % |

NOTE I - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation, which aggregated \$2,262,445 at November 30, 2011, is not available to employees until termination, retirement, death, or unforeseeable emergency. The deferred compensation plan assets are held in trust by a third party.

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

Plan Description. In addition to providing the pension benefits described, the County provides post-employment health care benefits (OPEB) for retired employees through a single employer group health insurance plan. The benefits, benefit levels, and employee contributions are outlined in the continuation of employee health insurance benefits through Retiree Health Insurance Jackson County.

Benefits Provided. The County provides post-employment health care benefits to its retired employees. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. All health care benefits are provided through the County's partially self funded insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include inpatient and outpatient hospital services; emergency room; well care exams; ambulance treatment; chiropractic treatment; and prescription drug benefits. Upon a retiree reaching 65 years of age, the County's plan continues but at a higher cost to the retiree.

Membership. At November 30, 2011, membership consisted of:

| | <u>November 30, 2011</u> |
|--|--------------------------|
| Retirees and beneficiaries receiving benefits | 13 |
| Terminated plan members entitled to but not yet receiving benefits | 0 |
| Active vested plan members | 161 |
| Active nonvested plan members | <u>121</u> |
| Total | <u>295</u> |
| Number of participating employers | 1 |

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

Funding Policy. The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute a portion of the premium.

Annual OPEB costs and Net OPEB Obligation. The County had an actuarial valuation performed for the plan as of November 30, 2011 to determine the employer's annual required contribution (ARC) for the fiscal year ended November 30, 2011. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2009 was as follows:

| Fiscal Year Ending | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-----------------------|---------------------|--|------------------------|
| November 30, 2009 | \$ 742,136 | 5.7 % | \$ 699,584 |
| November 30, 2010 | - | - | \$ 699,584 |
| November 30, 2011 | \$ 764,245 | 11.7 % | \$ 1,374,343 |

The net OPEB obligation as of November 30, 2010 (latest information available), was calculated as follows:

| | <u>November 30, 2010</u> |
|---|--------------------------|
| Annual required contribution | \$ 752,585 |
| Interest on net OPEB obligation | 34,979 |
| Adjustment to annual required contributions | <u>(23,319)</u> |
| Annual OPEB cost | 764,245 |
| Contributions made | <u>89,486</u> |
| Increase (Decrease) in net OPEB obligation | 674,759 |
| Net OPEB obligation, beginning of year | <u>699,584</u> |
| Net OPEB obligation, end of year | <u>\$ 1,374,343</u> |

Funded Status and Funding Progress. The funded status of the plan as of November 30, 2011, was as follows:

| | |
|---|--------------|
| Actuarial accrued liability (AAL) | \$ 6,489,945 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 6,489,945 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.0 % |
| Covered payroll (active plan members) | - |
| UAAL as a percentage of covered payroll | - |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE J - OTHER POST-EMPLOYMENT BENEFITS - CONTINUED

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

In the November 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (includes a 3.00% inflation assumption), projected salary increases of 5.00% and an annual healthcare cost trend rate of 8.00% initially, reduced by decrements to an ultimate rate of 6.00%. The actuarial value of assets was not determined as the County has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 30, 2011, was 30 years.

NOTE K - FUND BALANCE CLASSIFICATIONS

The governmental funds balance sheet includes a number of reserves which are maintained for specific purposes. The nature and purpose of the significant reserves are to segregate the monies which are reserved for tort liability, employee benefit accounts, automation, capital improvements and Circuit Clerk bond funds.

Governmental type fund balance in detail are as follows at November 30, 2011:

Nonspendable Fund Balance - Governmental Funds

| | |
|----------------------|---------------------|
| Prepayments | \$ 454,394 |
| Due from other funds | <u>3,118,000</u> |
| | <u>\$ 3,572,394</u> |

Restricted Fund Balance - Governmental Funds

| | |
|--------------------------------|---------------------|
| Tort liability | \$ 303,230 |
| Benefits | 1,687,819 |
| Public safety | 151,046 |
| Automations | 991,177 |
| Other purposes | 854,540 |
| Street construction and repair | 667,756 |
| Capital improvements | 2,898,133 |
| Debt Service | <u>(1,180)</u> |
| | <u>\$ 7,552,521</u> |

Committed Fund Balance - Governmental Funds

| | |
|--------------|-------------------|
| Solid waste | \$ 423,576 |
| Public works | <u>86,044</u> |
| | <u>\$ 509,620</u> |

Assigned Fund Balance - Governmental Funds

| | |
|--------------|---------------------|
| Public works | <u>\$ 2,752,814</u> |
|--------------|---------------------|

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE L - OTHER REQUIRED DISCLOSURE

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds for the year ended November 30, 2011, are as follows:

| <u>Fund</u> | <u>Expenditures</u> | <u>Budget</u> |
|--------------|---------------------|---------------|
| General Fund | \$13,012,412 | \$12,376,635 |

NOTE M - INTERFUND RECEIVABLES AND PAYABLES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as Interfund receivables and payables. These transactions are intended to be paid back to the respective funds in the future periods when funding becomes available. The majority of interfund balances were used to finance operating deficits in the general fund and for the Rehab and Care Center. Interfund receivables and payables, during the year ended November 30, 2011, were as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-------------------------|----------------------------------|-------------------------------|
| Governmental Fund: | | |
| Major Funds: | | |
| General | \$ 140,827 | \$2,266,311 |
| Motor Fuel Tax | 27,333 | 25,575 |
| Solid Waste | 3,118,000 | 28,495 |
| Special Revenue Funds: | | |
| Highway | 47,287 | 29,426 |
| Federal Aid & Matching | 280,000 | 24 |
| Bridge | - | 287,120 |
| Debt Service Fund | - | 1,180 |
| Component Units: | | |
| Health Department | 18,041 | - |
| Tuberculosis | - | 17,252 |
| Enterprise Fund: | | |
| Ambulance | 98,594 | 16,575 |
| Rehab & Care Center | 3,405 | 1,062,018 |
| Agency Funds: | | |
| Township Bridge | 7,120 | 7,811 |
| County Collector's Fund | 1,180 | - |
| Total All Funds | <u>\$ 3,741,787</u> | <u>\$ 3,741,787</u> |

JACKSON COUNTY, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 NOVEMBER 30, 2011

NOTE M - INTERFUND RECEIVABLES AND PAYABLES - CONTINUED

Interfund balances result from the time lag between the dates that the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payment between funds are made.

Interfund balances not expected to be repaid within one year:

General Fund of \$2,170,000 payable and Rehab and Care Center of \$948,000 payable to the Solid Waste Fund for operating deficits. The County is undetermined when the balance will be repaid.

NOTE N - INTERFUND TRANSFERS

The following is a schedule of operating transfers as included in the Statement of Net Assets of the County.

| | Transfers In | Transfers Out |
|-------------------------------|-------------------|-------------------|
| Major Funds: | | |
| General Fund | \$ - | \$ 80,896 |
| Motor Fuel Tax | <u>27,333</u> | <u>502,300</u> |
| Total Major Funds | <u>27,333</u> | <u>583,196</u> |
| Nonmajor Governmental Funds: | | |
| County Highway Fund | 506,317 | 53,607 |
| County Bridge Fund | - | 286,206 |
| Federal Aid and Matching Fund | 308,463 | - |
| Debt Service Fund | <u>80,896</u> | <u>-</u> |
| Total Nonmajor Funds | <u>895,676</u> | <u>339,813</u> |
| Total All Funds | <u>\$ 923,009</u> | <u>\$ 923,009</u> |

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE O - RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County, along with various other local municipal governments, contracts with the Counties of Illinois Risk Management Association (CIRMA) for property, general liability, public officials' liability, employment practices liability, automobile, crime, workers compensation and loss funding. The purpose of these trusts is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims for each entity. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trusts. However, the County retains contingent liability to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operations at some future date. The County has contracted with Arthur J. Gallagher Risk Management Services, Inc. to handle all administrative matters, including processing of claims filed. The County's premium payments for the fiscal year ending November 30, 2011 were \$316,186.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE O - RISK MANAGEMENT - CONTINUED

There has been no significant reduction in insurance coverage from the previous year in any of the County's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The County maintains a partially self-funded employee health benefit plan. All full-time employees and certain retired employees who contribute to the fund are covered. It is self-funded to a maximum of \$120,000 per individual per plan year. Coverage amounts in excess of this limit have been obtained by means of a stop-loss policy. The amount of insurance claim settlements has not exceeded insurance coverage.

NOTE P - CONTINGENCIES

Litigation and Claims

The County is a defendant in various lawsuits. County management believes that such litigation will ultimately be resolved without material financial liability to the County. Matters include allegations relating to personal injury, discrimination, and civil rights violations.

NOTE Q - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains two enterprise funds which provide rehab and nursing care and ambulance services. Segment information for the year ended November 30, 2011 is as follows:

| | <u>Rehab & Care Center</u> | <u>Ambulance Service</u> | <u>Total Enterprise Funds</u> |
|------------------------|------------------------------------|------------------------------|---------------------------------------|
| Operating revenues | \$ 8,566,031 | \$ 2,831,257 | \$ 11,397,288 |
| Operating expenses: | | | |
| Depreciation | \$ 274,933 | \$ 191,155 | \$ 466,088 |
| Other | \$ 8,688,782 | \$ 3,582,258 | \$ 12,271,040 |
| Operating loss | \$ (397,684) | \$ (942,156) | \$ (1,339,840) |
| Non-operating revenues | \$ 721,003 | \$ 1,002,646 | \$ 1,723,649 |
| Capital assets: | | | |
| Additions | \$ 339,668 | \$ 329,387 | \$ 669,055 |
| Deletions | \$ - | \$ - | \$ - |
| Net working capital | \$ 922,743 | \$ 2,142,336 | \$ 3,065,079 |
| Change in net assets | \$ 323,319 | \$ 60,490 | \$ 383,809 |
| Beginning net assets | \$ 2,181,301 | \$ 2,817,739 | \$ 4,999,040 |
| Ending net assets | \$ 2,504,620 | \$ 2,878,229 | \$ 5,382,849 |

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE Q - SEGMENT INFORMATION FOR ENTERPRISE FUNDS - CONTINUED

| | | | |
|---|--------------|--------------|----------------|
| Current assets | \$ 3,871,735 | \$ 3,316,677 | \$ 7,188,412 |
| Capital assets | \$ 1,581,877 | \$ 735,893 | \$ 2,317,770 |
| Current liabilities | \$ 2,948,992 | \$ 1,174,341 | \$ 4,123,333 |
| Long-term liabilities | \$ - | \$ - | \$ - |
| Invested in capital assets | \$ 1,581,877 | \$ 735,893 | \$ 2,317,770 |
| Unrestricted net assets | \$ 922,743 | \$ 2,142,336 | \$ 3,065,079 |
| Net cash used in operating activities | \$ (679,755) | \$ (891,924) | \$ (1,571,679) |
| Net cash provided by noncapital financing activities | \$ 720,691 | \$ 997,292 | \$ 1,717,983 |
| Net cash used in capital and related financing activities | \$ (339,669) | \$ (329,385) | \$ (669,054) |
| Net cash provided by investing activities | \$ 312 | \$ 5,354 | \$ 5,666 |
| Beginning cash | \$ 490,440 | \$ 1,611,224 | \$ 2,101,664 |
| Ending cash | \$ 192,019 | \$ 1,392,561 | \$ 1,584,580 |

NOTE R - INTEREST EXPENDITURES/EXPENSES

The total interest expenditures/expenses of the County aggregated \$22,384.

NOTE S - LEGAL DEBT MARGIN

As a non-home rule County, the County's statutory debt limit is 5.750% of the total equalized assessed valuation of all taxable property located within the County.

| | |
|--|--------------------|
| 2009 Equalized Assessed Valuation (E.A.V.) | \$ 706,142,866 |
| Statutory Debt Limit (5.750% of E.A.V.) | 40,603,215 |
| General Obligation Debt Applicable to Limitation: | |
| Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (the "2010A Bonds") | 1,374,000 |
| Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2010B (Build America Bonds) (the "2010B Bonds") | 1,496,000 |
| Taxable General Obligation (Alternate Revenue Source) Bond, Series 2010C (the "2010C Bonds") | <u>130,000</u> |
| Total General Obligation Debt | \$ 3,000,000 |
| Less Self-Supporting Bonded Debt (1) | <u>(3,000,000)</u> |
| Total Direct General Obligation Debt | - |
| Available Legal Debt Margin | \$ 40,603,215 |

(1) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds such as the Bonds, do not count against the County's overall 5.750% of E.A.V. statutory debt limitation unless the County fails to abate the property tax levies made for the payment therein.

JACKSON COUNTY, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
NOVEMBER 30, 2011

NOTE T - SUBSEQUENT EVENTS

In fiscal year 2011, began discussions as to the viable options available to exit the skilled nursing facility business. The options evaluated included continuing operations in an outdated facility while operating at a huge financial loss; closing the facility without a replacement option for its constituents or community; selling the facility with unknown consequences; or closing the facility and offering relocation for all residents to a new replacement facility. The decision, made in March 2012, by the Jackson County Board to close the facility and relocate its residents to a new replacement facility on the campus of the Liberty Village of Carbondale was the only option that secured a future for the residents and staff of the Rehab & Care Center as well as the seniors of Jackson County. Jackson County has yet to determine the exact use of the physical plant or its equipment.

Management evaluated all events and transactions that occurred after November 30, 2011 through May 10, 2012, the issue date of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|----------------------|----------------------|----------------------|---|
| Revenues - Unrestricted Funds: | | | | |
| General Property Taxes: | | | | |
| Real property taxes | \$ 3,674,784 | \$ 3,674,784 | \$ 3,948,989 | \$ 274,205 |
| Penalties on late taxes | 125,000 | 125,000 | 159,028 | 34,028 |
| Total General Property Taxes | <u>3,799,784</u> | <u>3,799,784</u> | <u>4,108,017</u> | <u>308,233</u> |
| Sales and Service Taxes: | | | | |
| Sales tax | 450,000 | 450,000 | 456,847 | 6,847 |
| Supplemental sales tax | 1,600,000 | 1,600,000 | 1,649,909 | 49,909 |
| Cable television franchise tax | 23,000 | 23,000 | 11,901 | (11,099) |
| Pari-Mutuel handle tax | 35,000 | 35,000 | - | (35,000) |
| Total Sales and Service Taxes | <u>2,108,000</u> | <u>2,108,000</u> | <u>2,118,657</u> | <u>10,657</u> |
| Intergovernmental Revenue: | | | | |
| Illinois state income tax | 1,900,000 | 1,900,000 | 1,588,190 | (311,810) |
| Replacement tax | 700,000 | 700,000 | 564,920 | (135,080) |
| Local use tax | 280,000 | 280,000 | 296,017 | 16,017 |
| County hotel tax | 4,000 | 4,000 | 6,988 | 2,988 |
| Inheritance tax | 10,000 | 10,000 | 902 | (9,098) |
| Federal flood reimbursement | 17,000 | 17,000 | 105,821 | 88,821 |
| Federal reimbursement in lieu of property tax | 127,000 | 127,000 | 134,411 | 7,411 |
| Other federal/state grants | 243,400 | 243,400 | 322,586 | 79,186 |
| Total Intergovernmental Revenue | <u>3,281,400</u> | <u>3,281,400</u> | <u>3,019,835</u> | <u>(261,565)</u> |
| Use of Money and Property: | | | | |
| Interest on investments | - | - | 44 | 44 |
| Timber sales | 6,150 | 6,150 | 1,109 | (5,041) |
| Rental payments | 4,800 | 4,800 | - | (4,800) |
| Total Use of Money and Property | <u>10,950</u> | <u>10,950</u> | <u>1,153</u> | <u>(9,797)</u> |
| Service Charges, Permits and Fees: | | | | |
| General Government: | | | | |
| Executive | 199,500 | 199,500 | 297,959 | 98,459 |
| County clerk | 226,500 | 226,500 | 169,811 | (56,689) |
| Judiciary and courts | 906,000 | 906,000 | 919,790 | 13,790 |
| Assessments | 76,400 | 76,400 | 119,940 | 43,540 |
| Total General Government | <u>1,408,400</u> | <u>1,408,400</u> | <u>1,507,500</u> | <u>99,100</u> |
| Public Safety: | | | | |
| Sheriff | 90,500 | 90,500 | 83,151 | (7,349) |
| Jail | 376,000 | 376,000 | 493,013 | 117,013 |
| Animal control | 32,000 | 32,000 | 47,557 | 15,557 |
| Coroner | 1,000 | 1,000 | 4,840 | 3,840 |
| Total Public Safety | <u>499,500</u> | <u>499,500</u> | <u>628,561</u> | <u>129,061</u> |
| Total Service Charges, Permits and Fees | <u>1,907,900</u> | <u>1,907,900</u> | <u>2,136,061</u> | <u>228,161</u> |
| Total Unrestricted Fund Revenues | <u>\$ 11,108,034</u> | <u>\$ 11,108,034</u> | <u>\$ 11,383,723</u> | <u>\$ 275,689</u> |

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
| Expenditures - Unrestricted Funds - Current: | | | | |
| General Government: | | | | |
| Executive: | | | | |
| County Board | \$ 280,817 | \$ 280,817 | \$ 205,241 | \$ 75,576 |
| Board of Review | 69,018 | 69,018 | 44,405 | 24,613 |
| Total Executive | <u>349,835</u> | <u>349,835</u> | <u>249,646</u> | <u>100,189</u> |
| Treasurer: | | | | |
| Treasurer's office | 295,503 | 295,503 | 306,299 | (10,796) |
| Total Treasurer | <u>295,503</u> | <u>295,503</u> | <u>306,299</u> | <u>(10,796)</u> |
| County Clerk: | | | | |
| County Clerk's office | 473,794 | 473,794 | 468,420 | 5,374 |
| Elections | 71,352 | 71,352 | 34,542 | 36,810 |
| Total County Clerk | <u>545,146</u> | <u>545,146</u> | <u>502,962</u> | <u>42,184</u> |
| Judiciary and Courts: | | | | |
| State's Attorney | 636,482 | 636,482 | 484,930 | 151,552 |
| Circuit Clerk's office | 543,100 | 543,100 | 643,346 | (100,246) |
| Jury Commission | 116,686 | 116,686 | 84,292 | 32,394 |
| Courts | 252,396 | 252,396 | 314,214 | (61,818) |
| Public Defender | 467,047 | 467,047 | 500,571 | (33,524) |
| Probation circuit | 386,845 | 386,845 | 401,642 | (14,797) |
| Total Judiciary and Courts | <u>2,402,556</u> | <u>2,402,556</u> | <u>2,428,995</u> | <u>(26,439)</u> |
| Assessments: | | | | |
| Assessments | 304,709 | 304,709 | 287,194 | 17,515 |
| Total Assessments | <u>304,709</u> | <u>304,709</u> | <u>287,194</u> | <u>17,515</u> |
| Other: | | | | |
| Data processing | 126,828 | 126,828 | 125,662 | 1,166 |
| Building maintenance | 523,504 | 523,504 | 70,266 | 453,238 |
| Education | 78,391 | 78,391 | 85,491 | (7,100) |
| Central Services | 2,344 | 2,344 | 52,644 | (50,300) |
| Total Other | <u>731,067</u> | <u>731,067</u> | <u>334,063</u> | <u>397,004</u> |
| Total General Government | <u>4,628,816</u> | <u>4,628,816</u> | <u>4,109,159</u> | <u>519,657</u> |
| Public Safety: | | | | |
| Sheriff's office | 2,666,512 | 2,666,512 | 2,867,403 | (200,891) |
| Jail | 2,254,717 | 2,254,717 | 2,376,973 | (122,256) |
| Jail building maintenance | 297,125 | 297,125 | 280,145 | 16,980 |
| Merit board | 2,945 | 2,945 | 2,343 | 602 |
| Animal control | 100,464 | 100,464 | 109,759 | (9,295) |
| Coroner | 91,000 | 91,000 | 125,800 | (34,800) |
| Emergency service | 58,882 | 58,882 | 88,369 | (29,487) |
| Total Public Safety | <u>5,471,645</u> | <u>5,471,645</u> | <u>5,850,792</u> | <u>(379,147)</u> |
| Total Unrestricted Fund Expenditures | <u>10,100,461</u> | <u>10,100,461</u> | <u>9,959,951</u> | <u>140,510</u> |
| Excess (Deficiency) of Revenues Over Expenditures - Unrestricted Funds | <u>\$ 1,007,573</u> | <u>\$ 1,007,573</u> | <u>\$ 1,423,772</u> | <u>\$ 416,199</u> |

JACKSON COUNTY, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
| Revenues - Restricted Funds: | | | | |
| General Property Taxes: | | | | |
| Tort Liability | \$ 318,030 | \$ 318,030 | \$ 531,993 | \$ 213,963 |
| Worker's Compensation | 82,500 | 82,500 | 92,694 | 10,194 |
| Unemployment Insurance | 52,906 | 52,906 | 69,404 | 16,498 |
| Social Security | 847,625 | 847,625 | 499,395 | (348,230) |
| Illinois Municipal Retirement Fund | 569,429 | 569,429 | 854,960 | 285,531 |
| Total General Property Taxes | <u>1,870,490</u> | <u>1,870,490</u> | <u>2,048,446</u> | <u>177,956</u> |
| Other: | | | | |
| Law Library Fees | 11,000 | 11,000 | 11,676 | 676 |
| DUI Sheriff Law Enforcement Equipment | - | - | 8,876 | 8,876 |
| Drug Federal Seizures | - | - | 30,469 | 30,469 |
| Inheritance Tax | - | - | 15,138 | 15,138 |
| Treasurer's Automation | - | - | 11,893 | 11,893 |
| County Clerk Automation | - | - | 62,309 | 62,309 |
| Court Automation | - | - | 159,336 | 159,336 |
| Court Document Storage | - | - | 157,155 | 157,155 |
| Court Security | - | - | 185,395 | 185,395 |
| Child Support Administration | - | - | 33,066 | 33,066 |
| Assessments | 115,000 | 115,000 | 124,859 | 9,859 |
| Victim Assistance | - | - | 779 | 779 |
| Court Supervision | - | - | 2,056 | 2,056 |
| Hotel Tax | - | - | 27,953 | 27,953 |
| Reimbursement Education Grants | - | - | 7,353 | 7,353 |
| Reimbursement Court Security | - | - | 1,107 | 1,107 |
| Reimbursement Highway | - | - | 37,362 | 37,362 |
| Reimbursement Ambulance | - | - | 86,545 | 86,545 |
| Reimbursement Health Department | - | - | 10,114 | 10,114 |
| Reimbursement Mental Health | - | - | 156 | 156 |
| Reimbursement Rehab & Care Center | - | - | 114,372 | 114,372 |
| Unclaimed monies | - | - | 64,309 | 64,309 |
| Tax Sale Fees | - | - | 3,921 | 3,921 |
| Interest | 5,110 | 5,110 | 4,245 | (865) |
| Miscellaneous | - | - | 2,303 | 2,303 |
| Total Other | <u>131,110</u> | <u>131,110</u> | <u>1,162,747</u> | <u>1,031,637</u> |
| Total Restricted Fund Revenues | <u>2,001,600</u> | <u>2,001,600</u> | <u>3,211,193</u> | <u>1,209,593</u> |
| Expenditures - Restricted Funds: | | | | |
| General Property Taxes: | | | | |
| Tort Liability | 319,282 | 319,282 | 316,581 | 2,701 |
| Worker's Compensation | 125,496 | 125,496 | 299,997 | (174,501) |
| Unemployment Insurance | 41,096 | 41,096 | 70,096 | (29,000) |
| Social Security | 572,698 | 572,698 | 537,257 | 35,441 |
| Illinois Municipal Retirement Fund | 1,122,936 | 1,122,936 | 1,093,329 | 29,607 |
| Total General Property Taxes | <u>2,181,508</u> | <u>2,181,508</u> | <u>2,317,260</u> | <u>(135,752)</u> |
| Other: | | | | |
| Law Library | 15,666 | 15,666 | 12,689 | 2,977 |
| Drug | - | - | 3,121 | (3,121) |
| Inheritance Tax | - | - | 13,868 | (13,868) |
| Treasurer's Automation | - | - | 21,541 | (21,541) |
| County Clerk Automation | - | - | 47,449 | (47,449) |
| County Clerk | (6,000) | (6,000) | 2,330 | (8,330) |
| Court Automation | - | - | 160,422 | (160,422) |
| Court Document Storage | - | - | 81,212 | (81,212) |
| Court Security | - | - | 181,121 | (181,121) |
| Child Support Administration | - | - | 55,079 | (55,079) |
| Sheriff Drug | - | - | 21,368 | (21,368) |
| States Attorney | - | - | 980 | (980) |
| Courts | 85,000 | 85,000 | 103,805 | (18,805) |
| Misc. Expenses | - | - | 30,216 | (30,216) |
| Total Other | <u>94,666</u> | <u>94,666</u> | <u>735,201</u> | <u>(640,535)</u> |
| Total Restricted Fund Expenditures | <u>2,276,174</u> | <u>2,276,174</u> | <u>3,052,461</u> | <u>(776,287)</u> |
| Deficiency of Revenues Over Expenditures - Restricted Funds | <u>(274,574)</u> | <u>(274,574)</u> | <u>158,732</u> | <u>433,306</u> |
| Other Financing Sources and (Uses): | | | | |
| Transfers to Debt Service Fund | - | - | (80,896) | (80,896) |
| Total Other Financing Sources and (Uses) | <u>-</u> | <u>-</u> | <u>(80,896)</u> | <u>(80,896)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>732,999</u> | <u>732,999</u> | <u>1,501,608</u> | <u>768,609</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>3,052,673</u> | <u>3,052,673</u> | <u>3,052,673</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 3,785,672</u> | <u>\$ 3,785,672</u> | <u>\$ 4,554,281</u> | <u>\$ 768,609</u> |

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 COUNTY MOTOR FUEL TAX FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|--------------------|--------------------|-------------------|---|
| Revenues: | | | | |
| Intergovernmental revenue | \$ 805,500 | \$ 805,500 | \$ 1,004,303 | \$ 198,803 |
| Use of money and property | <u>2,000</u> | <u>2,000</u> | <u>1,058</u> | <u>(942)</u> |
| Total Revenues | <u>807,500</u> | <u>807,500</u> | <u>1,005,361</u> | <u>197,861</u> |
| Expenditures: | | | | |
| Public Works | 1,097,900 | 1,097,900 | 419,968 | 677,932 |
| Capital Improvements | <u>1,150,000</u> | <u>1,150,000</u> | <u>987,457</u> | <u>162,543</u> |
| Total expenditures | <u>2,247,900</u> | <u>2,247,900</u> | <u>1,407,425</u> | <u>840,475</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(1,440,400)</u> | <u>(1,440,400)</u> | <u>(402,064)</u> | <u>1,038,336</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | 26,000 | 26,000 | 27,333 | 1,333 |
| Operating transfers out | <u>-</u> | <u>-</u> | <u>(502,300)</u> | <u>(502,300)</u> |
| Total Other Financing Sources (Uses): | <u>26,000</u> | <u>26,000</u> | <u>(474,967)</u> | <u>(500,967)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | <u>(1,414,400)</u> | <u>(1,414,400)</u> | <u>(877,031)</u> | <u>537,369</u> |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,544,787</u> | <u>1,544,787</u> | <u>1,544,787</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 130,387</u> | <u>\$ 130,387</u> | <u>\$ 667,756</u> | <u>\$ 537,369</u> |

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 SOLID WASTE MANAGEMENT FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Use of money and property | \$ - | \$ - | \$ 733 | \$ 733 |
| Sanitation Fees | <u>356,281</u> | <u>356,281</u> | <u>440,262</u> | <u>83,981</u> |
| Total Revenues | <u>356,281</u> | <u>356,281</u> | <u>440,995</u> | <u>84,714</u> |
| Expenditures: | | | | |
| Public Health | <u>356,281</u> | <u>356,281</u> | <u>331,189</u> | <u>25,092</u> |
| Total expenditures | <u>356,281</u> | <u>356,281</u> | <u>331,189</u> | <u>25,092</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>109,806</u> | <u>109,806</u> |
| Other Financing Sources (Uses): | | | | |
| Operating transfers in | - | - | - | - |
| Operating transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | - | - | 109,806 | 109,806 |
| FUND BALANCE, BEGINNING OF YEAR | <u>3,431,770</u> | <u>3,431,770</u> | <u>3,431,770</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 3,431,770</u> | <u>\$ 3,431,770</u> | <u>\$ 3,541,576</u> | <u>\$ 109,806</u> |

JACKSON COUNTY, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 HOUSING OF PRISONERS FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|--------------------|-----------------|--------------|---|
| Revenues: | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ 209,770 | \$ 209,770 |
| Use of money and property | - | - | 1,352 | 1,352 |
| Total Revenues | - | - | 211,122 | 211,122 |
| Expenditures: | | | | |
| Capital Improvements | - | - | - | - |
| Bond issuance costs | - | - | 172,587 | (172,587) |
| Total expenditures | - | - | 172,587 | (172,587) |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | 38,535 | 38,535 |
| Other Financing Sources (Uses): | | | | |
| Bond proceeds | - | - | 3,000,000 | 3,000,000 |
| Operating transfers out | - | - | - | - |
| Total Other Financing Sources (Uses): | - | - | 3,000,000 | 3,000,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | - | - | 3,038,535 | 3,038,535 |
| FUND BALANCE, BEGINNING OF YEAR | - | - | - | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ - | \$ 3,038,535 | \$ 3,038,535 |

COMBINING AND INDIVIDUAL NONMAJOR
FUND FINANCIAL STATEMENTS
AND SCHEDULES

JACKSON COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Special Revenue Funds | | | Debt Service Fund | Total Nonmajor Governmental Funds |
|--|---------------------------|-----------------------|-----------------------------------|----------------------|--|
| | County Highway Fund | County Bridge Fund | Federal Aid & Matching Fund | | |
| ASSETS | | | | | |
| Cash | \$ 800,316 | \$ 572,881 | \$ 1,211,884 | \$ - | \$ 2,585,081 |
| Investments | - | - | - | - | - |
| Accounts receivable: | | | | | |
| Consumers | - | - | - | - | - |
| Other governmental units and agencies | 255,995 | - | - | - | 255,995 |
| Property taxes | 770,698 | 70,998 | 383,948 | - | 1,225,644 |
| Due from other funds | 39,476 | - | 280,000 | - | 319,476 |
| Due from agencies | 7,811 | - | - | - | 7,811 |
| Total Assets and Other Debits | \$ 1,874,296 | \$ 643,879 | \$ 1,875,832 | \$ - | \$ 4,394,007 |
| LIABILITIES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,137 | \$ - | \$ 14,200 | \$ - | \$ 16,337 |
| Accrued payroll | 8,815 | - | - | - | 8,815 |
| Compensated absences | 73,827 | - | - | - | 73,827 |
| Due to other funds | 29,426 | 280,000 | 24 | - | 309,450 |
| Due to agencies | - | 7,120 | - | 1,180 | 8,300 |
| Deferred revenue | 716,600 | 66,000 | 357,000 | - | 1,139,600 |
| Total Liabilities | 830,805 | 353,120 | 371,224 | 1,180 | 1,556,329 |
| Fund Balances: | | | | | |
| Restricted | | | | | |
| Debt service | - | - | - | (1,180) | (1,180) |
| Committed | | | | | |
| Public Works | 54,098 | 4,998 | 26,948 | - | 86,044 |
| Assigned | | | | | |
| Public Works | 989,393 | 285,761 | 1,477,660 | - | 2,752,814 |
| Total Fund Balances | 1,043,491 | 290,759 | 1,504,608 | (1,180) | 2,837,678 |
| Total Liabilities and Fund Balances | \$ 1,874,296 | \$ 643,879 | \$ 1,875,832 | \$ - | \$ 4,394,007 |

JACKSON COUNTY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Special Revenue Funds | | | | Total Nonmajor Governmental Funds |
|---|---------------------------|-----------------------|-----------------------------------|-----------------------|--|
| | County Highway Fund | County Bridge Fund | Federal Aid & Matching Fund | Debt Service Funds | |
| Revenues - Unrestricted Funds: | | | | | |
| General property taxes | \$ 678,645 | \$ 62,697 | \$ 338,064 | \$ - | \$ 1,079,406 |
| Sales and service taxes | - | - | - | - | - |
| Intergovernmental revenue | 294,471 | 115,437 | 112,751 | - | 522,659 |
| Use of money and property | 479 | 354 | 954 | - | 1,787 |
| Service charges, permits and fees | - | - | - | - | - |
| Sanitation fees | - | - | - | - | - |
| Other revenue | <u>152,079</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>152,079</u> |
| Total Unrestricted Fund Revenues | 1,125,674 | 178,488 | 451,769 | - | 1,755,931 |
| Expenditures - Unrestricted Funds: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public Health | - | - | - | - | - |
| Public Works | 1,517,351 | 169,724 | 129,739 | - | 1,816,814 |
| Capital improvements | 101,705 | - | 677,216 | - | 778,921 |
| Debt service | - | - | - | - | - |
| Principle | - | - | - | 62,091 | 62,091 |
| Interest | - | - | - | 18,805 | 18,805 |
| Total Unrestricted Fund Expenditures | 1,619,056 | 169,724 | 806,955 | 80,896 | 2,676,631 |
| Excess (Deficiency) of Revenues Over Expenditures | (493,382) | 8,764 | (355,186) | (80,896) | (920,700) |
| Other Financing Sources (Uses): | | | | | |
| Operating transfers in | 506,317 | - | 308,463 | 80,896 | 895,676 |
| Operating transfers out | <u>(53,607)</u> | <u>(286,206)</u> | <u>-</u> | <u>-</u> | <u>(339,813)</u> |
| Total Other Financing Sources (Uses) | 452,710 | (286,206) | 308,463 | 80,896 | 555,863 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | (40,672) | (277,442) | (46,723) | - | (364,837) |
| FUND BALANCES, BEGINNING OF YEAR | 1,084,163 | 568,201 | 1,551,331 | (1,180) | 3,202,515 |
| FUND BALANCES, END OF YEAR | \$ 1,043,491 | \$ 290,759 | \$ 1,504,608 | \$ (1,180) | \$ 2,837,678 |

JACKSON COUNTY, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 November 30, 2011

| | Agency Funds | | | | | | | Total |
|-----------------------|--------------------------------|-------------------------------|------------------------------------|---------------------|--------------------------------------|-------------------------------|------------------|-------|
| | County Collector's Funds | Township Bridge Program | Township Motor Fuel Tax Fund | Tax Sale Fund | Rental Housing Support Program | Circuit Clerk Bond Fund | | |
| ASSETS | | | | | | | | |
| Cash | \$ 3,763,667 | \$ 69,240 | \$ 1,007,028 | \$ 91,872 | \$ 5,440 | \$ 394,224 | \$ 5,331,471 | |
| Investments | - | - | - | - | - | 476,587 | 476,587 | |
| Accounts receivable | - | 46,173 | 22,026 | - | - | - | 68,199 | |
| Due from other funds | - | 7,120 | - | - | - | - | 7,120 | |
| Due from debt service | 1,180 | - | - | - | - | - | 1,180 | |
| Total assets | <u>3,764,847</u> | <u>122,533</u> | <u>1,029,054</u> | <u>91,872</u> | <u>5,440</u> | <u>870,811</u> | <u>5,884,557</u> | |
| LIABILITIES | | | | | | | | |
| Due to others | - | 114,722 | 1,029,054 | 91,872 | 5,440 | 46,503 | 1,287,591 | |
| Due to other funds | - | 7,811 | - | - | - | - | 7,811 | |
| Due to individuals | - | - | - | - | - | 824,308 | 824,308 | |
| Due to taxing units | 3,764,847 | - | - | - | - | - | 3,764,847 | |
| Total liabilities | <u>3,764,847</u> | <u>122,533</u> | <u>1,029,054</u> | <u>91,872</u> | <u>5,440</u> | <u>870,811</u> | <u>5,884,557</u> | |
| NET ASSETS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |

JACKSON COUNTY, ILLINOIS
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
NOVEMBER 30, 2011

| | Health Department | Tuberculosis | Mental Health (708) Board | Totals |
|--|----------------------------|--------------------------|---------------------------------|----------------------------|
| Assets and Other Debits | | | | |
| Cash | \$ 1,195,672 | \$ 98,689 | \$ 256,317 | \$ 1,550,678 |
| Investments | 21,757 | - | - | 21,757 |
| Accounts Receivable: | | | | |
| Other governmental units and agencies | 609,843 | - | - | 609,843 |
| Property taxes | 697,269 | 40,490 | 299,814 | 1,037,573 |
| Other receivables | - | 1 | - | 1 |
| Due from other funds | 18,041 | - | - | 18,041 |
| Prepayments | 14,995 | - | 249 | 15,244 |
| Inventory | <u>96,367</u> | <u>827</u> | <u>-</u> | <u>97,194</u> |
| Total Assets | <u>\$ 2,653,944</u> | <u>\$ 140,007</u> | <u>\$ 556,380</u> | <u>\$ 3,350,331</u> |
| Liabilities, Equity and Other Credits | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 32,514 | \$ 225 | \$ 46 | \$ 32,785 |
| Accrued payroll | 74,718 | - | - | 74,718 |
| Compensated absences | 92,565 | - | 1,056 | 93,621 |
| Due to other funds | - | 17,252 | - | 17,252 |
| Deferred revenue | <u>854,791</u> | <u>37,597</u> | <u>280,175</u> | <u>1,172,563</u> |
| Total Liabilities | <u>1,054,588</u> | <u>55,074</u> | <u>281,277</u> | <u>1,390,939</u> |
| Fund Balance: | | | | |
| Unreserved, undesignated | <u>1,599,356</u> | <u>84,933</u> | <u>275,103</u> | <u>1,959,392</u> |
| Total Fund Balances | <u>1,599,356</u> | <u>84,933</u> | <u>275,103</u> | <u>1,959,392</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,653,944</u> | <u>\$ 140,007</u> | <u>\$ 556,380</u> | <u>\$ 3,350,331</u> |

JACKSON COUNTY, ILLINOIS
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| | Health Department | Tuberculosis | Mental Health (708) Board | Totals |
|--|----------------------|--------------------|---------------------------------|------------------|
| Revenues - Unrestricted Funds: | | | | |
| General property taxes | \$ 592,752 | \$ 36,295 | \$ 245,036 | \$ 874,083 |
| Intergovernmental revenue | 2,357,287 | - | 1,336 | 2,358,623 |
| Use of money and property | 552 | 11 | 128 | 691 |
| Service charges, permits and fees | 694,948 | - | - | 694,948 |
| Other income | <u>78,787</u> | <u>575</u> | <u>-</u> | <u>79,362</u> |
| Total Unrestricted Fund Revenues | <u>3,724,326</u> | <u>36,881</u> | <u>246,500</u> | <u>4,007,707</u> |
| Expenditures - Unrestricted Funds: | | | | |
| Public health | 3,639,594 | 56,161 | 245,841 | 3,941,596 |
| Capital improvements | - | - | - | |
| Debt service: | | | | |
| Principal | 33,188 | - | - | 33,188 |
| Interest | <u>3,579</u> | <u>-</u> | <u>-</u> | <u>3,579</u> |
| Total Unrestricted Fund Expenditures | <u>3,676,361</u> | <u>56,161</u> | <u>245,841</u> | <u>3,978,363</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ 47,965</u> | <u>\$ (19,280)</u> | <u>\$ 659</u> | <u>\$ 29,344</u> |

JACKSON COUNTY, ILLINOIS
RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNITS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
NOVEMBER 30, 2011

| | | |
|---|-----------|---------------------|
| Total fund balances for discretely presented component units | | \$ 1,959,392 |
| Total net assets reported for discretely presented component units in the statement of net assets is different because: | | |
| Capital assets used in discretely presented component units are not financial resources and therefore are not reported in the funds. Those assets consist of: | | |
| Land | 49,500 | |
| Land improvements, net of \$46,749 accumulated depreciation | 31,699 | |
| Buildings, net of \$685,847 accumulated depreciation | 1,160,650 | |
| Building improvements, less \$53,078 accumulated depreciation | 87,043 | |
| Equipment, less \$377,149 accumulated depreciation | 60,597 | |
| Total capital assets | | 1,389,489 |
| Long-term liabilities applicable to the County's discretely presented component units are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities consist of: | | |
| Notes payable | (52,022) | |
| Compensated absences | (80,593) | |
| Total long-term liabilities | | <u>(132,615)</u> |
| Total net assets of discretely presented component units | | <u>\$ 3,216,266</u> |

JACKSON COUNTY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF DISCRETELY PRESENTED COMPONENT UNITS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

Net change in fund balances - total discretely presented component units \$ 29,344

The change in net assets reported for discretely presented component units in the statement of activities is different because:

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 and reported as depreciation expense. This is the amount by which depreciation (\$76,598) exceeded capital outlays (\$46,752) in the current period. (29,846)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:

Change in compensated absences 4,440

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of notes payable 33,188

Change in net assets of discretely presented component units \$ 37,126

FEDERAL FINANCIAL ASSISTANCE

INDEPENDENT AUDITORS' 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

Jackson County Board
Courthouse
Murphysboro, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Illinois, as of and for the year ended November 30, 2011, which collectively comprise Jackson County, Illinois' basic financial statements and have issued our report thereon dated May 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jackson 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 Jackson County, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Jackson County, Illinois' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the County Board of Jackson County, Illinois, in a separate letter dated May 10, 2012.

Jackson 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 Jackson County, Illinois' response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the County Board, management, the 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.

Kerber, Ed + Braedel LLP

Carbondale, Illinois
May 10, 2012

INDEPENDENT AUDITORS' 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

Jackson County Board
Courthouse
Murphysboro, Illinois

Compliance

We have audited the compliance of Jackson County, Illinois, with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Jackson County Illinois' major federal programs for the year ended November 30, 2011. Jackson 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 Jackson County, Illinois' management. Our responsibility is to express an opinion on Jackson 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 Jackson 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 on Jackson County, Illinois' compliance with those requirements.

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

Internal Control Over Compliance

The management of Jackson County, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Jackson County, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Jackson 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 the 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.

This report is intended solely for the information and use of the County Board, management, the 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.

Kerber, Ed & Brunel LLP

Carbondale, Illinois
May 10, 2012

JACKSON COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

| Program | CFDA Number | Grantor | Pass-through Grantor's Number | Pass-through Grantor | Expenditures |
|--|-------------|--|--|--|---|
| Cash Federal Award Expenditures | | | | | |
| Special Supplemental Nutrition Program for Women, Infants, & Children | 10.557 | U.S. Department of Agriculture | 11GM270000 Q11GQ01610 Q11GQ01207 | Illinois Department of Human Services | 162,500 4,667 76,626 |
| non-cash | | | 11GM270000 Q11GQ01207 | | 800,461 170,544 |
| | | | | | 1,214,798 * |
| Women, Infants, & Children Farmers' Market Nutrition Program | 10.572 | U.S. Department of Agriculture | 11GM270000 | Illinois Department of Human Services | 1,000 |
| Energy Efficiency and Conservation Block Grant Program | 81.128 | U.S. Department of Energy | 10-451001-006-008 10-451001-006-008 | Greater Egypt Regional Planning & Development Commission Illinois Department of Commerce and Economic Opportunity | 6,610 x 9,825 15,835 |
| Family Planning Services | 93.217 | U.S. Department of Health and Human Services | 11GM270000 Q11GQ00270 | Illinois Department of Human Services | 34,761 28,838 |
| | | | | | 63,599 |
| Immunization Grants | 93.268 | U.S. Department of Health and Human Services | 15180107 | Illinois Department of Public Health | 10,772 |
| Centers for Disease Control and Prevention Investigations and Technical Assistance | 93.283 | U.S. Department of Health and Human Services | 2010-092206 | National Association of County & City Health Officials | 4,000 |
| Social Services Block Grant | 93.667 | U.S. Department of Health and Human Services | 11GM270000 | Illinois Department of Human Services | 67,053 |
| HIV Care Formula Grants | 93.917 | U.S. Department of Health and Human Services | 05780439 15780149 | Illinois Department of Public Health | 272,162 72,801 |
| | | | | | 344,963 * |
| Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) in Selected Population Groups | 93.943 | U.S. Department of Health and Human Services | 09 G755-002 1075502 | Illinois Public Health Association | 38,271 39,601 |
| | | | | | 77,872 |
| Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance | 93.944 | U.S. Department of Health and Human Services | 1075502 1175502 | Illinois Public Health Association | 35,399 55,817 |
| | | | | | 91,216 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | U.S. Department of Health and Human Services | 11GM270000 Q11GQ01392 | Illinois Department of Human Services | 15,500 8,832 |
| | | | | | 24,332 |
| Public Health Emergency Preparedness | 93.069 | U.S. Department of Health and Human Services | 07181038 17180015 | Illinois Department of Public Health | 88,917 18,025 |
| | | | | | 106,942 |
| Housing Opportunities for Persons with AIDS | 14.241 | U.S. Department of Housing and Urban Development | 05780421 15780160 | Illinois Department of Public Health | 18,093 41,262 |
| | | | | | 59,355 |
| Medical Assistance Program | 93.778 | U.S. Department of Health and Human Services | N/A | Illinois Department of Healthcare and Family Services | 11,003 |
| State and Community Highway Safety | 20.600 | U.S. Department of Transportation | OP-0039-224 OP-3980-160 | Illinois Department of Transportation | 14,522 50,901 |
| | | | | | 65,423 |
| State Public Water System Supervision | 66.432 | U.S. Environmental Protection Agency | 25380259 | Illinois Department of Public Health | 50 |
| Homeland Security Grant Program | 97.067 | U.S. Department of Homeland Security | N/A | Illinois Law Enforcement Alarm System | 84,551 |
| Emergency Management Performance Grants | 97.042 | U.S. Department of Homeland Security | N/A | Illinois Emergency Management Agency | 14,980 22,098 |
| | | | | | 37,078 |
| Tactical Interoperable Communications Plan Grant | 97.001 | U.S. Department of Homeland Security | N/A | Illinois Emergency Management Agency | 24,561 |
| Highway Planning and Construction | 20.205 | U.S. Department of Transportation | 06-00057-02-BR 07-00152-00-EG 07-00153-00-BR 09-00152-00-SP 10-00162-00-SP | Illinois Department of Transportation | 98,153 63,522 15,158 40,372 5,853 |
| | | | | | 223,058 x |
| Public Safety Partnership and Community Policing Grants | 16.710 | U.S. Department of Justice | N/A | | 6,612 x |
| Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program | 16.609 | U.S. Department of Justice | N/A | | 56,108 |
| Child Support Enforcement | 93.563 | U.S. Department of Health and Human Services | N/A | Illinois Department of Healthcare | 10,543 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | U.S. Department of Homeland Security | N/A | Illinois Emergency Management Agency | 66,210 |
| Total Federal Expenditures | | | | | \$ 2,666,934 |

* Denotes Major Program
x Denotes ARRA funds
DUNS - 884008483

The accompanying notes are an integral part of this schedule.

JACKSON COUNTY, ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of Jackson County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget 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 general purpose financial statements.

Note 2: Subrecipients

As required by O.M.B. Circular A-133 section 310(b)(5), Jackson County, Illinois did not provide any federal funds to subrecipients during fiscal year ended November 30, 2011.

Note 3: Non-cash Assistance, Insurance or Loans

As required by O.M.B. Circular A-133 section 310(b)(6), Jackson County, Illinois had no loans or loan guarantees outstanding at year ended November 30, 2011.

Non-cash assistance received in the amount \$971,005 as reflected in the Schedule of Expenditures of Federal Awards.

During fiscal year ended November 30, 2011 the following insurance was in effect:

| <u>Insurance Type</u> | <u>Amount</u> |
|--|---------------|
| Property and Inland Marine | \$ 950,000 |
| General Liability | |
| General Liability | 1,900,000 |
| Nursing Home and General Liability | 750,000 |
| Law Enforcement Liability | 1,900,000 |
| Automobile Liability and Physical Damage | 1,900,000 |
| Workers Compensation and Employers Liability | 350,000 |
| Public Officials Errors & Omissions | |
| Errors & Omissions | 1,900,000 |
| Nursing Home Professional Liability | 750,000 |
| Employee Benefits Liability | 1,900,000 |
| Crime/Employee Dishonesty | 75,000 |
| Excess Liability | 4,000,000 |
| Excess Property | 250,000,000 |
| Excess Workers Compensation | 1,000,000 |
| Excess Crime | 400,000 |
| Boiler & Machinery | 100,000,000 |

JACKSON COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

Prior Audit Findings

10-01. Accounts Receivable - Rehab & Care Center - finding repeated in current year

JACKSON COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT
YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

Corrective Action Plan

Finding No. 11-01 - *Accounts Receivable Rehab & Care Center*

Condition:

A few instances of no proper follow-up or inactivity noted on resident accounts.

Plan:

An outside firm has been engaged to assist the Rehab & Care Center in collections and billing efforts.

The County of Jackson and the staff of its Rehab & Care Center will continue to strive to improve its billing and collection procedures, and track billing on every account.

Finding No. 11-02 - *Segregation of Duties*

Condition:

In the Treasurer's office; the same individual responsible for initiating and authorizing wire transfers also prepares bank reconciliations and records journal entries.

Plan:

Steps have already been taken in the Treasurer's office to transfer responsibilities of wire transfers to an individual that does not prepare bank statements or have general ledger access.

