BASIC FINANCIAL STATEMENTS

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF NET ASSETS
NOVEMBER 30, 2009

Exhibit I

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$28,141,556	$691,963	$28,833,519
Investments	5,376,000	0	5,376,000
Receivables, Net of Uncollectible Amounts:			
Patient Accounts	0	1,451,770	1,451,770
Property Taxes	25,483,760	966,139	26,449,899
Intergovernmental	7,212,882	0	7,212,882
Program Loans--Current Portion	428,745	0	428,745
Accrued Interest	17,526	0	17,526
Other	75,447	0	75,447
Internal Balances	1,189,067	(1,189,067)	0
Inventories	25,372	21,485	46,857
Prepaid Expenses	0	7,292	7,292
Deferred Charges	537,877	0	537,877
Resident Trust Accounts	12,150	12,264	24,414
Program Loans Receivable--Long Term Portion	5,132,289	0	5,132,289
Investment in Joint Venture	1,825,943	0	1,825,943
Capital Assets Not Being Depreciated	8,947,668	25,633	8,973,301
Capital Assets, Net of Accumulated Depreciation	65,106,420	22,526,848	87,633,268
Total Assets	149,512,702	24,514,327	174,027,029
LIABILITIES			
Accrued Salaries Payable	1,253,193	276,304	1,529,497
Accounts Payable	4,294,768	1,274,224	5,568,992
Accrued Interest Payable	1,024,022	0	1,024,022
Intergovernmental Payable	6,026	0	6,026
Funds Held for Others	93,493	12,264	105,757
Unearned Revenue	25,523,052	966,139	26,489,191
Compensated Absences Payable	2,767,318	382,805	3,150,123
Noncurrent Liabilities:			
Due Within One Year	4,285,335	43,914	4,329,249
Due in More Than One Year	54,837,976	39,941	54,877,917
Total Liabilities	94,085,183	2,995,591	97,080,774
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	39,094,143	22,552,481	61,646,624
Restricted for:			
Capital Projects, Net of Related Debt	1,470,462	0	1,470,462
Debt Service	3,742,701	0	3,742,701
Justice & Public Safety	5,072,061	0	5,072,061
Health & Education	4,324,062	0	4,324,062
Development & General Government	8,715,517	0	8,715,517
Highways & Bridges	8,818,927	0	8,818,927
Insurance & Fringe Benefits	1,272,805	0	1,272,805
Unrestricted (Deficit)	(17,083,159)	(1,033,745)	(18,116,904)
Total Net Assets	55,427,519	21,518,736	76,946,255

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

Exhibit II

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
FUNCTIONS / PROGRAMS	Expenses	Fines, Permits & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General Government	$10,586,030	$3,023,714	$236,287	$0	($7,326,029)	$0	($7,326,029)
Justice & Public Safety	30,389,956	5,151,139	4,056,015	0	(21,182,802)	0	(21,182,802)
Health	8,194,493	125,145	270,268	0	(7,799,080)	0	(7,799,080)
Education	5,083,438	44,262	5,253,839	0	214,663	0	214,663
Social Services	531,038	41,346	0	0	(489,692)	0	(489,692)
Development	9,521,521	1,099,752	9,109,286	0	687,517	0	687,517
Highways & Bridges	8,451,912	239,681	2,820,647	0	(5,391,584)	0	(5,391,584)
Interest on Long-Term Debt	2,698,012	0	0	0	(2,698,012)	0	(2,698,012)
Total Governmental Activities	75,456,400	9,725,039	21,746,342	0	(43,985,019)	0	(43,985,019)
BUSINESS-TYPE ACTIVITIES:							
Nursing Home	16,390,834	15,144,261	15,847	84,048	0	(1,146,678)	(1,146,678)
Total Business-Type Activities	16,390,834	15,144,261	15,847	84,048	0	(1,146,678)	(1,146,678)
Total Government	91,847,234	24,869,300	21,762,189	84,048	(43,985,019)	(1,146,678)	(45,131,697)

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	25,708,738	941,111	26,649,849
Public Safety Sales Taxes	4,243,988	0	4,243,988
Hotel/Motel & Auto Rental Taxes	46,994	0	46,994
Grants & Contributions Not Restricted to Specific Programs	10,371,586	0	10,371,586
Investment Earnings	281,549	4,174	285,723
Miscellaneous	1,923,941	13,590	1,937,531
Transfers	(960,161)	960,161	0
Total General Revenues and Transfers	41,616,635	1,919,036	43,535,671
Change in Net Assets	(2,368,384)	772,358	(1,596,026)
Net Assets - Beginning	57,795,903	20,746,378	78,542,281
Net Assets - Ending	55,427,519	21,518,736	76,946,255

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
NOVEMBER 30, 2009

Exhibit III

	---- Major Funds ----					All Other	
ASSETS	General Fund	Mental Health Fund	Developmental Disability Fund	County Motor Fuel Tax Fund	Regional Planning Comm Fund	(Non-Major) Governmental Funds	Total Governmental Funds
Cash	$3,076,284	$503,707	$553,522	$8,739,057	$309,228	$13,413,789	$26,595,587
Investments	316,000	1,250,000	1,000,000	0	0	2,810,000	5,376,000
Receivables, Net of Uncollectible Amounts:							
Property Taxes	8,043,433	3,515,380	3,443,344	0	0	10,481,603	25,483,760
Intergovernmental	888,274	0	0	232,519	1,069,422	724,875	2,915,090
Program Loans--Current Portion	0	0	0	0	0	428,745	428,745
Accrued Interest	767	517	0	0	0	16,242	17,526
Other	39,812	0	1,000	0	20,058	13,313	74,183
Due From Other Funds	629,915	0	0	0	46,705	2,758,597	3,435,217
Inventories	25,372	0	0	0	0	0	25,372
Resident Trust Accounts	12,150	0	0	0	0	0	12,150
Advances to Other Funds	0	0	0	0	197,500	0	197,500
Program Loans Receivable--Long Term Portion	0	0	0	0	0	5,132,289	5,132,289
Total Assets	13,032,007	5,269,604	4,997,866	8,971,576	1,642,913	35,779,453	69,693,419
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accrued Salaries Payable	885,244	13,324	0	4,452	142,035	208,138	1,253,193
Accounts Payable	482,367	16,393	9,742	105,367	726,835	938,907	2,279,611
Intergovernmental Payable	0	0	0	0	3,497	2,529	6,026
Due To Other Funds	1,716,618	3,638	0	98,482	85,297	760,237	2,664,272
Funds Held for Others	12,150	0	0	0	0	0	12,150
Deferred Revenues	8,081,729	3,515,380	3,443,344	0	0	10,482,599	25,523,052
Advances from Other Funds	0	0	0	0	0	197,500	197,500
Total Liabilities	11,178,108	3,548,735	3,453,086	208,301	957,664	12,589,910	31,935,804
FUND BALANCES (DEFICITS):							
Reserved for Debt Service	267,241	0	0	0	0	2,270,473	2,537,714
Reserved for Long Term Receivables	0	0	0	0	197,500	5,132,289	5,329,789
Unreserved, Reported in:							
General Fund	1,586,658	0	0	0	0	0	1,586,658
Special Revenue Funds	0	1,720,869	1,544,780	8,763,275	487,749	12,414,571	24,931,244
Debt Service Funds	0	0	0	0	0	1,746,966	1,746,966
Capital Projects Funds	0	0	0	0	0	1,625,244	1,625,244
Total Fund Balances (Deficits)	1,853,899	1,720,869	1,544,780	8,763,275	685,249	23,189,543	37,757,615
Total Liabilities & Fund Balances	13,032,007	5,269,604	4,997,866	8,971,576	1,642,913	35,779,453	69,693,419

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS FOR GOVERNMENTAL ACTIVITIES
NOVEMBER 30, 2009

Exhibit III-a

Fund Balances (Deficits) - Total Governmental Funds (See Exhibit III)	37,757,615
Capital assets, net of depreciation, used in governmental activities	74,054,088
Investment in Joint Ventures related to governmental activities	1,825,943
Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability	(902,831)
Receivables for revenue accruals related to governmental activities	4,295,359
Payables for expense accruals related to governmental activities	(2,983,503)
Liability for compensated absences accruals related to governmental activities	(2,767,318)
Deferred bond issuance costs related to governmental activities	537,877
Long term liabilities related to governmental activities, other than estimated claims payable from internal service funds	(56,389,711)
Net Assets of Governmental Activities (See Exhibit I)	55,427,519

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

Exhibit IV

	Major Funds					All Other	
	General Fund	Mental Health Fund	Developmental Disability Fund	County Motor Fuel Tax Fund	Regional Planning Comm Fund	(Non-Major) Governmental Funds	Total Governmental Funds
REVENUES:							
Property Taxes	$8,635,834	$3,434,082	$3,363,523	$0	$0	$10,275,299	$25,708,738
Public Safety Sales Taxes	0	0	0	0	0	4,256,357	4,256,357
Hotel/Motel & Auto Rental Taxes	46,994	0	0	0	0	0	46,994
Intergovernmental Revenue	13,429,395	306,970	0	2,677,404	8,823,805	6,143,918	31,381,492
Fines & Forfeitures	993,693	0	0	0	0	52,231	1,045,924
Licenses & Permits	905,675	0	0	0	0	345,158	1,250,833
Charges for Services	4,226,052	0	0	0	822,940	2,172,444	7,221,436
Rents and Royalties	864,684	0	0	0	0	0	864,684
Interest on Program Loans	0	0	0	0	0	243,371	243,371
Investment Earnings	80,710	11,021	9,757	73,713	889	103,572	279,662
Miscellaneous	1,172,815	48,328	36,944	1,000	62,375	602,479	1,923,941
Total Revenues	30,355,852	3,800,401	3,410,224	2,752,117	9,710,009	24,194,829	74,223,432
EXPENDITURES:							
Current: General Government	8,747,570	0	0	0	0	1,514,223	10,261,793
Justice & Public Safety	21,859,447	0	0	0	0	9,344,957	31,204,404
Health	0	3,623,191	3,386,070	0	0	1,486,378	8,495,639
Education	0	0	0	0	0	5,043,226	5,043,226
Social Services	101,387	0	0	0	0	409,337	510,724
Development	408,600	0	0	0	9,655,799	56,029	10,120,428
Highways & Bridges	0	0	0	1,467,310	0	3,773,870	5,241,180
Debt Service: Principal Retirement	197,500	0	0	0	0	2,961,360	3,158,860
Interest & Fiscal Charges	160,428	0	0	0	0	2,536,895	2,697,323
Total Expenditures	31,474,932	3,623,191	3,386,070	1,467,310	9,655,799	27,126,275	76,733,577
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,119,080)	177,210	24,154	1,284,807	54,210	(2,931,446)	(2,510,145)
OTHER FINANCING SOURCES (USES):							
Transfers In	1,793,523	14,583	0	0	332,800	2,153,950	4,294,856
Transfers Out	(1,218,298)	0	0	(417,349)	(253,845)	(3,365,525)	(5,255,017)
Net Other Financing Sources (Uses)	575,225	14,583	0	(417,349)	78,955	(1,211,575)	(960,161)
NET CHANGE IN FUND BALANCES	(543,855)	191,793	24,154	867,458	133,165	(4,143,021)	(3,470,306)
FUND BALANCES--Beginning of Year	2,397,754	1,529,076	1,520,626	7,895,817	552,084	27,332,564	41,227,921
FUND BALANCES--End of Year	1,853,899	1,720,869	1,544,780	8,763,275	685,249	23,189,543	37,757,615

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES FOR GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

Exhibit IV-a

Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV)	($3,470,306)
Remove expenditures for acquisition of capital assets	5,214,961
Include loss on disposal of capital assets	(16,152)
Include depreciation expense	(6,491,825)
Include change in investment in joint ventures	129,412
Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities	278,029
Remove revenues related to prior periods; include revenues earned but not available in the current period	958,360
Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period	(2,061,195)
Amortize bond premium and deferred amount on refunding against debt interest expense	(13,027)
Amortize debt issuance costs over the life of the debt	(55,501)
Remove debt principal repayment expenditures	3,158,860
Change in Net Assets of Governmental Activities (See Exhibit II)	(2,368,384)

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

	General Fund			Mental Health Fund			Developmental Disability Fund		
REVENUES:	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)
Property Taxes	$8,635,834	$8,491,132	$8,475,028	$3,434,082	$3,455,937	$3,455,937	$3,363,523	$3,379,515	$3,379,515
Public Safety Sales Taxes	0	0	0	0	0	0	0	0	0
Hotel/Motel & Auto Rental Taxes	46,994	38,800	38,800	0	0	0	0	0	0
Intergovernmental Revenue	13,429,395	14,896,745	15,581,189	306,970	299,532	299,532	0	0	0
Fines & Forfeitures	993,693	941,670	1,149,500	0	0	0	0	0	0
Licenses & Permits	905,675	1,329,380	1,664,380	0	0	0	0	0	0
Charges for Services	4,226,052	4,086,598	4,218,823	0	0	0	0	0	0
Rents and Royalties	864,684	526,806	526,806	0	0	0	0	0	0
Interest on Program Loans	0	0	0	0	0	0	0	0	0
Investment Earnings	80,710	157,500	157,500	11,021	20,000	20,000	9,757	20,000	20,000
Miscellaneous	1,172,815	1,147,950	110,550	48,328	6,000	6,000	36,944	0	0
Total Revenues	30,355,852	31,616,581	31,922,576	3,800,401	3,781,469	3,781,469	3,410,224	3,399,515	3,399,515
EXPENDITURES:									
Current: General Government	8,809,205	9,436,365	9,958,984	0	0	0	0	0	0
Justice & Public Safety	21,859,447	22,547,204	22,855,647	0	0	0	0	0	0
Health	0	0	0	3,623,191	3,803,490	3,796,052	3,386,070	3,399,515	3,399,515
Education	0	0	0	0	0	0	0	0	0
Social Services	101,387	102,220	27,220	0	0	0	0	0	0
Development	408,600	465,237	467,879	0	0	0	0	0	0
Highways & Bridges	0	0	0	0	0	0	0	0	0
Debt Service: Principal Retirement	197,500	197,500	197,500	0	0	0	0	0	0
Interest & Fiscal Charges	160,428	160,428	159,893	0	0	0	0	0	0
Total Expenditures	31,536,567	32,908,954	33,667,123	3,623,191	3,803,490	3,796,052	3,386,070	3,399,515	3,399,515
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,180,715)	(1,292,373)	(1,744,547)	177,210	(22,021)	(14,583)	24,154	0	0
OTHER FINANCING SOURCES (USES):									
Transfers In	1,855,158	2,301,748	1,965,462	14,583	14,583	14,583	0	0	0
Transfers Out	(1,218,298)	(1,221,358)	(220,915)	0	0	0	0	0	0
Net Other Financing Sources (Uses)	636,860	1,080,390	1,744,547	14,583	14,583	14,583	0	0	0
NET CHANGE IN FUND BALANCES	(543,855)	(211,983)	0	191,793	(7,438)	0	24,154	0	0
FUND BALANCES--Beginning of Year	2,397,754	2,397,754	2,397,754	1,529,076	1,529,076	1,529,076	1,520,626	1,520,626	1,520,626
FUND BALANCES--End of Year	1,853,899	2,185,771	2,397,754	1,720,869	1,521,638	1,529,076	1,544,780	1,520,626	1,520,626

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

	County Motor Fuel Tax Fund			Regional Planning Commission Fund		
	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)
REVENUES:						
Property Taxes	$0	$0	$0	$0	$0	$0
Public Safety Sales Taxes	0	0	0	0	0	0
Hotel/Motel & Auto Rental Taxes	0	0	0	0	0	0
Intergovernmental Revenue	2,677,404	2,957,882	2,957,882	8,823,805	16,446,497	11,675,447
Fines & Forfeitures	0	0	0	0	0	0
Licenses & Permits	0	0	0	0	0	0
Charges for Services	0	0	0	822,940	1,683,646	1,623,646
Rents and Royalties	0	0	0	0	0	0
Interest on Program Loans	0	0	0	0	0	0
Investment Earnings	73,713	150,000	150,000	889	15,000	15,000
Miscellaneous	1,000	0	0	62,375	58,800	58,800
Total Revenues	2,752,117	3,107,882	3,107,882	9,710,009	18,203,943	13,372,893
EXPENDITURES:						
Current: General Government	0	0	0	0	0	0
Justice & Public Safety	0	0	0	0	0	0
Health	0	0	0	0	0	0
Education	0	0	0	0	0	0
Social Services	0	0	0	0	0	0
Development	0	0	0	9,655,799	19,285,692	14,258,021
Highways & Bridges	1,467,310	3,819,356	4,236,601	0	0	0
Debt Service: Principal Retirement	0	0	0	0	0	0
Interest & Fiscal Charges	0	0	0	0	0	0
Total Expenditures	1,467,310	3,819,356	4,236,601	9,655,799	19,285,692	14,258,021
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,284,807	(711,474)	(1,128,719)	54,210	(1,081,749)	(885,128)
OTHER FINANCING SOURCES (USES):						
Transfers In	0	0	0	310,648	648,300	633,300
Transfers Out	(417,349)	(417,349)	0	(253,845)	(427,243)	(339,800)
Net Other Financing Sources (Uses)	(417,349)	(417,349)	0	56,803	221,057	293,500
NET CHANGE IN FUND BALANCES	867,458	(1,128,823)	(1,128,719)	111,013	(860,692)	(591,628)
FUND BALANCES--Beginning of Year	7,895,817	7,895,817	7,895,817	20,762	20,762	20,762
FUND BALANCES--End of Year	8,763,275	6,766,994	6,767,098	131,775	(839,930)	(570,866)

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
NOVEMBER 30, 2009

Exhibit VI

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash	$691,963	$1,545,969
Investments	0	0
Receivables, Net of Uncollectible Amounts:		
Patient Accounts	1,451,770	0
Property Taxes	966,139	0
Intergovernmental	0	2,433
Other	0	1,264
Due From Other Funds	356	135,291
Inventories	21,485	0
Prepaid Expenses	7,292	0
Resident Trust Accounts	12,264	0
Total Current Assets	3,151,269	1,684,957
NONCURRENT ASSETS:		
Capital Assets:		
Buildings and Improvements	23,564,729	0
Construction in Progress	25,633	0
Equipment	1,139,367	0
Less Accumulated Depreciation	(2,177,248)	0
Total Noncurrent Assets	22,552,481	0
Total Assets	25,703,750	1,684,957
LIABILITIES		
CURRENT LIABILITIES:		
Accrued Salaries Payable	276,304	0
Accounts Payable	1,274,224	55,676
Due To Other Funds	906,588	4
Funds Held For Others	12,264	81,343
Deferred Revenues	966,139	0
Compensated Absences Payable	382,805	0
Total Current Liabilities	3,818,324	137,023
NONCURRENT LIABILITIES:		
Estimated Claims Payable	0	2,733,600
Net Obligation for Other Post-Employment Benefits	83,855	0
Total Noncurrent Liabilities	83,855	2,733,600
Total Liabilities	3,902,179	2,870,623
NET ASSETS		
Invested in Capital Assets	22,552,481	0
Unrestricted	(750,910)	(1,185,666)
Total Net Assets	21,801,571	(1,185,666)
Adjustment due to consolidation of internal service fund activities related to enterprise funds	(282,835)	
Net assets of business-type activities	21,518,736	

The notes to the financial statements are an integral part of this statement

Exhibit VII

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for Services (Net of Uncollectible)	$15,119,546	$6,561,429
Miscellaneous	24,715	45,267
Total Operating Revenues	15,144,261	6,606,696
OPERATING EXPENSES:		
Salaries	6,207,311	20,388
Fringe Benefits	1,828,065	5,633,838
Commodities	1,171,663	231
Services	6,514,186	619,573
Depreciation	709,443	0
Total Operating Expenses	16,430,668	6,274,030
OPERATING INCOME (LOSS)	(1,286,407)	332,666
NON-OPERATING REVENUES (EXPENSES):		
Property Tax	941,111	0
Intergovernmental Revenue	99,895	0
Investment Earnings	4,174	1,887
Donations	13,590	0
Interest Expense	(15,520)	0
Loss on Disposal of Capital Assets	(1,170)	0
Net Non-Operating Revenues (Expenses)	1,042,080	1,887
INCOME (LOSS) BEFORE TRANSFERS	(244,327)	334,553
Capital Contributions	0	0
Transfers In	1,000,000	0
Transfers Out	(39,839)	0
CHANGE IN NET ASSETS	715,834	334,553
NET ASSETS--Beginning of Year	21,085,737	(1,520,219)
NET ASSETS--End of Year	21,801,571	(1,185,666)
Adjustment due to consolidation of internal service fund activities related to enterprise funds	56,524	
Change in net assets of business-type activities	772,358	

The notes to the financial statements are an integral part of this statement.

Exhibit VIII

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	$15,563,216	$0
Cash Receipts from Other Funds and Employees for Services	0	6,494,818
Cash Receipts for Claims Reimbursements	0	54,087
Cash Payments to Employees for Services	(6,170,435)	(20,388)
Cash Payments to Suppliers and Other Funds for Goods and Services	(9,692,811)	(5,331,177)
Cash Payments for Claims	0	(701,180)
Net Cash Provided (Used) By Operating Activities	(300,030)	496,160
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Property Taxes Received	941,111	0
Operating Grants Received	21,430	0
Gifts And Donations Received	2,745	0
Cash Received from Tax Anticipation Borrowing	780,000	0
Tax Anticipation Borrowing Repaid	(780,000)	0
Interest Paid on Tax Anticipation Borrowing	(15,520)	0
Transfers/Loans Received From Other Funds	0	130,563
Transfers/Loans Paid To Other Funds	(39,839)	0
Net Cash Provided (Used) By Non-Capital Financing Activities	909,927	130,563
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments for Acquisition and Construction of Capital Assets	(100,527)	0
Net Cash Provided (Used) By Capital and Related Financing Activities	(100,527)	0
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Interest Received on Investments and Bank Deposits	4,174	1,887
Net Cash Provided (Used) By Investment Activities	4,174	1,887
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	513,544	628,610
Cash and Cash Equivalents at Beginning of Year	178,419	917,359
Cash and Cash Equivalents at End of Year	691,963	1,545,969

Non-cash Investing, Capital and Financing Activities:

The Nursing Home Enterprise Fund received donated assets and supplies valued at $10,845 and received vehicles valued at $84,048 through a federal grant. The Self-Funded Insurance and the Employee Health Insurance Internal Service Funds had no non-cash transactions.

The notes to the financial statements are an integral part of this statement.

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	($1,286,407)	$332,666
Adjust For Non-Cash Revenue/Expense:		
Depreciation Expense	709,443	0
Increase (Decrease) in Estimated Claims Payable	0	178,510
Increase (Decrease) in Net Obligation for OPEB	83,855	0
Adjust For Non-Revenue/Expense Cash Flows:		
Decrease (Increase) in Receivables	419,311	7,150
Decrease (Increase) in Due From Other Funds	(356)	(64,941)
Decrease (Increase) in Inventories	1,668	0
Decrease (Increase) in Prepaid Expenses	(2,444)	0
Increase (Decrease) in Payables	(15,114)	46,864
Increase (Decrease) in Due To Other Funds	(209,986)	(64)
Increase (Decrease) in Unremitted Payroll Withholdings	0	(4,025)
Net Cash Provided (Used) By Operating Activities	(300,030)	496,160

The notes to the financial statements are an integral part of this statement.

Exhibit IX

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
NOVEMBER 30, 2009

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash	$116,864	$4,013,269
Investments	855,000	1,873,688
Receivables:		
Intergovernmental	216,619	168
Accrued Interest	1,000	0
Total Assets	1,189,483	5,887,125
LIABILITIES		
Accounts Payable	0	0
Intergovernmental Payable	0	3,478,052
Funds Held for Others	0	2,409,073
Total Liabilities	0	5,887,125
NET ASSETS		
Held in Trust for Other Governments	1,189,483	0

The notes to the financial statements are an integral part of this statement.

Exhibit X

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

	Private Purpose Trust Funds
ADDITIONS:	
Intergovernmental Revenue	$2,223,441
Investment Earnings	7,989
Miscellaneous	0
Total Additions	2,231,430
DEDUCTIONS	
Township Road & Bridge Maintenance	2,277,107
Total Deductions	2,277,107
CHANGE IN NET ASSETS	(45,677)
NET ASSETS--Beginning of Year	1,235,160
NET ASSETS--End of Year	1,189,483

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Champaign, Illinois conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

A. THE ENTITY

Champaign County was incorporated February 20, 1833. Like all Illinois counties, Champaign County is responsible for maintaining the judicial system, collecting and disbursing property taxes for all local governments located within the county, maintaining county roads and conducting elections. With the exception of Cook County, no Illinois counties are home-rule units of government and, therefore, they may collect and spend money only as specified by state law.

The definition of what constitutes the entity Champaign County is based on the guidelines set forth in Governmental Accounting Standards Board (GASB) Statement Number 14. The primary government consists of the funds and departments described on pages 10-19. Several boards and commissions appointed by the County Board are included as part of the primary government, because they are not legally separate. These are the Mental Health Board, the Developmental Disability Board, the County Public Health Board, the Regional Planning Commission, the Board of Review and the Zoning Board of Appeals.

According to Statement No. 14, a legally separate organization should be included as a component unit of the primary organization if the primary government is financially accountable for the organization. Financial accountability is determined as follows:

(1) The primary government appoints a voting majority of the organization's governing body, AND
  (a) it is able to impose its will on the organization,
 OR
  (b) the organization provides financial benefits or imposes financial burdens on the primary government.

OR

(2) The organization is fiscally dependent on the primary government.

There were no agencies which met the criteria for inclusion as a component unit of Champaign County.

Related organizations for which the County Board appoints a voting majority of the governing body, but for which the County is not financially accountable, are not included in the reporting entity. These include drainage districts, sanitary districts, fire protection districts, public water districts, cemetery associations, the forest preserve district, the housing authority, the mass transit district and the public aid appeals commission.

A joint venture is an organization that is jointly controlled by two or more participants, in which the participants retain an on-going financial interest or responsibility. The County is a member of the METCAD (Metropolitan Computer Aided Dispatch) joint venture with the City of Champaign, the City of Urbana and the University of Illinois. The County is also a member of the Geographic Information System (GIS) Consortium joint venture with the City of Champaign, the City of Urbana, the University of Illinois, the Village of Rantoul, the Village of Savoy and the Village of Mahomet. The County's equity interest in METCAD and the GIS Consortium joint ventures is reported as an investment in joint ventures in the Statement of Net Assets. See Note 22 on joint ventures.

A jointly governed organization for which the County does not have an on-going financial interest or responsibility is the Job Training Partnership Act Consortium of Champaign, Ford, Iroquois and Piatt Counties. Jointly governed organizations are not included in the reporting entity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING

The accounts of the County are organized on the basis of various individual funds. 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, as appropriate. Government monies are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. Funds are classified into several categories and types. Governmental funds include the general fund, special revenue funds, debt service funds and capital projects funds. Proprietary funds include enterprise funds and internal service funds. Fiduciary funds include private-purpose trust funds and agency funds.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(1) Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) display the financial position and results of operations for the entity Champaign County government, excluding the fiduciary funds. Both statements separately report governmental activities and business-type activities. Governmental activities are generally financed with taxes and intergovernmental revenues and are accounted for in governmental and internal service funds. Business-type activities are financed largely through user fees charged to external parties and are reported in the enterprise fund. Interfund activity is eliminated from the government-wide statements to reduce the doubling effect it creates. Allocations of overhead expenses are eliminated so that the expenses are reported only in the functions to which they were allocated. Interfund receivables and payables are reduced to just the net residual amounts due between governmental and business-type activities, which are then reported as internal balances.

The Statement of Activities reports direct expenses related to specific functions, and then offsets those expenses with the program revenues directly attributable to each function. Program revenues include charges for services, licenses and permits, fines and forfeitures, and grants and contributions. Taxes, investment income and other revenue not attributable to specific programs are reported as general revenues.

(2) Fund Financial Statements

Fund financial statements are presented for the governmental funds, the proprietary funds and the fiduciary funds. The fund statements focus on major individual funds, with non-major funds reported in aggregate.

Major governmental funds include the General Fund, which is the principal operating fund for the County; the Mental Health Fund, which uses property taxes to fund mental health agencies; the Developmental Disability Fund, which uses property taxes to provide for the care and treatment of persons with a developmental disability; the County Motor Fuel Tax Fund, which uses state-shared motor fuel taxes to fund construction and maintenance of county highways; and the Regional Planning Commission Fund, which uses intergovernmental grants and contracts to provide housing/home energy assistance, community services, senior services, economic development assistance, transportation planning and police training.

The major enterprise fund is the Nursing Home Fund, which is the operating fund for the County Nursing Home.

The County's internal service funds provide risk financing and employee health and life insurance for other County funds, mostly related to governmental activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fiduciary funds include two private-purpose trust funds, in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges. These resources are not available to support the County's own programs. The fiduciary funds also include agency funds, whose purpose is to report resources, such as property taxes and circuit court fees and fines, held in a custodial capacity for external individuals, organizations and governments. Resources held for other County funds are reported in the appropriate County funds rather than the agency funds.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

(1) Government-wide Financial Statements

The measurement focus for the government-wide financial statements is the flow of economic resources, using the accrual basis method of accounting. On this basis, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement 33. Property taxes are recognized as revenue in the year for which the taxes are levied, which is the year following the year when the levy is passed. Grants are recognized as revenue when eligibility requirements are met, such as allowable costs having been incurred.

In the government-wide statements, the County has applied applicable GASB pronouncements as well as FASB statements, FASB interpretations, APB opinions and accounting research bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. FASB statements and interpretations issued after November 30, 1989 have not been applied.

(2) Governmental Funds

The measurement focus for governmental funds is the flow of current financial resources. All governmental funds are accounted for using the modified accrual basis method of accounting.

On this basis, all material sources of revenue are recognized when they become measurable and available. "Available" is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the County, this translates to 30 days after the end of the fiscal year, which corresponds with the expiration of appropriations according to County ordinance. Major sources of revenue susceptible to accrual when collectible within 30 days of year-end include property taxes, sales taxes, income taxes, personal property replacement taxes, other intergovernmental revenues, charges for services and investment interest.

Material amounts of expenditures are recognized when the liability is incurred. Exceptions include: (a) accumulated unpaid vacation, sick leave and personal leave, which are only accrued when they become currently payable; and (b) principal and interest on general long-term debt, which is recognized when due.

(3) Proprietary Funds

The measurement focus for proprietary funds is the flow of economic resources. All proprietary funds are accounted for using the accrual basis method of accounting. On this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Proprietary funds operating revenues consist of charges for services and miscellaneous revenue resulting from the provision of services to users. In the enterprise fund, this translates to Nursing Home patient revenue, including Medicaid, Medicare and other insurance payments received for patient accounts. Operating expenses are those incurred in providing patient care. In the internal service funds, operating

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

revenue includes interfund billings for insurance coverage and claims. Operating expenses are expenses incurred in providing the services, such as insurance premiums and claims expenses.

In proprietary fund accounting and financial reporting, the County has applied applicable GASB pronouncements as well as FASB statements, FASB interpretations, APB opinions and accounting research bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. FASB statements and interpretations issued after November 30, 1989 have not been applied.

(4) Fiduciary Funds

The measurement focus for fiduciary funds, other than agency funds, is the flow of economic resources. All fiduciary funds, including agency funds, are accounted for using the accrual basis method of accounting. Fiduciary funds do not report revenues or expenditures, but rather report increases and decreases in net assets. Since agency fund assets always equal liabilities, net assets are always zero, and, thus, changes in fiduciary net assets are not reported for agency funds.

E. INVESTMENTS AND CASH EQUIVALENTS

Under Illinois law (30 ILCS 235/2), county money may be invested in interest bearing deposits at federally insured banks/savings and loans/credit unions, certain commercial paper, bonds issued by local governments, short term discount obligations of the Federal National Mortgage Association, securities issued by the U.S. Treasury or other federal agencies, money market mutual funds limited to U.S. government securities, repurchase agreements involving government securities and certain other securities, and the state treasurer's investment pool. The state treasurer's investment pool falls under the regulatory oversight of the State of Illinois Legislature.

Deposits in banks or savings associations are valued at cost. Repurchase agreements, considered nonparticipating interest-earning investment contracts, are valued at cost. The fair value of the position in the state treasurer's investment pool is the same as the value of the pool shares. Investments in mutual funds, commercial paper, U.S. Treasury securities and other federal agency obligations are reported at fair value determined by the current share price or quoted market prices. Changes in fair value of these investments are recognized as an increase or decrease to investment income on the operating statements.

For purposes of the statement of cash flows, the proprietary funds consider short-term highly liquid investments, including time deposits at financial institutions, to be cash equivalents. Resident Trust Accounts are not considered to be cash equivalents.

F. RECEIVABLES AND PAYABLES

Receivables and payables are reported net of an allowance for uncollectible amounts, if applicable. Short term receivables and payables between funds are reported as due from/to other funds. Non-current amounts are reported as advances to/from other funds. In governmental funds, advances to other funds, as well as other long term receivables, are offset by reserved fund balance, because they do not represent expendable, available financial resources. In the government-wide statements, interfund receivables and payables remaining between governmental activities and business-type activities after the elimination of interfund activity are reported as internal balances. These internal balances net to zero in the government total column.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. INVENTORIES

Inventories are valued at cost on a first in, first out (FIFO) basis, and are accounted for by the consumption method. Inventories in the General Fund consist of expendable office supplies held for consumption. Inventories in the Nursing Home Enterprise Fund consist of food and operating supplies held for consumption.

H. PREPAID ITEMS

In governmental funds, prepaid expenditures, such as for insurance or service contracts, are recognized as expenditures when purchased rather than over the term involved. In proprietary funds, prepaid expenses are deferred and expensed over the term when the services are received.

I. CAPITAL ASSETS

(1) Governmental Activities

Capital assets purchased for use in governmental activities are recorded as expenditures in governmental funds at the time of purchase. Governmental capital assets are reported in the government-wide financial statements, offset by accumulated depreciation. Capital assets are valued at actual or estimated historical cost, while donated capital assets are valued at their fair market value on the date donated. Equipment valued at or above $2,500, buildings and improvements valued at or above $10,000, infrastructure valued at or above $10,000 and land of any value are capitalized. Depreciation is calculated on all assets, other than land and construction in progress, using the straight line method with the following estimated useful lives:

Buildings:		Infrastructure:	
New construction	40 years	Roads	15 years
Improvements	15 years	Bridges	50 years
Equipment:	5-10 years	Land Improvements:	15 years

(2) Business-type Activities (Nursing Home Enterprise Fund)

Nursing Home Enterprise Fund capital assets valued at $2,500 or more are capitalized within the fund. This capitalization threshold follows Illinois Department of Healthcare & Family Services guidelines. Capital assets are stated at actual or estimated historical cost. Donated fixed assets are valued at their fair market value on the date donated. Depreciation is computed on the straight-line method over the estimated useful life of the asset. Estimated useful lives following the American Hospital Association Guidelines are:

Buildings:			
New construction	40 years	Land Improvements:	15 years
Improvements	5-20 years	Equipment:	5-20 years

J. COMPENSATED ABSENCES

Accumulated unpaid vacation and personal leave (compensated absences) are accrued in governmental funds only when they become currently payable, due to the employee using benefit time or terminating employment. A long-term liability for unpaid compensated absences, plus the related FICA, is reported in the government-wide statements in the period in which it is incurred. Accrued compensated absences, plus the related FICA, for proprietary funds are reported as a long-term liability in the proprietary fund statements and the government-wide statements in the period in which it is incurred.

NOTE 2 – RECONCILIATION OF FUND STATEMENTS TO GOVERNMENT-WIDE STATEMENTS

A. Governmental Funds to Governmental Activities

A reconciliation is provided with the governmental funds balance sheet (Exhibit III-a) to explain the difference between fund balances in the governmental funds and net assets for governmental activities on the government-wide statement of net assets. The major differences are: (1) capital assets are not reported in governmental funds, (2) investment in the equity of joint ventures is not reported in governmental funds, (3) assets and liabilities of internal service funds related to governmental activities are not reported in governmental funds, (4) receivables and payables arising from the full accrual of revenues and expenses are not reported in governmental funds under the modified accrual basis of accounting, and (5) long term liabilities and deferred bond issuance costs are not reported in governmental funds.

A reconciliation is provided with the governmental funds statement of revenues, expenditures and changes in fund balances (Exhibit IV-a) to explain the difference between the change in fund balances in the governmental funds and the change in net assets for governmental activities on the government-wide statement of activities. The major differences are: (1) capital outlay expenditures are not reported in the government-wide statement, while depreciation expense and gains/losses on disposal of capital assets are not reported in governmental funds; (2) the change in investment in the equity of joint ventures is not reported in governmental funds; (3) the net revenue/expense of internal service funds related to governmental activities is not reported in governmental funds; (4) full accrual of revenues and expenses are not reported in governmental funds under the modified accrual basis of accounting; and (5) debt proceeds, debt principal repayments and payments to a bond refunding escrow agent are not reported in the government-wide statement; while bond premium, bond issuance costs and additional costs of reacquisition of refunded bonds are deferred and amortized over the life of the debt on the government-wide statement.

B. Enterprise Funds to Business-Type Activities

Enterprise funds and the government-wide statements follow the same measurement focus and basis of accounting, so the enterprise fund financial information flows essentially unchanged from the fund financial statements to the business-type activities on the government-wide financial statements. The only difference (as shown on the proprietary fund financial statements, Exhibits VI and VII) arises from reporting the portion of the net revenue/expense of the internal service funds that relates to the enterprise fund in the business-type activities on the government-wide statements.

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING

A. Budgetary Process

County department heads submit their budget requests in the summer prior to the start of the fiscal year on December 1. The County Administrator reviews the department requests and makes recommendations to the Finance Committee of the County Board. Budget hearings are held during the summer months, after which the Finance Committee directs the County Administrator to make specific changes in some department budgets. The County Administrator prepares the Tentative Budget document, which is usually approved by the County Board in September. Additional changes are approved by the Finance Committee in October and November and incorporated into the final Budget document, which is approved by the County Board in November by a simple majority vote.

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING (continued)

B. Level of Budgetary Control

Formal budgetary control is employed during the year for all County funds (governmental and proprietary) except fiduciary funds (trust and agency), as required by Illinois law. The legal level of budgetary control is by personnel and non-personnel account categories within a department within a fund. Transfers within departments between accounts in the same category are made by written request of the department to the County Auditor. Transfers in and out of the personnel category and transfers between accounts in different departments, administered by different department heads, must be approved by the Finance Committee and then by a two-thirds majority vote of the full County Board.

C. Amendments to the Budget

Requests for supplementary appropriations must also be approved by the Finance Committee and by a two-thirds majority vote of the full County Board.

D. Budgetary Basis of Accounting

All governmental funds and proprietary funds have legally adopted budgets on a modified accrual basis. Appropriations lapse 30 days after the end of the fiscal year. County ordinance provides that balances remaining in County appropriations shall be available for thirty days after the close of the fiscal year to pay for goods or services that were delivered prior to the close of the fiscal year.

Because proprietary fund budgets are not on a full accrual basis and because appropriations lapse 30 days after year-end, the legally adopted budget is not on a basis strictly consistent with generally accepted accounting principles (GAAP).

E. Encumbrances

Encumbrance accounting is used in all funds, and is also on the modified accrual basis. Purchase orders are required for any purchase exceeding $5,000. The amount is encumbered (provided sufficient appropriations are available) before the order is approved. Encumbrances must be re-established in the following year if the goods or services were not received by November 30.

NOTE 4 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The actual results of operations are presented in accordance with generally accepted accounting principles (GAAP) as described in Note 1-D. For budgetary comparisons, the actual results of operations are presented on the budgetary basis as described in Note 3-D. Adjustments necessary to convert the results of operations from the budgetary basis to the GAAP basis are mostly due to proprietary funds having budgets on the modified accrual basis, while GAAP requires the full accrual basis. There are also reclassifications between revenues, expenditures and operating transfers which do not affect fund balance/net assets, e.g. reclassifications of interfund reimbursements as reductions of expenditures. These reclassifications which do not affect fund balance/net assets are not reported in the conversion from budgetary basis to GAAP basis. The adjustments which do affect fund balance/net assets and which are shown in the individual fund financial statements are summarized below.

NOTE 4 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS (continued)

Fiscal Year Ended November 30, 2009:	Nursing Home Fund	Self-Funded Insur. Fund	Reg. Planning Comm. Fund
Budgetary Basis Change in Fund Balance or Net Assets	$1,449,936	$514,316	$111,013
REVENUES AND OTHER SOURCES:			
Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent			22,152
Adjustment for timing differences - record revenue in the period when earned	82,923		
Decrease (increase) in allowance for uncollectible accounts	(11,543)		
Donated supplies and assets recorded as revenue	7,388		
EXPENDITURES /EXPENSES AND OTHER USES:			
Increase (decrease) in inventories and prepaid expenses	3,845		
Adjustment for timing differences - record expenses in the period when incurred	(206,377)		
Donated supplies recorded as expense with offsetting revenue	(3,069)		
Capital asset acquisitions and disposals	186,862		
Depreciation expense	(709,443)		
Decrease (increase) in accrued compensated absences payable	(833)		
Decrease (increase) in net OPEB liability	(83,855)		
Decrease (increase) in estimated claims payable		(178,510)	
GAAP Basis Change in Fund Balance or Net Assets	715,834	335,806	133,165

NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended November 30, 2009, no expenditures exceeded appropriations.

NOTE 6 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments at November 30, 2009 is shown below. Resident trust accounts report money in County custody, which belongs to residents of the County Nursing Home and County Jail.

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

	Asset Account Carrying Amounts (Reported as:)				Bank
DEPOSITS	Cash	Investments	Resident Trust	Total	Balances
Demand Deposits	$2,741,515	$0	$23,914	$2,765,429	$4,080,522
Money Market / Savings	0	247,861	0	247,861	247,861
Certificates of Deposit:					
Under 3 months maturity	0	405,827	0	405,827	405,827
3 mos.-under 12 mos. maturity	0	6,251,000	0	6,251,000	6,251,000
12 mos.-under 24 mos. maturity	0	1,200,000	0	1,200,000	1,200,000
Total Deposits	2,741,515	8,104,688	23,914	10,870,117	12,185,210

	Asset Account Carrying Amounts (Reported as:)				Fair
INVESTMENTS	Cash	Investments	Resident Trust	Total	Value
State Treas. Investment Pool	$25,166,915	$0	$0	$25,166,915	$25,166,933
Repurchase Agreements	5,049,507	0	0	5,049,507	5,049,507
Total Investments	30,216,422	0	0	30,216,422	30,216,440

		Investment Maturities (in Years)		Percent
INVESTMENTS	Fair Value	Less Than 1	1 - 2	of Total
State Treas. Investment Pool	$25,166,933	$25,166,933	$0	83.29%
Repurch. Agreements - Freestar Bank	4,648,889	4,648,889	0	15.38%
Repurch. Agreements - Other	400,618	400,618	0	1.33%
Total Investments	30,216,440	30,216,440	0	100.00%
Percent of Total	100.00%	100.00%	0.00%	

Custodial Credit Risk. Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the County's name. It is County policy to require collateral at 110% of market value for deposit balances beyond FDIC/NCUSIF insurance coverage. At November 30, 2009, no deposits were uninsured or uncollateralized.

Investment pools and mutual funds are not subject to custodial credit risk, because they are not evidenced by securities that exist in physical or book entry form.

Other investments are subject to custodial credit risk if the securities, including securities underlying repurchase agreements, are uninsured and unregistered and held by the financial institution's trust department or agent, but not in the County's name, or if the fair value of underlying securities is less than the reported amount of a repurchase agreement. None of the County's investments at November 30, 2009 were exposed to this risk.

Credit rating risk. Investments are subject to credit rating risk for all debt securities, whether held directly or indirectly (through investment pools, mutual funds or money market funds). County policy is to mitigate credit rating risk through diversification of investments. State law limits County investments in debt obligations to debt rated within the 4 highest categories as established by a nationally recognized rating service. The Illinois Funds investment pools were rated AAAm by Standard & Poor's as of March 26, 2010.

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

Concentration Risk. Investments are subject to concentration risk when 5% or more of the total are in securities of a single issuer. Because of the diversity of their holdings, investment pools and mutual funds do not constitute a concentration risk. At November 30, 2009, repurchase agreements with Freestar Bank constituted 15.38% of the County's total investments.

Interest Rate Risk. Investments are subject to a decline in fair value due to fluctuating market interest rates. Interest rate risk is minimized by County policy requiring maturities of 2 years or less.

NOTE 7 – PROPERTY TAX CYCLE

A. Assessments

Property is assessed by elected township assessors at one-third the market value as of January 1 each year. This is the date, called the lien date, on which property taxes "attach" to the property. The township assessors' books are turned in to the County Supervisor of Assessments by June 1 in quadrennial assessment years and April 15 in other years. (2007 was the last quadrennial assessment year.) The Board of Review, a three-member panel appointed by the County Board, takes action on assessment complaints and applies individual township multipliers to those townships which they determine have not been assessed at one-third. This process equalizes the average ratio of assessments to market value among townships. The Illinois Department of Revenue analyzes the work of the Board of Review and may assign a county-wide multiplier to bring the entire county's ratio into line with other counties throughout the state.

B. Taxpayer Appeals

Taxpayers may file a complaint with the Board of Review if they feel their assessments are too high, and, if not satisfied, they may further appeal to the state Property Tax Appeals Board. However, tax levies are determined by local governments, not by assessors.

C. Property Tax Levies

The property tax levy for fiscal year 2009 was adopted by the County Board on November 20, 2008, within the statutory deadline (the third Tuesday in December) for all taxing districts. Property tax levies are reported as receivables and deferred (unearned) revenue in the year in which they are adopted. They are recognized as revenue in the year for which they are levied, which is the following year.

D. Tax Bills

Illinois statutes require payment of property taxes in two installments, due June 1 and September 1, and require that tax bills be mailed 30 days prior to the first installment. In 2009, tax bills were mailed on May 1 with the due dates of June 1 and September 1. Property tax bills mailed in 2009 were based on equalized assessed value as of January 1, 2008, and on tax levies set in November 2008.

E. Tax Judgment Date and Sale Date

The judgment date is the date at which taxing authorities have a right to take and hold or sell property for nonpayment of taxes. Under Illinois law, the judgment date fluctuates, but is generally the third week in October. The date is set by a judge of the circuit court, after all of the requirements are met for advertising and publishing the delinquent tax list. Statutes require the tax sale to be the Monday following the judgment date. In 2009, the judgment date was October 27, and the tax sale was held October 28.

NOTE 7 – PROPERTY TAX CYCLE (continued)

F. Tax Distributions

The County Treasurer is also the County Collector and is in charge of collecting and distributing property taxes for all the taxing bodies in the county. The Collector generally distributes taxes to the taxing bodies shortly after taxes are paid. The County may not keep tax receipts on behalf of other units of local government beyond thirty days. Interest earned on taxes before distribution goes to the local governments, not the County, according to a 1984 Illinois Supreme Court decision. In 2009, all property taxes were distributed by November 20.

NOTE 8 – PROPERTY TAXES RECEIVABLE

Property taxes receivable consist of property taxes levied in 2009, for which a legal claim exists in 2009. The revenue associated with the 2009 levy is deferred until the fiscal year ending November 30, 2010 on the government-wide and the proprietary fund statements, because that is the period for which the taxes are levied. Property tax revenue is also deferred on the governmental fund statements, because the taxes are not available (collectible within thirty days of the fiscal year-end). The receivable for the 2009 tax levy has been reduced by an estimated allowance for uncollectible taxes of 0.57%. A summary by fund type of property taxes receivable at November 30, 2009 is below.

Fund Type	Property Taxes Levied	Allowance for Uncollectible	Property Taxes Receivable	Other Unearned Revenue	Deferred Revenue
Governmental:					
General	$8,089,543	($46,110)	$8,043,433	$38,296	$8,081,729
Special Revenue	15,945,586	(90,891)	15,854,695	996	15,855,691
Debt Service	1,594,722	(9,090)	1,585,632	0	1,585,632
Subtotal Governmental	25,629,851	(146,091)	25,483,760	39,292	25,523,052
Proprietary:					
Enterprise	971,678	(5,539)	966,139	0	966,139
Total	26,601,529	(151,630)	26,449,899	39,292	26,489,191

NOTE 9 – PATIENT ACCOUNTS RECEIVABLE AND CHARGES FOR SERVICES

Patient accounts receivable and charges for services in the enterprise fund as of November 30, 2009 have been reduced by an allowance for uncollectible amounts, determined by an analysis of individual patient accounts.

	Receivable	Revenue
Gross patient accounts receivable / revenue	$1,503,084	$15,170,860
Allowance for uncollectible amounts	($51,314)	($51,314)
Patient accounts receivable / revenue, net of uncollectible amounts	$1,451,770	$15,119,546

NOTE 10 – ECONOMIC DEVELOPMENT AND REHABILITATION LOANS RECEIVABLE

The County, through its Regional Planning Commission Loan Fund, has various grant programs to administer economic development and housing rehabilitation loans to qualified businesses and individuals. The primary purpose of the economic development loan programs is to create new jobs. Principal repayments on loans may be used for any grant eligible purpose. At November 30, 2009, loans outstanding were as follows:

	Current	Long Term	Total
Economic Development Loans Receivable:			
Community Services Block Grant Loans	$154,317	$912,385	$1,066,702
Comm. Serv. Block Grant Recovery Act Loans	17,523	132,477	150,000
Comm. Serv. Block Grant Pass-Through Loans	2,110	7,710	9,820
Community Development Recaptured Loans	217,214	3,136,049	3,353,263
Housing Rehabilitation Loans Receivable:			
County Housing Rehab Loans	37,581	325,888	363,469
HUD H.O.M.E. Program Loans	0	617,780	617,780
Total Loans Receivable	428,745	5,132,289	5,561,034

NOTE 11 – CAPITAL ASSETS

A. A summary of capital assets related to governmental activities is presented below:

Governmental Activities	Nov. 30, 2008 Balance	FY 2009 Additions	FY 2009 Deductions	Nov. 30, 2009 Balance
Assets Not Being Depreciated:				
Land	$1,688,463	$0	$0	$1,688,463
Construction in Progress	6,648,969	3,996,946	(3,386,710)	7,259,205
Assets Being Depreciated:				
Infrastructure	60,918,627	3,386,710	(2,264,305)	62,041,032
Buildings and Improvements	65,195,054	368,085	0	65,563,139
Equipment	12,909,170	849,930	(768,510)	12,990,590
Assets Subtotal	147,360,283	8,601,671	(6,419,525)	149,542,429
Accumulated Depreciation:				
Infrastructure	(40,739,348)	(2,995,810)	2,264,305	(41,470,853)
Buildings and Improvements	(21,116,917)	(2,516,874)	0	(23,633,791)
Equipment	(10,156,914)	(979,141)	752,358	(10,383,697)
Accum. Depreciation Subtotal	(72,013,179)	(6,491,825)	3,016,663	(75,488,341)
Net Total	75,347,104	2,109,846	(3,402,862)	74,054,088

NOTE 11 – CAPITAL ASSETS (continued)

B. A summary of capital assets related to business-type activities (Nursing Home) follows:

Business-Type Activities	Nov. 30, 2008 Balance	FY 2009 Additions	FY 2009 Deductions	Nov. 30, 2009 Balance
Assets Not Being Depreciated:				
Construction in Progress	$0	$25,633	$0	$25,633
Assets Being Depreciated:				
Buildings and Improvements	23,561,410	4,319	(1,000)	23,564,729
Equipment	978,326	162,399	(1,358)	1,139,367
Assets Subtotal	24,539,736	192,351	(2,358)	24,729,729
Accumulated Depreciation:				
Buildings and Improvements	(1,125,259)	(614,769)	340	(1,739,688)
Equipment	(343,734)	(94,674)	848	(437,560)
Accum. Depreciation Subtotal	(1,468,993)	(709,443)	1,188	(2,177,248)
Net Total	23,070,743	(517,092)	(1,170)	22,552,481

C. Current year depreciation expense was charged to the following functions:

Function	Governmental Activities	Business-Type Activities
General Government	$641,603	$0
Justice and Public Safety	2,450,243	0
Health	3,054	0
Education	16,615	0
Social Services	0	709,443
Development	57,622	0
Highways and Bridges	3,322,688	0
Total Depreciation Expense	6,491,825	709,443

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at November 30, 2009 are summarized below.

Due To / From Other Funds:	Receivable	Payable
Major Governmental Funds:		
General Corporate	$629,915	$1,716,618
Mental Health	0	3,638
County Motor Fuel Tax	0	98,482
Regional Planning Commission	46,705	85,297
Major Enterprise Fund:		
Nursing Home	356	906,588
Nonmajor Governmental Funds:		
RPC Economic Development Loans	0	6,293
Geographic Information System	23,544	70,441
Recorder's Automation	18,525	804
County Clerk's Automation	0	384
Solid Waste Management	0	223
Animal Control	0	5,510
Law Library	0	13,717
Public Safety Sales Tax	1,817,537	81,869
Court's Automation	0	26,144
Child Support Services	0	4,383
Probation Services	0	59,150
Jail Commissary	0	14,320
Court Document Storage	0	936
Victim Advocacy Grant	0	5,266
Child Advocacy Center	0	1,004
County Public Health	0	48
Early Childhood	0	79,160
County Highway	105,123	81,696
Capital Asset Replacement	105,171	0
Tort Immunity	535	308,889
Illinois Municipal Retirement	289,153	0
Social Security	345,792	0
2007 Highway Facility Bond Debt Service	53,217	0
Subtotal Nonmajor Governmental	2,758,597	760,237
Internal Service Funds:		
Self-Funded Insurance	133,275	0
Employee Health Insurance	2,016	4
Subtotal Internal Service	135,291	4
Total – All Funds	3,570,864	3,570,864

Advances To / From Other Funds:	Receivable	Payable
Major Governmental Fund:		
Regional Planning Commission	$197,500	$0
Nonmajor Governmental Fund:		
RPC Economic Development Loans	0	197,500
Total – All Funds	197,500	197,500

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES (continued)

Of the $3,570,864 Due To/From Other Funds at November 30, 2009, $2,150,679 represented interfund loans to cover temporary cash flow shortfalls. The remainder represented unpaid routine interfund billings.

In FY1995, the RPC Loan Fund used $150,000 of existing escrow funds (see Note 13 below) from the Regional Planning Commission Fund plus $450,000 of future payments into escrow to loan $600,000 to the County for part of the cost of purchasing and remodeling the Brookens Administration Building, which the RPC offices would occupy. The amount due back to the Regional Planning Commission Fund from the RPC Loan Fund is classified as an interfund advance, since it is expected to be paid back over a long period of time. The advance increases over time as the regular payments into escrow become due and is reduced by periodic repayments from the RPC Loan Fund to the Regional Planning Commission Fund. The outstanding balance of the advance from the Regional Planning Commission Fund to the RPC Loan Fund was $197,500 at November 30, 2009.

NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT

	Transfers In	Transfers Out
Major Governmental Funds:		
General Corporate	$1,793,523	$1,218,298
Mental Health	14,583	0
County Motor Fuel Tax	0	417,349
Regional Planning Commission	332,800	253,845
Major Enterprise Fund:		
Nursing Home	1,000,000	39,839
Nonmajor Governmental Funds (aggregate)	2,153,950	3,365,525
Internal Service Funds (aggregate)	0	0
Total – All Funds	5,294,856	5,294,856

In FY2009, total interfund transfers in, $5,294,856, equal total transfers out, $5,294,856. Under the budgetary basis, transfers in and out are not equal due to the deferral of a portion of the transfer into the Regional Planning Commission Fund from the Regional Planning Commission Economic Development Loan Fund. CDAP and CSBG grant provisions require that investment interest earned plus a portion of loan repayments received under certain loan programs be placed in escrow to be used to pay the costs of administering these loan programs. Transfers out of the RPC Economic Development Loan Fund put the money into escrow. The money is taken out of escrow and reflected as a transfer into the Regional Planning Commission Fund only as it is needed to cover actual administrative costs incurred. Thus, the discrepancy between transfers in and transfers out is due to the amount remaining in escrow (deferred) until such time as there are costs incurred against which to match it. While this escrow account will continue to be reported in this way under the budgetary basis, the GAAP basis statements have this difference adjusted out. The adjustment made for the fiscal year ended November 30, 2009 was a $22,152 increase in the transfers into the Regional Planning Commission Fund.

Interfund transfers in/out include grant matches, interfund subsidies and transfers into debt service and construction funds. Some significant transfers include $1,000,000 from the General Corporate Fund to the Nursing Home Fund to forgive outstanding interfund loans; $417,349 from the County Motor Fuel Tax Fund to the Highway Facility Construction Fund to cover the costs of constructing a highway fleet maintenance facility; $95,517 from the General Corporate Fund and $106,433 from the County Highway Fund to the Highway Facility Bond Debt Service Fund to cover bond principal and interest payments; $1,015,625 from the Public Safety Sales Tax Fund to the Jail Bond Debt Service Fund to cover bond principal and interest payments; $1,208,900 from the Public Safety Sales Tax Fund to the General Corporate Fund to cover utilities and building maintenance costs for public safety facilities and partially fund law enforcement salaries; $225,684 from the Public Safety Sales Tax Fund to the Delinquency Prevention Grant Fund to finance juvenile delinquency prevention grants; and $161,000 from the Probation Services Fund to the General Corporate Fund to help cover deficit operations.

NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends to various County officials during FY2009. These payments made by the state on behalf of the County were reported as intergovernmental revenues and salaries expenditures in the General Fund in the amount of $42,000.

NOTE 15 – COMPENSATED ABSENCES PAYABLE

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and personal time, which is attributable to services already rendered and is not contingent upon events outside the control of the employer or employee, such as illness. Liabilities and the related expense for compensated absences payable are reported in the government-wide statements and are based on pay rates in effect at November 30 and include the County's share of social security and medicare taxes. The Nursing Home Enterprise Fund recognizes expense and accrues fund liabilities for vacation and personal time benefits in the period in which they are earned. For governmental funds, the cost of these benefits and the related liabilities are recognized in the fund only when they become currently payable, due to employees using benefit time or terminating employment. Compensated absences payable for the governmental activities are liquidated by the various governmental funds which pay employee salaries, such as the General Fund, Regional Planning Commission Fund, Head Start Fund, County Highway Fund, Animal Control Fund and Mental Health Fund.

Changes in compensated absences payable for the fiscal year ended November 30, 2009 are as follows:

	Nov. 30, 2008 Balance	FY 2009 Additions	FY 2009 Deductions	Nov. 30, 2009 Balance	To Be Paid Within 1 Year
Governmental Activities	$2,674,179	$2,421,364	($2,328,225)	$2,767,318	$2,767,318
Business-Type Activities	381,972	478,022	(477,189)	382,805	382,805

NOTE 16 – RISK FINANCING

A. WORKERS' COMPENSATION SELF-FUNDED INSURANCE

In January, 1986, the County established a self-funded workers' compensation insurance plan, which is being accounted for in an internal service fund, the Self-Funded Insurance Fund. The plan is administered by an independent company. The County's risk retention is $250,000 per individual per claim. Commercial insurance has been purchased for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Actual claims paid in fiscal year 2009, net of insurance reimbursements, were $541,591. GASB Statement No. 10 requires that a liability for claims be reported if the liability is both probable and estimable. The estimated amount of unpaid claims that were incurred and reported is determined by the independent plan administrator, but the plan administrator does not include incurred-but-not-reported claims (IBNR) in its calculation. Instead, based on an actuarial study performed as of November 30, 2007, the liability for estimated (undiscounted) claims payable (including IBNR) at November 30, 2009 was projected to be $2,007,034. Changes in the liability for estimated workers' compensation claims payable for the last two fiscal years are as follows:

Fiscal Year Ending November 30	Claims Liability Beginning of Year	Claims Incurred & Changes in Estimates	Net Claims Paid	Claims Liability End of Year	Expected To Be Paid Within 1 Year
2008	$1,398,255	$1,013,048	($479,649)	$1,931,654	$655,267
2009	1,931,654	616,971	(541,591)	2,007,034	670,115

NOTE 16 – RISK FINANCING (continued)

B. LIABILITY/AUTO SELF-FUNDED INSURANCE

The County began self-funding liability and auto insurance in FY94 through the Self-Funded Insurance (Internal Service) Fund. The plan is administered by an independent company. The County's risk retention is $250,000 per occurrence. Commercial insurance has been purchased for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Actual claims paid in fiscal year 2009, net of insurance reimbursements, were $126,180. GASB Statement No. 10 requires that a liability for claims be reported if the liability is both probable and estimable. Per an actuarial study performed as of November 30, 2007, the liability for estimated (undiscounted) claims payable (including IBNR) at November 30, 2009 was projected to be $726,566. Changes in the liability for estimated liability/auto claims payable for the last two fiscal years are as follows:

Fiscal Year Ending November 30	Claims Liability Beginning of Year	Claims Incurred & Changes in Estimates	Net Claims Paid	Claims Liability End of Year	Expected To Be Paid Within 1 Year
2008	$462,005	$361,799	($200,368)	$623,436	$171,734
2009	623,436	229,310	(126,180)	726,566	195,002

C. OTHER FULLY-INSURED RISKS

Commercial insurance, with varying deductible amounts, has been purchased for all other risks of loss, such as property damage, boiler and machinery, Nursing Home medical malpractice, and public official bonds. Unemployment compensation is fully insured through the State of Illinois. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

The County provides employee health benefits in the form of set contributions toward medical and life insurance premiums. The employee is responsible for the balance of the premium amount as well as for any deductibles or co-payments. Risk of loss related to employee health benefits is borne by the employee and the insurance company or health maintenance organization; the County is at no risk of loss.

NOTE 17 – SHORT TERM DEBT

A. TAX ANTICIPATION WARRANTS – BUSINESS-TYPE ACTIVITIES

In December 2008, the County Nursing Home issued short term debt in anticipation of property tax revenues to be received in May-November, 2009. The purpose for issuing this debt was to be able to pay operating expenses of the Nursing Home prior to receipt of property tax revenues.

Series 2008A and 2008B Tax Anticipation Warrants $780,000;
due in 2 installments: July 15, 2009 and December 15, 2009;
interest rate at 3.20%;

Balance outstanding at November 30, 2008	$0
Warrants issued in FY2009	$780,000
Warrant interest payments made in FY 2009	$15,520
Warrant principal payments made in FY 2009	$780,000
Balance outstanding at November 30, 2009	$0

NOTE 18 – LONG TERM DEBT

A. GENERAL OBLIGATION BONDS – GOVERNMENTAL ACTIVITIES

1999 Series Public Safety Sales Tax Bonds: $23,800,000;
due in 29 annual installments from 2001 to 2029;
interest rates at 3.85% to 8.25%;
$17,660,000 refunded (in-substance defeasance) in FY 2005;
remaining annual installments due through 2023;

Balance outstanding at November 30, 2008	$5,140,000
Bond interest payments made in FY 2009	$406,795
Bond principal payments made in FY 2009	$290,000
Balance outstanding at November 30, 2009	$4,850,000

2000 Series Public Safety Sales Tax Bonds: $4,997,290;
due in 15 annual installments from 2004 to 2018;
interest rates at 5.250% to 7.125%;
$1,370,000 refunded (in-substance defeasance) in FY 2004;
remaining annual installments due through 2018;

Balance outstanding at November 30, 2008	$3,133,675
Bond interest payments made in FY 2009	$88,640
Bond principal payments made in FY 2009	$141,360
Balance outstanding at November 30, 2009	$2,992,315

2003 Series Nursing Home Construction Bonds: $19,925,000;
due in 19 annual installments from 2004 to 2022;
interest rates at 2.000% to 5.250%;
$282,535 bond premium amortized over 19 years 3 months;
$207,535 bond issuance costs amortized over 19 years 3 months;
$8,055,000 refunded (in-substance defeasance) in FY 2005;
remaining annual installments due through 2022;

Balance outstanding at November 30, 2008	$8,045,000
Bond interest payments made in FY 2009	$327,778
Bond principal payments made in FY 2009	$875,000
Balance outstanding at November 30, 2009	$7,170,000

2004A Series Jail Construction Refunding Bonds: $4,780,000;
due in 6 annual installments from 2005 to 2010;
interest rates at 2.000% to 2.750%;
$50,935 bond premium amortized over 5 years 9 months;
$67,179 bond issuance costs amortized over 5 years 9 months;
$363,756 deferred charge on refunding amortized over 5 years 9 months;

Balance outstanding at November 30, 2008	$1,830,000
Bond interest payments made in FY 2009	$35,625
Bond principal payments made in FY 2009	$980,000
Balance outstanding at November 30, 2009	$850,000

NOTE 18 – LONG TERM DEBT (continued)

2004B Series Public Safety Refunding Bonds: $1,520,000;
due in 8 annual installments from 2005 to 2012;
interest rates at 1.500% to 3.650%;
$27,549 bond premium amortized over 7 years 9 months;
$20,103 bond issuance costs amortized over 7 years 9 months;
$157,446 deferred charge on refunding amortized over 7 years 9 months;

Balance outstanding at November 30, 2008	$1,445,000
Bond interest payments made in FY 2009	$48,100
Bond principal payments made in FY 2009	$20,000
Balance outstanding at November 30, 2009	$1,425,000

2005A Series Nursing Home Construction Refunding Bonds: $7,425,000;
due in 14 annual installments from 2006 to 2019;
interest rates at 3.000% to 5.250%;
$819,046 bond premium amortized over 13 years 7 months;
$92,642 bond issuance costs amortized over 13 years 7 months;
$96,404 deferred charge on refunding amortized over 13 years 7 months;

Balance outstanding at November 30, 2008	$7,300,000
Bond interest payments made in FY 2009	$376,162
Bond principal payments made in FY 2009	$0
Balance outstanding at November 30, 2009	$7,300,000

2005B Series Public Safety Refunding Bonds: $18,440,000;
due in 24 annual installments from 2006 to 2029;
interest rates at 3.000% to 5.250%;
$526,639 bond premium amortized over 23 years 7 months;
$235,198 bond issuance costs amortized over 23 years 7 months;
$1,071,441 deferred charge on refunding amortized over 23 years 7 months;

Balance outstanding at November 30, 2008	$18,030,000
Bond interest payments made in FY 2009	$834,031
Bond principal payments made in FY 2009	$0
Balance outstanding at November 30, 2009	$18,030,000

2006 Series IMRF Early Retirement Obligation Taxable Bonds: $2,450,000;
due in 7 annual installments from 2008 to 2014;
interest rates at 4.920% to 5.100%;
$0 bond premium amortized over 7 years 11 months;
$38,151 bond issuance costs amortized over 7 years 11 months;

Balance outstanding at November 30, 2008	$2,150,000
Bond interest payments made in FY 2009	$99,940
Bond principal payments made in FY 2009	$315,000
Balance outstanding at November 30, 2009	$1,835,000

NOTE 18 – LONG TERM DEBT (continued)

2006A Series Nursing Home Construction Bonds: $4,000,000;
due in 19 annual installments from 2008 to 2026;
interest rates at 3.950% to 5.500%;
$52,459 bond premium amortized over 19 years 4 months;
$52,459 bond issuance costs amortized over 19 years 4 months;

Balance outstanding at November 30, 2008	$3,860,000
Bond interest payments made in FY 2009	$159,893
Bond principal payments made in FY 2009	$145,000
Balance outstanding at November 30, 2009	$3,715,000

2007A Series Public Safety Sales Tax Bonds: $5,955,000;
due in 19 annual installments from 2009 to 2027;
interest rates at 3.800% to 5.000%;
$117,468 bond premium amortized over 19 years 2 months;
$72,468 bond issuance costs amortized over 19 years 2 months;

Balance outstanding at November 30, 2008	$5,955,000
Bond interest payments made in FY 2009	$254,889
Bond principal payments made in FY 2009	$200,000
Balance outstanding at November 30, 2009	$5,755,000

2007B Series Highway Facility Construction Bonds: $1,480,000;
due in 9 annual installments from 2009 to 2017;
interest rate at 4.250%;
$41,422 bond premium amortized over 9 years 2 months;
$21,422 bond issuance costs amortized over 9 years 2 months;

Balance outstanding at November 30, 2008	$1,480,000
Bond interest payments made in FY 2009	$59,925
Bond principal payments made in FY 2009	$140,000
Balance outstanding at November 30, 2009	$1,340,000

2009 Bond Transactions – Governmental Activities

Bonds payable November 30, 2008	$58,368,675
Bonds issued in FY 2009	$0
Bonds retired in FY 2009	($3,106,360)
Bonds payable November 30, 2009	$55,262,315

NOTE 18 – LONG TERM DEBT (continued)

Annual Debt Service Requirements for Bonds

Annual bond debt service requirements, listed by fund from which repayments are made, are as follows:

	Governmental Activities								
	Debt Service Funds		Public Safety Sales Tax Fund		Illinois Municipal Retirement Fund		General Corporate Fund		Total Debt Service
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Requirement
2010	$1,900,000	$739,440	$755,558	$1,628,780	$330,000	$84,023	$155,000	$153,705	$5,746,506
2011	1,085,000	688,115	980,000	1,487,785	350,000	67,175	160,000	147,208	4,965,283
2012	1,130,000	645,212	1,810,000	1,435,466	365,000	49,316	165,000	140,505	5,740,499
2013	1,065,000	597,021	1,250,415	2,075,573	385,000	30,396	170,000	133,596	5,707,001
2014	1,105,000	544,027	1,313,322	2,093,606	405,000	10,327	180,000	126,378	5,777,660
2015	1,175,000	488,321	1,439,962	2,039,314	--	--	185,000	117,578	5,445,175
2016	1,215,000	428,634	1,490,492	2,036,715	--	--	195,000	107,128	5,472,969
2017	1,280,000	365,040	1,550,859	2,030,923	--	--	210,000	97,618	5,534,440
2018	1,145,000	302,359	1,606,707	1,998,372	--	--	215,000	89,224	5,356,662
2019	1,205,000	240,671	1,275,000	1,105,250	--	--	225,000	80,478	4,131,399
2020	1,385,000	175,800	1,350,000	1,025,614	--	--	235,000	71,278	4,242,692
2021	1,450,000	107,760	1,490,000	923,276	--	--	245,000	61,616	4,277,652
2022	1,520,000	36,480	1,640,000	809,445	--	--	255,000	51,428	4,312,353
2023	--	--	1,800,000	683,376	--	--	265,000	40,734	2,789,110
2024	--	--	2,000,000	569,176	--	--	275,000	29,597	2,873,773
2025	--	--	2,140,000	469,598	--	--	285,000	18,047	2,912,645
2026	--	--	2,290,000	362,708	--	--	295,000	6,084	2,953,792
2027	--	--	2,450,000	253,136	--	--	--	--	2,703,136
2028	--	--	2,140,000	150,750	--	--	--	--	2,290,750
2029	--	--	2,280,000	51,300	--	--	--	--	2,331,300
	16,660,000	5,358,880	33,052,315	23,230,163	1,835,000	241,237	3,715,000	1,472,202	85,564,797

At November 30, 2009, $1,746,966 was available in the Debt Service Funds, $1,838,179 was available in reserved fund balance in the Public Safety Sales Tax Special Revenue Fund, $432,294 was available in reserved fund balance in the IMRF Special Revenue Fund, and $267,241 was available in reserved fund balance in the General Corporate Fund to meet debt service requirements.

B. INTERGOVERNMENTAL LOANS PAYABLE – GOVERNMENTAL ACTIVITIES

1995 loan from the Regional Planning Commission: $1,050,000;
for the purpose of buying and remodeling the Brookens Administration Building;
to be repaid over 20 years in monthly payments of $4,375
at 0% interest from June 1996 through June 2016;

Balance outstanding at November 30, 2008	$391,563
Loan principal payments made in FY 2009	$52,500
Balance outstanding at November 30, 2009	$339,063

NOTE 18 – LONG TERM DEBT (continued)

2009 Intergovernmental Loan Transactions – Governmental Activities

Loans payable November 30, 2008	$391,563
New loans incurred in FY 2009	$0
Loan principal payments made in FY 2009	($52,500)
Loans payable November 30, 2009	$339,063

Annual Debt Service Requirements for Intergovernmental Loans

Annual debt service requirements, listed by fund from which repayments are made, are as follows:

Fiscal Year	Governmental Activities General Corporate Fund Principal
2010	$52,500
2011	52,500
2012	52,500
2013	52,500
2014	52,500
2015	52,500
2016	24,063
	339,063

C. SUMMARY OF CHANGES IN LONG TERM LIABILITIES

	Nov. 30, 2008 Balance	FY 2009 Additions	FY 2009 Deductions	Nov. 30, 2009 Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$58,368,675	$0	($3,106,360)	$55,262,315	$3,140,558
Unamortized Bond Premium	1,468,891	0	(123,080)	1,345,811	0
Deferred Amount on Refunding	(1,115,164)	0	136,107	(979,057)	0
Total Bonds Payable	58,722,402	0	(3,093,333)	55,629,069	3,140,558
Intergovernmental Loans	391,563	0	(52,500)	339,063	52,500
Net OPEB Liability	0	627,524	(205,945)	421,579	227,160
Estimated Claims Payable	2,555,090	846,281	(667,771)	2,733,600	865,117
Total Governmental Activities	61,669,055	1,473,805	(4,019,549)	59,123,311	4,285,335
Business-Type Activities:					
Net OPEB Liability	$0	$121,312	($37,457)	$83,855	$43,914
Total Business-Type Activities	0	121,312	(37,457)	83,855	43,914

Long term liabilities for estimated claims payable are liquidated by the Self-Funded Insurance (Internal Service) Fund. The internal service funds primarily serve the governmental funds, and, thus, the related long term liabilities are included with the governmental activities above.

NOTE 19 – REFUNDING BONDS AND DEFEASED DEBT

A. DEFEASED DEBT

(1) 2000 Public Safety Bonds. In 2004, the 2000 Public Safety Bonds were advance refunded, with an irrevocable trust established to provide for all future debt service payments on the old bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. $1,370,000 of defeased 2000 Public Safety Bonds were still outstanding at November 30, 2009.

(2) 2003 Nursing Home Construction Bonds. In 2005, the 2003 Nursing Home Construction Bonds were advance refunded, with an irrevocable trust established to provide for all future debt service payments on the old bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. $8,055,000 of defeased 2003 Nursing Home Construction Bonds were still outstanding at November 30, 2009.

(3) 1999 Public Safety Bonds. In 2005, the 1999 Public Safety Bonds were advance refunded, with an irrevocable trust established to provide for all future debt service payments on the old bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. $17,660,000 of defeased 1999 Public Safety Bonds were retired by the trust on January 2, 2009, leaving no defeased bonds still outstanding at November 30, 2009.

NOTE 20 – RESERVED, DESIGNATED AND DEFICIT FUND EQUITY

A. RESERVED

(1) The fund balance of the General Corporate Fund was reserved at November 30, 2009 for debt service in the amount of $267,241. The 2006A Nursing Home Construction Alternate Revenue Source General Obligation Bonds and part of the 2007B Highway Facility Construction Alternate Revenue Source General Obligation Bonds are being repaid out of general sales taxes collected monthly in the general fund. The bond ordinances require that a specified portion of the monthly sales tax receipts be set aside to cover the semi-annual bond interest and principal payments. The reserved fund balance being held in the General Corporate Fund represents $267,241 available to meet debt service requirements.

(2) At November 30, 2009, the Public Safety Sales Tax (Special Revenue) Fund's fund balance was reserved for debt service in the amount of $1,838,179. Public Safety Sales Tax Alternate Revenue Source General Obligation Bonds are being repaid out of public safety sales taxes collected monthly in this special revenue fund. The bond ordinances require that a specified portion of the monthly sales tax receipts be set aside to cover the semi-annual bond interest and principal payments. The reserved fund balance being held in the Public Safety Sales Tax Fund represents $1,838,179 available to meet debt service requirements.

(3) At November 30, 2009, the Illinois Municipal Retirement (Special Revenue) Fund's fund balance was reserved for debt service in the amount of $432,294. The IMRF Early Retirement Obligation Alternate Revenue Source Taxable General Obligation Bonds are being repaid out of property taxes and interfund billings collected in this special revenue fund. The bond ordinance requires that sufficient funds be set aside to cover the semi-annual bond interest and principal payments. The reserved fund balance being held in the Illinois Municipal Retirement Fund represents $432,294 available to meet debt service requirements.

(4) The fund balance of the Regional Planning Commission (Special Revenue) Fund was reserved at November 30, 2009 for a long term interfund advance in the amount of $197,500. Fund balance is reserved for long term receivables in governmental funds because they are not available current financial resources.

(5) At November 30, 2009, $5,132,289 of the fund balance of the Regional Planning Commission Economic Development Loan (Special Revenue) Fund was reserved for long term program loans receivable. Fund balance is reserved in governmental funds for long term receivables that are not available current financial resources.

NOTE 20 – RESERVED, DESIGNATED AND DEFICIT FUND EQUITY (continued)

B. DESIGNATED

Designations of fund balance are not legally required segregations, but rather reflect managerial intent. There were no designations of fund balance as of November 30, 2009.

C. DEFICIT

As of November 30, 2009, the following funds had deficit fund equity:

Victim Advocacy Grant Special Revenue Fund ($7,104)
Tort Immunity Special Revenue Fund ($308,333)
Self-Funded Insurance Internal Service Fund ($1,292,957)

NOTE 21 – RESTRICTED NET ASSETS

The government-wide statement of net assets reports restricted net assets of $33,416,535. Of this amount, $20,330,764 is externally restricted by state statutes, $7,872,608 is restricted by grantor/donor stipulations, and $5,213,163 is restricted by bond covenants.

NOTE 22 - DEFINED BENEFIT PENSION PLAN

The most current information available is for the plan year ended December 31, 2009 and is in accordance with GASB Statement 27 as amended by GASB Statement 50.

The County's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County participates in three separate plans under IMRF: Regular Employees, Sheriff's Law Enforcement Personnel (SLEP), and Elected County Officials (ECO). IMRF is an agent multiple-employer pension plan. Benefit provisions are established by state 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 state statute, Regular plan members are required to contribute 4.50% of their annual covered salary; Sheriff's Law Enforcement Personnel contribute 7.50%; and participating Elected County Officials contribute 7.50%. State statutes require the employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2009 was 6.88% of covered payroll for Regular, 16.82% of covered payroll for SLEP and 70.42% of covered payroll for ECO. The employer 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 state statute.

Annual Pension Cost. For 2009, the County's annual pension cost of $1,799,719 for Regular, $1,226,148 for SLEP and $207,948 for ECO was equal to the County's required and actual contributions. The required contributions for 2009 were determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funding Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date:
(a) The Regular plan was 82.57% funded. The actuarial accrued liability for benefits was $53,500,086 and the actuarial value of assets was $44,176,805, resulting in an underfunded actuarial accrued liability of $9,323,281. Covered payroll (annual payroll of active employees covered by the plan) was $26,158,707 and the ratio of the underfunded actuarial accrued liability to covered payroll was 36%.
(b) The SLEP plan was 60.44% funded. The actuarial accrued liability for benefits was $26,483,458 and the actuarial value of assets was $16,007,648, resulting in an underfunded actuarial accrued liability of $10,475,810. Covered payroll was $7,289,821 and the ratio of the underfunded actuarial accrued liability to covered payroll was 144%.
(c) The ECO plan was -34.85% funded. The actuarial accrued liability for benefits was $1,599,457 and the actuarial value of assets (liability) was $(557,459), resulting in an underfunded actuarial accrued liability of $2,156,916. Covered payroll was $295,297 and the ratio of the underfunded actuarial accrued liability to covered payroll was 730%.

In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

NOTE 22 - DEFINED BENEFIT PENSION PLAN (continued)

The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

THREE-YEAR TREND INFORMATION

Year Ending	Annual Pension Cost	% of Annual Pension Cost Contributed	Net Pension Obligation
REGULAR NON-SLEP PERSONNEL			
12/31/09	$1,799,719	100%	$0
12/31/08	$1,767,196	100%	$0
12/31/07	$1,782,521	100%	$0
SHERIFF'S LAW ENFORCEMENT PERSONNEL			
12/31/09	$1,226,148	100%	$0
12/31/08	$1,173,265	100%	$0
12/31/07	$1,111,537	100%	$0
ELECTED COUNTY OFFICIALS			
12/31/09	$207,948	100%	$0
12/31/08	$209,159	100%	$0
12/31/07	$183,785	100%	$0

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (Liability)	Actuarial Accrued Liability - Entry Age -	Underfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfunded AAL as % of Covered Payroll
REGULAR NON-SLEP PERSONNEL						
12/31/09	$44,176,805	$53,500,086	$9,323,281	82.57%	$26,158,707	35.64%
12/31/08	$42,475,045	$48,399,058	$5,924,013	87.76%	$24,010,812	24.67%
12/31/07	$50,597,183	$45,210,572	($5,386,611)	111.91%	$22,852,834	-23.57%
SHERIFF'S LAW ENFORCEMENT PERSONNEL						
12/31/09	$16,007,648	$26,483,458	$10,475,810	60.44%	$7,289,821	143.70%
12/31/08	$15,055,718	$24,308,874	$9,253,156	61.94%	$6,938,290	133.36%
12/31/07	$17,731,689	$22,745,229	$5,013,540	77.96%	$6,732,508	74.47%
ELECTED COUNTY OFFICIALS						
12/31/09	($557,459)	$1,599,457	$2,156,916	-34.85%	$295,297	730.42%
12/31/08	($892,488)	$1,322,575	$2,215,063	-67.48%	$257,808	859.19%
12/31/07	($618,094)	$1,321,773	$1,939,867	-46.76%	$216,243	897.08%

Regular Non-SLEP Personnel: * On a market value basis, the actuarial value of assets as of December 31, 2009 was $42,620,762. On a market basis, the funded ratio would be 79.66%.

Sheriff's Law Enforcement Personnel: * On a market value basis, the actuarial value of assets as of December 31, 2009 was $15,325,012. On a market basis, the funded ratio would be 57.87%.

Elected County Officials: * On a market value basis, the actuarial value of assets as of December 31, 2009 was ($586,087). On a market basis, the funded ratio would be -36.64%.

NOTE 23 – OTHER POST-EMPLOYMENT BENEFITS

The County provides post-employment benefits other than pensions through a single-employer defined-benefit OPEB plan offering continuing coverage under the County's group health insurance plan for retirees and their dependents. The retirees pay the entire amount of their premiums for this coverage; however, the premium is a blended rate based on the cost of healthcare benefits for younger active employees along with retirees. Thus, the premiums paid by retirees are lower than the true cost of their healthcare benefits, resulting in the retirees receiving an "implicit rate subsidy."

While the County is committed to providing these benefits to retirees, there is no formal written plan and no stand-alone financial report for the plan exists.

GASB Statement No. 45 considers other post-employment benefits to be part of the compensation that is paid to employees for their services and the cost of these benefits should be recognized while the employees are providing their services, rather than after they've retired. The County first implemented GASB Statement No. 45 and began reporting the annual OPEB cost and net OPEB liability for the retiree health insurance rate subsidy for the fiscal year ended November 30, 2009.

Funding Policy. Retirees pay the full amount of the blended premiums, as determined by the group health insurance company. The retiree contribution rates for 2009 ranged from $148 to $985 per month, depending on coverage level chosen. The County's contribution is in the form of higher premiums paid for active employees that subsidize the cost of the retirees' health insurance. The plan is financed on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The annual OPEB cost includes the cost of benefits earned in the current year plus an amortized amount for past service costs, interest accrued on any prior net OPEB obligation, and adjustments for prior underpayments. A net OPEB obligation arises when employer contributions to the plan are less than the annual OPEB cost. This obligation is being reported starting with fiscal year ended November 30, 2009, upon initial implementation of GASB Statement No. 45. Based on an actuarial valuation performed in October 2008, the County's annual OPEB cost for the fiscal year ended November 30, 2009 was calculated as $748,836 with $121,312 attributable to business-type activities and $627,524 attributable to governmental activities. County contributions made in FY2009 totaled $243,402 with $37,457 attributable to business-type activities and $205,945 attributable to governmental activities. The net OPEB obligation at November 30, 2009 was $505,434 with $83,855 attributable to business-type activities and $421,579 attributable to governmental activities.

	Total FYE 11/30/09	Governmental Activities	Business-Type Activities
Annual Required Contribution	$748,836	$627,524	$121,312
Interest on Prior Net OPEB Obligation	0	0	0
Adjustment for Prior Underpayments	0	0	0
Annual OPEB Cost	748,836	627,524	121,312
Employer Contributions	(243,402)	(205,945)	(37,457)
Increase (Decrease) in Net OPEB Oblig.	505,434	421,579	83,855
Beginning Net OPEB Obligation	0	0	0
Ending Net OPEB Obligation	505,434	421,579	83,855

NOTE 23 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Three-Year Trend Information

Year Ending	Annual OPEB Cost	% of OPEB Cost Contributed	Net OPEB Obligation
11/30/2009	$748,836	32.50%	$505,434
11/30/2008	(not available)	(not available)	(not available)
11/30/2007	(not available)	(not available)	(not available)

Funding Status and Funding Progress. Plan benefits are paid on a pay-as-you-go basis. The entire actuarial accrued liability of $6,723,230 is unfunded. Actuarial accrued liability is different from net OPEB Obligation in that it includes the present value of accrued benefits under the plan and not just the accumulated unpaid annual costs since the implementation of GASB Statement No. 45.

The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Since FY2009 was the first year of implementation, information for the preceding two years is not available.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded AAL as % of Covered Payroll
11/30/2009	$0	$6,723,230	$6,723,230	0%	N/A	N/A
11/30/2008	(not available)	(not available)	(not available)	(not available)	(not available)	(not available)
11/30/2007	(not available)	(not available)	(not available)	(not available)	(not available)	(not available)

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of amounts and assumptions about future events that are subject to continual revision over time. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and the plan members to that point. Actuarial calculations reflect a long-term perspective.

The actuarial cost method used for the 11/30/2009 valuation was the projected unit credit cost method. Significant assumptions used in the valuation were: (a) 3.25% discount rate; (b) healthcare cost trend rates of varying amounts for future years, starting with 6.20% for 2010 and ending with 4.00% for 2079 and later; (c) 25% of active participants retiring before age 65 will elect coverage; (d) 5% of active participants retiring at or after age 65 will elect post-Medicare coverage; and (e) 20% of active participants will elect spouse coverage at retirement. The unfunded accrued liability is being amortized over 30 years using the level dollar method.

NOTE 24 – JOINT VENTURES

A. METROPOLITAN COMPUTER AIDED DISPATCH (METCAD)

On December 1, 1981, Champaign County entered into an intergovernmental agreement with the City of Champaign, the City of Urbana and the University of Illinois for the purpose of operating an emergency response computer aided dispatching service (METCAD), which had been created by the other three participants in 1979. Each of the four member agencies designates 2 representatives, an administrative representative and a public safety (police or fire department) representative, to serve on the METCAD Policy Board. In addition, the Policy Board includes two rural representatives, one from a non-member police agency and one from a non-member fire agency.

While representation on the Policy Board is equal among the member agencies, the funding of operating expenses is based on a formula which considers the proportional number of calls received for each agency. Each member agency holds an equity interest in METCAD capital assets according to the proportion of funding for METCAD operations provided by each member agency since May 1, 1979. These proportions will vary slightly from year to year. At June 30, 2009 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 17.01%, or $1,757,671, which is reported in the Statement of Net Assets as an investment in joint venture. The net increase of $100,484 over the amount reported for June 30, 2008, is reported in the Statement of Activities under program revenues for justice and public safety.

A copy of the separate audited financial statements for METCAD may be obtained from the City of Champaign Finance Department, 102 N. Neil Street, Champaign, IL 61820. Summary financial information for METCAD for the fiscal year ended June 30, 2009 is provided below.

Financial Position as of June 30, 2009	
Total Assets	$11,149,299
Total Liabilities	$816,135
Net Assets	$10,333,164

Results of Operations for Fiscal Year Ending June 30, 2009	
Total Revenues	$4,157,618
Total Expenses	$3,521,278
Change in Net Assets	$636,340
Beginning Net Assets	$9,696,824
Ending Net Assets	$10,333,164

NOTE 24 – JOINT VENTURES (continued)

B. GEOGRAPHIC INFORMATION SYSTEM CONSORTIUM

On August 20, 2002, Champaign County entered into an intergovernmental agreement with the City of Champaign, the City of Urbana, the University of Illinois, the Village of Rantoul, the Village of Savoy and the Village of Mahomet for the purpose of developing and operating a countywide geographic information system (GIS). The GIS Consortium's fiscal year runs from July 1 to June 30, with Champaign County as the lead agency. Each of the seven member agencies designates one voting representative to serve on the GIS Policy Committee. In addition, the Policy Committee includes one non-voting representative of small or specialized governmental users and one non-voting representative of the non-governmental sector.

While representation on the Policy Committee is equal among the member agencies, the funding of operating expenses is based on a cost-sharing formula established by the members. Each member agency holds an equity interest in the GIS Consortium's assets in the same proportion as the funding provided by each member agency since the Consortium's inception. These proportions will vary from year to year. At June 30, 2009 (the latest year end for the GIS Consortium), Champaign County's equity interest share was 64.12%, totaling $68,272, which is reported in the Statement of Net Assets as an investment in joint venture. The net increase of $28,928 in the County's share of equity for the year ended June 30, 2009 is reported in the Statement of Activities under program revenues for development.

Separate audited financial statements of the GIS Consortium may be obtained from the Champaign County Regional Planning Commission, 1776 E. Washington, Urbana, IL 61802. Summary financial information for the fiscal year ended June 30, 2009 is presented below.

Financial Position as of June 30, 2009	
Total Assets	$123,992
Total Liabilities	$17,517
Net Assets	$106,475

Results of Operations for Fiscal Year Ending June 30, 2009	
Total Revenues	$436,140
Total Expenses	$390,287
Change in Net Assets	$45,853
Beginning Net Assets	$60,622
Ending Net Assets	$106,475

NOTE 25 – CONTINGENT LIABILITIES

The County is a defendant in several lawsuits and notices of claims, which are being defended by the County and its insurance representatives. It is believed that the County's ultimate liability from these suits, after applicable insurance coverage, will not have a material effect on the financial statements.

NOTE 26 – COMMITMENTS

After a decade of ambitious construction projects, Champaign County appears to be at or near completion on all major building projects. As of November 30, 2009, the County had several ongoing road projects and was wrapping up work on the major facility projects:

A. COUNTY NURSING HOME BUILDING

In the fall of 2002, Champaign County made the commitment to build a new nursing home. The nursing home complex was estimated to cost $20 million. The County issued $20 million in general obligation bonds in February 2003 to fund the construction costs of the project. The funding source to repay the bonds is a $0.07 property tax increase, which was passed by Champaign County voters in November 2002.

During the construction process, in March of 2005, mold was discovered on wooden structures within the partially completed Nursing Home facility. Near the end of construction, problems were discovered with the HVAC system of the facility. Corrective actions were taken to address both of these situations, adding significantly to the cost of the overall construction project. Another $4 million in general obligation bonds were issued in 2006 to cover these additional costs.

As of November 30, 2009, the County had completed construction on the new facility, spending a total of just over $22.5 million over the lifetime of the project.

B. COURTHOUSE COMPLEX

In the fall of 1998, Champaign County voters elected to remodel the existing courthouse and to construct a new 90,000 square foot courtroom complex next to the existing courthouse. The courthouse/courts complex was estimated to cost $27 million, funded by bonds issued in May 1999 and February 2000. The funding source to repay the bonds is a ¼ cent sales tax for public safety that was approved by the Champaign County voters in November 1998. Construction of the 90,000 square foot addition and remodeling of the old courthouse has been completed and departments moved in.

(1) Clock Tower Renovation

In 2001, the County Board appointed a committee of private citizens and county board members to look into repair and replacement of the old courthouse clock tower. The tower had not been included in the $27 million project, and subsequent to completion of the Courthouse complex, structural deficiencies were discovered in the tower, necessitating its complete demolition and reconstruction. In March of 2007 the County Board contracted with an architectural firm for the project, and in March of 2008, the Board contracted with a construction firm for the sum of $5.9 million, to cover the costs of tearing down the tower and rebuilding to its present height. A citizen's group was formed to raise private funds to pay to further raise the tower to its original height of 130 ft. By November 30, 2009, the tower was complete.

(2) Masonry Stabilization & Restoration

During remodeling of the old courthouse, contractors discovered extensive damage to the structure's brick, stone and mortar façade. In March of 2007, the County Board entered into a contract with White & Borgognoni Architects, P.C. to complete the exterior masonry stabilization and restoration of the original courthouse facility, along with the exterior of the new clock tower. In March of 2008, the Board contracted with Roessler Construction

NOTE 26 – COMMITMENTS (continued)

to begin the demolition and masonry work. The cost of the project was originally estimated at $6.7 million, with change orders increasing the cost to $6.9 million. As of November 30, 2009, $6.4 million had been expended, with a balance of $558,631 in outstanding contractual obligations.

C. HIGHWAY FLEET MAINTENANCE FACILITY

In March 2005 the County approved construction of a new Highway Fleet Maintenance Facility. The project was estimated to cost just over $7 million. Construction began in the spring of 2007, and was completed early in 2009. As of November 30, 2009, the County had paid approximately $7,581,037 on this project.

D. MAJOR ROAD PROJECTS

The County Highway Department has four Special Revenue Funds with November 30, 2009 fund balances totaling $9.1 million. Much of those funds are committed to dozens of road and bridge projects. Current major projects with significant commitments include:

PROJECT	ORIGINAL COMMITMENT	EXPENDITURES PAID	OUTSTANDING COMMITMENT
Curtis Road (374-00-PV)	$1,822,406	$2,090,930	$268,524
Curtis Road (374-01-PV)	$3,020,004	$2,695,612	$324,392
CH. 22 (410-WR)	$103,112	$0	$103,112
Windsor Road (390-01-WR)	$2,000,000	$588,138	$1,411,862
CH. 18 (419-00-ES)	$278,448	$265,088	$13,360
CH. 18 (419-00-RS)	$500,000	$0	$500,000
CH. 18 (419-01-RS)	$3,000,000	$0	$3,000,000

Some of these are multiple year projects, with expenditures to be made through FY2010 and possibly FY2011.

NOTE 27 – SUBSEQUENT EVENTS

No events subsequent to November 30, 2009 are believed to have a material effect on the County's financial statements.

NOTE 28 - NURSING HOME FINANCIAL CONDITION

The Champaign County Nursing Home has for several years experienced financial challenges. During the prior five fiscal years, the following income or losses (GAAP basis) before transfers have been sustained:

2004	(769,602)
2005	(1,153,507)
2006	(1,306,766)
2007	(1,412,908)
2008	(1,817,447)
Total prior five year net losses before transfers	$ (6,423,588)

NOTE 28 - NURSING HOME FINANCIAL CONDITION (continued)

During the previous six years, the County Board has made several transfers to the Nursing Home Fund from the General Fund. By FY 2009, loans to the Nursing Home from various other County funds totaled $1.3 million. Each of these loans originally was made for a term of one year, and the County renewed each loan annually, due to the Nursing Home's inability to repay.

However, in August of 2009, the County Board voted to forgive $1,000,000 worth of loans owed by the Nursing Home to other County funds, including the general fund. In exchange, it was determined that the Nursing Home would take over the annual interest and principal payments on the bonds used to finance the HVAC re-design and mold remediation at the new Nursing Home facility, relieving the general fund of this cost.

Champaign County management and the County Board have spent a considerable amount of time in recent years addressing the problems at the Nursing Home. Two consulting engagements have been commissioned to help the Nursing Home management attempt to turn the situation around. A separate Nursing Home Board was established to provide further assistance to the Nursing Home Administrator, and on June 19, 2008, a 3-year management contract was approved to engage a firm to provide operational management of the Nursing Home. Under the new management structure, several seemingly positive changes have been made to the Nursing Home, with the aim of increasing patient census, reducing over-reliance on contract nursing, and generally improving the finances of the facility. To date, these changes have resulted in some improvements. The loss this year for the Nursing Home was significantly less than losses have been in recent years. However, the Nursing Home still had a deficit this year (of $244,327), and it remains unclear if the Nursing Home can meet its most current financial obligation to the County and the general fund.