

BOONE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

November 30, 2009

BOONE COUNTY, ILLINOIS
COUNTY BOARD MEMBERS AND
ELECTED OFFICIALS
Fiscal year ending November 30, 2009

BOARD MEMBERS

Bob Walberg, Chairman
Theresa Glass, Vice Chairman
Paul A. Larson
Kathy Hartwig
Marshall Newhouse
Daniel D. Anderson

Kenneth E. Freeman
Karl Johnson
Anthony Dini
Peggy Malone
Catherine Ward
Patrick B. Mattison

ELECTED OFFICIALS

Circuit Clerk
Coroner
County Clerk
Sheriff
State's Attorney
Treasurer

Nora Ohlsen
Rebecca Wigget
Pamela McCullough
Duane Wirth
Michelle Courier
Curtis Newport

BOONE COUNTY, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members
of the County Board
Boone County, Illinois
Belvidere, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Boone County, Illinois as of and for the year ended November 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Boone County, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Boone County, Illinois as of November 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 8, 2010, on our consideration of Boone County, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis that precedes the basic financial statements as well as the Schedule of Funding Progress for the Illinois Municipal Retirement Fund listed in the table of contents on page 45 and the Schedules of Revenues and Expenditures Compared with Budget on pages 46 through 63 both of which are listed in the table of contents as required supplementary information, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Boone County, Illinois taken as a whole. The schedules listed in the table of contents as "Other Supplementary Information" are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sindgeen, Calliban, Van Dordt & Co., Ltd

Freeport, Illinois
June 8, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

BOONE COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
November 30, 2009

As the Administrator responsible for preparing the budget for Boone County, Illinois, I offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Boone County, Illinois for the year ended November 30, 2009.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2009 and the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the financial statements, notes to the financial statements, and required and other supplementary information.

The County adopted the Fiscal Year 2009 annual budget on November 12, 2008 for December 1, 2008 - November 30, 2009.

Using This Financial Report

The financial section of this annual report consists of four parts - Independent Auditor's Reports (pages 1 - 2), required supplementary information which includes the MD&A (this section), the basic financial statements (pages 15 - 44), and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County: 1) Government-wide financial statements and 2) fund financial statements.

Government - Wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long term information about the County's overall financial status, similar to a private sector business. In the government-wide financial statements, the County's activities are shown in two categories - governmental and business-type activities. The County's basic services are general government, public safety, public works, health sanitation & welfare, judiciary & court related, and nursing center. These activities are largely financed with property taxes and state revenues.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. To assess the overall health of the County you need to consider additional non-financial factors such as the condition of the County's buildings and facilities.

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Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds - not the County as a whole. Funds are specific segregations of cash and accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the County is properly using certain revenues.

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

The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balances for all these funds. Five of these funds are considered major funds of the County. More detail of the individual revenues and expenditures for these funds is presented in the supplementary section of this report.

The County adopts annual budgets for a majority of the governmental funds. A budgetary comparison statement has been provided for the general and major special revenue funds only, which is in compliance with GASB Statement No. 34.

Another category of funds are proprietary funds. Proprietary funds are business enterprise funds and accounting practices must reflect the true revenue and expenditure status of each proprietary fund. Items such as depreciation and intangible expenses must be presented to give the reader a true picture of the fund if it were to stand alone as its own business enterprise.

The last category of funds are Fiduciary Funds. The County is the trustee, or fiduciary, for assets that belong to others or are designated to be used for a specific purpose with the principal left intact. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The County's fiduciary activities are reported in a separate statement of fiduciary net assets. These activities are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations.

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Condensed Financial Information

Net assets are summarized in the table below.

Condensed Statement of Net Assets as of November 30, 2009 and 2008

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets:						
Current Assets	\$31,963,046	\$29,536,143	\$ 542,792	\$ 527,790	\$32,505,838	\$30,063,933
Non-current Assets	<u>21,853,155</u>	<u>19,586,672</u>	<u>579,225</u>	<u>599,660</u>	<u>22,432,380</u>	<u>20,186,332</u>
Total Assets	<u>53,816,201</u>	<u>49,122,815</u>	<u>1,122,017</u>	<u>1,127,450</u>	<u>54,938,218</u>	<u>50,250,265</u>
Liabilities:						
Current Liabilities	10,447,425	9,798,748	-	-	10,447,425	9,798,748
Non-current Liabilities	<u>10,918,820</u>	<u>6,735,117</u>	<u>-</u>	<u>-</u>	<u>10,918,820</u>	<u>6,735,117</u>
Total liabilities	<u>21,366,245</u>	<u>16,533,865</u>	<u>-</u>	<u>-</u>	<u>21,366,245</u>	<u>16,533,865</u>
Net Assets:						
Investments in capital						
assets, net of debt	10,094,366	12,598,612	579,225	599,660	10,673,591	13,198,272
Restricted	14,193,630	12,987,689	128,967	125,450	14,322,597	13,113,139
Unrestricted	<u>8,161,960</u>	<u>7,002,649</u>	<u>413,825</u>	<u>402,340</u>	<u>8,575,785</u>	<u>7,404,989</u>
Total net assets	<u>\$32,449,956</u>	<u>\$32,588,950</u>	<u>\$1,122,017</u>	<u>\$1,127,450</u>	<u>\$33,571,973</u>	<u>\$33,716,400</u>

Current assets consist of cash, investments, receivables, and inventory.

The County's largest asset group is its capital assets. This includes land and land improvements, infrastructure, buildings, and equipment.

Current liabilities consist primarily of accounts payable, accrued expenses, and current portions of long-term debt.

The long-term portion of a general obligation bond and notes payable, compensated absences, and an accrual for post closure costs constitute the County's long-term liabilities.

The County's net assets consist of capital assets net of related debt, restricted and unrestricted net assets.

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MANAGEMENT DISCUSSION AND ANALYSIS
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Condensed Financial Information (Continued)

Revenues, expenses, and changes in net assets are summarized in the table below.

**Condensed Statement of Activities
For Fiscal Years Ending November 30, 2009 and 2008**

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program:						
Charges for services	\$ 4,134,111	\$ 3,712,069	\$ 94,741	\$ 89,164	\$ 4,228,852	\$ 3,801,233
Operating grants & Contributions	3,189,194	4,106,533	-	-	3,189,194	4,106,533
General:						
Property & other taxes	14,363,086	14,778,233	-	-	14,363,086	14,778,233
Other	<u>620,126</u>	<u>715,325</u>	<u>10,707</u>	<u>18,340</u>	<u>630,833</u>	<u>733,665</u>
Total revenue	<u>22,306,517</u>	<u>23,312,160</u>	<u>105,448</u>	<u>107,504</u>	<u>22,411,965</u>	<u>23,419,664</u>
Expenses:						
General government	5,559,085	8,070,226	-	-	5,559,085	8,070,226
Public safety	6,625,139	5,587,938	-	-	6,625,139	5,587,938
Public works	2,257,061	2,794,330	-	-	2,257,061	2,794,330
Health, sanitation, & welfare	1,276,041	882,335	-	-	1,276,041	882,335
Judiciary & court related	6,382,770	4,109,528	-	-	6,382,770	4,109,528
Interest on long-term debt	435,415	556,190	-	-	435,415	556,190
Nursing Center	<u>-</u>	<u>-</u>	<u>20,881</u>	<u>22,876</u>	<u>20,881</u>	<u>22,876</u>
Total expenses	<u>22,535,511</u>	<u>22,000,547</u>	<u>20,881</u>	<u>22,876</u>	<u>22,556,392</u>	<u>22,023,423</u>
Transfers	<u>90,000</u>	<u>75,000</u>	<u>(90,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ (138,994)</u>	<u>\$ 1,386,613</u>	<u>\$ (5,433)</u>	<u>\$ 9,628</u>	<u>\$ (144,427)</u>	<u>\$ 1,396,241</u>

Major sources of operating revenues for the County include: Property and state taxes, state/federal grants, charges for services, & fines and fees.

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Analysis of General Fund Revenue History

Although this audit is for Fiscal Year 2009, events going back to Fiscal Year 2003 should be explained due to their subsequent impact on future budgets.

The Fiscal Year 2002-2004 Recession Impact

The General Fund has experienced permanent decline/removal of certain revenue sources in Fiscal Year 2003 which it has continuously received in prior years. Those include: 1) loss of child support from the State of Illinois to State's Attorney's (\$50,000), 2) reduction in reimbursements from the State for probation officer's salaries (\$40,000), 3) annexation of existing unincorporated homes by villages (\$30,000), 4) elimination of the State Photo Tax to local governments (\$30,000), and the Federal COPS grant (\$50,000). These permanent losses in revenues total \$200,000 annually.

Legal changes, such as the Illinois Supreme Court decision of People Who Care Appellant v Tax Objectors, Appellees has changed the financial ability of counties to finance injunctive remedies. For certain legal matters in which litigation is the best option for the taxpayers or land owners, General Funds must be used instead of Tort Immunity Funds. This in turn places a greater burden on all respective General Funds to finance certain matters under litigation whereas in the past Tort Immunity Funds could be used. Information about Fiscal Year 2003 and the structural changes on the revenue side is essential to understand the deficit experienced in Fiscal Year 2004, and the "structural" changes in General Fund Revenues which in turn affected subsequent fiscal years.

The recession of 2002-2004 resulted in a decrease of State Income Tax revenues to the County. This combined with a dramatic increase in health insurance claims and additional staffing needs in the jail led to the first adopted deficit budget in Fiscal Year 2004. As a way to reduce the impact of the upcoming deficit, the County Board decided to use Public Safety Tax revenues to pay for jail operations.

At the July 9, 2003 regular County Board meeting, the Board discussed and decided to use Public Safety Sales Tax revenues in excess of amounts needed to pay outstanding Series 1999 bonds for operational expenses related to public safety in general, and the jail specifically. Since then, Public Safety Tax revenues have been used to fund the Corrections operating budget and debt payments. The half-cent public safety sales tax approved by the voters on April 13, 1999 was projected to generate \$750,000 annually, and actual annual revenues were \$1,396,578 in Fiscal Year 2009.

Jail Staffing and the Public Safety Sales Tax

In anticipation of receiving approximately twenty-five (25) federal detainees, a contract was negotiated with the U. S. Marshals Service in December, 2002 with an agreed per diem of \$65.00 per day. The County Board voted on January 8, 2003, to approve the addition of ten (10) Corrections Officers (increasing from 26 to 36 the total staff) to accommodate the housing of Federal and non-Boone County detainees. Assurances were given to management by the U. S. Marshals Service that an

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Analysis of General Fund Revenue History (Continued)

average count of twenty-five (25) detainees each day was realistic, and they could probably send more. In July, 2003, the County was ready to accept additional detainees, however the U. S. Marshals had only an average daily count of ten (10) to send Boone County. Commitments made by the U. S. Marshals to other counties to house federal detainees, the opening of a new facility in Dupage County, and an inexplicable decline in federal crime prevented Boone County from averaging twenty-five (25) federal detainees for the remainder of the fiscal year. However, this revenue source has proven to be very beneficial to the County over time with the importation of detainees from Dekalb, Lake, and Kane Counties.

Commitments were made during the 1999 referendum that the current Public Safety Sales Tax would be repealed by the County Board when the bonds are paid in 2018. Although no Board can obligate a future Board, the commitment has remained to eliminate this tax when the bonds are paid. Because the bonds are Alternate Bonds, the Board is required to annually abate a property tax which would be used to pay the bonds. The property tax may be imposed above tax caps, but it cannot be imposed if the Sales Tax generates enough revenue to pay the bonds. This is a mute point each year because the Public Safety Sales Tax generates more than enough to pay the bonds, however, the abatement resolution states . . . " whereas the bond payments will be satisfied in the year 2018, and at such time the County Board hereby pledges to repeal the Public Safety Sales Tax . . . ". This has been adopted each year since 2000.

Special Census 2005

Completed in 2005, the special census proved to be an excellent decision with total Boone County population at 48,229, and unincorporated population (which State Income and Photo Processing Tax is based upon) growing from 17,635 to 19,244 persons. After an error was discovered by the County Administrator in the disbursement formula used by the State Department of Revenue, the Income Tax receipts began to increase after the Special Census in 2005. The State paid Boone County \$47,251.44 in back payments as a result of their error and the impact of using the correct 2005 population numbers by the State Department of Revenue resulted in approximately \$189,005 in annualized revenue gain to the County due to the Special Census. This revenue gain would have been lost year after year had the error gone undetected.

Fiscal Year 2009 General Fund Revenues and the Great Recession

Regarding Fiscal Year 2009, revenues with transfers were audited to be \$12,924,937. This compares to a budget number for revenues of \$14,019,184. The cash basis monthly financial reports prepared by the Administrator would have shown a revenue number of \$13,097,238. The reason for the difference between the cash number and the audit accrual number is:

- 1) The state did not pay salary reimbursements for State's Attorney and Probation positions in Fiscal Year 2009 and this amount totals at least \$101,000.
- 2) Other similar adjustments of approximately \$71,301.

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Fiscal Year 2009 General Fund Revenues and the Great Recession (Continued)

When taken together these revenues that cannot be recorded in the 2009 Fiscal Year total \$172,301.

Fiscal Year 2009 is the worst year on record for the Boone County Government from a revenue perspective and this was caused by the "Great Recession".

However, Fiscal Year 2009 revenues began on a strong note with the Public Safety Sales Tax, the 1/4 cent Sales Tax, and the 1 cent Sales Tax all exceeding projections in the month of December, 2008. Beginning in January 2009, and continuing all throughout the year, Sales Tax, Replacement Tax, and Income Tax all tanked. It is as if the "Great Recession" affected County revenues all at the same time. Compounding this historic loss of traditional "elastic" revenue (revenue from general economic activity) was additional decrease in Clerk criminal fines, building permit fees, and planning fees. Intergovernmental revenues from the State of Illinois and the Village of Poplar Grove were also not received further compounding the dramatic loss of revenue to the General Fund. There is no fiscal year on record in which such a sudden and very large loss of revenue like this occurred. All of this was caused by what is now being called the "Great Recession". According to the Commission on Government Forecasting and Accountability, evidence suggests that the recession began in December 2007, and "ended" late 2009. If so it would make the "Great Recession" one of the largest post World War II events (at least 19 months) and only surpassed by the "Great Depression" in 1929 which technically lasted 43 months.

What is completely different about this recession compared to the other recent events (2001 and 1990 respectively) is the huge negative effect on the receipts to local governments. Although economists will say the recession began in 2007, revenues remained rather strong throughout 2008 and therefore affected the projections for 2009. A "recession scenario" revenue plan was presented with the Fiscal Year 2009 budget and it estimated a loss of approximately \$300,000 from budget revenue estimates. When the "Great Recession" revenue loss really took hold in early 2009 it was obvious that the economic downturn and corresponding overnight change in consumer attitudes would affect the County General Fund in a huge way.

Regarding trying to forecast upcoming economic events, the County Administrator testified at the Interest Arbitration Hearing before Arbitrator Edward Benn on October 1, 2008 with the Fraternal Order of Police the following:

Quote from Arbitrator Benn:

Even before the major slide which occurred after the hearing, the potential economic problem was not lost on County Administrator Kenneth Terrinoni, who testified (Tr. 69-71):

Q. ... Can you tell us where you see the County heading financially from 2007 and going forward?

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Fiscal Year 2009 General Fund Revenues and the Great Recession (Continued)

- A. ... This is strictly my opinion, but having lived through this in 2003/2004, I think we're heading for a repeat of that experience. By that I mean, a tremendous economic drag on the economy which will cause a slow-down of revenues for this county, potentially operating deficits.

... Even as late as the end of 2007, the trend lines and the data were pointing towards a serious economic problem in this country.

Despite this foretelling of an economic slowdown at the arbitration hearings, budget numbers remained strong through 2008 and therefore affected the projections made by the Administrator for Fiscal Year 2009. When the impact of the "Great Recession" took hold and revenues began their sudden decline, the budget had already been adopted.

Adding to this timing dilemma it must be noted that the revenue budget development process occurs in August-October of a given year and cannot predict world changing events like this recession which affected numbers in February of the following year.

Given the mid-year changes in revenues a motion to reopen the budget at the July 15, 2009 meeting failed on a 6 aye, 5 nay vote. According to Illinois Compiled Statute 2/3 of a Board (or 8 votes) are required to reopen a budget.

Management's Response to the Great Recession

From December 2008 to May 2009, many meetings were held with Department Heads to inform them of the situation and seek their voluntary compliance to reduce the deficit. The following action items resulted from those meetings:

- ❑ Voluntary unpaid days taken by employees. Approximately \$22,000 was saved in budgeted salaries and wages because 35 employees chose to be unpaid for up to four days.
- ❑ Thirteen positions were either left vacant due to attrition or eliminated by layoffs.
- ❑ Many budgeted line-items did not spend within the best ability of each department.
- ❑ All non-essential equipment purchases were deferred including replacement of squad cars.
- ❑ Employee health insurance contributions increased per Arbitrator Benn's award on August 1, 2009.

All of these steps taken together helped mitigate the deficit in 2009. Other one-time expenditures occurred that affected the budget such as:

- ❑ A \$400,000 transfer to purchase land on Logan Avenue. (This is in addition to a transfer in the previous year of an amount needed to purchase the land for \$850,000.)
- ❑ Back pay to the Deputies and Corrections from the March, 2009 Arbitrator's decision for 2008 wages worth approximately \$150,000.

Had the steps listed above not been taken the operating deficit would have been significantly higher.

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Interfund Transfers

Annually the General Fund supports other funds with transfers. Employee Health Insurance, City/County Planning, City/County Landfill #2, and Animal Control are major transfers that occur from the General Fund to other funds in order to maintain those programs. The General Fund also receives transfers from other funds annually as a way to offset the cost paid by the General Fund to support certain program functions. On occasion transfers occur for the purpose of moving a reserve or "fund balance" from one fund to another. In Fiscal Year 2006, \$1.5 million was moved (transferred) from the Space Acquisition Fund back to the General Fund where most of it originated. Although there was much discussion as to whether this transfer was necessary, it ultimately was approved by the County Board as a way to increase the General Fund balance from \$2.0 million (approximately two months' reserves) to \$3.5 million (approximately three months' reserves), per recommendation of auditors. The County has been advised by auditors and financial analysts to maintain at least three months' reserves in the General Fund, and this transfer clearly documented this recommendation being implemented. Also, it was recognized that reserves accumulated in the Space Acquisition Fund (approximately \$2.0 million) would be insufficient to entirely finance a courthouse expansion. Cash and investment reserves should not be confused with total "fund balance equity" in the General Fund. Fund balance equity is a much higher number because it takes into account accrued revenues and other "non-liquid" assets.

A one-time transfer of \$400,000 was budgeted in Fiscal Year 2009 from the General Fund to the Space Acquisition Fund to complete the purchase of land on Logan Avenue. The additional land is to accommodate the County Space Plan.

Analysis of General Fund Expenditures

Regarding Fiscal Year 2009, General Fund expenditures were \$13,884,579. This compared to a budget number for expenditures of \$14,390,709. Both numbers include a \$400,000 one-time transfer from the General Fund to complete the purchase of land for the 2008 Space Plan. The cash basis monthly financial reports prepared by the Administrator would have shown an expenditure number of \$13,778,511. The reason for the difference between the cash number and the audit accrual number is a depletion of revenue stamp inventory held by the County Clerk. Expenditures were \$506,130 under budget largely due to the efforts of Management and the Department Heads to hold back on expenditures.

Summary and Analysis of the General Fund Performance

Total revenues were \$12,924,937 when all transfers are included. Total expenditures were \$13,884,579.

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Management's Analysis of the County's Overall Financial Position and Results of Operations

As noted previously, this fiscal year's financial statements differ greatly from those issued in previous years because of the GASB 34 rules, which include the fixed assets in the reports. GASB Statement No. 34 affects the County's reporting model, but not the day-to-day operations or the budgeting process of the County.

Long Term Debt

In Fiscal Year 2005 the interest rate trends were monitored, and on March 8, 2005, the County Board approved a Series 2005 Bond refunding of the Series 1999 Jail Bond debt which resulted in savings of \$300,356. Savings were "front-loaded" and most of the \$300,356 was realized within three years. Moody's maintained the County's bond rating at "A-1", adding "Moody's believes the county's financial operations are healthy, characterized by sizable reserves and steps taken to control costs."

Alternate Bonds were sold on November 12, 2008 for the courthouse/Logan Avenue expansion/remodel and the best bid was received from the Bank of Montreal with a true interest rate of 4.55% over twenty (20) years. Financing of this space plan is also intended to be funded by the sale of 38 acres of County owned land on Route 76. The County's "A-1" rating was maintained. Future bond payments must originate from the General Fund.

Bonds were structured as "Series A" of \$4,295,000 and a Series "B" bond of \$700,000. The intent of having two separate bonds is to allow the County to pay "Series B" principal before maturity if the project is under budget.

Factors or Conditions Impacting Future Periods

Jail Staffing and Detainee Imports

On the expenditure side, the staff levels in the new jail facility was maintained at 36 Corrections Officers. A consultant's study recommended between 30 and 36 Corrections Officers. Only the continued importation of non-Boone County detainees will provide revenue to maintain those staff levels. The jail expansion plan adopted in 1998 called for doubling existing corrections staff from 12 to 24 by opening day (which was April, 2002), and this was achieved with a balanced budget. However, after actually operating the jail it was believed that staffing of the 33-36 range was in fact necessary. The original business plan for the new jail facility assumed revenues from the importation of non-Boone County detainees, and this must continue as a stable source of revenue to properly staff the jail. Whether or not revenues from these sources can be budgeted in future years remains unknown.

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Factors or Conditions Impacting Future Periods Continued)

Employee Health Insurance

Employee health insurance claim expenses rose dramatically throughout the decade. Actual hard dollar expenditures for claims rose from \$430,229 in Fiscal Year 2000 to \$1,632,955 in Fiscal Year 2006. In a potentially cost-saving move, the County was able to transition to a fully-insured product on August 1, 2007. Although the cost-savings was estimated at \$41,607, the real savings should be the difference between fully-insured premium expenses \$1,931,847 and potential self-insured expenses \$2,290,446. Throughout 2007 and 2008 the fully insured product served to hold down costs to approximately 6% increase per year. In August 2009, the Plan was changed from a fully-insured to self-insured product administered by Blue Cross. Employee health insurance costs will continue to be a major challenge in the budget.

Belvidere / Boone County Landfill #2

In a major positive development regarding Belvidere/Boone County Landfill #2, a tentative agreement was reached between the County and Illinois EPA officials in March, 2004. The agreement calls for the City of Belvidere and Boone County to install additional methane extraction wells, and a leachate extraction system to remediate the organic and inorganic impacts to the groundwater. This remediation was completed in 2005. Illinois EPA officials were very pleased calling the settlement "fantastic" and "wonderful". The impact of this settlement is to substantially lessen General Fund expenses for Landfill #2 over time. Had no agreement been reached those expenses would be rising substantially.

Boone County Space Plan

By far the largest single potential event affecting future periods is the proposed Space Plan for County departments. Since 2003 court judges in the 17th Circuit have kept County officials aware of the need to add courtrooms given growth in Boone County. This has led to a multitude of alternatives under investigation including a remodel/addition to the courthouse complex or a relocation of non-court departments to property owned by the County on Logan Avenue, Belvidere. An accompanying problem of space and operational needs in the County/City of Belvidere Public Safety Building and E-911 Center led the Board to place a referendum proposal to the voters at the February 5, 2008 primary for an increase in the Public Safety Sales Tax from one-half cent to one full cent. Only two months were available to organize a campaign and with state law prohibiting active involvement in referendums for elected or appointed officials, the effort failed 30% yes - 70% no in the February election.

A follow-up attempt at the November 2008 General Election met with a similar outcome. Only a small portion of the project was dedicated to the courthouse expansion in the February referendum. The County Board intended to proceed with the courthouse renovation plan regardless of the outcome of the referendum. The Board ultimately voted to sell bonds and accept bids to proceed with the Space Plan. Bond payments will be \$358,000 annually for the Series "A" bonds, and \$80,000 annually for the Series "B" bonds for twenty years respectively.

BOONE COUNTY, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
November 30, 2009

Boone County Space Plan (Continued)

Therefore the County must finance the courthouse project from the General Fund as we know it presently. Referendum dollars and new revenues cannot be assumed from any source to finance a courthouse remodel/relocation of various departments. The FY 2009 adopted budget assumed some type of project occurring with a portion of revenues originating from cash balances (General Fund: \$400,000; Public Safety Tax: \$400,000; Law Library: \$33,700; and Court Security: \$100,000). Future bond payments must be paid within the General Fund as we know it.

Collective Bargaining

Finally, a collective bargaining impasse with the Fraternal Order of Police representing the Sheriff's Deputy Unit proceeded to independent arbitration on October 1, 2008. In accordance with Illinois law, Deputies cannot strike and labor disputes are resolved by independent arbitrators. A decision was made by Arbitrator Edward Benn in March, 2009. The County's position for wages was adopted by the Arbitrator (3.5%, 3.0%, 3.0% plus steps) and the Fraternal Order of Police's position was adopted with health insurance although this still resulted in an increase in what employees have deducted from their paycheck. The contract duration is December 1, 2007 - November 30, 2010.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please call Kenneth A. Terrinoni, County Administrator, 1212 Logan Avenue, Suite 102, Belvidere, IL 61008.

BASIC FINANCIAL STATEMENTS

BOONE COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,363,847	\$ 67,401	\$ 15,431,248
Investments	6,502,795	475,391	6,978,186
Property tax receivable	8,452,209	-	8,452,209
Accounts receivable	1,644,195	-	1,644,195
Inventory	-	-	-
Prepaid expenses	909,227	-	909,227
Capital Assets:			
Not depreciated	695,289	-	695,289
Depreciated (net of accumulated depreciation)	20,248,639	579,225	20,827,864
Total Assets	<u>53,816,201</u>	<u>1,122,017</u>	<u>54,938,218</u>
LIABILITIES			
Current liabilities:			
Accounts payable	634,379	-	634,379
Accrued payroll	466,275	-	466,275
Deferred property tax revenue	8,452,209	-	8,452,209
Current portion of landfill liability	110,000	-	110,000
Current portion of long-term debt	784,562	-	784,562
Total current liabilities	<u>10,447,425</u>	<u>-</u>	<u>10,447,425</u>
Noncurrent liabilities:			
Bonds payable	10,065,000	-	10,065,000
Deferred gain on bond refunding	206,308	-	206,308
Estimated liability for post-closure care costs	470,000	-	470,000
Compensated absences	177,512	-	177,512
Total noncurrent liabilities	<u>10,918,820</u>	<u>-</u>	<u>10,918,820</u>
Total liabilities	<u>21,366,245</u>	<u>-</u>	<u>21,366,245</u>
NET ASSETS			
Invested in capital assets, net of related debt	10,094,366	579,225	10,673,591
Restricted for:			
Retirement	1,437,816	-	1,437,816
Public safety	221,481	-	221,481
Highways and streets	9,698,939	-	9,698,939
Insurance	1,576,604	-	1,576,604
Health and welfare	737,297	128,967	866,264
Debt service	521,493	-	521,493
Unrestricted	8,161,960	413,825	8,575,785
Total net assets	<u>\$ 32,449,956</u>	<u>\$ 1,122,017</u>	<u>\$ 33,571,973</u>

See Notes to Financial Statements.

BOONE COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
For the year ended November 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 5,559,085	\$ 1,549,679	\$ 816,961	\$ -
Public safety	6,625,139	567,753	984,582	-
Public works	2,257,061	35,215	413,418	-
Health, welfare, and sanitation	1,276,041	373,809	641,683	-
Judicial & court related	6,382,770	1,607,655	332,550	-
Interest	435,415	-	-	-
Total governmental activities	<u>22,535,511</u>	<u>4,134,111</u>	<u>3,189,194</u>	<u>-</u>
Business-type activities:				
Nursing center	20,881	94,741	-	-
Total business-type activities	<u>\$ 20,881</u>	<u>\$ 94,741</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

 Taxes:

 Property taxes

 State taxes

 Other

 Unrestricted investment earnings

 Miscellaneous

 Total general revenues

Transfers

 Change in net assets

Net assets - beginning

Prior period adjustment

Net assets - ending

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (3,192,445)	\$ -	\$ (3,192,445)
(5,072,804)	-	(5,072,804)
(1,808,428)	-	(1,808,428)
(260,549)	-	(260,549)
(4,442,565)	-	(4,442,565)
(435,415)	-	(435,415)
<u>(15,212,206)</u>	<u>-</u>	<u>(15,212,206)</u>
-	73,860	73,860
-	73,860	73,860
8,524,663	-	8,524,663
5,475,896	-	5,475,896
362,527	-	362,527
383,908	10,707	394,615
236,218	-	236,218
<u>14,983,212</u>	<u>10,707</u>	<u>14,993,919</u>
90,000	(90,000)	-
(138,994)	(5,433)	(144,427)
33,117,917	598,483	33,716,400
(528,967)	528,967	-
<u>\$ 32,449,956</u>	<u>\$ 1,122,017</u>	<u>\$ 33,571,973</u>

BOONE COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2009

	<u>General Fund</u>	<u>County Bridge</u>	<u>Matching</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,922,868	\$ 2,759,130	\$ 3,178,523
Investments	150,000	-	-
Accounts receivable	1,177,107	8,318	40,000
Property tax receivable	3,497,845	638,249	638,249
Prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 7,747,820</u>	<u>\$ 3,405,697</u>	<u>\$ 3,856,772</u>
<u>LIABILITIES</u>			
Vouchers payable	\$ 186,974	\$ 7,413	\$ 24,628
Accrued payroll	401,145	-	-
Deferred property taxes	3,497,845	638,249	638,249
Landfill closure liability	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,085,964</u>	<u>645,662</u>	<u>662,877</u>
<u>FUND BALANCE</u>			
Unreserved, reported in:			
General funds	3,661,856	-	-
Special revenue funds	-	2,760,035	3,193,895
Debt service	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,661,856</u>	<u>2,760,035</u>	<u>3,193,895</u>
Total liabilities and fund balances	<u>\$ 7,747,820</u>	<u>\$ 3,405,697</u>	<u>\$ 3,856,772</u>

See Notes to Financial Statements.

<u>Courthouse Construction</u>	<u>Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 917,556	\$ 787,816	\$ 4,097,251	\$ 14,663,144
1,500,000	650,000	4,402,795	6,702,795
-	-	418,770	1,644,195
-	2,200,000	1,477,866	8,452,209
-	-	422,535	422,535
<u>\$ 2,417,556</u>	<u>\$ 3,637,816</u>	<u>\$ 10,819,217</u>	<u>\$ 31,884,878</u>

\$ 216,786	\$ -	\$ 196,958	\$ 632,759
-	-	65,130	466,275
-	2,200,000	1,477,866	8,452,209
-	-	110,000	110,000
<u>216,786</u>	<u>2,200,000</u>	<u>1,849,954</u>	<u>9,661,243</u>

-	-	-	3,661,856
-	1,437,816	8,447,770	15,839,516
-	-	521,493	521,493
2,200,770	-	-	2,200,770
<u>2,200,770</u>	<u>1,437,816</u>	<u>8,969,263</u>	<u>22,223,635</u>
<u>\$ 2,417,556</u>	<u>\$ 3,637,816</u>	<u>\$ 10,819,217</u>	<u>\$ 31,884,878</u>

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BOONE COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
November 30, 2009

Total fund balances - governmental funds	\$ 22,223,635
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Amounts reported for governmental activities in the statement of net assets are different because:

Prepaid interest in governmental activities is not financial resources and therefore are not reported as assets in governmental funds. This is the amount of prepaid interest included in the statement of net assets.	486,692
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$34,699,253 and the accumulated depreciation is \$13,755,325.	20,943,928
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Internal services funds are used to charge the costs in insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	499,083
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Long-term liabilities, including bonds payable and deferred gain are not due and payable in the current period and therefore are not reported in the funds.	<u>(11,703,382)</u>
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Total net assets - governmental activities	<u>\$ 32,449,956</u>
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BOONE COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended November 30, 2009

	General Fund	County Bridge	Matching
Revenues:			
Taxes	\$ 7,166,892	\$ 632,963	\$ 658,280
Fees, licenses, permits, and fines	2,142,025	-	-
Intergovernmental revenue	1,588,102	98,894	-
Sale of goods and services	-	-	-
Other revenue	<u>870,475</u>	<u>39,897</u>	<u>134,114</u>
Total revenues	<u>11,767,494</u>	<u>771,754</u>	<u>792,394</u>
Expenditures:			
General government	2,719,173	-	-
Public safety	3,886,607	-	-
Judiciary and court related	6,639,799	-	-
Highways and streets	-	132,793	248,602
Health and welfare	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,245,579</u>	<u>132,793</u>	<u>248,602</u>
Excess (deficiency) of revenues over expenditures	(1,478,085)	638,961	543,792
Other financing sources (uses):			
Debt proceeds	-	-	-
Transfers in	1,157,443	-	-
Transfers out	<u>(639,000)</u>	<u>-</u>	<u>(3,178)</u>
Total other financing sources (uses)	<u>518,443</u>	<u>-</u>	<u>(3,178)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(959,642)	638,961	540,614
Fund balances - beginning	<u>4,621,498</u>	<u>2,121,074</u>	<u>2,653,281</u>
Fund balances - ending	<u>\$ 3,661,856</u>	<u>\$ 2,760,035</u>	<u>\$ 3,193,895</u>

See Notes to Financial Statements.

<u>Courthouse Construction</u>	<u>Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,022,949	\$ 2,796,341	\$ 13,277,425
-	-	1,005,091	3,147,116
-	-	1,804,909	3,491,905
-	-	600,245	600,245
<u>59,598</u>	<u>108,708</u>	<u>307,623</u>	<u>1,520,415</u>
<u>59,598</u>	<u>2,131,657</u>	<u>6,514,209</u>	<u>22,037,106</u>
2,825,980	2,056,146	1,992,495	9,593,794
-	-	371,589	4,258,196
-	-	1,607,765	8,247,564
-	-	1,260,139	1,641,534
-	-	67,004	67,004
<u>177,143</u>	<u>-</u>	<u>928,987</u>	<u>1,106,130</u>
<u>3,003,123</u>	<u>2,056,146</u>	<u>6,227,979</u>	<u>24,914,222</u>
(2,943,525)	75,511	286,230	(2,877,116)
5,255,960	-	-	5,255,960
-	41,542	2,149,720	3,348,705
<u>(61,192)</u>	<u>-</u>	<u>(2,555,335)</u>	<u>(3,258,705)</u>
<u>5,194,768</u>	<u>41,542</u>	<u>(405,615)</u>	<u>5,345,960</u>
2,251,243	117,053	(119,385)	2,468,844
<u>(50,473)</u>	<u>1,320,763</u>	<u>9,088,648</u>	<u>19,754,791</u>
<u>\$ 2,200,770</u>	<u>\$ 1,437,816</u>	<u>\$ 8,969,263</u>	<u>\$ 22,223,635</u>

BOONE COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended November 30, 2009

Net change in fund balances - governmental funds	\$ 2,468,844
--	--------------

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

Some receivables were not received within 60 days therefore they are not recorded as revenue in the funds.	(40,000)
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Prepaid interest, net of deferred gain is recorded in governmental funds as expenditures. However, in the statement of net assets these amounts are recorded as an asset and a liability and allocated over the life of the bonds. This is the amount of prepaid interest, net of deferred gain expensed in the period.	(31,154)
--	----------

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capitalized fixed assets (\$2,963,229) exceeds depreciation expense (\$1,065,204) in the period.	1,898,025
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Internal services funds are used to charge the costs in insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	46,574
--	--------

Debt proceeds are reported in governmental funds as other financing sources. However, the proceeds are not recorded in the statement of activities. This is the amount of debt proceeds in the period.	(4,995,000)
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Payments on long-term liabilities are reported in governmental funds as expenditures. However, only the interest on bonds is recorded in the statement of activities. This is the amount of long-term liability payments in the period.	<u>513,717</u>
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Change in net assets of governmental activities	<u>\$ (138,994)</u>
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BOONE COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
November 30, 2009

	<u>Maple Crest</u>	<u>Governmental Activities- Internal Service Fund</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 67,401	\$ 500,703
Investments, at cost	346,424	-
Restricted assets - cash and investments	128,967	-
Property and equipment, net of accumulated depreciation	<u>579,225</u>	<u>-</u>
Total assets	<u>1,122,017</u>	<u>500,703</u>
<u>LIABILITIES</u>		
Vouchers payable	<u>-</u>	<u>1,620</u>
Total liabilities	<u>-</u>	<u>1,620</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	579,225	
Net assets- restricted	128,967	-
Net assets- unrestricted	<u>413,825</u>	<u>499,083</u>
Total net assets	<u>\$ 1,122,017</u>	<u>\$ 499,083</u>

See Notes to Financial Statements.

BOONE COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended November 30, 2009

	Maple Crest	Governmental Activities- Internal Service Fund
Operating revenues:		
Other	\$ 94,741	\$ 1,971,151
Total operating revenue	<u>94,741</u>	<u>1,971,151</u>
Operating expenses:		
Other professional services	446	-
Depreciation expense	20,435	-
Insurance premiums	-	1,358,064
Health care claims	-	517,865
Administration expenses	-	50,642
Total operating expenses	<u>20,881</u>	<u>1,926,571</u>
Operating income (loss)	73,860	44,580
No operating revenues:		
Other non operating revenues	<u>10,707</u>	<u>1,994</u>
Income (loss) before operating transfers	<u>84,567</u>	<u>46,574</u>
Operating transfers:		
Operating transfers in (out)	<u>(90,000)</u>	<u>-</u>
Net income (loss)	(5,433)	46,574
Net assets, December 1, 2008	<u>1,127,450</u>	<u>452,509</u>
Net assets, November 30, 2009	<u>\$ 1,122,017</u>	<u>\$ 499,083</u>

See Notes to Financial Statements.

BOONE COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended November 30, 2009

	<u>Maple Crest</u>	<u>Governmental Activities- Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 102,345	\$ -
Receipts from interfold services provided	-	1,975,349
Payments to suppliers	-	(1,927,018)
Payments to employees	<u>(446)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>101,899</u>	<u>48,331</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of property & equipment	<u>-</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in (out)	(90,000)	-
Non-operating revenue	<u>-</u>	<u>-</u>
Net cash provided by (used in) non-capital financing activities	<u>(90,000)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in investments	18,576	-
Interest received	<u>7,190</u>	<u>1,994</u>
Net cash provided by (used in) investing activities	<u>25,766</u>	<u>1,994</u>
Net increase (decrease) in cash	37,665	50,325
Beginning cash	<u>29,736</u>	<u>450,378</u>
Ending cash	<u>\$ 67,401</u>	<u>\$ 500,703</u>

See Notes to Financial Statements.

BOONE COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
Year ended November 30, 2009

		Governmental Activities-
	Maple Crest	Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 73,860	\$ 44,580
Adjustments needed to reconcile to net cash provided by (used in) operations:		
Depreciation	20,435	-
Change in current assets and liabilities net of purchased amounts:		
(Increase) decrease in accounts receivable	7,604	4,198
Increase (decrease) in vouchers payable	<u>-</u>	<u>(447)</u>
 Net cash provided by (used in) operating activities	 <u>\$ 101,899</u>	 <u>\$ 48,331</u>

See Notes to Financial Statements.

BOONE COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
November 30, 2009

	<u>Agency</u>
 <u>ASSETS</u>	
Cash	\$ 2,115,469
Investments, at cost	433,914
Accounts receivable	<u>64,073</u>
 Total assets	 <u><u>\$ 2,613,456</u></u>
 <u>LIABILITIES</u>	
 Due to others	 <u><u>\$ 2,613,456</u></u>

See Notes to Financial Statements.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
November 30, 2009

A. Summary of Significant Accounting Policies:

REPORTING ENTITY

Boone County, Illinois was incorporated on March 4, 1837, under the provisions of the State of Illinois. The County operates under a Chairman/Board form of government and provides services to the public such as public safety and judicial system, health and social services, road construction and maintenance, building and planning, maintenance and operation of nursing home facilities, and general administrative services.

The accounting policies of the County conform to generally accepted principles as applicable to governmental units. Boone County's basic financial statements include the accounts of all County operations that are controlled by or dependent on the County. Control or dependence is determined by financial interdependency, selection of governing board, designation of management, accountability for fiscal matters and ability to significantly influence operations.

In evaluating how to define the government, for financial reporting purposes, the County has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the County and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities.

The County is considered to be a primary government, pursuant to GASB 14, as amended by GASB 39, since it is legally separate and fiscally independent. This report includes all of the funds and account groups of the County. It includes all activities considered to be part of (controlled by or dependent on) the County as set forth under the GAAP criteria.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

A. Summary of Significant Accounting Policies (Continued):

GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING

The government wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of the interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Earnings on investments are not included among program revenues, but are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Fiduciary funds for which the County maintains a Fiduciary or Agent responsibility are not presented in the government wide financial statements.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

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

The following fund types are used by the County:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

A. Summary of Significant Accounting Policies (Continued):

GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Funds (Continued)

balances of financial resources) rather than upon net income. Governmental fund financial statements are reported using the modified accrual basis method of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County has elected to take exception to this assumption for income tax revenue remitted by the State. Due to the State being late with these payments, the County considers those amounts applicable to the current fiscal year to be available if they have been vouchered by the State and will be paid after the 60 day period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The following is a description of the governmental funds of the County:

1. General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a particular purpose.
3. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
4. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business type/proprietary funds).

Proprietary Fund

The focus of the proprietary funds measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Proprietary funds have selected to consistently not follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989 as permitted under Governmental Standards Board Statement No. 20.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

A. Summary of Significant Accounting Policies (Continued):

GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary Fund (Continued)

A proprietary fund is a fund in which a fee is charged to external users of goods and services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on pricing policy designed to recover similar costs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service funds are charges to employees for insurance coverage. Operating expenses for internal service funds include the administrative expenses and insurance premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major funds:

Governmental Funds:

General Fund: The general fund is the general operating fund of the County. It is used to account for all the financial resources except those required to be accounted for in another fund.

County Bridge Fund: To account for the costs related to various bridge improvement and maintenance programs which are supported mainly by property taxes.

Matching Fund: To account for the matching of costs related to various road and bridge improvement and maintenance programs which are undertaken in conjunction with funding from the federal or state government. Financing is similar to that for the County Highway Fund.

Courthouse Construction: To record the receipt of debt proceeds that will be used to renovate the County Courthouse.

Retirement: To account for the collection and payment of employee and County pension contributions to I.M.R.F and the County's portion of social security contributions made under F.I.C.A. and Medicare. Financing is provided by a specific property tax levies and state replacement taxes.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

A. Summary of Significant Accounting Policies (Continued):

GOVERNMENT WIDE, FUND FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING (CONTINUED)

FIDUCIARY FUNDS:

Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

BUDGETS

The term "budget" used throughout the financial statements represents the estimated revenues and appropriations as set forth in the County's annual appropriation ordinance adopted for the fiscal year ended November 30, 2009. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets are not adopted for proprietary funds.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. At least 15 days prior to the enactment of the budget, the committee on Finance and Procurement submits to the County Board a proposed means of financing and expenditure appropriations for the fiscal year commencing the following December 1.
- b. Normally on the last Wednesday in November, but no later than November 30, the budget is legally enacted through passage of the appropriation ordinance.
- c. Budgeted amounts are as originally reported or as amended by the County Board. Individual amendments were not material in relation to the original appropriations.
- d. Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

A. Summary of Significant Accounting Policies (Continued):

CASH AND INVESTMENTS

Cash consists of demand deposits and savings accounts, both being easily accessible and with short-term duration. Investments as of November 30, 2009 consist of certificates of deposit and money market accounts in various financial institutions.

Statutes authorize the County to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Cash in the General Fund is made up of the following cash accounts: General Clearing, General Sweep, County Clerk-petty cash, County Clerk-Checking, Sheriff, PSB and Sheriff Special Trust.

PROPERTY TAXES

It is the County's intention that property taxes generated from the 2008 property tax levy be used to finance the operating budget of the fiscal year ending November 30, 2009. Therefore, property tax receipts represent the receipts primarily generated by the 2008 property tax levy.

The 2008 levy was passed by the Board on November 12, 2008. Property taxes attach as an enforceable lien on property as of January 1 and are generally payable in two installments in June and September. The County receives significant distributions of tax receipts within one month of these due dates.

In November 2009, the County levied its 2009 taxes which will be recognized as revenue in 2010. As of November 30, 2009, the County will record the 2009 tax levy as property tax receivable and deferred property taxes on the financial statements.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

A. Summary of Significant Accounting Policies (Continued):

FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

INVENTORY

Inventories of revenue stamps in the General Fund are carried at cost, based on the first-in, first-out method.

COMPENSATED ABSENCES

Regular full-time and regular part-time employees accrue and receive vested rights in vacation time according to their years of continuous service. Additionally, accumulated vacation time which is not subject to forfeiture will be paid to employees upon separation from Boone County's service. As a result, accrued vacation has been recorded in the government-wide statements as it is earned. Since these amounts are not expected to be paid in the next fiscal year, they have not been recorded as an expenditure in the fund financial statements. They will be recorded in the fund financial statements when paid.

Earned sick days can accumulate to a maximum of 570 hours, and at the end of each calendar year, employees may receive one hour's pay for every four sick hours over the 570 hours accumulated. Except in cases of retirement, disability or lay-off, payment is only made for illness. Upon separation from Boone County's service, amounts will be paid one hour for every four hours accrued. As a result, accrued sick time has been accrued in the government-wide statements as it is earned. Since only the hours over 570 hours are expected to be paid in the next fiscal year, the difference has not been recorded as an expenditure in the fund financial statements. They will be recorded in the fund financial statements when paid.

ESTIMATES

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

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

B. Deposits and Investments:

Deposits. At year-end, the carrying amount of the County's deposits in checking, money market accounts, savings accounts and certificates of deposit was \$24,958,817 and the bank balance was \$26,225,967. Of the bank balance, \$26,222,928 was covered by Federal Depository Insurance or by collateral held by pledging bank's trust department or by its agent in the County's name and \$3,040 was uninsured.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. As of November 30, 2009, \$3,040 of the County's balance was exposed to custodial credit risk and was uninsured and uncollateralized.

For financial statement purposes, the County shows certificates of deposits and money market accounts as temporary cash investments.

Investments. For purposes of this note disclosure only, the County did not have any investments as of November 30, 2009.

C. Property, Plant and Equipment:

PROPERTY, PLANT AND EQUIPMENT

Capital assets, which include buildings, land improvements, construction in progress and equipment are reported in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$1,000 to \$10,000 depending on the asset type, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are stated at estimated fair market value as of the date of acquisition. The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except construction in progress, are being depreciated using the straight line method over the following useful lives:

Buildings & Improvements	40 years
Equipment & Vehicles	5 years

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

C. Property, Plant and Equipment (Continued):

The governmental activities capital asset activity for the year ended November 30, 2009 is as follows:

	<u>Balance December 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance November 30</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 695,289	\$ -	\$ -	\$ 695,289
Capital assets being depreciated:				
Infrastructure	9,470,352	-	-	9,470,352
Buildings and improvements	14,165,519	2,873,644	-	17,039,163
Equipment and vehicles	<u>7,404,864</u>	<u>89,585</u>	<u>-</u>	<u>7,494,449</u>
Total capital assets being depreciated	<u>31,040,735</u>	<u>2,963,229</u>	<u>-</u>	<u>34,003,964</u>
Less accumulated depreciation for:				
Infrastructure	2,338,668	202,264	-	2,540,932
Buildings and improvements	4,484,154	360,125	-	4,844,279
Equipment and vehicles	<u>5,867,299</u>	<u>502,815</u>	<u>-</u>	<u>6,370,114</u>
Total accumulated depreciation	<u>12,690,121</u>	<u>1,065,204</u>	<u>-</u>	<u>13,755,325</u>
Total capital assets being depreciated, net:	<u>18,350,614</u>	<u>1,898,025</u>	<u>-</u>	<u>20,248,639</u>
Total capital assets, net:	<u>\$19,045,903</u>	<u>\$1,898,025</u>	<u>\$ -</u>	<u>\$20,943,928</u>

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

C. Property, Plant and Equipment (Continued):

The business-type activities capital asset activity for the year ended November 30, 2009 is as follows:

	<u>Balance</u> <u>December 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30</u>
Business-Type Activities:				
Capital assets being depreciated:				
Buildings and improvements	\$1,821,810	\$ -	\$ -	\$1,821,810
Equipment and vehicles	<u>544,552</u>	<u>-</u>	<u>-</u>	<u>544,552</u>
 Total capital assets being depreciated	 <u>2,366,362</u>	 <u>-</u>	 <u>-</u>	 <u>2,366,362</u>
Less accumulated depreciation for:				
Buildings and improvements	1,222,205	20,402	-	1,242,607
Equipment and vehicles	<u>544,497</u>	<u>33</u>	<u>-</u>	<u>544,530</u>
 Total accumulated depreciation	 <u>1,766,702</u>	 <u>20,435</u>	 <u>-</u>	 <u>1,787,137</u>
 Total capital assets, net:	 <u>\$ 599,660</u>	 <u>\$(20,435)</u>	 <u>\$ -</u>	 <u>\$ 579,225</u>

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

Governmental activities:

General government	\$ 138,920
Public safety	608,186
Public works	287,448
Health, sanitation, and welfare	<u>30,650</u>
 Total depreciation expense, governmental activities	 <u>\$1,065,204</u>

Business-type activities:

Nursing Center	<u>\$ 20,435</u>
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BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

D. Long-Term Debt:

Note Payable

On October 9, 2007, the County borrowed \$128,249 to finance 50 radios in the Sheriff's office. The note is payable in 3 annual payments of \$46,472 with an interest rate of 4.229%. Payments are due every October 9 with final payment on October 9, 2010.

<u>Year Ending November 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	<u>\$44,562</u>	<u>\$1,911</u>

2005 Series

On June 9, 1999, Boone County issued \$9,300,000 of General Obligation Bonds to be used for the expansion of the County Jail. These bonds were partially refunded on March 8, 2005 with Series 2005 Refunding Bonds. On March 8, 2005, Boone County issued \$6,895,000 of General Obligation Refunding Bonds to refund a portion of the 1999 Series bonds that were used for the expansion of the County Jail. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The bonds begin to mature on December 1, 2008 and bear interest rates from 3.375% to 3.800%. Interest payments are due annually to the paying agent beginning June 1, 2005. Payments to bondholder are due annually beginning December 1, 2008.

Amounts required to be paid for the retirement of 2005 Series General Obligation Refunding Bonds are as follows:

<u>Fiscal year ending November 30,</u>	<u>Annual Debt Service</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 565,000	\$ 207,917
2011	585,000	188,708
2012	600,000	168,525
2013	620,000	147,825
2014	640,000	126,435
2015 - 2018	<u>2,800,000</u>	<u>267,174</u>
	<u>\$5,810,000</u>	<u>\$1,106,584</u>

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

D. Long-Term Debt (Continued):

2008 Series

On December 15, 2008, Boone County issued \$4,995,000 in Alternate Revenue Bonds which will be used for the courthouse/Logan Avenue expansion/remodel. These bonds will be repaid with General Funds at interest rates ranging from 2.65% to 7.0% over twenty years maturing December 15, 2028. The Bonds were structured as "Series A" of \$4,295,000 and a "Series B" bond of \$700,000 which will enable the County to pay the "Series B" principal before maturity if the project is under budget.

Amounts required to be paid for the retirement of 2008 Series Alternate Revenue Bonds are as follows:

Fiscal year ending <u>November 30,</u>	<u>Annual Debt Service</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 175,000	\$ 257,438
2011	190,000	247,104
2012	200,000	235,854
2013	220,000	223,496
2014	240,000	209,771
2015 – 2019	1,320,000	834,039
2020 – 2024	1,165,000	526,594
2025 – 2029	<u>1,485,000</u>	<u>195,559</u>
	<u>\$4,995,000</u>	<u>\$2,729,855</u>

The following is a summary of changes in long-term liability for the year ended November 30, 2009:

	<u>Balance</u> <u>December 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>November 30, 2009</u>
Note Payable	\$ 87,291	\$ -	\$ 42,729	\$ 44,562
Bonds Payable	<u>6,360,000</u>	<u>4,995,000</u>	<u>550,000</u>	<u>10,805,000</u>
Total	<u>\$6,447,291</u>	<u>\$4,995,000</u>	<u>\$592,729</u>	<u>\$10,849,562</u>

The County is subject to a debt limitation of 2.875% of its assessed valuation of \$1,298,112,848. As of November 30, 2009 the County had \$37,233,453 of remaining legal debt margin.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

E. Debt Defeasance:

In a prior year, the County defeased a portion of the 1999 General Obligation bond issue by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's financial statements. The gain from the defeasance has been recognized in the government-wide financial statements as a deferred gain and is being amortized over the life of the new bonds. There was an additional amount financed to retire the bonds with this amount being recorded as prepaid interest. As of November 30, 2009, the amount of defeased debt outstanding but removed from the County's financial statements amounted to \$5,530,000.

F. Estimated Liability for Postclosure Care Costs:

The Belvidere/Boone County Landfill #2 ceased accepting solid waste in September of 1992. State and Federal laws and regulations require that Boone County, Illinois place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill for at least 15 years. As of November 30, 2009, the landfill had been covered and post-closure care was continued. The county must meet certain groundwater parameters for inorganic compounds before it can discontinue monitoring the site. The County has petitioned the Illinois EPA and the Pollution Control Board for an "Adjusted Standard" in the currently in-place groundwater monitoring parameters. This petition was withdrawn by the County due to an agreement reached with the Illinois EPA in March, 2004. The agreement involves installing additional methane gas wells and a leachate extraction system at the landfill. This is considered remedial action. Pursuant to GASB Statement 18, a liability is recognized in the current year based on the future postclosure care costs that will be incurred subsequent to the balance sheet date. The liability has been calculated assuming the petition for an "Adjusted Standard" will be approved and an additional 10 years past the minimum 15 year requirement will be needed to monitor the site. The County's share of the estimated liability for landfill postclosure care costs has a balance of \$580,000 as of November 30, 2009, which is based on 100% usage (filled) of the landfill. The estimated total current liability of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities and services required to monitor and maintain the landfill were acquired as of November 30, 2009. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

G. Cost Sharing with City of Belvidere:

The City of Belvidere and the County of Boone formed the Belvidere-Boone County Public Building Corporation, a nonprofit corporation, for the purpose of constructing and leasing a public safety facility to the City and County. The lease has since been paid and the commission dissolved.

The County's share of the cost of the Public Safety Building (50%) has been included in Fixed Assets.

The County and City negotiated a new ten (10) year agreement in 2000. Personnel costs are divided 55% by the County and 45% by the City. The personnel costs of the public safety facility changed to 50% by the County and 50% by the City on July 1, 2005, and all other expenses of the public safety facility are shared 50%-50% as well.

The County and City have also shared the costs of the Building and Planning Department, the landfill closing and continued maintenance of the closed landfill on a 50% - 50% basis.

H. Risk Management:

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the County purchases commercial insurance coverage. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

I. Nursing Center Lease:

During 1999, the County entered into an agreement to lease Maplecrest Nursing Center to an outside party. The lease commenced in February 1999 and has a term of five years, at which point it was renewed for an additional fifteen-year term. The County will receive rent in the following amounts: \$91,249 for the year beginning February 2008, \$94,899 for the year beginning February 2009 and 4% increases each year until 2028. The Nursing Center will continue to be used and occupied as a skilled and/or intermediate care nursing home, with the lessee adopting the County's admission policy. Upon termination of the lease, the County will retain ownership of the Nursing Center and all related fixed assets. The County recognized lease revenue of \$94,741 for the year ended November 30, 2009.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

K. Restricted Assets:

The Nursing Center (an enterprise fund) has \$128,967 in restricted cash and investments. The monies have been received through donations and bequests. These funds have been committed to future capital additions of the Nursing Center.

L. Transfers:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major funds:		
General Fund	\$1,437,557	\$2,029,780
Maplecrest	-	75,000
Landfill Closing	75,000	-
Non-major funds	<u>2,868,415</u>	<u>2,276,192</u>
	<u>\$4,380,972</u>	<u>\$4,380,972</u>

Transfers were for budgeted capital outlays, subsidizing nonmajor funds or for providing administrative support for nonmajor funds. \$575,985 was transferred from the General Fund to the Space Acquisition Fund, a Non-major fund, during the year. The amount was used for demolition costs that will be partially refunded to the General Fund through the 2008 General Obligation Bond issue in Fiscal Year 2009.

M. Schedule of Tort Expenditures:

Boone County had the following tort expenditures for the year ended November 30, 2009:

Insurance	\$934,649
Security and safety related	<u>21,293</u>
Total tort expenditures	<u>\$959,103</u>

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

N. Pension Plan:

PLAN DESCRIPTION

The County's defined benefit pension plan for Regular employees (all County employees not included in the following two groups), Sheriff's Law Enforcement Personnel (SLEP) and Elected County Officials (ECO), provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

FUNDING POLICY

As set by statute, the County's Regular plan members are required to contribute 4.5 percent, (7.5 percent for SLEP and ECO members) of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's contribution rate for calendar year 2007 was 9.54 percent (19.84 percent for SLEP and 50.78 percent for ECO) of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

ANNUAL PENSION COST

For 2008, the County's **annual pension cost** of \$675,343 for the Regular plan, (\$422,935 for SLEP plan, and \$151,918 for ECO plan) was equal to the County's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Regular:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$675,343	100%	\$0
12/31/07	636,251	100%	0
12/31/06	605,492	100%	0

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

N. Pension Plan (Continued):

Three-Year Trend Information for the SLEP Plan

SLEP:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$422,935	100%	\$0
12/31/07	391,886	100%	0
12/31/06	349,384	100%	0

Three-Year Trend Information for the ECO Plan

ECO:

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$151,918	100%	\$0
12/31/07	167,943	100%	0
12/31/06	191,396	100%	0

The required contribution was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the County's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County's Regular, SLEP and ECO plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 24 years.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

N. Pension Plan (Continued):

FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 77.58 percent funded, (54.14 percent funded for SLEP, and 0.00 percent funded for ECO). The actuarial accrued liability for benefits was \$18,494,239 for Regular, (\$7,977,784 for SLEP, \$1,349,847 for ECO), and the actuarial value of assets was \$14,347,420, resulting in an overfunded actuarial accrued liability (UAAL) of \$4,146,819, (\$4,319,499 for SLEP, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,658,285, and \$(545,946) for ECO, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,895,793). The covered payroll (annual payroll of active employees covered by the Regular plan) was \$7,042,159 and the ratio of the UAAL to the covered payroll was 59 percent. For SLEP members, the covered payroll (annual payroll of active employees covered by the plan) was \$2,131,727 and the ratio of the UAAL to the covered payroll was 172 percent. For ECO members, the covered payroll (annual payroll of active employees covered by the plan) was \$299,170 and the ratio of the UAAL to the covered payroll was 634 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

O. Contingencies:

From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

P. Subsequent Events:

The County has evaluated subsequent events through June 8, 2010, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of November 30, 2009 have been incorporated herein. There are no subsequent events that require disclosure.

BOONE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
November 30, 2009

Q. Pending GASB Statements:

Accounting and Financial Reporting for Intangible Assets is effective for the fiscal year ending November 30, 2010. The pronouncement establishes accounting and reporting standards for those entities with intangible assets (such as patents, trademarks, internally developed software).

Accounting and Financial Reporting for Derivative Instruments is effective for the fiscal year ending November 30, 2010. The pronouncement establishes definitions of derivative instruments and establishes accounting, reporting and disclosure requirements for those entities involved with such instruments.

Fund Balance Reporting and Governmental Fund Type Definitions is effective for the fiscal year ending November 30, 2011. The pronouncement significantly changes the reporting and disclosure of "fund balance" information in the financial statements.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

R. Prior Period Adjustment:

Beginning net assets were restated to move net assets in the landfill closing fund and recycling fund from business-type activities to governmental activities. This presentation better reflects the purposes and uses of the funds.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

BOONE COUNTY, ILLINOIS
Year ended November 30, 2009

**Required Supplementary Information
Schedule of Funding Progress**

Regular:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$14,347,420	\$18,494,239	\$4,146,819	77.58%	\$7,042,159	58.89%
12/31/07	16,622,092	17,665,584	1,043,492	94.09%	6,669,298	15.65%
12/31/06	15,775,673	17,013,178	1,237,505	92.73%	6,116,082	20.23%

SLEP:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$4,319,499	\$7,977,784	\$3,658,285	54.14%	\$2,131,727	171.61%
12/31/07	5,066,210	7,813,186	2,746,976	64.84%	2,058,223	133.46%
12/31/06	5,014,733	7,527,475	2,512,742	66.62%	1,907,117	131.76%

ECO:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$(545,946)	\$1,349,847	\$1,895,793	0.00%	\$299,170	633.68%
12/31/07	(150,549)	1,888,373	2,038,922	0.00%	335,282	608.12%
12/31/06	59,067	1,957,512	1,898,445	3.02%	365,678	519.16%

BOONE COUNTY, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes:			
Property taxes	\$ 3,549,031	\$ 3,421,533	\$ (127,498)
State income tax	1,887,848	1,557,161	(330,687)
State sales tax	1,953,886	1,428,159	(525,727)
Replacement tax	567,408	457,244	(110,164)
Inheritance tax	18,919	62,302	43,383
Use tax	268,226	240,493	(27,733)
	<u>8,245,318</u>	<u>7,166,892</u>	<u>(1,078,426)</u>
Total taxes			
	<u>8,245,318</u>	<u>7,166,892</u>	<u>(1,078,426)</u>
Fees, licenses, permits, and fines:			
County clerk fees	55,944	96,945	41,001
County sheriff fees	138,952	136,304	(2,648)
State's attorney fees	23,329	18,924	(4,405)
Court security fees	57,000	57,000	-
County coroner fees	10,092	18,840	8,748
County recorder	172,538	164,363	(8,175)
Licenses and permits	30,427	29,817	(610)
Criminal fines	230,467	189,730	(40,737)
Traffic fines	545,401	583,347	37,946
Cable franchise fees	52,247	59,732	7,485
GIS fees	27,714	27,940	226
Circuit court fees	682,059	688,275	6,216
Counsel fees	8,314	6,968	(1,346)
Finance court	27,602	63,840	36,238
	<u>2,062,086</u>	<u>2,142,025</u>	<u>79,939</u>
Total fees, licenses, permits, and fines			
	<u>2,062,086</u>	<u>2,142,025</u>	<u>79,939</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF REVENUES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues (continued):			
Intergovernmental revenue:			
State of Illinois salary reimbursements	406,535	289,026	(117,509)
County sheriff reimbursements	678,100	730,936	52,836
Public Safety Building operations - city	528,519	499,305	(29,214)
Treasurer reimbursement	12,248	379	(11,869)
Grants - State's Attorney	100,000	68,456	(31,544)
	<u>1,725,402</u>	<u>1,588,102</u>	<u>(137,300)</u>
Total intergovernmental revenues			
	<u>1,725,402</u>	<u>1,588,102</u>	<u>(137,300)</u>
Other:			
Interest:			
Investments	116,326	71,475	(44,851)
Work release	37,688	24,346	(13,342)
Revenue stamps	272,558	242,258	(30,300)
Neglected children	-	941	941
Miscellaneous	97,848	202,326	104,478
Penalties	201,513	317,654	116,141
County farm	9,945	11,475	1,530
	<u>735,878</u>	<u>870,475</u>	<u>134,597</u>
Total other revenue			
	<u>735,878</u>	<u>870,475</u>	<u>134,597</u>
Total revenues	<u>\$ 12,768,684</u>	<u>\$ 11,767,494</u>	<u>\$ (1,001,190)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures:			
<u>General Government:</u>			
<u>Courthouse Expense</u>			
Salaries - other full time	\$ 143,284	\$ 139,384	\$ (3,900)
Salaries - overtime	3,624	1,886	(1,738)
Employee health insurance	20,099	20,099	-
Maintenance supplies	8,755	7,886	(869)
Gas and oil	1,390	1,228	(162)
Uniforms	2,300	2,300	-
Utilities	303,850	338,690	34,840
Equipment rental	375	-	(375)
Telephone	92,500	95,761	3,261
Waste disposal	1,210	1,507	297
Maintenance - equipment	9,066	7,011	(2,055)
Maintenance - grounds	5,000	264	(4,736)
Equipment	1,250	-	(1,250)
Total courthouse expense	<u>592,703</u>	<u>616,016</u>	<u>23,313</u>
<u>County Board Expense</u>			
Chairman	10,500	11,375	875
Employee health insurance	1,618	1,618	-
Travel	8,280	6,264	(2,016)
Insurance, bonds	1,000	2,029	1,029
Per diem	66,500	46,900	(19,600)
Publications	12,415	10,352	(2,063)
Dues and memberships	2,300	3,333	1,033
Other professional services	25,000	24,814	(186)
Training	1,000	148	(852)
Total county board expense	<u>128,613</u>	<u>106,833</u>	<u>(21,780)</u>
<u>County Farm</u>			
Taxes	950	1,014	64
Total county farm expense	<u>950</u>	<u>1,014</u>	<u>64</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>General Government (Continued):</u>			
<u>County Treasurer</u>			
Salaries - department head	65,044	65,305	261
Salaries - deputies	81,018	77,903	(3,115)
Salaries - overtime	550	-	(550)
Employee health insurance	20,375	20,375	-
Office supplies	1,000	1,045	45
Books, periodicals, and manuals	300	189	(111)
Travel	600	49	(551)
Advertising and publishing	6,000	4,652	(1,348)
Training and conferences	300	-	(300)
Postage	8,830	8,545	(285)
Maintenance equipment	600	432	(168)
Other professional services	-	507	507
Dues and memberships	520	150	(370)
Total county treasurer expense	<u>185,137</u>	<u>179,152</u>	<u>(5,985)</u>
<u>County Clerk and Recorder</u>			
Salaries - department head	71,370	71,657	287
Salaries - deputies	196,994	192,656	(4,338)
Employee health insurance	37,605	37,605	-
Office supplies	16,000	7,486	(8,514)
Revenue stamps	200,000	209,464	9,464
Travel	300	86	(214)
Training	250	9	(241)
Printing, duplicating and binding	5,300	2,686	(2,614)
Postage	10,000	3,062	(6,938)
Office equipment repair	5,500	-	(5,500)
Dues and memberships	350	350	-
Data processing	29,000	24,882	(4,118)
Office equipment	12,000	4,786	(7,214)
Miscellaneous fees (register births and deaths)	250	270	20
Total county clerk and recorder	<u>584,919</u>	<u>554,999</u>	<u>(29,920)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>General Government (Continued):</u>			
<u>Zoning</u>			
Travel	300	559	259
Advertising and publishing	100	-	(100)
Training and conference	100	-	(100)
Per diem	2,000	1,880	(120)
Total zoning expense	<u>2,500</u>	<u>2,439</u>	<u>(61)</u>
 <u>Supervisor of Assessments</u>			
Salaries - department	64,999	65,249	250
Salaries - clerks	139,935	119,452	(20,483)
Employee health insurance	26,278	26,278	-
Office supplies	3,075	2,825	(250)
Printing	5,300	5,542	242
Equipment maintenance	2,685	1,043	(1,642)
Travel	2,157	454	(1,703)
Mapping maintenance	900	1,800	900
Training and conference	9,300	1,803	(7,497)
Advertising and publishing	20,700	32,538	11,838
Postage	10,440	11,291	851
Dues and memberships	1,015	1,073	58
Other professional services	10,200	229	(9,971)
Equipment	11,301	10,662	(639)
Total supervisor of assessments	<u>308,285</u>	<u>280,239</u>	<u>(28,046)</u>
 <u>Superintendent of Educational Service Region</u>			
Intergovernmental education service	<u>109,655</u>	<u>86,160</u>	<u>(23,495)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>General Government (Continued):</u>			
<u>Administrative Services</u>			
Salaries - department head	105,664	104,444	(1,220)
Salaries - secretary	35,113	34,598	(515)
Salaries - admin assistant	65,892	65,816	(76)
Employee health insurance	29,146	29,146	-
Stationery and supplies	8,900	10,124	1,224
Books, periodicals and manuals	200	84	(116)
Travel	2,364	1,697	(667)
Postage	5,050	3,639	(1,411)
Training and conferences	1,825	1,435	(390)
Publishing and advertising	2,500	1,135	(1,365)
Maintenance - equipment	8,403	8,528	125
Dues and memberships	1,500	1,035	(465)
Total administrative expense	<u>266,557</u>	<u>261,681</u>	<u>(4,876)</u>
<u>Board of Review</u>			
Salaries-board members	20,098	18,647	(1,451)
Employee health insurance	2,653	2,653	-
Office supplies	200	60	(140)
Travel	1,924	1,311	(613)
Advertising and publishing	2,950	1,365	(1,585)
Other professional services	12,800	575	(12,225)
Postage	1,700	1,642	(58)
Training and conference	2,940	732	(2,208)
Dues	135	-	(135)
Total board of review expense	<u>45,400</u>	<u>26,985</u>	<u>(18,415)</u>
<u>Election Expense</u>			
Salaries-clerks	2,500	1,046	(1,454)
Employee health insurance	149	149	-
Printing paper and supplies	225,000	171,015	(53,985)
Voter registration	22,000	25,875	3,875
Total election expense	<u>249,649</u>	<u>198,085</u>	<u>(51,564)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (Continued):			
<u>General Government (Continued):</u>			
<u>Logan Avenue Building</u>			
Maintenance supplies	450	366	(84)
Property maintenance	8,070	6,034	(2,036)
Equipment maintenance	550	391	(159)
Utilities	<u>7,740</u>	<u>703</u>	<u>(7,037)</u>
Total Logan Avenue Building	<u>16,810</u>	<u>7,494</u>	<u>(9,316)</u>
<u>Information Technology</u>			
Computer replacement	7,700	3,619	(4,081)
Telephone	7,980	13,756	5,776
Professional services	94,350	89,309	(5,041)
Office equipment	2,000	3,205	1,205
Computer coordinator	<u>44,742</u>	<u>46,362</u>	<u>1,620</u>
Total information technology	<u>156,772</u>	<u>156,251</u>	<u>(521)</u>
<u>Geographic Information Systems</u>			
GIS Coordinator	42,500	43,626	1,126
GIS Specialist	37,500	33,321	(4,179)
Office supplies	2,400	1,037	(1,363)
Training and conferences	3,500	1,236	(2,264)
Postage	50	42	(8)
Other professional services	10,250	1,170	(9,080)
Dues	60	50	(10)
Equipment	<u>35,840</u>	<u>28,112</u>	<u>(7,728)</u>
Total geographic information systems	<u>132,100</u>	<u>108,594</u>	<u>(23,506)</u>
<u>Other Professional Services and Capital</u>			
Accounting software	-	700	700
Other professional services	<u>5,000</u>	<u>4,195</u>	<u>(805)</u>
Total other professional services	<u>5,000</u>	<u>4,895</u>	<u>(105)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (Continued):			
<u>General Government (Continued):</u>			
<u>Miscellaneous</u>			
Annual audit	33,000	33,200	200
Growth Dimensions	50,000	46,000	(4,000)
CASA	48,000	46,560	(1,440)
Soil and Water Dist	33,000	16,500	(16,500)
Historical preservation	1,250	1,000	(250)
Contingencies	21,290	35,344	14,054
Compensated absence expense	-	(50,268)	(50,268)
Total miscellaneous	<u>186,540</u>	<u>128,336</u>	<u>(58,204)</u>
Total general government	<u>2,971,590</u>	<u>2,719,173</u>	<u>(252,417)</u>
<u>Public Safety</u>			
<u>Emergency Service and Disaster Assistance</u>			
Salaries - director	47,196	47,488	292
Salaries - overtime	5,920	5,863	(57)
Salaries - aide	3,000	2,704	(296)
Employee health insurance	7,975	7,975	-
Office supplies	731	584	(147)
Maintenance supplies	685	123	(562)
Gas and oil	8,000	2,186	(5,814)
Travel	830	48	(782)
Postage	258	-	(258)
Equipment maintenance	7,500	2,132	(5,368)
Other professional services	500	211	(289)
Telephone	1,500	690	(810)
Training and conferences	3,400	2,096	(1,304)
Dues and memberships	455	255	(200)
Machinery and equipment	<u>5,000</u>	<u>3,687</u>	<u>(1,313)</u>
Total emergency service and disaster assistance	<u>92,950</u>	<u>76,042</u>	<u>(16,908)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (Continued):			
<u>Public Safety (Continued):</u>			
<u>County Coroner</u>			
Salaries - coroner	50,993	51,194	201
Salaries - deputy	20,444	18,066	(2,378)
Salaries - secretary	24,684	24,845	161
Employee health insurance	13,389	13,389	-
Office supplies	1,600	1,426	(174)
Medical supplies	1,500	921	(579)
Morgue supplies	3,500	2,937	(563)
Travel	1,900	2,601	701
Postage	600	495	(105)
Training and conferences	2,000	-	(2,000)
Lab fees	3,500	4,612	1,112
Dues and memberships	300	350	50
Other professional services	25,000	26,786	1,786
Telephone	1,700	1,839	139
Coroner inquiry - jury per diem	1,000	-	(1,000)
Equipment	2,400	491	(1,909)
Total county coroner	<u>154,510</u>	<u>149,952</u>	<u>(4,558)</u>
<u>Sheriff's Department</u>			
Salaries - sheriff	101,638	102,174	536
Salaries - deputies	2,508,153	2,604,223	96,070
Salaries - overtime	220,559	183,353	(37,206)
Employee health insurance	411,138	411,138	-
Office supplies - sheriff	12,000	6,232	(5,768)
Books, periodicals, and manuals	1,177	762	(415)
Gasoline and oil	175,000	118,314	(56,686)
Clothing - uniforms	47,750	43,647	(4,103)
Advertising	5,000	-	(5,000)
Postage	3,354	2,557	(797)
Travel expense	8,000	7,653	(347)
Training and conferences	45,800	39,964	(5,836)
Other professional services	26,250	3,327	(22,923)

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>Public Safety (Continued):</u>			
<u>Sheriff's Department (Continued)</u>			
Dues	1,905	1,150	(755)
DARE program	3,000	943	(2,057)
Maintenance - vehicles	68,000	78,389	10,389
Maintenance - equipment	40,085	29,189	(10,896)
K-9 unit	4,000	2,217	(1,783)
Firing range	5,000	7,518	2,518
Equipment - sheriff	35,400	17,863	(17,537)
Total sheriff's department	<u>3,723,209</u>	<u>3,660,613</u>	<u>(62,596)</u>
Total public safety	<u>3,970,669</u>	<u>3,886,607</u>	<u>(84,062)</u>
<u>Judiciary and Court Related:</u>			
<u>State's Attorney</u>			
Salaries - department head	160,412	169,703	9,291
Salaries - assistants	291,032	266,924	(24,108)
Salaries - secretaries	131,056	110,707	(20,349)
Salaries - summer intern	103,308	104,780	1,472
Employee health insurance	92,780	92,780	-
Office supplies	8,400	6,137	(2,263)
Books, periodicals, and manuals	7,000	7,437	437
Appellate service	13,000	13,000	-
Travel	2,000	1,867	(133)
Training and conferences	5,000	2,595	(2,405)
Office equipment maintenance	200	-	(200)
Dues and memberships	3,600	3,853	253
Postage	3,300	1,933	(1,367)
Other professional service	2,300	2,609	309
Office equipment	7,200	6,471	(729)
Total state's attorney	<u>830,588</u>	<u>790,796</u>	<u>(39,792)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>Judiciary and Court Related (Continued):</u>			
<u>Public Defender</u>			
Salaries - public defender	144,370	144,944	574
Salaries - asst. public defender	95,305	95,682	377
Salaries - secretary	50,889	51,098	209
Salaries - Intern	1,200	-	(1,200)
Employee health insurance	41,505	41,505	-
Training & conferences	1,500	1,183	(317)
Maintenance	1,320	1,312	(8)
Equipment	500	-	(500)
Office supplies	26,929	28,822	1,893
Total public defender	<u>363,518</u>	<u>364,546</u>	<u>1,028</u>
 <u>Probation</u>			
Salaries - officers	205,395	205,099	(296)
Salaries - supervisors	77,416	77,709	293
Salaries - legal secretary	29,023	22,320	(6,703)
Employee health insurance	43,412	43,412	-
Office supplies	4,000	2,584	(1,416)
Books, periodicals and manuals	250	164	(86)
Equipment maintenance	1,500	1,473	(27)
Travel	2,600	1,351	(1,249)
Printing, duplicating and binding	1,000	755	(245)
Postage	2,000	1,400	(600)
Dues	240	240	-
Other professional services	-	335	335
Juvenile placement	200,000	140,129	(59,871)
Equipment	500	214	(286)
Total probation	<u>567,336</u>	<u>497,185</u>	<u>(70,151)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>Judiciary and Court Related (Continued):</u>			
<u>Circuit Clerk</u>			
Salaries - circuit clerk	61,192	61,436	244
Salaries - clerks	382,498	386,295	3,797
Salaries - non-union	104,490	108,436	3,946
Salaries - overtime	4,000	12,566	8,566
Employee health insurance	80,916	80,916	-
Office supplies	19,250	10,779	(8,471)
Maintenance - equipment	1,800	1,131	(669)
Travel	1,155	1,003	(152)
Postage	13,775	12,029	(1,746)
Printing and reproduction	10,000	7,632	(2,368)
Dues	670	670	-
Equipment	5,500	4,476	(1,024)
Total circuit clerk	<u>685,246</u>	<u>687,369</u>	<u>2,123</u>
 <u>Judicial</u>			
Salaries - judges	1,635	1,615	(20)
Salaries - intern	2,000	-	(2,000)
Salaries - assistant	14,708	14,538	(170)
Employee health insurance	2,298	2,298	-
Office supplies	2,299	1,748	(551)
Publications	8,000	6,172	(1,828)
Equipment maintenance	390	288	(102)
Travel	500	-	(500)
Equipment	6,751	453	(6,298)
Total judicial expense	<u>38,581</u>	<u>27,112</u>	<u>(11,469)</u>

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>Judiciary and Court Related (Continued):</u>			
<u>County Corrections</u>			
Salaries - union	1,874,937	1,912,800	37,863
Salaries - non-union	79,322	79,880	558
Salaries - overtime	94,594	87,450	(7,144)
Employee health insurance	295,950	295,950	-
Office supplies	8,050	7,857	(193)
Office materials - work release	325	316	(9)
Gas & oil	1,500	646	(854)
Maintenance supplies	33,321	32,973	(348)
Food	231,956	222,963	(8,993)
Uniforms	36,750	33,405	(3,345)
Maintenance	9,520	8,125	(1,395)
Maintenance - equipment	32,941	34,221	1,280
Waste Disposal	4,020	8,648	4,628
Insurance and bonds	500	185	(315)
Training and conferences	37,687	32,354	(5,333)
Postage	205	88	(117)
Printing and reproduction	6,200	3,555	(2,645)
Dues	1,050	108	(942)
Other professional services	191,000	190,967	(33)
Machinery and equipment	22,000	9,801	(12,199)
Total county corrections	<u>2,961,828</u>	<u>2,962,292</u>	<u>464</u>
<u>County Public Safety Building</u>			
Salaries - regular	830,807	799,313	(31,494)
Salaries - overtime	32,000	32,195	195
Employee health insurance	118,302	118,302	-
Office supplies	14,000	9,853	(4,147)
Maintenance	8,880	7,744	(1,136)
Gas and oil	1,720	458	(1,262)
Uniforms	13,300	11,864	(1,436)
Maintenance	4,500	-	(4,500)
Maintenance - other equipment	96,821	53,874	(42,947)

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>Judiciary and Court Related (Continued):</u>			
<u>County Public Safety Building (Continued)</u>			
Waste disposal	2,300	2,484	184
Utilities	16,000	7,887	(8,113)
Training and conferences	5,380	2,911	(2,469)
Postage	1,000	731	(269)
Other professional services	3,300	-	(3,300)
Snow removal	2,450	3,680	1,230
Dues	200	-	(200)
Equipment rental	7,000	5,551	(1,449)
Machinery and equipment	13,329	11,129	(2,200)
Total county public safety building	1,171,289	1,067,976	(103,313)
<u>Jurors and Other Legal Services</u>			
Legal service/rotation	29,035	53,989	24,954
Legal service/contract	42,074	40,850	(1,224)
Interpreter wages	30,000	31,009	1,009
Employee health insurance	4,412	4,412	-
Other professional services	35,000	34,811	(189)
Court reporter services	15,000	23,103	8,103
Grand jury per diem	8,000	4,024	(3,976)
Petit jury per diem	45,000	24,040	(20,960)
Meals and lodging	1,184	927	(257)
Witness fees	14,796	4,052	(10,744)
Court admin services	18,000	18,000	-
Office supplies	2,000	610	(1,390)
Publications	7,688	2,696	(4,992)
Total jurors and other legal services	252,189	242,523	(9,666)
Total judiciary and court related	6,870,575	6,639,799	(230,776)
Total expenditures	\$ 13,812,834	\$ 13,245,579	\$ (567,255)

BOONE COUNTY, ILLINOIS
GENERAL FUND (CONTINUED)
SCHEDULE OF OTHER FINANCING SOURCES
COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued):			
<u>Other financing sources (uses):</u>			
<u>Operating transfers in:</u>			
Office automation	\$ 196,000	\$ 252,039	\$ 56,039
Recycling	-	5,217	5,217
Capital	-	652	652
County maintenance	-	35	35
Probation	50,000	50,000	-
Jail construction	770,000	600,000	(170,000)
General liability	159,500	159,500	-
Maplecrest	75,000	90,000	15,000
	<u>\$ 1,250,500</u>	<u>\$ 1,157,443</u>	<u>\$ (93,057)</u>
 Total operating transfers in	 <u>\$ 1,250,500</u>	 <u>\$ 1,157,443</u>	 <u>\$ (93,057)</u>
 <u>Operating transfers (out):</u>			
Planning	\$ (88,000)	\$ (93,000)	\$ (5,000)
Landfill closing	(50,000)	(50,000)	-
Building	(40,000)	(76,000)	(36,000)
Animal control	(20,000)	(20,000)	-
Space acquisition	(400,000)	(400,000)	-
	<u>\$ (598,000)</u>	<u>\$ (639,000)</u>	<u>\$ (41,000)</u>
 Total operating transfers out	 <u>\$ (598,000)</u>	 <u>\$ (639,000)</u>	 <u>\$ (41,000)</u>

BOONE COUNTY, ILLINOIS
SPECIAL REVENUE FUND
COUNTY BRIDGE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Taxes:			
Property taxes	\$ 657,228	\$ 632,963	\$ (24,265)
Intergovernmental:			
Reimbursements	10,000	98,894	88,894
Other revenue:			
Interest on investments	40,000	39,897	(103)
Total revenues	<u>\$ 707,228</u>	<u>\$ 771,754</u>	<u>\$ 64,526</u>
Expenditures:			
Highways & Streets:			
Bridges and culverts	<u>\$ 302,000</u>	<u>\$ 132,793</u>	<u>\$ (169,207)</u>

BOONE COUNTY, ILLINOIS
SPECIAL REVENUE FUND
COUNTY MATCHING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes:			
Property taxes	\$ 657,228	\$ 658,280	\$ 1,052
Other revenue:			
Reimbursements	-	88,269	88,269
Interest on investments	60,000	45,845	(14,155)
Total other revenue	60,000	134,114	74,114
Total revenues	<u>\$ 717,228</u>	<u>\$ 792,394</u>	<u>\$ 75,166</u>
Expenditures:			
Highways & Streets:			
Construction	<u>\$ 680,000</u>	<u>\$ 248,602</u>	<u>\$ (431,398)</u>
Other financing sources (uses):			
Operating transfers (out)	<u>\$ -</u>	<u>\$ (3,178)</u>	<u>\$ (3,178)</u>

BOONE COUNTY, ILLINOIS
SPECIAL REVENUE FUND
RETIREMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
REQUIRED SUPPLEMENTARY INFORMATION
Year ended November 30, 2009

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes:			
Property taxes-FICA	\$ 721,000	\$ 722,264	\$ 1,264
Property taxes-IMRF	<u>1,300,699</u>	<u>1,300,685</u>	<u>(14)</u>
Total taxes	<u>2,021,699</u>	<u>2,022,949</u>	<u>1,250</u>
Other:			
Employee withholding	1,306,693	-	(1,306,693)
Interest on investments	37,330	14,336	(22,994)
City of Belvidere	<u>71,996</u>	<u>94,372</u>	<u>22,376</u>
Total other revenue	<u>1,416,019</u>	<u>108,708</u>	<u>(1,307,311)</u>
Total revenue	<u>\$ 3,437,718</u>	<u>\$ 2,131,657</u>	<u>\$ (1,306,061)</u>
Expenditures:			
FICA - general government	\$ 193,951	\$ 96,050	\$ (97,901)
FICA - public safety	581,279	287,866	(293,413)
FICA - judiciary and court related	592,326	293,337	(298,989)
FICA - highways and streets	39,436	19,530	(19,906)
FICA - health and welfare	128,516	63,645	(64,871)
IMRF - general government	249,956	162,096	(87,860)
IMRF - public safety	749,129	485,809	(263,320)
IMRF - judiciary and court related	763,366	495,041	(268,325)
IMRF - highways and streets	50,824	32,959	(17,865)
IMRF - health and welfare	165,627	107,408	(58,219)
Reg. Supt. Of School	<u>7,000</u>	<u>12,405</u>	<u>5,405</u>
Total expenditures	<u>\$ 3,521,410</u>	<u>\$ 2,056,146</u>	<u>\$ (1,465,264)</u>
Other financing sources (uses):			
Operating transfers in	<u>\$ 53,036</u>	<u>\$ 41,542</u>	<u>\$ (11,494)</u>

OTHER SUPPLEMENTARY INFORMATION

BOONE COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2009

	Total Nonmajor Governmental Funds	Special	County Highway	County Motor Fuel Tax
		Liability Insurance		
<u>ASSETS</u>				
Cash	\$ 4,097,251	\$ 299,802	\$ 1,310,415	\$ 422,067
Investments, at cost	4,402,795	854,600	-	2,092,667
Accounts receivable	418,770	-	-	74,593
Property tax receivable	1,477,866	375,000	638,249	-
Prepaid expenses	<u>422,535</u>	<u>422,535</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 10,819,217</u>	<u>\$ 1,951,937</u>	<u>\$ 1,948,664</u>	<u>\$ 2,589,327</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 196,958	\$ 333	\$ 8,940	\$ 130,000
Accrued payroll	65,130	-	11,706	4,087
Deferred property taxes	1,477,866	375,000	638,249	-
Landfill closure liability	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,849,954</u>	<u>375,333</u>	<u>658,895</u>	<u>134,087</u>
<u>FUND BALANCE</u>				
Fund balances:				
Unreserved, undesignated	<u>8,969,263</u>	<u>1,576,604</u>	<u>1,289,769</u>	<u>2,455,240</u>
Total fund balance	<u>8,969,263</u>	<u>1,576,604</u>	<u>1,289,769</u>	<u>2,455,240</u>
Total liabilities and fund balances	<u>\$ 10,819,217</u>	<u>\$ 1,951,937</u>	<u>\$ 1,948,664</u>	<u>\$ 2,589,327</u>

Revenue					
County Health Department	Animal Control	Building	Planning	Capital	Office Automation
\$ 318,643	\$ 26,291	\$ 24,848	\$ 17,544	\$ -	\$ 341,668
350,528	-	-	-	-	200,000
97,390	-	-	-	-	10,592
464,617	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,231,178</u>	<u>\$ 26,291</u>	<u>\$ 24,848</u>	<u>\$ 17,544</u>	<u>\$ -</u>	<u>\$ 552,260</u>
\$ -	\$ 1,681	\$ 2,581	\$ 259	\$ -	\$ -
29,264	6,392	5,665	6,724	-	-
464,617	-	-	-	-	-
-	-	-	-	-	-
<u>493,881</u>	<u>8,073</u>	<u>8,246</u>	<u>6,983</u>	<u>-</u>	<u>-</u>
<u>737,297</u>	<u>18,218</u>	<u>16,602</u>	<u>10,561</u>	<u>-</u>	<u>552,260</u>
<u>737,297</u>	<u>18,218</u>	<u>16,602</u>	<u>10,561</u>	<u>-</u>	<u>552,260</u>
<u>\$ 1,231,178</u>	<u>\$ 26,291</u>	<u>\$ 24,848</u>	<u>\$ 17,544</u>	<u>\$ -</u>	<u>\$ 552,260</u>

BOONE COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
November 30, 2009

	Special			
	Probation Services	DUI Equipment	911	Landfill Closing
<u>ASSETS</u>				
Cash	\$ 158,654	\$ 19,358	\$ 553,528	\$ 114,978
Investments, at cost	-	-	200,000	80,000
Accounts receivable	2,866	-	-	-
Property tax receivable	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 161,520</u>	<u>\$ 19,358</u>	<u>\$ 753,528</u>	<u>\$ 194,978</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 46,914
Accrued payroll	-	-	-	158
Deferred revenue	-	-	-	-
Landfill closure liability	-	-	-	110,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,072</u>
<u>FUND BALANCE</u>				
Fund balances:				
Unreserved, undesignated	<u>161,520</u>	<u>19,358</u>	<u>753,528</u>	<u>37,906</u>
Total fund balance	<u>161,520</u>	<u>19,358</u>	<u>753,528</u>	<u>37,906</u>
Total liabilities and fund balances	<u>\$ 161,520</u>	<u>\$ 19,358</u>	<u>\$ 753,528</u>	<u>\$ 194,978</u>

Revenue				
Child Support and Maintenance	COPS Grant	Document Storage	Sale in Error	Impact Fee
\$ 20,819	\$ 2,690	\$ 78,817	\$ 6,926	\$ 8,689
-	-	375,000	-	-
-	-	10,649	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 20,819</u>	<u>\$ 2,690</u>	<u>\$ 464,466</u>	<u>\$ 6,926</u>	<u>\$ 8,689</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,134	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,134</u>	<u>-</u>	<u>-</u>
<u>20,819</u>	<u>2,690</u>	<u>463,332</u>	<u>6,926</u>	<u>8,689</u>
<u>20,819</u>	<u>2,690</u>	<u>463,332</u>	<u>6,926</u>	<u>8,689</u>
<u>\$ 20,819</u>	<u>\$ 2,690</u>	<u>\$ 464,466</u>	<u>\$ 6,926</u>	<u>\$ 8,689</u>

BOONE COUNTY, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 November 30, 2009

	Special			
	County Maintenance	Federal Forfeited Funds	Space Acquisition Fund	Recycling Fund
<u>ASSETS</u>				
Cash	\$ -	\$ 63,472	\$ -	\$ -
Investments, at cost	-	-	-	-
Accounts receivable	-	1,199	-	-
Property tax receivable	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 64,671</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Landfill closure liability	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Fund balances:				
Unreserved, undesignated	<u>-</u>	<u>64,671</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>64,671</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 64,671</u>	<u>\$ -</u>	<u>\$ -</u>

Revenue				Debt Service
Regional Communication Fee	Homeland Security	Grant Fund	Public Safety	Jail Construction
\$ 22,321	\$ 79	\$ 7,899	\$ -	\$ 277,743
-	-	-	-	250,000
-	-	-	221,481	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 22,321</u>	<u>\$ 79</u>	<u>\$ 7,899</u>	<u>\$ 221,481</u>	<u>\$ 527,743</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,250
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,250</u>
<u>22,321</u>	<u>79</u>	<u>7,899</u>	<u>221,481</u>	<u>521,493</u>
<u>22,321</u>	<u>79</u>	<u>7,899</u>	<u>221,481</u>	<u>521,493</u>
<u>\$ 22,321</u>	<u>\$ 79</u>	<u>\$ 7,899</u>	<u>\$ 221,481</u>	<u>\$ 527,743</u>

BOONE COUNTY, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended November 30, 2009

	Total	Special		
	Non-major	Liability	County	County
	Governmental	Insurance	Highway	Motor Fuel
				Tax
Revenues:				
Taxes	\$ 2,796,341	\$ 433,521	\$ 631,124	\$ -
Fees	1,005,091	-	-	-
Intergovernmental revenue	1,804,909	-	64,343	945,402
Sale of goods and service	600,245	-	-	-
Other revenue	307,623	31,165	18,926	44,222
Total revenues	<u>6,514,209</u>	<u>464,686</u>	<u>714,393</u>	<u>989,624</u>
Expenditures:				
General government	1,992,495	536,568	-	-
Public safety	371,589	-	-	-
Highways and streets	1,607,765	-	657,940	949,825
Health and welfare	1,260,139	-	-	-
Judicial and court related	67,004	-	-	-
Debt service	928,987	-	-	-
Total expenditures	<u>6,227,979</u>	<u>536,568</u>	<u>657,940</u>	<u>949,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>286,230</u>	<u>(71,882)</u>	<u>56,453</u>	<u>39,799</u>
Other financing sources (uses):				
Debt proceeds	-	-	-	-
Operating transfers in	2,149,720	13,147	39,803	-
Operating transfers out	<u>(2,555,335)</u>	<u>(159,500)</u>	<u>(11,000)</u>	<u>(36,250)</u>
Total other financing sources (uses)	<u>(405,615)</u>	<u>(146,353)</u>	<u>28,803</u>	<u>(36,250)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(119,385)</u>	<u>(218,235)</u>	<u>85,256</u>	<u>3,549</u>
Fund balance				
December 1, 2008	<u>9,088,648</u>	<u>1,794,839</u>	<u>1,204,513</u>	<u>2,451,691</u>
Fund balance				
November 30, 2009	<u>\$ 8,969,263</u>	<u>\$ 1,576,604</u>	<u>\$ 1,289,769</u>	<u>\$ 2,455,240</u>

Revenue					
County Health Department	Animal Control	Building	Planning	Capital	Office Automation
\$ 406,639	\$ -	\$ -	\$ -	\$ -	\$ -
93,058	176,459	106,564	17,077	-	379,632
578,020	-	-	-	-	-
103,952	-	-	-	-	-
57,188	14,214	391	93,674	-	4,117
<u>1,238,857</u>	<u>190,673</u>	<u>106,955</u>	<u>110,751</u>	<u>-</u>	<u>383,749</u>
-	-	159,263	213,898	-	67,381
-	-	-	-	-	26,936
-	-	-	-	-	-
973,072	187,983	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>973,072</u>	<u>187,983</u>	<u>159,263</u>	<u>213,898</u>	<u>-</u>	<u>94,317</u>
<u>265,785</u>	<u>2,690</u>	<u>(52,308)</u>	<u>(103,147)</u>	<u>-</u>	<u>289,432</u>
-	-	-	-	-	-
-	20,000	76,000	93,000	-	-
<u>(43,988)</u>	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>(652)</u>	<u>(217,178)</u>
<u>(43,988)</u>	<u>20,000</u>	<u>75,924</u>	<u>93,000</u>	<u>(652)</u>	<u>(217,178)</u>
221,797	22,690	23,616	(10,147)	(652)	72,254
<u>515,500</u>	<u>(4,472)</u>	<u>(7,014)</u>	<u>20,708</u>	<u>652</u>	<u>480,006</u>
<u>\$ 737,297</u>	<u>\$ 18,218</u>	<u>\$ 16,602</u>	<u>\$ 10,561</u>	<u>\$ -</u>	<u>\$ 552,260</u>

BOONE COUNTY, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended November 30, 2009

	Special			
	Probation Services	DUI Equipment	911	Landfill Closing
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees	68,827	10,087	-	-
Intergovernmental revenue	-	-	-	50,000
Sale of goods and service	-	-	496,293	-
Other revenue	2,838	28	6,289	2,674
Total revenues	<u>71,665</u>	<u>10,115</u>	<u>502,582</u>	<u>52,674</u>
Expenditures:				
General government	-	-	-	-
Public safety	22,502	-	290,654	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	99,084
Judicial and court related	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>22,502</u>	<u>-</u>	<u>290,654</u>	<u>99,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,163</u>	<u>10,115</u>	<u>211,928</u>	<u>(46,410)</u>
Other financing sources (uses):				
Debt proceeds	-	-	-	-
Operating transfers in	-	-	-	50,000
Operating transfers out	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(837)</u>	<u>10,115</u>	<u>211,928</u>	<u>3,590</u>
Fund balance				
December 1, 2008	<u>162,357</u>	<u>9,243</u>	<u>541,600</u>	<u>34,316</u>
Fund balance				
November 30, 2009	<u>\$ 161,520</u>	<u>\$ 19,358</u>	<u>\$ 753,528</u>	<u>\$ 37,906</u>

Revenue				
Child Support and Maintenance	COPS Grant	Document Storage	Sale in Error	Impact Fee
\$ -	\$ -	\$ -	\$ -	\$ -
1,162	-	136,946	-	6,529
-	2,000	-	-	-
-	-	-	-	-
24	18	2,033	54	89
<u>1,186</u>	<u>2,018</u>	<u>138,979</u>	<u>54</u>	<u>6,618</u>
-	-	-	-	33,195
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	67,004	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>67,004</u>	<u>-</u>	<u>33,195</u>
<u>1,186</u>	<u>2,018</u>	<u>71,975</u>	<u>54</u>	<u>(26,577)</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(34,861)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(34,861)</u>	<u>-</u>	<u>-</u>
1,186	2,018	37,114	54	(26,577)
<u>19,633</u>	<u>672</u>	<u>426,218</u>	<u>6,872</u>	<u>35,266</u>
<u>\$ 20,819</u>	<u>\$ 2,690</u>	<u>\$ 463,332</u>	<u>\$ 6,926</u>	<u>\$ 8,689</u>

BOONE COUNTY, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended November 30, 2009

	Special			
	County Maintenance	Federal Forfeited Funds	Space Acquisition Fund	Recycling Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees	-	-	-	-
Intergovernmental revenue	-	58,541	-	-
Sale of goods and service	-	-	-	-
Other revenue	-	200	3,112	-
Total revenues	-	58,741	3,112	-
Expenditures:				
General government	-	-	878,161	-
Public safety	-	30,996	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Judicial and court related	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	30,996	878,161	-
Excess (deficiency) of revenues over (under) expenditures	-	27,745	(875,049)	-
Other financing sources (uses):				
Debt proceeds	-	-	-	-
Operating transfers in	-	-	461,192	-
Operating transfers out	(35)	-	-	(5,217)
Total other financing sources (uses)	(35)	-	461,192	(5,217)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(35)	27,745	(413,857)	(5,217)
Fund balance				
December 1, 2008	35	36,926	413,857	5,217
Fund balance				
November 30, 2009	\$ -	\$ 64,671	\$ -	\$ -

Regional Communication Fee	Revenue			Debt Service
	Homeland Security	Grant Fund	Public Safety	Jail Construction
\$ -	\$ -	\$ -	\$ 1,325,057	\$ -
8,750	-	-	-	-
-	-	106,603	-	-
-	-	-	-	-
161	5	5,325	-	20,876
<u>8,911</u>	<u>5</u>	<u>111,928</u>	<u>1,325,057</u>	<u>20,876</u>
-	-	104,029	-	-
81	420	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	928,987
<u>81</u>	<u>420</u>	<u>104,029</u>	<u>-</u>	<u>928,987</u>
<u>8,830</u>	<u>(415)</u>	<u>7,899</u>	<u>1,325,057</u>	<u>(908,111)</u>
-	-	-	-	-
-	-	-	-	1,396,578
-	-	-	(1,396,578)	(600,000)
-	-	-	(1,396,578)	796,578
8,830	(415)	7,899	(71,521)	(111,533)
<u>13,491</u>	<u>494</u>	<u>-</u>	<u>293,002</u>	<u>633,026</u>
<u>\$ 22,321</u>	<u>\$ 79</u>	<u>\$ 7,899</u>	<u>\$ 221,481</u>	<u>\$ 521,493</u>

BOONE COUNTY, ILLINOIS
 ASSESSED VALUATIONS, TAX RATES,
 EXTENSIONS, AND COLLECTIONS

	TAX YEAR 2008		TAX YEAR 2007		TAX YEAR 2006	
Assessed valuations	<u>\$1,265,814,516</u>		<u>\$1,189,000,000</u>		<u>\$1,179,722,624</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
Property tax rates and extensions:						
County General	0.27000	\$ 3,417,715	0.27000	\$ 3,212,899	0.27000	\$ 2,899,878
County Highway	0.04980	630,375	0.05300	630,678	0.05130	550,974
County Bridge	0.05000	632,907	0.05000	594,979	0.04970	533,790
County Matching	0.05200	658,223	0.05000	594,979	0.04970	533,790
Illinois Municipal Retirement	0.10280	1,301,257	0.10140	1,206,618	0.09690	1,040,729
Liability Insurance	0.03420	432,908	0.04390	522,392	0.06320	678,783
County Health Department	0.03210	406,325	0.02120	252,271	0.02910	312,541
Keen-Age Center	0.01780	225,314	0.01860	221,332	0.02050	220,175
Social security	0.05700	721,514	0.05260	625,918	0.05540	595,009
Cooperative Extension	<u>0.01530</u>	<u>193,669</u>	<u>0.01530</u>	<u>182,064</u>	<u>0.01420</u>	<u>152,512</u>
	<u>0.68100</u>	<u>\$ 8,620,207</u>	<u>0.67600</u>	<u>\$ 8,044,130</u>	<u>0.70000</u>	<u>\$ 7,518,181</u>
Property tax collection: *						
County General		\$ 3,421,533		\$ 3,217,689		\$ 2,897,593
County Highway		631,124		630,300		549,384
County Bridge		632,963		594,589		531,684
County Matching		658,280		594,589		531,507
Illinois Municipal Retirement		1,300,685		1,210,452		1,036,896
Liability Insurance		433,521		522,026		675,906
County Health Department		406,639		252,650		312,180
Keen-Age Center		225,337		221,665		219,394
Social security		722,264		626,855		592,837
Cooperative Extension		<u>193,686</u>		<u>182,334</u>		<u>151,971</u>
		<u>\$ 8,626,032</u>		<u>\$ 8,053,149</u>		<u>\$ 7,499,352</u>
Percentage collected		<u>100.07%</u>		<u>100.11%</u>		<u>99.75%</u>

* including back taxes & mobile home

BOONE COUNTY, ILLINOIS

**REPORT ON
FEDERAL AWARD PROGRAMS**

November 30, 2009

BOONE COUNTY, ILLINOIS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Chairman and Members
of the County Board
Boone County, Illinois
Belvidere, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, Illinois as of and for the year ended November 30, 2009, which collectively comprise Boone County's basic financial statements and have issued our report thereon dated June 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

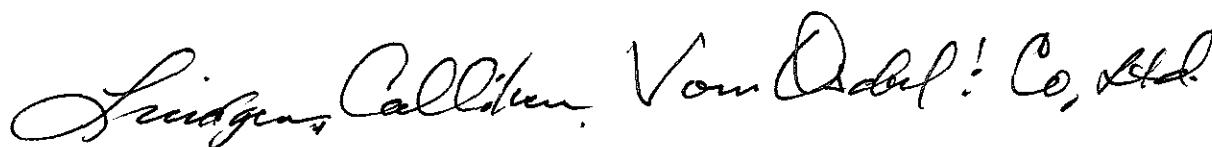
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, identified as items 2009-II-01 and 2009-II-02. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boone County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

A handwritten signature in black ink that reads "Steven Callahan, Vice President, Co, Ltd." The signature is written in a cursive, flowing style.

Freeport, Illinois
June 8, 2010

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Chairman and Members
of the County Board
Boone County, Illinois
Belvidere, Illinois

Compliance

We have audited the compliance of Boone County, Illinois with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended November 30, 2009. Boone County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Boone County's management. Our responsibility is to express an opinion on Boone County's compliance based on our audit.

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

In our opinion Boone County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2009.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-III-01 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Boone County's response to the findings identified in our audit are described in the accompanying schedule of findings and questions costs. We did not audit their response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Boone County, Illinois, as of and for the year ended November 30, 2009, and have issued our report thereon dated June 8, 2010. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise Boone County, Illinois' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S.

Office of Management and Budget Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Sindgen, Callahan, Van Osdel & Co., P.C., Ltd.

Freeport, Illinois
June 8, 2010

BOONE COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended November 30, 2009

	<u>CFDA*</u> <u>Number</u>	<u>Federal</u> <u>Grant</u> <u>Number</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>Federal Grantor/Pass-Through</u>				
<u>Grantor/Program Title:</u>				
<u>U.S Department of Health and Human Services:</u>				
Passed through Illinois Department of Human Services:				
Family Planning Title XX	93.667	FY 2009	\$ 16,400	\$ 16,400
Title X Family Planning	93.217	FY 2009 FY 2010	6,500 16,000	6,500 16,000
Abstinence Education	93.235	FY 2009	27,153	27,153
Passed through Illinois Department of Public Health:				
Bioterrorism Preparedness	93.069	063-48270-1900- 0200	56,509	56,509
Expense Implement Federal Award	93.268	063-48250-1900- 0000	8,575	8,575
Immunization Program	93.268	FY 2009	66,068	66,068
Passed through Illinois Department of Healthcare and Family Services:				
Medical Assistance Program	93.778	FY 2009	39,353	38,353
<u>U.S Department of Agriculture:</u>				
Passed through Illinois Department of Human Services:				
WIC Administration	10.557	FY 2009 FY 2010	91,800 69,000	91,800 69,000
WIC non-cash	10.557	FY 2009	<u>574,889</u> <u>735,689</u>	<u>574,889</u> <u>735,689</u>

BOONE COUNTY, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 For the year ended November 30, 2009

	<u>CFDA*</u> <u>Number</u>	<u>Federal</u> <u>Grant</u> <u>Number</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>Federal Grantor/Pass-Through</u> <u>Grantor/Program Title (Continued):</u>				
<u>U.S. Emergency Management Agency:</u>				
Passed through Illinois Emergency Management Agency:				
COPS Grant	16.710		2,000	2,000
<u>U.S. Department of Transportation:</u>				
Passed through Illinois Department of Transportation:				
Highway Planning and Construction	20.703		<u>146,754</u>	<u>146,754</u>
Total Federal Grant Activity			<u>\$1,121,001</u>	<u>\$1,121,001</u>

* Catalog of Federal Domestic Assistance Number.
 See Notes to Schedule of Federal Awards.

BOONE COUNTY, ILLINOIS
NOTES TO SCHEDULE OF FEDERAL AWARDS
For the year ended November 30, 2009

Note A Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boone County, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations.

Note B Sub recipients

For the year ended November 30, 2009, the County had no sub-recipients of federal funds.

Note C Nonmonetary Assistance

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Nonmonetary assistance for the year ended November 30, 2009 included \$574,889 in the WIC program and \$66,068 in the Immunization program.

BOONE COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended November 30, 2009

Section I – Summary of Auditor’s Results:

Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified that are not considered
to be material weakness(es)? ☒ yes ☐ none
reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified that are not considered
to be material weakness(es)? ☒ yes ☐ none
reported

Type of auditor’s report issued on compliance for major
programs: **Unqualified**

Any audit findings disclosed that are required to be reported in
accordance with section 510(a) of Circular A-133? ☒ yes ☐ no

Identification of major programs:

<u>CFDA Number(s)</u>	Name of Federal Program or Cluster
-----------------------	------------------------------------

10.557	Woman, Infants, and Children
--------	------------------------------

Dollar threshold used to distinguish between
type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

BOONE COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the year ended November 30, 2009

Section II – Financial Statement Findings

Finding 2009-II-01

Condition - There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel.

Effects - Many of the accounting functions are performed by the same individuals.

Cause - The County has a limited number of staff to allow for adequate segregation of duties.

Recommendation - It does not appear to be economically feasible to hire additional personnel to help segregate the accounting functions. However, the Board's close supervision and review of accounting information appears to be the most economical and appropriate manner to help prevent and detect errors and irregularities in the County's accounting and financial reporting.

Management response - The County's management and County Board's close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the county's accounting and financial reporting.

Finding 2009-II-02

Condition - The financial statement disclosures are prepared by the external auditors.

Effects - The County relies on the external auditors to prepare the financial statement disclosures.

Cause - Due to the complexity of several of the footnote disclosures, management does not currently possess the expertise to accurately prepare the financial statements and related disclosures for accuracy and completeness in accordance with the accounting principles generally accepted in the United States of America.

Recommendation - It does not appear to be economically feasible to hire additional personnel to help prepare the financial statements and required footnote disclosures in accordance with accounting principles generally accepted in the United States of America. However, the County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

BOONE COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the year ended November 30, 2009

Section II – Financial Statement Findings (continued)

Finding 2009-II-02 (continued)

Management response - The County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

Section III – Federal Award Findings and Questioned Costs

Item 2009-III-01:

Significant Deficiency in Administering Federal Awards

Criteria:

In accordance with OMB Circular A-133, section .300(b), the auditee (Boone County) is responsible for maintaining internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

OMB Circular A-133, section .310(b), indicates the auditee shall prepare financial statements and that the auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements.

Condition:

The County does not have a complete system in place for identifying federal financial assistance to enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without administrative oversight from the Administrator's Office or other designated individual.

Effect:

The lack of a complete system to administer Federal awards indicates a deficiency in the design and operation of internal control that could result in violations of laws, regulations, provisions of contract or grant agreements, fraud or abuse having a direct and material effect on the financial statements or the objectives of the Federal grants.

BOONE COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the year ended November 30, 2009

Section III – Federal Award Findings and Questioned Costs (Continued)

Item 2009-III-01:

Significant Deficiency in Administering Federal Awards (Continued)

Cause:

The County designates responsibility for its Federal grants to the Administrator or Head of each department, without management oversight of the County's grants as a whole.

Recommendation:

We recommend the County establish a centralized grant identification system with the Auditor's office by obtaining the requisite information from the various departments for the grants it administers. This identification system should include, at a minimum, information necessary to prepare the Schedule of Expenditures of Federal Awards and accompanying notes as indicated in OMB A-133, section .310.

We also recommend the County Administrator's Office oversee administration of the County's Federal grants to ensure proper compliance with regulations and grant agreements.

Management Response:

The county plans to establish a centralized grant identified system with the administrator's office by obtaining the requisite information from the various departments for the grants it administers.

* * * * *

BOONE COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN
For the year ended November 30, 2009

Finding No: 2009-II-01

Condition:

There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel.

Plan:

The County Board of Boone County, Illinois is aware that this condition exists and will closely supervise and review all accounting information and results on a regular basis.

Anticipated Date of Completion:

No anticipated date at this time.

Name of Contact Person:

Ken Terrinoni, Boone County Administrator

Finding No: 2009-II-02

Condition:

The financial statements and significant accrual adjustments are prepared by the external auditors.

Plan:

Since it does not appear to be economically feasible to hire additional personnel, corrective action is limited. When this condition exists, the management and County Board of Boone County relies on the expertise of the external auditors.

Anticipated Date of Completion:

No anticipated date at this time.

Name of Contact Person:

Ken Terrinoni, Boone County Administrator

BOONE COUNTY, ILLINOIS
CORRECTIVE ACTION PLAN (CONTINUED)
For the year ended November 30, 2009

Finding No: 2009-III-01

Condition:

The County does not have a complete system in place for identifying federal financial assistance to enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without administrative oversight from the Administrator's Office or other designated individual.

Plan:

The County will establish a centralized grant identification system with the Administrator's office by obtaining the requisite information from the various departments for the grants it administers. This identification system will include, at a minimum, information necessary to prepare the Schedule of Expenditures of Federal Awards and accompanying notes as indicated in OMB A-133, section .310.

The County Administrator's Office will establish a process to oversee administration of the County's Federal grants to ensure proper compliance with regulations and grant agreements

Anticipated Date of Completion:

November 30, 2010

Name of Contact Person:

Ken Terrinoni, Boone County Administrator

BOONE COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended November 30, 2009

2008-II-01

Condition - There is inadequate control over the functions of processing and recording the financial transactions of the County due to the inadequate segregation of duties stemming from limited personnel.

Recommendation - It does not appear to be economically feasible to hire additional personnel to help prepare the financial statements and required footnote disclosures in accordance with accounting principles generally accepted in the United States of America. However, the County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

Current Status - The County's management and County Board's close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the county's accounting and financial reporting.

2008-II-02

Condition - The financial statement disclosures are prepared by the external auditors.

Recommendation - It does not appear to be economically feasible to hire additional personnel to help prepare the financial statements and required footnote disclosures in accordance with accounting principles generally accepted in the United States of America. However, the County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

Current Status - The County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

2008-III-01

Condition - The County does not have a complete system in place for identifying federal financial assistance to enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without administrative oversight from the Administrator's Office or other designated individual.

BOONE COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended November 30, 2009

2008-III-01 (Continued)

Recommendation - We recommend the County establish a centralized grant identification system with the Auditor's office by obtaining the requisite information from the various departments for the grants it administers. This identification system should include, at a minimum, information necessary to prepare the Schedule of Expenditures of Federal Awards and accompanying notes as indicated in OMB A-133, section .310.

We also recommend the County Administrator's Office oversee administration of the County's Federal grants to ensure proper compliance with regulations and grant agreements.

Current Status - The County plans to establish a centralized grant identification system with the administrator's office by obtaining the requisite information from the various departments for the grants it administers starting in the next fiscal year.